

## HB607 INTRODUCED



1 HB607  
2 DG2PIHH-1  
3 By Representative Jackson  
4 RFD: Urban and Rural Development  
5 First Read: 24-Apr-25



SYNOPSIS:

This bill creates the Rural Connectivity and Innovation Act which establishes a state-funded grant program to expand high-speed broadband access in underserved farming communities promoting rural economic development and agricultural innovation.

This bill will also establish a state income tax credit for farmers adopting broadband-enabled technologies.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to broadband; to establish the Rural Connectivity and Innovation Act; to provide definitions; to create a grant program for broadband access in underserved farming communities; and to provide for an income tax credit for farmers adopting broadband-enabled technologies.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and be cited as the Rural Connectivity and Innovation Act.

Section 2. The Legislature finds and declares the following:



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(1) High-speed broadband is essential for modern agricultural operations and rural economic development.

(2) Underserved farming communities face significant challenges due to limited access to broadband.

(3) Public-private partnerships and targeted incentives can drive innovation and improve connectivity in rural areas.

Section 3. For the purposes of this act, the following terms and phrases have the following meanings:

(1) ADECA. The Alabama Department of Economic and Community Affairs.

(2) BROADBAND-ENABLED TECHNOLOGIES. Digital tools and systems used in agriculture, including precision farming, smart irrigation, and automated machinery.

(3) ELIGIBLE APPLICANTS. Public-private partnerships, local governments, and cooperative organizations proposing broadband infrastructure projects.

(4) QUALIFYING EXPENSES. The purchase, installation, and maintenance of broadband-enabled agricultural equipment.

(5) UNDERSERVED FARMING COMMUNITIES. Rural areas with limited or no access to high-speed broadband, as defined by ADECA.

Section 4. (a) The legislature shall appropriate fifty million dollars (\$50,000,000) each fiscal year to ADECA to establish and fund a grant program for broadband infrastructure projects in underserved farming communities.

(b) ADECA shall award grants to applicants who demonstrate a commitment to serving underserved areas and outline a plan for maintaining infrastructure. ADECA shall



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57 prioritize applications for public-private partnerships and  
58 cooperative models.

59 (c) Applicants shall file an application with ADECA  
60 describing how the funds will be used and any other  
61 information ADECA may require.

62 (d) ADECA shall adopt rules regarding restrictions and  
63 eligibility requirements to implement and administer the  
64 provisions of this bill.

65 (e) Grant recipients shall submit annual progress  
66 reports to ADECA detailing project milestones, expenditure,  
67 and broadband access improvements.

68 (f) ADECA shall conduct regular performance audits to  
69 ensure grant proceeds are used effectively and equitably.

70 (g) ADECA shall conduct public awareness campaigns to  
71 inform rural communities about grant opportunities and tax  
72 incentives and offer technical training programs to help  
73 farmers adopt and utilize broadband-enabled technologies.

74 (h) This section shall be repealed on December 31,  
75 2030.

76 Section 5. (a) An Alabama individual income tax credit  
77 in an amount of up to ten thousand dollars (\$10,000) may be  
78 claimed by farmers to offset qualifying expenses.

79 (b) Any tax credit issued under this section may not  
80 decrease a taxpayer's tax liability to less than zero. If the  
81 tax liability of the taxpayer is less than the tax credit  
82 issued under this section, the taxpayer may only utilize the  
83 amount of the credit that reduces the taxpayer liability to  
84 zero. The tax credit is not refundable nor transferable and



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may be carried forward for up to five years.

(c) The tax credit authorized by this act is limited to an aggregate amount for all taxpayers of two million dollars (\$2,000,000) annually.

(d)(1) The tax credit allowed under this section shall be effective beginning January 1, 2026, for the 2026 tax year, and shall continue through the 2030 tax year, except as provided in subsection (b).

(2) Notwithstanding the other provisions of this subsection, an individual shall not claim this credit for more than three tax years.

(e) The Department of Revenue may adopt rules for the implementation and administration of this section.

Section 6. This act shall become effective on October 1, 2025.