

SB0774: Property Tax – Valuation of Operating Property of Rural Broadband Service Providers

Favorable

Testimony as submitted by:

Josh Bokee

Executive Director, Connect (for Broadband)

JoshBokeeConnect@gmail.com

Frederick County, Maryland resident

The Hon. Chair, Senator Guy Guzzone

The Hon. Vice-Chair, Senator Jim Rosapepe

Members of the Committee

My name is Josh Bokee, and I am the executive director of Connect (for Broadband), a nonprofit organization that is dedicated towards helping to close the digital divide by supporting access to high-speed broadband as well as the needed digital technologies and skills that will help Maryland households compete and succeed in the global economy. I respectfully recommend to the committee a **Favorable** vote on **SB 0774 –Property Tax – Valuation of Operating Property of Rural Broadband Service Providers**.

Sb 0774 proposes changes to how the State Department of Assessments and Taxation assesses the operating properties of broadband service providers for property tax purposes, which would modify the valuation process to potentially encourage the expansion of broadband services, especially within rural areas.

The State of Maryland has been a leader in both encouraging and investing in broadband access for unserved households throughout the state. The state anticipates an allocation of over \$267 million from the federal Broadband Equity, Access, and Deployment (BEAD) Program to continue the deployment and upgrade of high-speed internet networks, ensuring reliable and affordable services statewide.

The effective deployment of high-speed broadband to every corner of the state is essential to ensure that Maryland is a leading competitor in the global digital economy. High-tech, A.I supported manufacturing; lab and research centers, quantum and cyber initiatives and precision guided agricultural activities can only occur with access to high-speed broadband. Broadband access is not a silo in and of itself – it is the foundation upon which the state can unlock meaningful and transformative economic gains in every community of Maryland.

However, potential challenges await, even as the state is poised to receive the needed federal investment. These include inflationary pressures on materials such as fiber and related machine components, and uncertainties with respect to access to needed construction labor as every state, including Maryland and its private sector partners, moves forward with network buildouts.

SB 0774 could provide needed financial incentive and relief to help ensure that private investment moves forward for the effective build out of these critical broadband networks. The legislation is consistent with prior Maryland General Assembly initiatives, including the 2018 report that was issued by the Task Force on Rural Internet, Broadband, Wireless and Cellular Service that included this strategy as one method to encourage broadband expansion.

I respectfully recommend to the committee a **Favorable** vote on **SB 0774 –Property Tax – Valuation of Operating Property of Rural Broadband Service Providers.**

Thank you to the bill's sponsors for bringing this legislation forward and for the committee's consideration.