
SECOND SUBSTITUTE HOUSE BILL 1460

State of Washington

67th Legislature

2021 Regular Session

By House Appropriations (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 02/22/21.

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 43.330 RCW; and creating a new section.

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

7 **Sec. 1.** RCW 43.330.530 and 2019 c 365 s 2 are each amended to
8 read as follows:

9 The definitions in this section apply throughout this section and
10 RCW 43.330.532 through 43.330.538 unless the context clearly requires
11 otherwise.

12 (1) "Advanced telecommunications capability" means, without
13 regard to any transmission media or technology, high-speed, switched,
14 broadband telecommunications capability that enables users to
15 originate and receive high quality voice, data, graphics, and video
16 telecommunications using any technology. "Advanced telecommunications
17 capability" does not include access to a technology that delivers
18 transmission speeds below the minimum download and upload speeds
19 provided in the definition of broadband in this section.

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

1 (3) "Board" means the public works board established in RCW
2 43.155.030.

3 ~~((2))~~ (4) "Broadband" or "broadband service" means any service
4 providing advanced telecommunications capability and internet access
5 with transmission speeds that, at a minimum, provide ~~((twenty-five))~~
6 25 megabits per second download and three megabits per second upload.

7 ~~((3))~~ (5) "Broadband adoption" means the process by which an
8 individual obtains daily access to the internet:

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

12 (b) Providing individuals with the digital skills necessary to
13 participate online; and

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

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

20 ~~((4))~~ (7) "Department" means the department of commerce.

21 ~~((5))~~ (8) "Digital equity" means the condition in which
22 individuals and communities in Washington have the information
23 technology capacity that is needed for full participation in society
24 and the economy.

25 (9) "Digital inclusion" means the activities that are necessary
26 to ensure that all individuals in Washington have access to, and the
27 use of, affordable information and communication technologies
28 including, but not limited to reliable broadband internet service,
29 internet-enabled devices that meet the needs of the user, and
30 applications and online content designed to enable and encourage
31 self-sufficiency, participation, and collaboration. "Digital
32 inclusion" also includes obtaining access to digital literacy
33 training, the provision of quality technical support, and obtaining
34 basic awareness of measures to ensure online privacy and
35 cybersecurity.

36 (10) "Digital literacy" means the skills associated with using
37 technology to enable users to use information and communications
38 technologies to find, evaluate, organize, create, and communicate
39 information.

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

5 ~~((6))~~ (12) "Local government" includes cities, towns, counties,
6 municipal corporations, public port districts, public utility
7 districts, quasi-municipal corporations, special purpose districts,
8 and multiparty entities comprised of public entity members.

9 ~~((7))~~ (13) "Low-income" means a household, the federal taxable
10 income of which is not more than 200 percent of an amount equal to
11 the poverty level, as determined by using criteria of poverty
12 established by the United States bureau of the census, for the most
13 recently completed taxable year.

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

17 ~~((8))~~ (15) "Office" means the governor's statewide broadband
18 office established in RCW 43.330.532.

19 ~~((9))~~ (16) "Tribe" means any federally recognized Indian tribe
20 whose traditional lands and territories included parts of Washington.

21 ~~((10))~~ (17) "Underserved population" means:
22 (a) Individuals who live in low-income households;
23 (b) Aging individuals;
24 (c) Incarcerated individuals;
25 (d) Veterans;
26 (e) Individuals with disabilities;
27 (f) Individuals with a language barrier, including individuals
28 who are English learners or who have low levels of literacy;
29 (g) Individuals who are members of a racial or ethnic minority
30 group; and
31 (h) Individuals who primarily reside in a rural area.

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

37 **Sec. 2.** RCW 43.330.532 and 2019 c 365 s 3 are each amended to
38 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. 3.** 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 with seeking
15 federal funding or matching grants and other grant opportunities for
16 deploying or increasing adoption of broadband services.

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

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

26 **Sec. 4.** RCW 43.330.412 and 2011 1st sp.s. c 43 s 607 are each
27 amended to read as follows:

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

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

38 (a) Provide organizational and capacity building support to
39 community technology programs throughout the state(~~, and identify~~

1 ~~and facilitate the availability of other public and private sources~~
2 ~~of funds to enhance the purposes of the program and the work of~~
3 ~~community technology programs. No)) and additional support for the~~
4 ~~purpose of:~~

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

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

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

15 (i) Training and skill-building opportunities; ((access))

16 (ii) Access to hardware and software; ((internet))

17 (iii) Internet connectivity; ((digital))

18 (iv) Digital media literacy training; ((assistance))

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

22 (vi) Development of locally relevant content and delivery of
23 vital services through technology.

24 (2) Grant applicants must:

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

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

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

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

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

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

5 (g) Comply with such other requirements as the director
6 establishes.

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

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

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

18 NEW SECTION. Sec. 5. A new section is added to chapter 43.330
19 RCW to read as follows:

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

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

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

35 (4) The department must evaluate and rank applications using
36 objective criteria such as the number of underserved population
37 served and subjective criteria such as the degree of support and
38 engagement evidenced by the community who will be served.

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

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

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

8 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.330
9 RCW to read as follows:

10 (1) The Washington digital equity forum is established and its
11 purpose is to develop recommendations to advance digital connectivity
12 in Washington state. In developing its recommendations, the forum
13 must:

14 (a) Develop goals that are consistent with the goals of the
15 governor's statewide broadband office, as provided in RCW 43.330.536;

16 (b) Strengthen public-private partnerships;

17 (c) Solicit public input through public hearings or informational
18 sessions;

19 (d) Work to increase collaboration and communication between
20 local, state, and federal governments and agencies; and

21 (e) Recommend reforms to current universal service mechanisms.

22 (2) The directors of the governor's statewide broadband office
23 and the Washington state office of equity are responsible for
24 appointing participating members of the digital equity forum and no
25 appointment may be made unless each director concurs in the
26 appointment. In making appointments, the directors must prioritize
27 appointees representing:

28 (a) Federally recognized tribes;

29 (b) State agencies involved in digital equity; and

30 (c) Underserved and unserved communities, including historically
31 disadvantaged communities.

32 (3) A majority of the participating members appointed by the
33 directors must appoint an administrative chair for the forum.

34 (4) In addition to members appointed by the directors, four
35 legislators may serve on the digital equity forum in an ex officio
36 capacity. Legislative participants must be appointed as follows:

37 (a) The speaker of the house of representatives must appoint one
38 member from each of the two largest caucuses of the house of
39 representatives; and

1 (b) The president of the senate must appoint one member from each
2 of the two largest caucuses of the senate.

3 (5) Each member of the digital equity forum shall serve without
4 compensation but may be reimbursed for travel expenses as authorized
5 in RCW 43.03.050 and 43.03.060.

6 (6) Staff for the digital equity forum must be provided by the
7 governor's statewide broadband office and the Washington state office
8 of equity. The governor's statewide broadband office and the
9 Washington state office of equity are jointly responsible for
10 transmitting the recommendations of the digital equity forum to the
11 legislature, consistent with RCW 43.01.036, by October 28, 2022, and
12 every even-numbered year thereafter.

13 NEW SECTION. **Sec. 7.** If specific funding for the purposes of
14 this act, referencing this act by bill or chapter number, is not
15 provided by June 30, 2021, in the omnibus appropriations act, this
16 act is null and void.

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