

2025 Regular Session

HOUSE BILL NO. 689 (Substitute for House Bill No. 305 by Representative Deshotel)

BY REPRESENTATIVE DESHOTEL

UTILITIES: Provides for the regulation of certain broadband services

1 AN ACT

2 To amend and reenact R.S. 51:2370.13, 2370.15, 2370.32(B), 2370.41, and 2370.51 and to
3 enact Subpart E of Part VI-C of Chapter 39 of Title 51 of the Louisiana Revised
4 Statutes of 1950, to be comprised of R.S. 51:2370.61, relative to the regulation of
5 certain broadband services; to provide for administration fees; to provide for
6 reimbursement of grantees; to provide for grants; to provide for the oversight and
7 enforcement authority of the office of broadband development and connectivity; and
8 to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 51:2370.13, 2370.15, 2370.32(B), 2370.41, and 2370.51 are hereby
11 amended and reenacted and Subpart E of Part VI-C of Chapter 39 of Title 51 of the
12 Louisiana Revised Statutes of 1950, comprised of R.S. 51:2370.61, is hereby enacted to read
13 as follows:

14 §2370.13. Administration fee

15 The office may use up to ~~one~~ two and one half percent of the appropriated
16 funds to administer the GUMBO program. The office may use an additional ~~one~~ two
17 and one half percent of the appropriated funds to hire third-party contractors as
18 deemed necessary for the further administration of the GUMBO program. The
19 additional ~~one~~ two and one half percent shall not be used as compensation for any
20 new or existing positions within the office.

21 * * *

§2370.15. Reimbursement for grantees

Initial funding of ten percent shall be distributed to a grantee once the grantee has demonstrated that ten percent of the project has been completed. ~~Thereafter, payments shall be distributed as follows: thirty-five percent completion, sixty percent completion, eighty-five percent completion, and the final fifteen percent~~ The office may determine the thresholds of completion for the remaining disbursements and promulgate appropriate rules. The final payment shall not be paid without an approved completion report. Invoice for final payment shall be submitted within ninety days of completion date. All invoices are subject to audit for three years from the completion date.

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§2370.32. Reimbursement for grantees

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B. Except as provided in Subsection C of this Section, the next ten percent of the subgrant award shall be provided based on provider certification and the office's verification that ten percent of the eligible locations have been reached. ~~The remaining disbursements shall be given at the thresholds of completion of thirty-five percent, sixty percent, eighty-five percent, and one hundred percent.~~ The office may determine the thresholds of completion for the remaining disbursements which shall be defined in the GUMBO 2.0 subgrant agreement. The final disbursement for one hundred percent completion shall be given only after verification of one hundred percent deployment to eligible locations, within the mandatory forty-eight-month maximum deadline, which may be extended up to a year by the office or another shorter timeline certified by the applicant. The office shall disburse funds only for completed deployments that comply with the terms included in the successful application and shall withhold funds for failure to do so.

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1 §2370.41. GUMBO 3.0

2 A. In the event that there are remaining GUMBO 2.0 funds after the
3 obligation of infrastructure funds, the office shall run a grant program,
4 nondeployment, that will allow eligible parties including but not limited to state
5 agencies, nonprofits, for-profits, academic institutions, and planning commissions
6 to utilize these funds to help address challenges in economic development, workforce
7 development, health care, cybersecurity, agriculture, and other sectors and industries
8 of importance to the state of Louisiana, as determined by approval of Volume 2 of
9 Initial Proposal from the office and the Infrastructure Investment and Jobs Act, or
10 IIJA, the Broadband Equity, Access, and Deployment, or BEAD, Program, and the
11 Notice of Funding Opportunity, or NOFO, with an obligation deadline of these funds
12 to be completed no later than December 12, 2024. This program will be designated
13 as "Granting Unserved Municipalities Broadband Opportunities 3.0", and the office
14 shall have the authority to create appropriate rules and scoring criteria.

15 B. Grants solicited and awarded pursuant to the GUMBO 3.0 program are
16 subject to the provisions of the Louisiana Procurement Code, R.S. 39:1551 et seq.,
17 or the Public Bid Law, R.S. 38:2181 et seq. Alternative procurement methods
18 consistent with the requirements defined by the assistant secretary of the United
19 States Department of Commerce for Communications and Information may be used
20 to solicit and award grants pursuant to the GUMBO 3.0 program if determined in
21 writing by the commissioner of administration to be in the best interest of the state.
22 The office may promulgate rules that are consistent with the requirements
23 promulgated by the assistant secretary pursuant to the IIJA, BEAD program
24 guidelines, state law, and this Subpart.

