
By: **Senators Pipkin, Astle, Brinkley, Colburn, Dyson, Hafer, Haines, Harris,
Hooper, Jacobs, Middleton, Mooney, Munson, and Teitelbaum**

Introduced and read first time: February 3, 2006

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 25, 2006

Returned to second reading: March 29, 2006

Senate action: Adopted with floor amendments

Read second time: March 29, 2006

CHAPTER _____

1 AN ACT concerning

2 ~~Cooperatives—Rural Broadband Telecommunication Services—~~
3 ~~Organization~~
4 Rural Broadband Communication Services

5 FOR the purpose of establishing the ~~Rural Broadband Coordination Office in the~~
6 ~~Department of Business and Economic Development for certain purposes;~~
7 ~~requiring the Office to coordinate with certain regional councils and other public~~
8 ~~and private entities for the establishment of rural broadband~~
9 ~~telecommunication services in certain areas; providing for the appointment of~~
10 ~~an Executive Director of the Office Maryland Rural Broadband Coordination~~
11 ~~Board; specifying the Board's powers and duties; specifying the membership of~~
12 ~~the Board; requiring the Board and affected units of State government to~~
13 ~~cooperate in a certain manner; requiring the Rural Maryland Council to provide~~
14 ~~certain staff support and to provide a certain report; establishing a Rural~~
15 ~~Broadband Assistance Fund as a special fund in the Office Department of~~
16 ~~Business and Economic Development for certain purposes; providing for the~~
17 ~~purposes of the Fund; authorizing certain nonprofit cooperatives to organize~~
18 ~~under the laws of the State; providing for the dissolution in a certain manner of~~
19 ~~a cooperative that has not begun to do business requiring the Department to~~
20 ~~administer the Fund; requiring the Department to make disbursement from the~~
21 ~~Fund within a certain period of time under certain circumstances; transferring~~
22 ~~certain funds from the Transportation Authority Fund to the Rural Broadband~~
23 ~~Assistance Fund for certain purposes and under certain circumstances; stating~~
24 ~~the intent of the General Assembly; providing for the construction of this Act;~~

1 and generally relating to economic development, rural broadband
 2 telecommunication services, and cooperatives providing that the amount of
 3 funds transferred from the Transportation Authority Fund may be reduced by a
 4 certain amount under certain circumstances; providing that the State Highway
 5 Administration shall allow the use of any right-of-way for the installation of
 6 certain infrastructure provided by certain telecommunications services
 7 providers without imposition of a certain charge; providing that the cost of any
 8 relocation of broadband communication infrastructure due to certain road
 9 improvements shall be the responsibility of certain persons; providing for the
 10 construction of certain provisions of this Act; defining certain terms; providing
 11 for the termination of this Act; and generally relating to rural broadband
 12 communication services.

13 BY adding to

14 Article 41 - Governor - Executive and Administrative Departments
 15 Section 21-101 through 21-103 to be under the new title "Title 21. Rural
 16 Broadband Coordination"
 17 Annotated Code of Maryland
 18 (2003 Replacement Volume and 2005 Supplement)

19 BY adding to

20 Article 83A - Department of Business and Economic Development
 21 Section 5-1901 through 5-1903 and 5-1902 to be under the new subtitle
 22 "Subtitle 19. Rural Broadband ~~Coordination~~ Assistance Fund"
 23 Annotated Code of Maryland
 24 (2003 Replacement Volume and 2005 Supplement)

25 ~~BY repealing and reenacting, with amendments,~~

26 ~~Article - Corporations and Associations~~
 27 ~~Section 5-5A-24~~
 28 ~~Annotated Code of Maryland~~
 29 ~~(1999 Replacement Volume and 2005 Supplement)~~

30 ~~BY adding to~~

31 ~~Article - Corporations and Associations~~
 32 ~~Section 5-6C-01 to be under the new subtitle "Subtitle 6C. Rural Broadband~~
 33 ~~Cooperatives"~~
 34 ~~Annotated Code of Maryland~~
 35 ~~(1999 Replacement Volume and 2005 Supplement)~~

36 ~~BY repealing and reenacting, with amendments,~~

37 ~~Article - Transportation~~
 38 ~~Section 4-313~~
 39 ~~Annotated Code of Maryland~~
 40 ~~(2001 Replacement Volume and 2005 Supplement)~~

1 BY adding to
 2 Article - Transportation
 3 Section 8-654
 4 Annotated Code of Maryland
 5 (2001 Replacement Volume and 2005 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 7 MARYLAND, That the Laws of Maryland read as follows:

8 **Article 41 - Governor - Executive and Administrative Departments**

9 **TITLE 21. RURAL BROADBAND COORDINATION.**

10 21-101.

