

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 1840
Appropriations/Base Budget Committee Substitute Adopted 7/7/06

Short Title: E-NC Internet Connectivity/PEG Channels.

(Public)

Sponsors:

Referred to:

May 24, 2006

A BILL TO BE ENTITLED

AN ACT TO EARMARK A PORTION OF THE STATE'S SHARE OF THE SALES
TAX ON TELECOMMUNICATIONS AND VIDEO PROGRAMMING
SERVICES FOR GRANTS FOR BROADBAND CONNECTIVITY, PEG
CHANNELS, AND COMMUNITY MEDIA CENTERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-437.45 reads as rewritten:

"§ 143B-437.45. **Definitions.**

The following definitions apply in this Part:

(1) Account. – The Public Access Account.

~~(1)~~(2) Authority. – The e-NC Authority.

~~(2)~~(3) Commission. – The governing body of the Authority.

~~(3)~~(4) Distressed urban areas. – Areas where at least one of the following requirements is met: (i) more than ten percent (10%) of children enrolled in public schools meet the requirements for the Food Stamp Program of the United States Department of Agriculture, (ii) ten percent (10%) of the citizens meet the TANF guidelines of the United States Department of Health and Human Services, or (iii) twenty-five percent (25%) of the children in the public school district meet the requirements for a federal government-sponsored free lunch.

~~(4)~~(5) High-speed broadband Internet access. – Internet access with transmission speeds that are consistent with requirements for high-speed broadband Internet access as defined by the Federal Communications Commission from time to time.

(6) PEG channel. – Defined in G.S. 66-350.

~~(5)~~(7) Regional Partnerships. – ~~As defined~~ Defined in G.S. 143B-437.21(6).

~~(6)~~(8) Rural county. – A county with a density of fewer than 250 people per square mile based on the 2000 United States decennial census."

SECTION 2. G.S. 143B-437.46(a) reads as rewritten:

1 "(a) Creation. – The e-NC Authority is created within the Department of
2 Commerce for organizational and budgetary purposes only, and the Commission shall
3 exercise all of its statutory authority under this Part independent of the control of the
4 Department of Commerce. The functions of the Secretary of Commerce are ministerial
5 and shall be performed only pursuant to the direction and policy of the Commission.

6 The purpose of the Authority is to manage, oversee, promote, and monitor efforts to
7 provide rural counties and distressed urban areas with high-speed broadband Internet
8 ~~access.~~ access and to promote the development of PEG channels and community media
9 centers. The Authority shall also serve as the central rural and urban distressed areas
10 Internet access policy planning body of the State and shall communicate and coordinate
11 with State, regional, and local agencies and private entities in order to continue the
12 development and facilitation of a coordinated Internet access policy for the citizens of
13 North Carolina."

14 **SECTION 3.** G.S. 143B-437.47(e) reads as rewritten:

15 "(e) Reports. – The Authority shall submit quarterly reports to the Governor, the
16 Joint Legislative Oversight Committee on Information Technology, and the Joint
17 Legislative Commission on Governmental Operations. The reports shall summarize the
18 Authority's activities during the quarter and contain any information about the
19 Authority's activities that is requested by the Governor, the Committee, or the
20 Commission.

21 The Authority shall publish an annual report on grants awarded under this Part. The
22 report must list each grant applicant, the amount of the grant, and the purpose of the
23 grant."

24 **SECTION 4.** Part 2F of Article 10 of Chapter 143B of the General Statutes
25 is amended by adding the following new section to read:

26 "**§ 143B-437.48. Public Access Account.**

27 (a) Account. – The Public Access Account is created within the Department of
28 Commerce. The Authority administers the Account. The Account provides revenue for
29 grants for broadband connectivity, PEG channels, and community media centers in
30 accordance with criteria established by the Authority. Revenue in the Account does not
31 revert at the end of the fiscal year. The Account consists of the following:

32 (1) Gifts and grants.

33 (2) Revenue credited under G.S. 105-164.44I.

34 (3) Reserved.

35 (4) Appropriations by the General Assembly.

36 (b) Use. – The Authority may use the revenue in the Account only as follows:

37 (1) Up to sixty-five thousand dollars (\$65,000) annually to cover the
38 Authority's expenses in grant letting and monitoring.

39 (2) Up to fifty percent (50%) of the remaining revenue to award
40 broadband connectivity competitive incentive grants to providers of
41 broadband service so that at least seventy percent (70%) of the
42 households in each county have the ability to access broadband
43 services by 2011. A grant recipient must match a grant on a cash basis
44 in an amount equal to at least fifty percent (50%) of the grant. A grant

1 recipient must specify the number of additional households to be
2 served as a result of the grant.

3 (3) The remaining revenue to award grants to establish, operate, and
4 support PEG channels and community media center grants."

5 **SECTION 5.** Part 2F of Article 10 of Chapter 143B of the General Statutes
6 is amended by adding the following new section to read:

7 **"§ 143B-437.49. Sunset.**

8 This Part is repealed effective December 31, 2011. Revenue remaining in the
9 Account on that date reverts to the General Fund."

