
SUBSTITUTE HOUSE BILL 1460

State of Washington

67th Legislature

2021 Regular Session

By House Finance (originally sponsored by Representatives Gregerson, Taylor, Simmons, J. Johnson, Lekanoff, Santos, Slatter, Dolan, Peterson, Callan, Ormsby, Morgan, Bateman, Bergquist, Ramel, Thai, Valdez, Pollet, Lovick, Macri, Chopp, Hackney, Ortiz-Self, Riccelli, Kloba, and Harris-Talley)

READ FIRST TIME 02/18/21.

1 AN ACT Relating to closing the digital divide by establishing
2 excise taxes on telecommunications services to fund the expansion of
3 the universal service programs in Washington; amending RCW
4 43.330.530, 43.330.532, 43.330.534, and 43.330.412; adding new
5 sections to chapter 80.36 RCW; adding a new section to chapter 43.330
6 RCW; creating a new section; prescribing penalties; and providing an
7 effective date.

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

9 **PART 1**

10 **SENIOR CALL-CHECK SERVICE AND NOTIFICATION PROGRAM**

11 NEW SECTION. **Sec. 101.** A new section is added to chapter 80.36
12 RCW to read as follows:

13 (1) The department shall establish and administer a senior call-
14 check service and notification program to eligible participants.

15 (2) The program established under subsection (1) of this section
16 consists of a telephone call made or received each day at a regularly
17 scheduled time by the department or the department's designee to the
18 residence of an eligible participant to verify that the participant
19 is able to receive notifications and answer the telephone or place a

1 call from the telephone. A senior call-check service and notification
2 includes:

3 (a) A live telephone call placed by an eligible participant or
4 received by an eligible participant at a regularly scheduled time
5 each day;

6 (b) If the eligible participant does not answer or place the
7 regularly scheduled call and the department designs the program to
8 require this action, one or more automated or live telephone calls to
9 the eligible participant;

10 (c) If the eligible participant does not answer a call under (b)
11 of this subsection, an additional automated or live telephone call to
12 notify the person of record whose name has been provided to the
13 department; and

14 (d) A notification to the eligible participant regarding
15 information that the department has determined to be relevant.

16 (3) The department must ensure the program services under
17 subsection (2) of this section and program information, including
18 sign-up and marketing materials, are language accessible.

19 (4) The department may contract with a private vendor or
20 nonprofit organization to provide the senior call-check service and
21 notification required under this section.

22 (5) The department may adopt rules as necessary to implement the
23 program.

24 (6) The definitions in this subsection apply throughout this
25 section unless the context clearly requires otherwise.

26 (a) "Department" means the department of social and health
27 services.

28 (b) "Eligible participant" means a resident of the state who is
29 at least 65 years old.

30 (c) "Person of record" includes a local government agency, or
31 other person or entity designated by the department, that chooses to
32 participate in the program.

33 (d) "Program" means the senior call-check service and
34 notification program established in this section.

35 **PART 2**

36 **WASHINGTON BROADBAND ASSISTANCE PROGRAM**

37 NEW SECTION. **Sec. 201.** A new section is added to chapter 80.36
38 RCW to read as follows:

1 The definitions in this section apply throughout this section and
2 sections 202 and 203 of this act unless the context clearly requires
3 otherwise.

4 (1) "Department" means the department of social and health
5 services.

6 (2) "Eligible voice and broadband services" means those services
7 deemed eligible for reduced cost by the commission pursuant to
8 section 203 of this act.

9 (3) "Line" means an access line, service to an activated wireless
10 handset, or service to an internet connection used as a substitute
11 for a traditional telecommunications connection.

12 (4) "Low-income" means households as defined by the department,
13 provided that the definition may not exceed the higher of 80 percent
14 of area median household income or 200 percent of the federal poverty
15 level, adjusted for household size.

16 (5) "Program" means the Washington broadband assistance program
17 established in section 202 of this act.

18 (6) "Telecommunications provider" means any person or entity who
19 provides eligible voice or broadband services.

20 NEW SECTION. **Sec. 202.** A new section is added to chapter 80.36
21 RCW to read as follows:

22 (1) The Washington broadband assistance program is established
23 within the department to provide low-income persons with reduced
24 rates for eligible voice and broadband services. For the purposes of
25 this section, "broadband" has the same definition as in RCW
26 43.330.530.

27 (2) A telecommunications provider providing eligible voice and
28 broadband services to the public must provide those services to low-
29 income persons at a reduced rate as determined by the commission.