11 ~~(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

12 ~~(B) , "BOARD" MEANS THE MARYLAND RURAL BROADBAND COORDINATION~~
 13 ~~BOARD.~~

14 21-102.

15 (A) THERE IS A MARYLAND RURAL BROADBAND COORDINATION BOARD.

16 (B) THE BOARD SHALL:

17 (1) ASSIST IN THE DEPLOYMENT OF BROADBAND COMMUNICATION
 18 INFRASTRUCTURE IN RURAL AND UNDERSERVED AREAS OF THE STATE;

19 (2) COOPERATE WITH PUBLIC, PRIVATE, AND NONPROFIT ENTITIES TO
 20 OBTAIN, COORDINATE, AND DISSEMINATE RESOURCES FOR THE ESTABLISHMENT OF
 21 BROADBAND COMMUNICATION SERVICES IN RURAL AND UNDERSERVED AREAS OF
 22 THE STATE;

23 (3) REVIEW AND APPROVE THE DISBURSEMENT OF THE FUNDS UNDER
 24 THE RURAL BROADBAND ASSISTANCE FUND UNDER ARTICLE 83A, § 5-1903 § 5-1902 OF
 25 THE CODE AND ANY OTHER FEDERAL, STATE, AND PRIVATE FINANCIAL RESOURCES
 26 THAT MAY BE PROVIDED TO ASSIST THE ESTABLISHMENT OF BROADBAND
 27 COMMUNICATION SERVICES IN RURAL AND UNDERSERVED AREAS OF THE STATE;
 28 AND

29 (4) PERFORM OTHER FUNCTIONS THAT ARE CONSISTENT WITH THE
 30 INTENT OF THIS TITLE.

31 21-103.

32 (A) THE MEMBERSHIP OF THE BOARD CONSISTS OF:

1 (1) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR
2 THE SECRETARY'S DESIGNEE;

3 (2) THE SECRETARY OF TRANSPORTATION, OR THE SECRETARY'S
4 DESIGNEE;

5 (3) AS SELECTED BY THE SECRETARY OF BUDGET AND MANAGEMENT,
6 EITHER THE CHIEF OF THE STATE OFFICE OF INFORMATION TECHNOLOGY OR THE
7 DIRECTOR OF NETWORK MARYLAND;

8 (4) THE CHAIRMAN OF THE RURAL MARYLAND COUNCIL, OR THE
9 CHAIRMAN'S DESIGNEE;

10 (5) THE CHAIRMAN OF THE TRI-COUNTY COUNCIL FOR SOUTHERN
11 MARYLAND, OR THE CHAIRMAN'S DESIGNEE;

12 (6) THE CHAIRMAN OF THE TRI-COUNTY COUNCIL FOR WESTERN
13 MARYLAND, OR THE CHAIRMAN'S DESIGNEE;

14 (7) THE CHAIRMAN OF THE MID-SHORE REGIONAL COUNCIL, OR THE
15 CHAIRMAN'S DESIGNEE;

16 (8) THE CHAIRMAN OF THE TRI-COUNTY COUNCIL FOR THE LOWER
17 EASTERN SHORE OF MARYLAND, OR THE CHAIRMAN'S DESIGNEE; AND

18 (9) THE CHAIRMAN OF THE UPPER SHORE REGIONAL COUNCIL, OR THE
19 CHAIRMAN'S DESIGNEE.

20 (B) THE BOARD SHALL:

21 (1) ELECT A CHAIR FROM AMONG ITS MEMBERS; AND

22 (2) ADOPT RULES TO CARRY OUT THIS TITLE.

