



Addendum: Broadband Improvement Districts

Executive Summary

Broadband improvement district allows several political entities (e.g., municipalities, counties) to join in order to build out broadband infrastructure together. These districts can also partner with private entities. In 2021, Missouri passed a law ([RSMo 71.1000](#)) allowing municipalities to form a broadband improvement district upon voter approval. [HB 2016](#) and [HB 2353](#) in the 2022 legislative session would expand this statute to allow political subdivisions to form broadband improvement districts.

Highlights

- Vermont, Arkansas, New Hampshire, and Washington have passed legislation allowing for the establishment of broadband improvement districts.
- Involving multiple stakeholders in broadband deployment efforts may provide several benefits including the ability to leverage combined financial resources, enhance revenue potential, and share expertise.

Limitations

- Scientific research investigating the effects of broadband improvement districts on broadband deployment is not yet available.

Research Background

Broadband Improvement Districts

A broadband improvement district allows several political entities (e.g., municipalities and counties) to come together in order to build out broadband infrastructure together. These districts can partner with private entities to support broadband deployment. Financing for the expansion of broadband services may be obtained through various means such as grants, appropriations, loans, user fees, and taxes. Several states have passed legislation allowing for the establishment of broadband improvement districts including [Vermont](#), [Arkansas](#), [New Hampshire](#), and [Washington](#).^{1,2}

In 2021, Missouri [HB 271](#) was signed into law and allows municipalities to form broadband improvement districts after seeking approval by voters. Districts may also partner with a telecommunications company or broadband service provider to create or improve telecommunications facilities. The district may finance the expansion of broadband services

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through grants, loans, bonds, user fees, or a sales tax. The sales tax may not be greater than 1% unless approved by voters in the district.

Two bills in 2022 ([HB 2353](#), [HB 2016](#)) would expand the definition of a broadband improvement district to allow political subdivisions more generally to create broadband improvement districts. [HB 2016](#) modifies the original bill language ([RSMo 71.1000](#)) to include political subdivisions and explicitly allows districts to partner with private entities. [HB 2353](#) adds an additional section to statute in order to allow political subdivisions to form a broadband improvement district. In contrast to [HB 2016](#) and current statute regarding municipalities ([RSMo 71.1000](#)), [HB 2353](#) does not include taxes as part of the financing mechanisms available to broadband improvement districts created by political subdivisions.

Currently, scientific research investigating the effects of broadband improvement districts on broadband deployment are not yet available. However, involving multiple stakeholders in broadband deployment efforts, particularly via public-private partnerships, may be beneficial. They can increase access to financial and other resources such as access to public infrastructure. These partnerships can enhance revenue potential by expanding access and outreach to citizens. They also allow expertise to be shared between the public and private spheres. For more information, see our previously published [Science Note](#) on vertical asset management, public-private partnerships, and funding benchmarks for broadband deployment.

References

1. Morton, H. (12AD, January 11). *Broadband 2020 legislation*. National Conference of State Legislatures. Retrieved March 9, 2022, from <https://www.ncsl.org/research/telecommunications-and-information-technology/broadband-2020-legislation.aspx>
2. Morton, H. (2022, January 7). *Broadband 2021 Legislation*. National Conference of State Legislatures. Retrieved March 9, 2022, from <https://www.ncsl.org/research/telecommunications-and-information-technology/broadband-2021-legislation.aspx>