30 (3) When enrolling new customers, a company providing voice and
31 broadband services must inform customers of the program established
32 under this section and persons eligible for other services provided
33 by the department that may be eligible for reduced rates on eligible
34 voice and broadband services.

35 (4) Upon enrolling low-income persons in the program, the company
36 shall submit to the department such information as specified by the
37 department for purposes of verifying the eligibility of those persons
38 to receive services at reduced costs.

1 (5) The department shall verify the eligibility of customers to
2 participate in the program, and notify the company whether a customer
3 is eligible. The department shall reimburse each company the balance
4 of the price charged.

5 (6) A customer may not request a bill assistance on more than one
6 line. A company may not provide assistance under this program to any
7 person unless the department has certified that the customer is not
8 receiving assistance on another line or from any other
9 telecommunications provider.

10 (7) If a company becomes aware that a customer is receiving
11 assistance on more than one line or from more than one company, it
12 must provide notice and take action to terminate the customer's
13 enrollment in the program and notify the department of such
14 termination.

15 (8) The department may promulgate rules to implement this
16 section.

17 NEW SECTION. **Sec. 203.** A new section is added to chapter 80.36
18 RCW to read as follows:

19 The commission shall establish annually by rule those services,
20 including prepaid services, which are eligible for inclusion in the
21 Washington broadband assistance program established in section 202 of
22 this act and the amount of assistance to be provided to customers. In
23 determining the rate of assistance to be provided, the commission
24 shall consider the number of low-income customers expected to
25 participate, the price of eligible voice and broadband services,
26 other assistance programs available to customers, and other facts and
27 circumstances that may bear on the reasonableness of assistance
28 levels. The commission may by order exclude a company from the
29 program if it determines the costs charged by the company to be
30 excessive or the quality of service or customer service to be poor.

31 **PART 3**

32 **UNIVERSAL TELECONNECT SERVICE PROGRAM**

33 NEW SECTION. **Sec. 301.** A new section is added to chapter 80.36
34 RCW to read as follows:

35 The definitions in this section apply throughout this section and
36 section 302 of this act unless the context clearly requires
37 otherwise.

1 (1) "Basic telecommunications services" means the following
2 services:

- 3 (a) Single-party service;
- 4 (b) Voice grade access to the public switched network;
- 5 (c) Support for local usage;
- 6 (d) Dual tone multifrequency signaling (touch-tone);
- 7 (e) Access to emergency services (911);
- 8 (f) Access to operator services;
- 9 (g) Access to interexchange services;
- 10 (h) Access to directory assistance; and
- 11 (i) Toll limitation services.

12 (2) "Broadband service" means any service providing advanced
13 telecommunications capability, including internet access and access
14 to high quality voice, data, graphics, or video.

15 (3) "E-rate discount" means an actual discount under the e-rate
16 program, or a representative discount figure as determined by the
17 commission.

18 (4) "E-rate program" means the federal universal service e-rate
19 program as provided in 47 C.F.R. Sec. 54 and administered by the
20 schools and libraries division of the universal service
21 administrative company.

22 (5) "Office" means the statewide broadband office established
23 under RCW 43.330.532.

24 (6) "Program" means the universal teleconnect service program
25 created in section 302 of this act.

26 (7) "Telecommunications" has the same meaning as defined in 47
27 U.S.C. Sec. 153(43).

28 NEW SECTION. **Sec. 302.** A new section is added to chapter 80.36
29 RCW to read as follows:

30 (1) A state universal teleconnect service program is established.
31 The office shall develop, implement, and administer the program for
32 the purpose of providing discounted rates for telecommunications
33 services to qualifying K-12 schools, community colleges, libraries,
34 community-based and public hospitals, community-based and public
35 health clinics, and community organizations. The office must
36 coordinate with the office of the superintendent of public
37 instruction in developing and implementing the program.

38 (2) Eligible applicants to receive discounted rates under the
39 program include, but are not limited to, all customers eligible to

1 receive discounts for telecommunications services under the e-rate
2 program administered by the schools and libraries division of the
3 universal service administrative company that also apply for
4 discounts on telecommunications services provided in subsection (1)
5 of this section.

6 (3) The discount developed under subsection (1) of this section
7 must:

8 (a) Be a minimum of a 50 percent discount to program participants
9 for broadband services;

10 (b) Be a minimum of a 25 percent discount to program participants
11 for basic telecommunications services; and

12 (c) Be applied after applying an e-rate discount. The office
13 shall first apply an e-rate discount, regardless of whether the
14 customer has applied for an e-rate discount or has been approved, if
15 the customer, in the determination of the office, meets the
16 eligibility requirements for an e-rate discount.