23 (C) THE BOARD AND THE AFFECTED UNITS OF STATE GOVERNMENT SHALL
24 COOPERATE FULLY IN CARRYING OUT THE INTENT OF THIS TITLE.

25 (D) THE RURAL MARYLAND COUNCIL SHALL:

26 (1) PROVIDE STAFF SUPPORT TO THE BOARD; AND

27 (2) IN ITS ANNUAL REPORT UNDER § 15-109 OF THIS ARTICLE, REPORT
28 ON THE ACTIVITIES OF THE BOARD IN THE PRECEDING FISCAL YEAR TO THE
29 GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT
30 ARTICLE, TO THE GENERAL ASSEMBLY.

1 Article 83A - Department of Business and Economic Development

2 SUBTITLE 19. RURAL BROADBAND ~~COORDINATION~~ ASSISTANCE FUND.

3 5-1901.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (B) "BOARD" MEANS THE MARYLAND RURAL BROADBAND COORDINATION
7 BOARD ESTABLISHED UNDER ARTICLE 41, ~~TITLE 24~~ § 21-102 OF THE CODE.

8 ~~(B)~~ (C) "FUND" MEANS THE RURAL BROADBAND ASSISTANCE FUND
9 ESTABLISHED UNDER ~~§ 5-1903~~ § 5-1902 OF THIS SUBTITLE.

10 ~~(C)~~ "OFFICE" MEANS ~~THE RURAL BROADBAND COORDINATION OFFICE.~~

11 ~~(D)~~ "RURAL COUNCILS" MEANS:

12 (1) ~~THE TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND;~~

13 (2) ~~THE MID-SHORE REGIONAL COUNCIL;~~

14 (3) ~~THE TRI-COUNTY COUNCIL FOR THE LOWER EASTERN SHORE OF~~
15 ~~MARYLAND;~~

16 (4) ~~THE UPPER SHORE REGIONAL COUNCIL; AND~~

17 (5) ~~THE TRI-COUNTY COUNCIL FOR WESTERN MARYLAND.~~

18 ~~5-1902.~~

19 (A) ~~THERE IS A RURAL BROADBAND COORDINATION OFFICE IN THE~~
20 ~~DEPARTMENT.~~

21 (B) ~~THE OFFICE SHALL:~~

22 (1) ~~ASSIST IN THE ESTABLISHMENT OF RURAL BROADBAND~~
23 ~~COOPERATIVES IN RURAL AND UNDERSERVED AREAS OF THE STATE;~~

24 (2) ~~COOPERATE AND ACT WITH PUBLIC AND PRIVATE ENTITIES TO~~
25 ~~OBTAIN, COORDINATE, AND DISSEMINATE RESOURCES, INCLUDING FINANCIAL AND~~
26 ~~TECHNICAL RESOURCES, FOR THE ESTABLISHMENT OF RURAL BROADBAND~~
27 ~~SERVICES IN RURAL AND UNDERSERVED AREAS OF THE STATE;~~

28 (3) ~~COORDINATE WITH THE RURAL COUNCILS IN MANAGING~~
29 ~~PROCUREMENT PROCESSES FOR IMPLEMENTING A FIBER OPTIC BROADBAND~~
30 ~~BACKBONE AND OTHER APPROPRIATE BROADBAND TELECOMMUNICATION~~
31 ~~SERVICES IN RURAL AND UNDERSERVED AREAS; AND~~

1 (4) ~~ACT AS A FISCAL AGENT FOR THE RURAL COUNCILS AND RURAL~~
 2 ~~BROADBAND COOPERATIVES IN FINANCING THE DEPLOYMENT OF BROADBAND~~
 3 ~~TELECOMMUNICATION SERVICES IN RURAL AND UNDERSERVED AREAS OF THE~~
 4 ~~STATE WITHIN THE REGIONS SERVED BY THE RURAL COUNCILS.~~

5 (C) (1) ~~THE SECRETARY SHALL APPOINT AN EXECUTIVE DIRECTOR FOR THE~~
 6 ~~OFFICE.~~

7 (2) ~~THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE~~
 8 ~~SECRETARY.~~

9 (D) ~~THE OFFICE SHALL COOPERATE WITH OTHER UNITS OF STATE~~
 10 ~~GOVERNMENT.~~

11 (E) ~~SUBJECT TO THE APPROVAL OF THE SECRETARY, THE OFFICE MAY ADOPT~~
 12 ~~REGULATIONS TO CARRY OUT THIS SUBTITLE.~~

13 ~~5-1903. 5-1902.~~

14 (A) THERE IS A RURAL BROADBAND ASSISTANCE FUND IN THE ~~OFFICE~~
 15 DEPARTMENT.

