

---

HOUSE BILL 1698

---

State of Washington

61st Legislature

2009 Regular Session

By Representatives Hudgins and McCoy

Read first time 01/27/09. Referred to Committee on Technology, Energy & Communications.

1 AN ACT Relating to broadband adoption and deployment; adding a new  
2 section to chapter 82.04 RCW; adding a new section to chapter 82.29A  
3 RCW; and adding a new chapter to Title 43 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** With regard to high-speed internet services  
6 and technology advancement, the legislature finds the following:

7 (1) The deployment and adoption of high-speed internet services and  
8 technology advancements enhances economic development and public safety  
9 for the state's communities, while offering improved health care,  
10 increased educational opportunities, and a better quality of life for  
11 the state's residents.

12 (2) Improvements in the deployment and adoption of high-speed  
13 internet services and the strategic inclusion of technology  
14 advancements is critical to ensuring that Washington remains  
15 competitive and continues to attract businesses and stimulate job  
16 growth.

17 (3) The state must encourage and support strategic partnerships of  
18 public, private, nonprofit, and community-based sectors in the

1 continued growth and development of high-speed internet services and  
2 information technology for state residents and businesses.

3 (4) In light of the importance of broadband deployment to the  
4 economy, health, safety, and welfare of the people of Washington, it is  
5 essential the legislature create a council capable of developing  
6 statewide broadband strategies.

7 NEW SECTION. **Sec. 2.** The definitions in this section apply  
8 throughout this chapter unless the context clearly requires otherwise.

9 (1) "Authority" means the broadband adoption and deployment  
10 authority created in section 3 of this act.

11 (2) "Community technology programs" means programs that are engaged  
12 in diffusing information and communications technology in local  
13 communities, particularly in underserved areas. These programs may  
14 include, but are not limited to, programs that provide education and  
15 skill-building opportunities, hardware and software, internet  
16 connectivity, and development of locally relevant content and delivery  
17 of vital services through technology. Community technology programs  
18 are usually provided by nonprofit or public agencies in public  
19 community settings. These include youth and community centers, small  
20 business and workforce training centers, mutual assistance associations  
21 and settlement houses, low-income housing, libraries, or schools opened  
22 for community programs.

23 (3) "Council" means the council on digital inclusion created in  
24 section 7 of this act.

25 (4) "Underserved areas" means areas in which the broadband speeds  
26 are less than five million bits per second down and one million bits  
27 per second up.

28 NEW SECTION. **Sec. 3.** The broadband adoption and deployment  
29 authority is created. The authority has the following powers and  
30 duties:

31 (1) To implement federally funded and mandated broadband adoption  
32 and deployment programs;

33 (2) To develop geographic information system maps and inventories  
34 of public and private high-speed internet infrastructure;

35 (3) To address management of proprietary and competitively  
36 sensitive data related to telecommunications mapping;

1 (4) To track residential and business adoption of high-speed  
2 internet, computers, and related information technology;

3 (5) To identify barriers to the adoption of broadband service and  
4 related information technology services by individuals and businesses,  
5 including whether or not the demand for these services is absent and  
6 whether the supply for these services is capable of meeting the demand;

7 (6) To monitor and track prices and service quality to ensure  
8 comparable and affordable broadband and information services are  
9 provided throughout all regions of the state;

10 (7) To create, implement, and administer programs to improve  
11 computer ownership, technology literacy, and high-speed internet access  
12 for populations not currently served in the state including a program  
13 similar to the Washington telephone assistive program that provides  
14 low-income families with significantly reduced cost internet access.  
15 This program should also provide low-cost internet access to nonprofit  
16 entities as suggested in the K-20 program;

17 (8) To administer community technology opportunities programs;

18 (9) To create additional programs to spur the development of high-  
19 speed internet resources in the state, which may include, but is not  
20 limited to:

21 (a) Soliciting funding in the form of grants or donations;

22 (b) Establishing technology literacy and digital inclusion programs  
23 and establishing low-cost hardware and software purchasing programs;

24 (c) Developing loan programs targeting small businesses or  
25 businesses located in underserved areas; and

26 (d) Including community technology organizations in state hardware  
27 and software purchasing programs;

28 (10) To establish a matching grant program to encourage private and  
29 public telecommunications deployment in unserved areas. This includes  
30 those areas that currently have broadband access but do not meet the  
31 federal communications commission's definition of high-speed internet;

32 (11) To study the feasibility of creating a state universal service  
33 fund to provide ongoing funding for broadband adoption and deployment.

34 NEW SECTION. **Sec. 4.** The digital inclusion account is created in  
35 the custody of the state treasurer. All receipts from sections 5 and  
36 6 of this act and gifts, grants, or appropriations made to the account  
37 must be deposited into the account. Expenditures from the account may

1 be used only for the purposes of this chapter. Only the director of  
2 the authority or the director's designee may authorize expenditures  
3 from the account. The account is subject to allotment procedures under  
4 chapter 43.88 RCW, but an appropriation is not required for  
5 expenditures.

6 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8 (1) For purposes of this section, "telecommunications company" has  
9 the same meaning as defined in RCW 80.04.010.