17 (4) In establishing a discount under the program, the office must
18 give priority to bridging the digital divide by encouraging expanded
19 access to state-of-the-art technologies for rural, inner city, low-
20 income, and disabled residents of Washington.

21 (5) The office must adopt rules to implement this section.

22 PART 4

23 DIGITAL EQUITY OPPORTUNITY PROGRAM

24
25 **Sec. 401.** RCW 43.330.530 and 2019 c 365 s 2 are each amended to
26 read as follows:

27 The definitions in this section apply throughout this section and
28 RCW 43.330.532 through 43.330.538 unless the context clearly requires
29 otherwise.

30 (1)(a) "Advanced telecommunications capability" means, without
31 regard to any transmission media or technology, high-speed, switched,
32 broadband telecommunications capability that enables users to
33 originate and receive high quality voice, data, graphics, and video
34 telecommunications using any technology.

35 (b) "Advanced telecommunications capability" does not include
36 access to a technology that delivers transmission speeds below the
37 minimum download and upload speeds provided in the definition of
38 broadband in this section.

1 (2) "Aging individual" means an individual 60 years of age or
2 older.

3 (3) "Board" means the public works board established in RCW
4 43.155.030.

5 ~~((2))~~ (4) "Broadband" or "broadband service" means any service
6 providing advanced telecommunications capability and internet access
7 with transmission speeds that, at a minimum, provide ~~((twenty-five))~~
8 25 megabits per second download and three megabits per second upload.

9 ~~((3))~~ (5) "Broadband adoption" means the process by which an
10 individual obtains daily access to the internet:

11 (a) At a speed, quality, and capacity necessary for the
12 individual to accomplish common tasks, such that the access qualifies
13 as an advanced telecommunications capability;

14 (b) Providing individuals with the digital skills necessary to
15 participate online; and

16 (c) On a device connected to the internet and other advanced
17 telecommunications services via a secure and convenient network.

18 (6) "Broadband infrastructure" means networks of deployed
19 telecommunications equipment and technologies necessary to provide
20 high-speed internet access and other advanced telecommunications
21 services to end users.

22 ~~((4))~~ (7) "Department" means the department of commerce.

23 ~~((5))~~ (8) "Digital equity" means the condition in which
24 individuals and communities in Washington have the information
25 technology capacity that is needed for full participation in society
26 and the economy.

27 (9)(a) "Digital inclusion" means the activities that are
28 necessary to ensure that all individuals in Washington have access
29 to, and the use of, affordable information and communication
30 technologies including, but not limited to:

31 (i) Reliable broadband internet service;

32 (ii) Internet-enabled devices that meet the needs of the user;

33 and

34 (iii) Applications and online content designed to enable and
35 encourage self-sufficiency, participation, and collaboration.

36 (b) "Digital inclusion" also includes obtaining access to digital
37 literacy training, the provision of quality technical support, and
38 obtaining basic awareness of measures to ensure online privacy and
39 cybersecurity.

1 (10) "Digital literacy" means the skills associated with using
2 technology to enable users to use information and communications
3 technologies to find, evaluate, organize, create, and communicate
4 information.

5 (11) "Last mile infrastructure" means broadband infrastructure
6 that serves as the final connection from a broadband service
7 provider's network to the end-use customer's on-premises
8 telecommunications equipment.

9 ~~((+6))~~ (12) "Local government" includes cities, towns, counties,
10 municipal corporations, public port districts, public utility
11 districts, quasi-municipal corporations, special purpose districts,
12 and multiparty entities comprised of public entity members.

13 ~~((+7))~~ (13) "Low-income" has the same meaning as provided in
14 section 201 of this act.

15 (14) "Middle mile infrastructure" means broadband infrastructure
16 that links a broadband service provider's core network infrastructure
17 to last mile infrastructure.

18 ~~((+8))~~ (15) "Office" means the governor's statewide broadband
19 office established in RCW 43.330.532.

20 ~~((+9))~~ (16) "Tribe" means any federally recognized Indian tribe
21 whose traditional lands and territories included parts of Washington.

22 ~~((+10))~~ (17) "Underserved population" means:

23 (a) Individuals who live in low-income households;

24 (b) Aging individuals;

25 (c) Incarcerated individuals;

26 (d) Veterans;

27 (e) Individuals with disabilities;

28 (f) Individuals with a language barrier, including individuals
29 who are English learners or who have low levels of literacy;

30 (g) Individuals who are members of a racial or ethnic minority
31 group; and

32 (h) Individuals who primarily reside in a rural area.

33 (18) "Unserved areas" means areas of Washington in which
34 households and businesses lack access to broadband service, as
35 defined by the office, except that the state's definition for
36 broadband service may not be actual speeds less than twenty-five
37 megabits per second download and three megabits per second upload.