16 (B) THE PURPOSE OF THE FUND IS TO ASSIST RURAL IN THE ESTABLISHMENT
 17 OF BROADBAND COOPERATIVES IN DEVELOPING BROADBAND
 18 TELECOMMUNICATION COMMUNICATION SERVICES IN RURAL AND UNDERSERVED
 19 AREAS AND MAKING THOSE SERVICES AVAILABLE TO THE PUBLIC OF THE STATE.

20 (C) THE OFFICE DEPARTMENT SHALL ADMINISTER THE FUND.

21 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT
 22 TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

23 (2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE
 24 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

25 (E) THE FUND CONSISTS OF:

26 (1) ~~MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH §~~
 27 ~~4-313(C)(2) OF THE TRANSPORTATION ARTICLE APPROPRIATED IN THE STATE~~
 28 BUDGET TO THE MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY
 29 AND FUND FOR THE PURPOSE OF ASSISTING IN THE ESTABLISHMENT OF
 30 BROADBAND COMMUNICATION SERVICES IN RURAL AND UNDERSERVED AREAS OF
 31 THE STATE;

32 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

33 (3) FEDERAL MONEY ALLOCATED OR GRANTED TO THE FUND; AND

34 (4) ANY OTHER MONEY FROM ANY SOURCE ACCEPTED FOR THE
 35 BENEFIT OF THE FUND.

1 (F) THE FUND MAY BE USED ONLY FOR PLANNING, CONSTRUCTION, AND
2 MAINTENANCE OF BROADBAND ~~TELECOMMUNICATION~~ COMMUNICATION SERVICES
3 AND EQUIPMENT IN RURAL AND UNDERSERVED AREAS, AND RELATED ACTIVITIES.

4 (G) (1) THE TREASURER SHALL INVEST THE MONEY IN THE FUND IN THE
5 SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

6 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO
7 THE GENERAL FUND OF THE STATE.

8 (H) ~~EXPENDITURES FROM THE FUND MAY ONLY BE MADE IN ACCORDANCE~~
9 ~~WITH THE STATE BUDGET~~ THE DEPARTMENT SHALL MAKE DISBURSEMENTS FROM
10 THE FUND WITHIN 30 DAYS FOLLOWING NOTICE OF A DECISION OF THE BOARD
11 UNDER ARTICLE 41, § 21-102(B)(3) OF THE CODE.

12 **~~Article—Corporations and Associations~~**

13 ~~5-5A-24.~~

14 (a) (1) ~~Except as provided in paragraph (2) of this subsection, a cooperative~~
15 ~~may consolidate, merge, transfer assets, dissolve, or divide in the manner provided in~~
16 ~~Title 3 of this article.~~

17 (2) (i) ~~In the case of a cooperative with more than 10,000 voting~~
18 ~~members, wherever Title 3 of this article requires the affirmative vote of the members~~
19 ~~or stockholders, the members and stockholders entitled to vote shall approve the~~
20 ~~consolidation, merger, transfer of assets, dissolution, or division in the manner~~
21 ~~provided for in § 5-5A-21(a)(3) of this subtitle for amendments to the articles of~~
22 ~~incorporation.~~

23 (ii) ~~This provision is reserved for the members and may not be the~~
24 ~~prerogative of the delegates.~~

25 (b) (1) ~~A cooperative may, with proper notice, at any regular or special~~
26 ~~meeting of its members, be dissolved by a vote of two thirds of the membership voting~~
27 ~~in person or by mail ballot. This right of dissolution is a right reserved for the~~
28 ~~membership and not the right of the delegates.~~

