

HOUSE BILL No. 2515

By Representative Sloan

1-22

1 AN ACT concerning telecommunications; relating to broadband
2 development; concerning income tax credits.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) Any taxpayer that holds certificated telephone service
6 territory in a rural area that is unable or unwilling to provide broadband
7 service to customers in such rural area may elect to release those
8 customers through the filing of a change of study area with the state
9 corporation commission. Any taxpayer that makes such an election shall
10 be entitled to a deduction from Kansas adjusted gross income in an amount
11 equal to the amount of the value of the existing customers. The valuation
12 of such deduction shall be the sum of the net cash flow of each customer to
13 the company for the previous five years within the service territory in
14 question and the state assessed value of the infrastructure serving those
15 customers. The taxpayer may take 20% of the value, as determined above
16 for five consecutive years, after the federal communications commission
17 approves the change of study area application forwarded by the
18 commission.

19 (b) To ensure that the existing customers of the local exchange carrier
20 or electing carrier continue to be served, the local exchange carrier or
21 electing carrier shall negotiate with the provider of broadband service that
22 is willing to meet the performance requirements to continue serving the
23 existing customers as the necessary infrastructure is installed.

24 (c) (1) "Broadband service" means a retail service that utilizes
25 infrastructure with the capacity to transmit data to enable a subscriber to
26 the service to originate and receive high-quality voice, data, graphics and
27 video, without regard to delivery technology and that:

28 (A) Is capable of minimum download speeds of at least 25 megabits
29 per second and minimum upload speeds of at least three megabits per
30 second;

31 (B) provides an average latency of less than 100 milliseconds to
32 enable the use of real-time communications; and

33 (C) provides subscribers with a minimum monthly data allowance of
34 150 gigabytes per month.

35 (2) "Rural area" means a county with an average population density
36 of less than 100 persons per square mile, excluding the county seat, and

1 that is either:

2 (A) Not served by any broadband service provider; or

3 (B) served by a broadband service provider, but less than 10% of the
4 persons in such county have access to broadband service.

5 Sec. 2. This act shall take effect and be in force from and after its
6 publication in the statute book.