10 **SECTION 6.** Article 5 of Chapter 105 of the General Statutes is amended by
11 adding a new section to read:

12 **"§ 105-164.44J. Distribution of part of State share of sales tax on video**
13 **programming service and telecommunications service to Public Access**
14 **Account.**

15 (a) Distribution. – The State's share of the revenue imposed on
16 telecommunications service under G.S. 105-164.4(a)(4c) and on video programming
17 service under G.S. 105-164.4(a)(6) is the amount that is not distributed to counties and
18 cities under G.S. 105-164.44F and G.S. 105-164.44I. The Secretary must transfer part of
19 the State's share to the Public Access Account established in G.S. 143B-437.48 on a
20 quarterly basis. The Secretary must make the transfer within 75 days after the end of
21 each calendar quarter. The amount the Secretary must transfer is the amount by which
22 the State's share for the quarter exceeds the amount of the State's share for the same
23 quarter in calendar year 2007. The amount transferred may not exceed two million five
24 hundred thousand dollars (\$2,500,000).

25 (b) Sunset. – This section is repealed December 31, 2011."

26 **SECTION 7.** G.S. 143B-437.48(a), as enacted by Section 4 of this act, reads
27 as rewritten:

28 "(a) Account. – The Public Access Account is created within the Department of
29 Commerce. The Authority administers the Account. The Account provides revenue for
30 grants for broadband connectivity, PEG channels, and community media centers in
31 accordance with criteria established by the Authority. Revenue in the Account does not
32 revert at the end of the fiscal year. The Account consists of the following:

- 33 (1) Gifts and grants.
34 (2) Revenue credited under G.S. 105-164.44I.
35 (3) ~~Reserved.~~ Revenue credited under G.S. 105-164.44J.
36 (4) Appropriations by the General Assembly."

37 **SECTION 8.** If House Bill 2047, 2005 General Assembly, becomes law,
38 then G.S. 66-359, as enacted by that act, is repealed, and G.S. 66-360, as enacted by that
39 act, is redesignated as G.S. 66-359.

40 **SECTION 9.** If House Bill 2047, 2005 General Assembly, becomes law,
41 then G.S. 105-164.44I(b), as enacted by that act, reads as rewritten:

42 "(b) Supplemental PEG Support. – The Secretary must include the applicable
43 amount of supplemental PEG channel support in each quarterly distribution to a county
44 or city. The amount to include is one-fourth of twenty-five thousand dollars (\$25,000)

1 for each qualifying PEG channel operated by the county or city. The amount of money
2 distributed under this subsection may not exceed two million dollars (\$2,000,000) in a
3 fiscal year. If the amount to be distributed for qualifying PEG channels in a fiscal year
4 would otherwise exceed this maximum amount, the Secretary must proportionately
5 reduce the applicable amount distributable for each PEG channel. If the amount to be
6 distributed for qualifying PEG channels in a fiscal year is less than two million dollars
7 (\$2,000,000), the Secretary must credit the excess amount to the ~~PEG Channel Fund~~
8 ~~established in G.S. 66-359.~~ Public Access Account established in G.S. 143B-437.48.

9 A county or city must certify to the Secretary by July 15 of each year the number of
10 qualifying PEG channels it operates. A qualifying PEG channel is one that meets the
11 programming requirements under G.S. 66-357(d). A county or city may not receive
12 PEG channel support under this subsection for more than three qualifying PEG
13 channels.

14 The amount included under this subsection in a distribution to a county or city is
15 intended to supplement the PEG channel support available in the amount distributed
16 under this section. The money distributed to a county or city under this subsection must
17 be used by it for the operation and support of PEG channels. For purposes of this
18 subsection, the term "PEG channel" has the same meaning as in G.S. 66-350."

19 **SECTION 10.** If Senate Bill 1741, 2005 General Assembly, becomes law,
20 then Section 12.3(a) of that act reads as rewritten:

21 "SECTION 12.3.(a) Section 4 of S.L. 2003-425 reads as rewritten:

22 'SECTION 4. Sections 1 and 2 of this act become effective December 31, 2003,
23 with the e-NC Authority hereby designated as the successor entity of the Rural Internet
24 Access Authority that will dissolve on that date, as provided by Section 5 of S.L.
25 2000-149. The remainder of this act is effective when it becomes law. ~~The e-NC~~
26 ~~Authority created in this act is dissolved effective December 31, 2011. This act is~~
27 ~~repealed effective December 31, 2011. Part 2F of Article 10 of Chapter 143B of the~~
28 ~~General Statutes and G.S. 120-123(77), as enacted by this act, are repealed effective~~
29 ~~December 31, 2011."~~

30 **SECTION 11.** Sections 1, 2, 3, 4, 8, and 9 of this act become effective
31 January 1, 2007. Sections 6 and 7 of this act become effective January 1, 2008. The
32 remainder of this act is effective when it becomes law.