29 (2) ~~On affirmative vote to dissolve the cooperative, 3 members shall be~~
30 ~~elected as trustees by a majority vote of the members voting at that regular or special~~
31 ~~meeting.~~

32 (3) ~~The trustees, on behalf of the cooperative and within a time fixed in~~
33 ~~their designation or within any extension thereof, shall liquidate the assets of the~~
34 ~~cooperative and distribute the assets in the manner set forth in this section.~~

35 (c) ~~A suit for involuntary dissolution of the cooperative organized under this~~
36 ~~subtitle may be instituted for the causes and prosecuted in the manner set forth in~~
37 ~~the general corporate law of Maryland. Assets shall be distributed in a manner set~~
38 ~~forth in this subtitle.~~

1 (d) When a cooperative is dissolved, its assets shall be distributed in the
2 following manner and order:

3 (1) By paying its debts and expenses;

4 (2) By returning to the members the lesser of parvalue or book value of
5 their shares, their membership capital, or allocated equity;

6 (3) By returning to the subscribers the lesser of parvalue or book value of
7 amounts paid on their subscriptions;

8 (4) By returning to eligible patrons the lesser of parvalue or book value
9 of the amount of net savings credited to their accounts toward the purchase of shares
10 or membership; and

11 (5) By distributing any surplus as a gift to another cooperative or to a
12 nonprofit, tax exempt enterprise.

13 (E) (1) ~~A COOPERATIVE THAT HAS NOT BEGUN DOING BUSINESS MAY BE~~
14 ~~DISSOLVED BY FILING ARTICLES OF DISSOLUTION FOR RECORD WITH THE~~
15 ~~DEPARTMENT.~~

16 (2) ~~THE ARTICLES OF DISSOLUTION SHALL BE SIGNED AND~~
17 ~~ACKNOWLEDGED FOR THE COOPERATIVE BY A MAJORITY OF THE INCORPORATORS~~
18 ~~OF THE COOPERATIVE.~~

19 (3) ~~THE ARTICLES OF DISSOLUTION SHALL CONTAIN:~~

20 (I) ~~THE NAME OF THE COOPERATIVE AND THE ADDRESS OF ITS~~
21 ~~PRINCIPAL OFFICE; AND~~

22 (II) ~~A STATEMENT THAT:~~

23 1. ~~THE COOPERATIVE HAS NOT BEGUN DOING BUSINESS;~~

24 2. ~~ANY MONEY RECEIVED BY THE COOPERATIVE, LESS ANY~~
25 ~~DISBURSEMENTS FOR EXPENSES OF THE COOPERATIVE, HAS BEEN RETURNED OR~~
26 ~~PAID TO THE PERSONS ENTITLED TO THE MONEY;~~

27 3. ~~ALL DEBTS OF THE COOPERATIVE HAVE BEEN PAID; AND~~

28 4. ~~A MAJORITY OF THE INCORPORATORS OF THE~~
29 ~~COOPERATIVE ELECT THAT THE COOPERATIVE BE DISSOLVED.~~

30 ~~SUBTITLE 6C. RURAL BROADBAND COOPERATIVES.~~

31 ~~5-6C-01.~~

32 (A) ~~A COOPERATIVE, NONPROFIT MEMBERSHIP CORPORATION MAY BE~~
33 ~~ORGANIZED TO SUPPLY, PROMOTE, AND EXTEND THE USE OF BROADBAND~~
34 ~~COMMUNICATION SERVICES IN RURAL AND UNDERSERVED AREAS.~~

1 ~~(B) A COOPERATIVE ORGANIZED UNDER THIS SECTION SHALL BE ORGANIZED~~
 2 ~~AND GOVERNED BY SUBTITLE 5A OF THIS TITLE.~~

3 ~~(C) A COOPERATIVE ORGANIZED UNDER THIS SECTION MAY USE THE TERM~~
 4 ~~"COOPERATIVE" AS PART OF ITS CORPORATE NAME.~~

