
SUBSTITUTE SENATE BILL 6775

State of Washington

60th Legislature

2008 Regular Session

By Senate Economic Development, Trade & Management (originally sponsored by Senators Kauffman, Kilmer, Shin, Kastama, Franklin, Kohl-Welles, and Rasmussen)

READ FIRST TIME 02/04/08.

1 AN ACT Relating to addressing the digital literacy and technology
2 training needs of low-income and underserved areas through state
3 support of community technology programs; adding a new section to
4 chapter 82.04 RCW; adding a new section to chapter 82.29A RCW; adding
5 a new chapter to Title 28B RCW; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that information
8 technology plays an increasingly important role in the state's economy
9 but that the knowledge level and adoption of information technologies
10 are limited in some areas of the state. It is the intent of this act
11 to address digital literacy and technology training needs of low-income
12 and technology underserved residents of the state through state support
13 of community technology programs.

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

16 (1) "Administrator" means the community technology opportunity
17 program administrator designated by the Washington State University
18 extension.

1 (2) "Community technology program" means a program, including a
2 digital inclusion program, engaged in diffusing information and
3 communications technology in local communities, particularly in
4 underserved areas. These programs may include, but are not limited to,
5 programs that provide education and skill-building opportunities,
6 hardware and software, internet connectivity, and development of
7 locally relevant content and delivery of vital services through
8 technology.

9 (3) "Telecommunications company" has the same meaning as provided
10 in RCW 80.04.010 and includes providers of internet services subject to
11 tax under RCW 82.04.297.

12 NEW SECTION. **Sec. 3.** The community technology opportunity program
13 is created to support the efforts of community technology programs
14 throughout the state. The community technology opportunity program
15 must be administered by the Washington State University extension. The
16 Washington State University extension may contract for services in
17 order to carry out the extension's obligations under this section.

18 (1) In implementing the community technology opportunity program
19 the administrator must:

20 (a) Provide organizational and capacity building support to
21 community technology programs throughout the state, and identify and
22 facilitate the availability of other public and private sources of
23 funds to enhance the purposes of this chapter and the work of community
24 technology programs. No more than fifteen percent of funds received by
25 the administrator for the program may be expended on these functions;

26 (b) Establish a competitive grant program and provide grants to
27 community technology programs to provide training and skill-building
28 opportunities; access to hardware and software; internet connectivity;
29 assistance in the adoption of information and communication
30 technologies in low-income and underserved areas of the state; and
31 development of locally relevant content and delivery of vital services
32 through technology.

33 (2) Grant applicants must:

34 (a) Provide evidence that the applicant is a nonprofit entity or a
35 public entity that is working in partnership with a nonprofit entity;

36 (b) Define the geographic area or population to be served;

1 (c) Include in the application the results of a needs assessment
2 addressing, in the geographic area or among the population to be
3 served: The impact of inadequacies in technology access or knowledge,
4 barriers faced, and services needed;

5 (d) Explain in detail the strategy for addressing the needs
6 identified and an implementation plan including objectives, tasks, and
7 benchmarks for the applicant and the role that other organizations will
8 play in assisting the applicant's efforts;

9 (e) Provide evidence of matching funds and resources, which are
10 equivalent to at least one-quarter of the grant amount committed to the
11 applicant's strategy;

12 (f) Provide evidence that funds applied for, if received, will be
13 used to provide effective delivery of community technology services in
14 alignment with the goals of this chapter and to increase the
15 applicant's level of effort beyond the current level; and

16 (g) Comply with such other requirements as the administrator
17 establishes.

18 (3) The administrator may use no more than ten percent of funds
19 received for the community technology opportunity program to cover
20 administrative expenses.

21 (4) The administrator must establish expected program outcomes for
22 each grant recipient and must require grant recipients to provide an
23 annual accounting of program outcomes.

24 NEW SECTION. **Sec. 4.** The Washington community technology
25 opportunity account is established in the state treasury. All receipts
26 from the provisions of sections 5 and 6 of this act must be deposited
27 into the account. Donated funds from private and public sources may
28 also be deposited into the account. Expenditures from the account may
29 be used only for the operation of the community technology opportunity
30 program as provided in sections 1 through 3 of this act. Only the
31 administrator or the administrator's designee may authorize
32 expenditures from the account.

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

35 (1) For purposes of this section, "telecommunications company" has
36 the same meaning as provided in section 2 of this act.

1 (2) A telecommunications company is allowed a credit against taxes
2 due under this chapter in an amount equal to fifty percent of
3 contributions made in any fiscal year directly to the Washington
4 community technology opportunity account. The credit must be taken in
5 a form and manner as required by the department. The
6 telecommunications company must make the contribution before claiming
7 a credit authorized under this section. The credit under this section
8 may not exceed two hundred thousand dollars per fiscal year per
9 telecommunications company. The credit may not exceed the tax that
10 would otherwise be due under this chapter. Refunds may not be granted
11 in the place of credits.

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

15 (4) Any amount of tax credit otherwise allowable under this section
16 not claimed by a telecommunications company in any calendar year may be
17 carried over and claimed against the tax liability for the next
18 succeeding calendar year. Any credit remaining unused in the next
19 succeeding calendar year may be carried forward and claimed against the
20 tax liability for the second succeeding calendar year; and any credit
21 not used in that second succeeding calendar year may be carried over
22 and claimed against the tax liability for the third succeeding calendar
23 year, but may not be carried over for any calendar year thereafter.

24 (5) Credits are available on a first in-time basis. The department
25 must disallow any credits, or portion thereof, that would cause the
26 total amount of credits claimed under this section during any calendar
27 year to exceed five hundred thousand dollars. If this limitation is
28 reached, the department must notify the Washington State University
29 extension that the annual statewide limit has been met. In addition,
30 if this statewide limitation is reached, the department also must
31 provide written notice to any telecommunications company that has
32 claimed tax credits in excess of the statewide limitation in this
33 subsection. The notice to a telecommunications company must indicate
34 the amount of tax due and must provide that the tax be paid within
35 thirty days from the date of such notice. The department may not
36 assess penalties and interest as provided in chapter 82.32 RCW on the
37 amount due in the initial notice if the amount due is paid by the due
38 date specified in the notice, or any extension thereof.

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

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

12 (8) The Washington State University extension must provide to the
13 department, upon request, such information as is needed to verify
14 eligibility for credit under this section, including information
15 regarding contributions made to benefit the community technology
16 program.

17 (9) The department may not allow any credit under this section
18 before July 1, 2008.

19 (10) This section expires June 30, 2018.

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

22 Taxes collected under RCW 82.29A.030 from a telecommunications
23 company, as defined in section 2 of this act, as a result of the
24 company's leasehold interest in publicly owned property must be
25 deposited in the Washington community technology opportunity account
26 created in section 4 of this act.

27 NEW SECTION. **Sec. 7.** Sections 1 through 4 of this act constitute
28 a new chapter in Title 28B RCW.

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