10 (2) A telecommunications company shall be allowed a credit against  
11 taxes due under this chapter in an amount equal to fifty percent of  
12 contributions made in any fiscal year directly to the digital inclusion  
13 account created in section 4 of this act. The credit shall be taken in  
14 a form and manner as required by the department. The  
15 telecommunications company must make the contribution before claiming  
16 a credit authorized under this section. The credit under this section  
17 shall not exceed two hundred thousand dollars per fiscal year per  
18 telecommunications company. The credit may not exceed the tax that  
19 would otherwise be due under this chapter. Refunds shall not be  
20 granted in the place of credits.

21 (3) Except as provided under subsection (4) of this section, a tax  
22 credit claimed under this section may not be carried over to another  
23 year.

24 (4) Any amount of tax credit otherwise allowable under this section  
25 not claimed by a telecommunications company in any calendar year may be  
26 carried over and claimed against the tax liability for the next  
27 succeeding calendar year. Any credit remaining unused in the next  
28 succeeding calendar year may be carried forward and claimed against the  
29 tax liability for the second succeeding calendar year; and any credit  
30 not used in that second succeeding calendar year may be carried over  
31 and claimed against the tax liability for the third succeeding calendar  
32 year, but may not be carried over for any calendar year thereafter.

33 (5) Credits are available on a first in-time basis. The department  
34 shall disallow any credits, or portion thereof, that would cause the  
35 total amount of credits claimed under this section during any calendar  
36 year to exceed five hundred thousand dollars. The department shall  
37 provide written notice to any telecommunications company who has

1 claimed tax credits in excess of the five hundred thousand dollar  
2 limitation in this subsection. The notice shall indicate the amount of  
3 tax due and shall provide that the tax be paid within thirty days from  
4 the date of such notice. The department shall not assess penalties and  
5 interest as provided in chapter 82.32 RCW on the amount due in the  
6 initial notice if the amount due is paid by the due date specified in  
7 the notice, or any extension thereof.

8 (6) To claim a credit under this section, a telecommunications  
9 company must electronically file with the department all returns,  
10 forms, and any other information required by the department, in an  
11 electronic format as provided or approved by the department. Any  
12 return, form, or information required to be filed in an electronic  
13 format under this section is not filed until received by the department  
14 in an electronic format. As used in this subsection, "returns" has the  
15 same meaning as "return" in RCW 82.32.050.

16 (7) No application is necessary for the tax credit. The person  
17 must keep records necessary for the department to verify eligibility  
18 under this section.

19 (8) The department shall not allow any credit under this section  
20 before July 1, 2009.

21 (9) The right to earn tax credits under this section expires June  
22 30, 2018.

23 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.29A RCW  
24 to read as follows:

25 Taxes collected under RCW 82.29A.030 from a telecommunications  
26 company, as defined in RCW 80.04.010, as a result of the company's  
27 leasehold interest in publicly owned property shall be deposited in the  
28 digital inclusion account created in section 4 of this act.

29 NEW SECTION. **Sec. 7.** (1) The council on digital inclusion is  
30 created. The council must include representatives from community  
31 technology organizations, telecommunication providers, higher  
32 education, K-12 education, public health, public housing, and  
33 government entities that are engaged in community technology  
34 activities.

35 (2) The council's duties include all of the following:

1 (a) Undertake a thorough review of grant programs available through  
2 the federal government, local agencies, telecommunications providers,  
3 and business and charitable entities for the purposes of identifying  
4 appropriate sources of revenues for the digital inclusion account  
5 created in section 4 of this act and attempting to update available  
6 grants on a regular basis.

7 (b) Explore using state buying power to negotiate bulk buys from  
8 technology suppliers and thus getting a discount on purchases and  
9 making technology more affordable.

10 (c) Analyze how support from public and private sector  
11 partnerships, the philanthropic community, and other not-for-profit  
12 organizations in the community, along with strong relationships with  
13 the state board of education and higher education institutions, builds  
14 a sustainable infrastructure that provides a variety of access  
15 alternatives for citizens.

16 (d) Plan for long-term sustainability. Digital inclusion  
17 initiatives must be seen as long-term components of a community's  
18 offerings to its citizens and an ever-present vehicle to help the state  
19 meet a variety of economic, health care, environmental, and educational  
20 goals. Long-term sustainability is a critical factor to ensure  
21 prolonged access to economic opportunity in our digital economy. For  
22 the state, it is an opportunity and challenge that will influence  
23 economics, policy, and politics.

24 (e) Research and catalog programs designed to advance digital  
25 literacy and computer access that are available through the federal  
26 government, local agencies, telecommunications providers, and business  
27 and charitable entities and attempt to update available programs on a  
28 regular basis.

29 (f) Present the information compiled under this section to the  
30 authority, which is the single point of contact for applying for  
31 funding from the digital inclusion account and for distributing  
32 information to the public regarding all programs designed to advance  
33 digital literacy and computer access.

34 NEW SECTION. **Sec. 8.** Nothing in this chapter may be construed to  
35 limit the ability of any municipality, county, or other unit of local  
36 government to:

- 1           (1) Undertake local broadband projects and the provision of  
2 services in connection therewith;  
3           (2) Lease infrastructure that it owns or controls;  
4           (3) Aggregate customers or demand for broadband services; or  
5           (4) Apply for and receive funds or technical assistance to  
6 undertake projects to address the level of broadband access available  
7 to its businesses and residents or any similar broadband deployment  
8 project.

9           NEW SECTION.   **Sec. 9.** Sections 1 through 4, 7, and 8 of this act  
10 constitute a new chapter in Title 43 RCW.

--- END ---