5 **Article - Transportation**

6 ~~4-313.~~

7 ~~(a) (1) All rentals, rates, fees, tolls, and other charges and revenues derived~~
 8 ~~from any transportation facilities project shall be set aside in a fund known as the~~
 9 ~~"Transportation Authority Fund", except to the extent that they are pledged under an~~
 10 ~~applicable trust agreement to secure either:~~

11 ~~(i) Revenue bonds issued under this subtitle if the trust agreement~~
 12 ~~or bond authorizing resolution expressly provides that this section does not apply to~~
 13 ~~those bonds; or~~

14 ~~(ii) Revenue bonds of prior issues.~~

15 ~~(2) The Transportation Authority Fund shall be pledged to and charged~~
 16 ~~with the payment of:~~

17 ~~(i) The interest on bonds issued under this subtitle as it falls due;~~

18 ~~(ii) The principal of the bonds as it falls due;~~

19 ~~(iii) The necessary charges of paying agents for paying principal and~~
 20 ~~interest; and~~

21 ~~(iv) The redemption price or purchase price of bonds retired by call~~
 22 ~~or purchase as provided in the bond authorizing resolution or trust agreement.~~

23 ~~(b) (1) The pledge is valid and binding from the time it is made.~~

24 ~~(2) Rentals, rates, fees, tolls, and other charges and revenues or other~~
 25 ~~money so pledged and later received by the Authority immediately shall be subject to~~
 26 ~~the lien of the pledge without physical delivery or any further act.~~

27 ~~(3) The lien of the pledge is valid and binding as against all parties~~
 28 ~~having any claims of any kind in tort, contract, or otherwise against the Authority,~~
 29 ~~whether or not these parties have notice of the pledge.~~

30 ~~(4) Notwithstanding any law to the contrary, neither the resolution nor~~
 31 ~~any trust agreement by which a pledge is created need be filed or recorded other than~~
 32 ~~in the records of the Authority.~~

33 ~~(e) (1) [Any] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~
 34 ~~SUBSECTION, ANY amount set aside in the Transportation Authority Fund that is not~~

1 needed to provide for the payment of the items specified in subsections (a)(2) and (b)
 2 of this section may be transferred, upon the recommendation of the Secretary and
 3 after the approval of the Board of Public Works, to the Transportation Trust Fund to
 4 be used as appropriated by the General Assembly unless prohibited by any applicable
 5 resolution or trust agreement.

6 (2) (1) ~~SUBJECT TO SUBPARAGRAPH (H) OF THIS PARAGRAPH, FOR~~
 7 ~~FISCAL YEAR 2008 ONLY, \$10,000,000 OF THE FUNDS IN THE TRANSPORTATION~~
 8 ~~AUTHORITY FUND, WHICH ARE NOT REQUIRED BY LAW TO BE DISTRIBUTED TO THE~~
 9 ~~COUNTIES OR BALTIMORE CITY, AND WHICH HAVE NOT BEEN PLEDGED OR~~
 10 ~~OTHERWISE COMMITTED TO THE PAYMENT OF OR AS SECURITY FOR ANY BONDS OR~~
 11 ~~OTHER DEBT ISSUED OR INCURRED IN ACCORDANCE WITH THIS ARTICLE, SHALL BE~~
 12 ~~TRANSFERRED AND CREDITED TO THE RURAL BROADBAND ASSISTANCE FUND~~
 13 ~~UNDER ARTICLE 83A, § 5-1903 § 5-1902 OF THE CODE FOR THE BENEFIT OF ONE OR~~
 14 ~~MORE RURAL BROADBAND COOPERATIVES FORMED UNDER § 5-6C-01 OF THE~~
 15 ~~CORPORATIONS AND ASSOCIATIONS ARTICLE.~~

16 (H) ~~THE TRANSFER OF FUNDS UNDER SUBPARAGRAPH (I) OF THIS~~
 17 ~~PARAGRAPH IS CONTINGENT ON THE FORMATION AND EXISTENCE OF AT LEAST ONE~~
 18 ~~RURAL BROADBAND COOPERATIVE IN THE STATE AS OF JUNE 30, 2007. THE AMOUNT~~
 19 ~~OF THE TRANSFER OF FUNDS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL~~
 20 ~~BE REDUCED BY ANY AMOUNT OF STATE FUNDS THAT ARE APPROPRIATED IN THE~~
 21 ~~BUDGET, OR OTHERWISE AVAILABLE, TO THE DEPARTMENT OF BUSINESS AND~~
 22 ~~ECONOMIC DEVELOPMENT FOR FISCAL YEAR 2007 FOR THE PURPOSE OF ASSISTING~~
 23 ~~IN THE ESTABLISHMENT OF BROADBAND COMMUNICATION SERVICES IN RURAL AND~~
 24 ~~UNDERSERVED AREAS OF THE STATE.~~

