

SENATE BILL REPORT

SB 5188

As of February 5, 2025

Title: An act relating to broadband infrastructure repair loans.

Brief Description: Concerning broadband infrastructure repair loans.

Sponsors: Senators Wellman, Hansen, Lovick, Kauffman, Krishnadasan, Nobles and Riccelli.

Brief History:

Committee Activity: Environment, Energy & Technology: 2/05/25.

Brief Summary of Bill

- Allows the Public Works Board to issue loans to assist in funding broadband infrastructure repair and replacement.
- Expands the allowable uses of the Public Works Board Broadband Service Expansion Grant and Loan Program to include repair and maintenance of existing infrastructure.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Alicia Kinne-Clawson (786-7407)

Background: Public Works Board. The Public Works Board (PWB) within the Department of Commerce provides financial and technical assistance to local governments in addressing local infrastructure and public works projects by making loans, grants, financing guarantees, and technical assistance available.

Broadband Service Expansion Grant and Loan Program. The PWB administers the Broadband Service Expansion Grant and Loan Program (Program), which awards funding to eligible applicants in order to promote the expansion of access to broadband service in unserved areas of the state. Eligible applicants include local governments, tribes, nonprofit

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organizations, cooperative associations, multiparty entities comprised of public entity members, limited liability corporations organized for the purpose of expanding broadband access, and incorporated businesses or partnerships. Program applications must include specified information such as:

- the location of the project;
- evidence the proposed infrastructure will be scalable;
- evidence regarding the unserved nature of the community in the project location; and
- evidence that no later than six weeks before submission of the application the applicant notified all entities providing broadband service near the proposed project area to ask if there were upgrade plans within the same time frame as the proposed project.

Summary of Bill: The Program is modified to permit loans for the purposes of repair and replacement of middle and last mile broadband infrastructure. To be eligible, a project must demonstrate the number of households whose broadband service would be upgraded or maintained. In evaluating loan applications, the PWB must give priority to applications in areas that would be unserved if repair or replacement did not take place.

Appropriation: None.

Fiscal Note: Requested on January 30, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: When we created the state broadband office we gave the PWB authority to fund broadband projects to expand broadband access. This is an issue of equity and equality. We've seen several circumstances where commercial lenders were not making loans for repair of infrastructure due to economic circumstances outside our control. The bill gives the authorization to the PWB to expand its scope. In rural areas, the rate base is not big enough to finance major repairs. This bill starts to recognize that the broadband infrastructure needs are evolving. After the federal investments, there will be less of a need to expand and more of a need to maintain the infrastructure we have. This will be a backstop to continue to provide service going forward. This is probably a very necessary tool as we look to bringing broadband for all.

Persons Testifying: PRO: Senator Lisa Wellman, Prime Sponsor; Mara Machulsky, Northwest Open Access Network; Mike Henson, Northwest Open Access Network; Scott Richards, Washington Public Utility District Association; Chris Herman, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying: No one.