



1000 University Ave., W. Suite 222  
Saint Paul, MN 55104  
651-330-8062 (Main)  
www.mendozalawoffice.com

Anthony S. Mendoza, Esq.  
Direct Dial: 651-340-8884  
Cell: 651-247-1012  
tony@mendozalawoffice.com

## **MINNESOTA TELECOMMUNICATIONS LEGISLATION PASSED IN 2017**

It was a busy year for the telecommunications industry at the Minnesota Legislature this year. The Legislature considered many telecommunications related bills, including Voice over Internet Protocol regulatory reform, internet privacy, broadband funding, streamlined right-of-way access for small cell wireless technology, and expansion of the state sales tax exemption on telecommunications capital equipment. Below is a summary of significant laws enacted.

### **Border-to-Border Broadband Grant Funding.**

- \$20 million for Border-to-Border broadband fund.
- \$250,000 to fund Office of Broadband Development in 2018 and 2019.

### **Telecommunications Sales Tax Exemption Expansion.**

- Prior to this session, the following types of equipment were exempt from Minnesota sales tax: radio transmitters, receivers, satellite equipment, microwave equipment, and other transporting media, but not wire, cable, fiber, poles, or conduit.
- The Omnibus Tax legislation enacted this session now also exempts fiber and conduit from sales tax.

### **Telecommunications Education Access and Library Funding.**

- These programs allow schools and libraries to be reimbursed for certain telecommunications expenses.
- The Omnibus Education legislation appropriated \$7.5 million for the biennium for schools and \$4.6 million for libraries.

## Small Cell Streamlined Right-of-Way Access.

- This legislation revises Minnesota Statutes sections 237.162-.163, creating a streamlined process for accessing local public rights-of-way by wireless companies seeking to “densify” their networks to deploy “small cell” technology.
- The new law makes the placement of small wireless facilities a permitted use in public rights-of-way except in areas zoned single-family residential or in historic districts.
- The law restricts local government authority over right-of-way permitting applications by owners of small wireless facilities through the following mechanisms:
  - 90 day shot clock to approve or deny small wireless facility permit applications;
  - Right to file batch of permits for up to 15 small wireless facility units at once;
  - Prohibits moratoria on small wireless facility deployments;
  - Prohibits “unreasonable” fees charged by third party contractors, and prohibits local governments from entering into contracts with third party consultants whose compensation is based on customer counts, access lines, revenue of the wireless service provider, or revenue generated for a local governmental entity.
  - Caps the amount a local government can charge for the use of publicly owned property at an amount equal to:
    - \$150 per wireless support structure occupied, plus
    - Up to \$25 per year for maintenance of a wireless support structure, plus
    - A monthly fee for electricity costs equal to \$73/month for nodes using 100 watts or less, and \$182 for nodes using over 100 watts, or the actual cost of electricity if the amount exceeds either of these amounts.
- The law does not afford similar streamlined processes for wireline telecommunications right-of-way users. However, the law does afford equal treatment to micro wireless facilities (high density WiFi deployments).
- The law expressly preserves cable franchising authority for local governments.
- The law also includes a provision precluding local governments from regulating or charging fees to entities that already occupy public rights-of-way under an existing authorization (e.g. a cable franchise).
- Municipally owned utilities are exempt from the new law.