38 **Sec. 402.** RCW 43.330.532 and 2019 c 365 s 3 are each amended to
39 read as follows:

1 (1) The governor's statewide broadband office is established. The
2 director of the office must be appointed by the governor. The office
3 may employ staff necessary to carry out the office's duties as
4 prescribed by chapter 365, Laws of 2019, subject to the availability
5 of amounts appropriated for this specific purpose.

6 (2) The purpose of the office is to encourage, foster, develop,
7 and improve affordable, quality broadband within the state in order
8 to:

9 (a) Drive job creation, promote innovation, improve economic
10 vitality, and expand markets for Washington businesses;

11 (b) Serve the ongoing and growing needs of Washington's education
12 systems, health care systems, public safety systems, industries and
13 business, governmental operations, and citizens; and

14 (c) Improve broadband accessibility and adoption for unserved and
15 underserved communities and populations.

16 **Sec. 403.** RCW 43.330.534 and 2019 c 365 s 4 are each amended to
17 read as follows:

18 (1) The office has the power and duty to:

19 (a) Serve as the central broadband planning body for the state of
20 Washington;

21 (b) Coordinate with local governments, tribes, public and private
22 entities, nonprofit organizations, and consumer-owned and investor-
23 owned utilities to develop strategies and plans promoting deployment
24 of broadband infrastructure and greater broadband access, while
25 protecting proprietary information;

26 (c) Review existing broadband initiatives, policies, and public
27 and private investments;

28 (d) Develop, recommend, and implement a statewide plan to
29 encourage cost-effective broadband access and to make recommendations
30 for increased usage, particularly in rural and other unserved areas;

31 (e) Update the state's broadband goals and definitions for
32 broadband service in unserved areas as technology advances, except
33 that the state's definition for broadband service may not be actual
34 speeds less than twenty-five megabits per second download and three
35 megabits per second upload; and

36 (f) Encourage public-private partnerships to increase deployment
37 and adoption of broadband services and applications.

38 (2) When developing plans or strategies for broadband deployment,
39 the office must consider:

1 (a) Partnerships between communities, tribes, nonprofit
2 organizations, local governments, consumer-owned and investor-owned
3 utilities, and public and private entities;

4 (b) Funding opportunities that provide for the coordination of
5 public, private, state, and federal funds for the purposes of making
6 broadband infrastructure or broadband services available to rural and
7 unserved areas of the state;

8 (c) Barriers to the deployment, adoption, and utilization of
9 broadband service, including affordability of service; and

10 (d) Requiring minimum broadband service of twenty-five megabits
11 per second download and three megabits per second upload speed, that
12 is scalable to faster service.

13 (3) The office may assist applicants for the grant and loan
14 programs created in RCW 43.155.160 and 43.330.412 and section 405 of
15 this act with seeking federal funding or matching grants and other
16 grant opportunities for deploying or increasing adoption of broadband
17 services.

18 (4) The office may take all appropriate steps to seek and apply
19 for federal funds for which the office is eligible, and other grants,
20 and accept donations, and must deposit these funds in the statewide
21 broadband account created in RCW 43.155.165.

22 (5) In carrying out its purpose, the office may collaborate with
23 the utilities and transportation commission, the office of the chief
24 information officer, the department of commerce, the community
25 economic revitalization board, the public works board, the state
26 librarian, and all other relevant state agencies.

27 **Sec. 404.** RCW 43.330.412 and 2011 1st sp.s. c 43 s 607 are each
28 amended to read as follows:

29 The (~~community technology~~) digital equity opportunity program
30 is created to (~~support the efforts of community technology~~
31 ~~programs~~) advance broadband adoption and digital equity and
32 inclusion throughout the state. The (~~community technology~~) digital
33 equity opportunity program must be administered by the department.
34 The department may contract for services in order to carry out the
35 department's obligations under this section.

