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**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: Members of the Committee on Energy, Utilities and Telecommunications  
From: Matt Sterling, Assistant Revisor of Statutes  
Date: February 7, 2018  
RE: House Bill 2451

HB 2451 would enact the statewide broadband deployment authorization act. The purpose of the act would be to encourage the deployment of advanced telecommunications capability throughout rural Kansas

HB 2451 is modeled after the Video Competition Act and would allow an entity seeking to provide broadband service in a rural area to file an application with the Kansas Corporation Commission for a state-issued rural broadband service authorization. Such authorization would allow a broadband service provider to provide broadband service in any rural area of the state. The certificate of authorization would be transferable to any successor and could be terminated by the service provider by submitting notice to the KCC.

The bill would make the state of Kansas the exclusive franchising authority for rural broadband service providers and holders of an authorization certificate could not be required to comply with any build-out requirements or to provide a specific technology. Local governments would not have the authority to require the service provider to obtain a separate franchise to provide broadband service in a rural area and could not impose any fees or regulations in addition to those required by the act. Any provider that currently provides broadband pursuant to a franchise with a municipality shall continue to comply with the conditions of that franchise until its expiration.

Under the bill, a service provider could not deny service to any potential subscribers based on income and shall establish a process in each service area for customers to request access to such service within 180 days of providing service to that service area.

HB 2451 would require that a rural broadband service provider give notice to each local government at least 30 days before providing broadband service in the local government's jurisdiction. Within 30 days of the time notice is delivered to the local government, the rural broadband service provider would be required to execute an agreement with the city pursuant to the act and pay a fee to the city. The fee would be set by the local government and would be a percentage of the provider's gross revenues, not to exceed 5%.

The KCC shall assess the costs of these proceedings against the parties to the proceeding and collect fees from the entities filing applications with the commission for state rural

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broadband authorizations in amounts sufficient to pay the costs of administering the statewide broadband deployment authorization act

Broadband service would be defined as service with at least: 25 megabits per second download speeds, 3 megabits upload speeds, an average latency of 100 milliseconds or less, and a minimum monthly data allowance of 150 gigabytes. Rural area would be defined as any county with an average population density of less than 100 people per square mile, excluding the county seat, that is either not served by any broadband service or less than 10% of the county has access to broadband service.

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