25 §2370.51. GUMBO 4.0

26 A. The office shall have the authority to develop the rules, scoring criteria,
27 and eligibility in the execution of the State's First Digital Opportunity Plan, pending
28 approval from the National Telecommunications and Information Administration,
29 a Sub-Agency of the United States Department of Commerce. Eligible parties shall

1 include but not be limited to state agencies, nonprofits, for-profits, academic
2 institutions, and planning commissions. This program will be designated as
3 "Granting Unserved Municipalities Broadband Opportunities 4.0".

4 B. Grants solicited and awarded pursuant to the GUMBO 4.0 program are
5 subject to the provisions of the Louisiana Procurement Code, R.S. 39:1551 et seq.,
6 or the Public Bid Law, R.S. 38:2181 et seq. Alternative procurement methods
7 consistent with the requirements defined by the assistant secretary of the United
8 States Department of Commerce for Communications and Information may be used
9 to solicit and award grants pursuant to the GUMBO 4.0 program if determined in
10 writing by the commissioner of administration to be in the best interest of the state.
11 The office may promulgate rules that are consistent with requirements promulgated
12 by the assistant secretary pursuant to the IIJA, BEAD program guidelines, state law,
13 and this Subpart.

14 SUBPART E. OVERSIGHT AND ENFORCEMENT AUTHORITY BY THE OFFICE

15 OF BROADBAND DEVELOPMENT AND CONNECTIVITY

16 §2370.61. Oversight and enforcement authority by the office of broadband
17 development and connectivity

18 A. The office of broadband development and connectivity has exclusive
19 authority to do all of the following:

20 (1) Develop rules and standards to govern the implementation, performance,
21 and compliance of all broadband programs, including GUMBO 1.0, GUMBO 2.0,
22 GUMBO 3.0, GUMBO 4.0, and any future broadband initiatives.

23 (2) Investigate any alleged noncompliance or complaint related to broadband
24 deployment, including but not limited to the following:

25 (a) Inadequate speeds or service levels.

26 (b) Pricing violations.

27 (c) Failure to meet coverage obligations.

28 (d) Construction-related damages.

29 (e) Delays in activation or repair.

- 1 (3) Enforce compliance through administrative penalties, disbursement
 2 suspensions, fund recovery, or program exclusion.
- 3 B. The office of broadband development and connectivity shall establish a
 4 complaint resolution process for residents, municipalities, and stakeholders.
- 5 C. The office of broadband development shall promulgate all necessary rules
 6 pursuant to the Administrative Procedure Act to implement the provisions of this
 7 Section.
- 8 D. No other state agency has the authority to regulate broadband program
 9 compliance unless expressly authorized by law.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 689 Engrossed

2025 Regular Session

Deshotel

Abstract: Provides relative to the regulation of certain broadband services.

Present law provides that the office may use up to 1% of the appropriated funds to administer the GUMBO program. The office may use an additional 1% of the appropriated funds to hire third-party contractors as deemed necessary for the further administration of the GUMBO program. The additional 1% percent shall not be used as compensation for any new or existing positions within the office.

Proposed law increases the amount the office may use to administer the GUMBO program from 1% to 2.5%.

Proposed law increases the amount the office may use to hire third-party contractors as deemed necessary for the further administration of the GUMBO program from 1% to 2.5%.

Present law provides the initial funding of ten percent shall be distributed to a GUMBO 1.0 grantee once the grantee has demonstrated that 10% of the project has been completed. Thereafter, payments shall be distributed as follows: 35% completion, 60% completion, 85% completion, and the final 15% payment shall not be paid without an approved completion report.

Proposed law amends present law to provide that after the initial funding of 10%, the office may determine the thresholds of completion for the remaining disbursements and promulgate appropriate rules. The final payment shall not be paid without an approved completion report.

Present law provides that except as provided in present law, the next 10% of the GUMBO 2.0 subgrant award, after the initial 10%, shall be provided based on provider certification and the office's verification that 10% of the eligible locations have been reached. The remaining disbursements shall be given at the thresholds of completion of 35%, 60%, 85%, and 100%.

Proposed law amends present law to provide that the office may determine the thresholds of completion for the remaining disbursements which shall be defined in the GUMBO 2.0 subgrant agreement.

Present law creates the GUMBO 3.0 program.

Proposed law provides for grants administered under the GUMBO 3.0 program.

Present law creates the GUMBO 4.0 program.

Proposed law provides for grants administered under the GUMBO 4.0 program.

Proposed law provides for the oversight and enforcement authority by the office of broadband development and connectivity.

(Amends R.S. 51:2370.13, 2370.15, 2370.32(B), 2370.41, and 2370.51; Adds R.S. 51:2370.61)