

Fiscal Analysis

GRANTS FOR TOOL & DIE BROADBAND SERVICES



Bill/Sponsor **HOUSE BILL 5254 (as introduced), Rep. Neal Nitz**

House Committee Commerce

Analysis

Summary

House Bill 5254 would amend the Michigan Broadband Development Authority Act to allow the authority to make grants to qualified tool and die businesses for broadband infrastructure and broadband services as long as the businesses are located in a recovery zone if approved by the Department of Treasury and the Michigan Economic Development Corporation.

Fiscal Impact

The Michigan Broadband Development Authority (MBDA) is an independent state government agency authorized to issue investment grade, taxable and tax-exempt bonds, the proceeds of which can be used to provide financing assistance. The MBDA currently offers low-cost loans to telecommunications companies willing to invest in high-speed internet infrastructure by offering these organizations low-cost financing for the acquisition of hardware/software applications that will improve or increase their use of broadband service. The current revenue stream of MBDA may not be sufficient to cover a new grant program. It cannot be determined the amount of grants that may be awarded under the new program. The costs are indeterminate.

Analyst(s)

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