36 (1) In implementing the (~~community technology~~) digital equity
37 opportunity program the director must, to the extent funds are
38 appropriated for this purpose:

1 (a) Provide organizational and capacity building support to
2 community technology programs throughout the state(~~(, and identify~~
3 ~~and facilitate the availability of other public and private sources~~
4 ~~of funds to enhance the purposes of the program and the work of~~
5 ~~community technology programs. No)) and additional support for the
6 purpose of:~~

7 (i) Evaluating the impact and efficacy of activities supported by
8 grants awarded under the covered programs; and

9 (ii) Developing, cataloging, disseminating, and promoting the
10 exchange of best practices, with respect to and independent of the
11 covered programs, in order to achieve digital equity. After July 1,
12 2023, no more than ((fifteen)) 15 percent of funds received by the
13 director for the program may be expended on these functions;

14 (b) Establish a competitive grant program and provide grants to
15 community technology programs to (~~provide training~~) advance digital
16 equity and digital inclusion by providing:

17 (i) Training and skill-building opportunities; (~~access~~)

18 (ii) Access to hardware and software; (~~internet~~)

19 (iii) Internet connectivity; (~~digital~~)

20 (iv) Digital media literacy training; (~~assistance~~)

21 (v) Assistance in the adoption of information and communication
22 technologies (~~in~~) for low-income and underserved (~~areas~~)
23 populations of the state; and (~~development~~)

24 (vi) Development of locally relevant content and delivery of
25 vital services through technology.

26 (2) Grant applicants must:

27 (a) Provide evidence that the applicant is a nonprofit entity or
28 a public entity that is working in partnership with a nonprofit
29 entity;

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

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

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

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

4 (f) Provide evidence that funds applied for, if received, will be
5 used to provide effective delivery of community technology services
6 in alignment with the goals of this program and to increase the
7 applicant's level of effort beyond the current level; and

8 (g) Comply with such other requirements as the director
9 establishes.

10 (3) The director may use no more than (~~ten~~) 10 percent of funds
11 received for the (~~community technology~~) digital equity opportunity
12 program to cover administrative expenses.

13 (4) The director must establish expected program outcomes for
14 each grant recipient and must require grant recipients to provide an
15 annual accounting of program outcomes.

16 (5) No grant under the digital equity opportunity program created
17 under this section may be awarded based on a formula or criteria that
18 give preference to urban areas over rural areas, including the use of
19 criteria that afford increased weight the greater the density of
20 population.

21 NEW SECTION. Sec. 405. A new section is added to chapter 43.330
22 RCW to read as follows:

23 (1) Subject to the availability of funds appropriated for this
24 purpose, the department shall establish a digital equity planning
25 grant program.

26 (2) This program shall provide grants to local governments,
27 institutions of higher education, or other entities who have entered
28 into an agreement with a local government, to fund the development of
29 a digital equity plan for a discrete geographic region of the state.
30 Priority must be given for grant applications accompanied by express
31 support from community or neighborhood-based nonprofit organizations,
32 public development authorities, federally recognized Indian tribes in
33 the state, or other community partners and partners from the
34 categories of institutions outlined in RCW 43.330.421. Only the
35 director or the director's designee may authorize expenditures.

36 (3) An applicant must submit an application to the department in
37 order to be eligible for funding under this section.

38 (4) The department must evaluate and rank applications using
39 objective criteria such as the number of underserved population

1 served and subjective criteria such as the degree of support and
2 engagement evidenced by the community who will be served.

3 (5) No planning grant under this section may be awarded based on
4 a formula or criteria that give preference to urban areas over rural
5 areas, including the use of criteria that afford increased weight the
6 greater the density of population.

7 (6) The department shall develop criteria for what the digital
8 equity plans must include.

9 (7) The department may adopt rules to implement this section.

10 **PART 5**

11 **DIGITAL EQUITY ACCOUNT**

12 NEW SECTION. **Sec. 501.** A new section is added to chapter 80.36
13 RCW to read as follows:

14 (1) The digital equity account is created in the state treasury.
15 Moneys in the account may be spent only after appropriation.

16 (2) Any amounts appropriated by the legislature to the account,
17 or any other source directed to the account, must be deposited into
18 the account.

19 (3) The legislature may appropriate moneys in the account only
20 for the purposes of:

21 (a) Section 101 of this act, the senior call-check service and
22 notification program;

23 (b) Section 202 of this act, the Washington broadband assistance
24 program;

25 (c) Section 302 of this act, the state universal teleconnect
26 service program;

27 (d) RCW 43.330.412, the digital equity opportunity program; and

28 (e) Section 405 of this act, the digital equity planning grant
29 program.

30 **PART 6**

31 **MISCELLANEOUS PROVISIONS**

32 NEW SECTION. **Sec. 601.** The secretary of the department of
33 social and health services, the chair of the utilities and
34 transportation commission, the director of the department of
35 commerce, and the director of the statewide broadband office, or any
36 of his or her designees, may take any actions necessary to ensure

1 that the provisions of this act are implemented on the dates
2 identified in section 602 of this act.

3 NEW SECTION. **Sec. 602.** Sections 101 through 501 of this act
4 take effect July 1, 2022.

5 NEW SECTION. **Sec. 603.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

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