25 ~~{(2)}~~ (3) The use and disposition of money to the credit of the
 26 Transportation Authority Fund is subject to the provision of the applicable bond
 27 authorizing resolution or trust agreement.

28 8-654.

29 (A) THE ADMINISTRATION SHALL ALLOW THE USE OF ANY RIGHT-OF-WAY
 30 FOR THE INSTALLATION OF BROADBAND COMMUNICATION INFRASTRUCTURE
 31 PROVIDED BY NONPROFIT TELECOMMUNICATIONS SERVICES PROVIDERS IN RURAL
 32 AND UNDERSERVED AREAS OF THE STATE WITHOUT IMPOSITION OF ANY CHARGE
 33 FOR THE USE OF THE RIGHT-OF-WAY.

34 (B) THE COST OF ANY RELOCATION OF BROADBAND COMMUNICATION
 35 INFRASTRUCTURE DUE TO FUTURE ROAD IMPROVEMENTS SHALL BE THE
 36 RESPONSIBILITY OF THE APPROPRIATE TELECOMMUNICATIONS SERVICES
 37 PROVIDER.

38 (C) THIS SECTION MAY NOT BE CONSTRUED TO LIMIT OR OTHERWISE AFFECT
 39 ANY RIGHT GRANTED TO THE STATE OR A UNIT OF THE STATE UNDER § 253 OF THE
 40 FEDERAL TELECOMMUNICATIONS ACT OF 1996 WITH REGARD TO FOR PROFIT
 41 TELECOMMUNICATIONS SERVICES PROVIDERS.

1 ~~SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the~~
2 ~~General Assembly that procurement, installation, and operation of rural broadband~~
3 ~~telecommunication services through rural broadband cooperatives in accordance with~~
4 ~~this Act shall be accomplished with the assistance of federal financial aid and with~~
5 ~~resource sharing with private entities to the greatest extent practicable.~~

6 ~~SECTION 3. AND BE IT FURTHER ENACTED, That nothing in this Act may~~
7 ~~be construed to impair or otherwise alter the authority of any cooperative other than~~
8 ~~a rural broadband cooperative formed under § 5-6C-01 of the Corporations and~~
9 ~~Associations Article, as enacted by this Act, to provide broadband telecommunication~~
10 ~~service of any kind in the State.~~

11 SECTION 2. AND BE IT FURTHER ENACTED, That:

12 (a) Subject to subsection (b) of this section, for fiscal years 2008 and 2009, the
13 Governor shall include in the annual budget bill a general fund appropriation to the
14 Rural Broadband Assistance Fund established under Article 83A, § 5-1902 of the
15 Code, as enacted by Section 1 of this Act, of at least \$4,000,000 in each fiscal year, of
16 which at least \$2,000,000 in each fiscal year shall be from the Maryland Economic
17 Development Assistance Authority and Fund.

18 (b) If the Rural Broadband Assistance Fund receives more than \$2,000,000
19 from the Maryland Economic Development Assistance Authority and Fund in fiscal
20 year 2007, then, for fiscal year 2009 only, the funding specified in subsection (a) of
21 this section may be reduced by the amount by which the 2007 fiscal year funding from
22 the Maryland Economic Development Assistance Authority and Fund exceeds
23 \$2,000,000.

24 ~~SECTION 4. 2-3. AND BE IT FURTHER ENACTED, That this Act shall take~~
25 ~~effect July 1, 2006. It shall remain effective for a period of 14 years and, at the end of~~
26 ~~June 30, 2020, with no further action required by the General Assembly, this Act shall~~
27 ~~be abrogated and of no further force and effect.~~