

March 20, 2007

**S 1068. E-NC INTERNET CONNECTIVITY/PEG CHANNEL.** Filed 3/20/07. *TO ESTABLISH 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, AND TO REPEAL THE E-NC AUTHORITY SUNSET.*

Amends GS 143B-437.46(a) to allow the e-NC authority to promote the development of PEG channels and Community Media Centers. Amends GS 143B-437.47(e) to require the e-NC Authority to publish an annual report on grants awarded, specifying certain information, and a bi-annual report on the development of high-speed broadband access in rural counties and distressed urban areas and on the development of PEG channels through Community Media Centers. Enacts new GS 143B-437.48 to: (1) establish a Public Access Account within the Department of Commerce to provide revenue for grants for broadband connectivity, PEG channels, and Community Media Centers; (2) authorize local governments, and educational, nonprofit, or public institutions to apply for broadband, PEG channel, and Community Media Center grants, and authorize for-profit institutions to apply for broadband grants; and (3) direct the purposes for which the Authority can use the revenue in the Account. Enacts new GS 105-164.44J to provide for a quarterly transfer to the Public Access Account of a portion of the state's share of the sales tax on telecommunications service and video programming service, not to exceed \$2.5 million per quarter. Repealed on December 31, 2015. Makes conforming changes to GS 143B-437.45. Amends Section 12.3(a) of SL 2006-66 to repeal the sunset of the e-NC Authority.

Amends GS 105-164.44F(a)(2) to increase the distribution to qualifying counties and cities of a portion of the state's taxes imposed on telecommunications service and ancillary service from 7.7 percent to 8.3 percent, effective from the date the act becomes law through June 30, 2007, and then to 8.6 percent, effective July 1, 2007. Amends GS 105-164.44I(a) to: (1) increase the amount that the Secretary of Revenue must distribute to qualifying cities and counties that is earmarked to support qualifying PEG Channels to \$7 million (was, \$2 million); (2) increase the distribution to qualifying counties and cities of a portion of the state's taxes imposed on video programming, other than on direct-to-home satellite service, from 23.6 percent to 25.4 percent, effective when the act becomes law until June 30, 2007, and then to 26.9 percent, effective July 1, 2007; and (3) increase the distribution to qualifying counties and cities of a portion of the state's taxes imposed on direct-to-home satellite services from 37.1 percent to 39.9 percent, effective when the act becomes law until June 30, 2007, and then to 40.4 percent, effective July 1, 2007. Amends GS 105-164.44I(b) to make conforming changes and direct that any money not distributed according to the subsection will be credited to the Public Access Account established in GS 143B-437.48 (previously credited to the PEG Channel Fund). Amends GS 66-369(b) to authorize cities and counties to apply to the e-NC Authority for PEG Channel funds or Community Media Centers from the Public Access Account according to certain limitations.

**Intro. by Dalton.**

GS 66, 105, 143B

May 14, 2007

**S 1068. E-NC INTERNET CONNECTIVITY/PEG CHANNEL.** Filed 3/20/07. Senate committee substitute makes the following changes to 1st edition. Reorganizes the bill and makes technical and conforming changes. Changes the proposed new purpose of the e-NC Authority in GS 143B-437.46(a) from promoting the development of PEG channels and Community Media Centers (CMCs) to administering grants for the PEG channels and CMCs. Rather than enacting a new GS 143B-437.48 (Public Access Account), instead renames existing GS 143B-437.48 (PEG channel grants) as *Public Access Account* and amends the statute to provide for grants for CMCs as well as PEG channels. Changes the maximum annual administrative expenses from \$100,000 to 4% of available funds. Increases the maximum grant for a PEG channel from \$25,000 to \$50,000 and sets the maximum grant for a CMC at \$250,000. Eliminates the reporting requirement. Eliminates the requirement that grants be used only for capital expenditures and instead provides that no more than 50% of a grant may be used for operating costs. Authorizes

broadband connectivity competitive incentive grants, with priority for providers that would serve counties with less access to high-speed Internet.

Eliminates the proposed amendments to GS 105-164.44F and 105-164.44I that would have been in effect from the time the act becomes law until July 1, 2007. Sets an effective date of January 1, 2008, for proposed new GS 105-164.44J and the conforming changes to GS 143B-437.48(a), with the remainder of the act effective July 1, 2007.

July 12, 2007

**S 1068. E-NC INTERNET CONNECTIVITY/PEG CHANNEL.** Filed 3/20/07. Senate committee substitute makes the following changes to 2nd edition. Modifies GS 143B-437.48 to provide that the 50% of the remaining funds in the Public Access Account that is awarded for broadband connectivity competitive incentive grants is to be awarded to private sector providers of broadband service or to public/private partnerships. Modifies proposed new GS 105-164.44J to require the Secretary of Revenue to transfer the amount by which the state's share for the quarter exceeds the amount of the state's share for the same quarter in fiscal year 2008-09 (was, in calendar year 2007). Changes the sunset date from December 31, 2015, to July 1, 2017, and provides that the section does not apply to distributions beginning on or after July 1, 2017. Changes the effective date to July 1, 2009 (was, sections 9 and 10 become effective January 1, 2008, and the remainder of the act becomes effective July 1, 2007).

July 31, 2007

**S 1068. E-NC INTERNET CONNECTIVITY/PEG CHANNEL.** Filed 3/20/07. House committee substitute makes the following changes to 3rd edition. Deletes the proposed amendments to the following: definitions in GS 143B-437.45; GS 143B-437.46(a) (requiring the e-NC Authority to administer the grants for the PEG channels and CMCs); GS 143B-437.47(e) (requiring an annual report on grants awarded); GS 66-359, which was proposed to be recodified as GS 143B-437.48 (creating the Public Access Account); GS 143B-437.48(a); and deletes proposed new GS 105-164.44J (providing for the distribution of part of the state share of sales tax on video programming service and telecommunications service to the Public Access Account). Modifies GS 105-164.44I(b) to remove the proposed amendment that would have required that the Secretary of Revenue credit the excess amount to the Public Access Account.