
Technology, Economic Development, & Veterans Committee

HB 2579

Brief Description: Promoting and funding public media and digital equity.

Sponsors: Representatives Stearns, Berry, Reed, Parshley, Gregerson, Santos, Mena, Goodman, Obras, Fosse, Peterson, Cortes, Pollet and Nance.

Brief Summary of Bill

- Requires the Department of Commerce (Commerce) to establish a public media broadcaster program and a digital equity program to award funds to ensure access to the internet and noncommercial media.
- Requires Commerce to identify criteria to prioritize awards under the programs, including length of operation in the state, community organizations and services, and economic impact.
- Creates a 20 cents per month per subscriber tax on wireless, cell, prepaid wireless, VoIP, and land lines to fund the programs, provide grants, and administer the programs.

Hearing Date: 1/30/26

Staff: Martha Wehling (786-7067).

Background:

The stated mission of the Department of Commerce (Commerce) is to strengthen communities in Washington. The agency administers a portfolio of more than 100 programs and several state boards and commissions. Programs administered by Commerce address a wide range of issues including digital equity, digital navigators, and the Internet for All initiative, among others.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

In 1987 Commerce was required to distribute grants to public radio and television broadcast stations to assist with programming, operations, and capital needs. Eligibility criteria and a grant formula were specified in statute. Each eligible station is required to submit to Commerce either its annual financial report submitted to the Corporation for Public Broadcasting or an annual eligibility criteria and annual financial survey, depending on which grant the station is eligible for.

Washington and most other states impose retail sales and use taxes. These taxes are imposed on the retail sale or use of most items of tangible personal property and some services. Telephone services are taxed as retail sales. Thus, telephone service providers pay state Business and Occupation tax on gross receipts from sales of telephone service, and collect retail sales taxes from buyers of telephone services. Many cities also impose utility taxes on telephone services. State and county taxes are also imposed on telephone access lines to support emergency services communications systems. In order to create a more uniform system for taxing wireless telecommunications, Congress enacted the federal Mobile Telecommunications Sourcing Act in 2000. The federal law requires that all charges for mobile telecommunications services must be sourced to the customer's "primary place of use." The federal law defines "primary place of use" as either the residential or primary business street address of the customer within the licensed service area of the provider.

Summary of Bill:

Commerce is required to establish a public media broadcaster program and a digital equity program to award funds to ensure access to the internet and noncommercial media. Commerce must seek gifts, grants, and nonstate contributions to fund the programs.

Public Media Broadcaster Program.

Commerce is required to award funds annually to ensure that every Washingtonian has access to noncommercial media that informs, educates, and connects Washington communities.

Commerce must determine eligibility criteria for the program and must prioritize:

- community, public radio, or television organizations based in the state;
- noncommercial, nonreligious, and not-for-profit organizations;
- broadcasters that do not include a paywall for core program services;
- organizations that have provided service in the state for a minimum of seven years prior to the award;
- organizations that adhere to professional editorial standards;
- organizations whose service includes public safety, emergency broadcasting, public service announcements, access to the arts, community event promotion, and not-for-profit partnerships;
- organizations that make music accessible to everyone, build audiences for the arts by promoting events happening in the community, and provide a platform for artists to reach their audience and build careers;

- organizations whose service includes community activation, free community events calendaring, educational impacts, partnership with public schools, and services for young adults after high school graduation, including but not limited to mentoring, internships, or fellowships;
- demonstrated economic impact; and
- operations including public transparency and reporting, including but not limited to annual service and impact reports or audits.

Commerce must identify criteria to prioritize the awards. The criteria must include:

- The relative scale and community impact must be included criteria.
- Eighty-five percent of the funding awards must be provided to broadcasters that have a budget in excess of \$1 million. An entity may receive an award of up to eight percent of its annual operating expenses or \$1.5 million, whichever is greater.
- Fifteen percent of the funding awards must be provided to broadcasters who have a budget of less than \$1 million and serve rural or frontier counties or urban counties with a hyper-local audience. These awards may be used for annual operations or projects, and must be a minimum of \$5,000 and no more than eight percent of the broadcaster's annual operating expenses.
- All awards must be spent within the state.

Digital Equity Program.

Commerce is required to award funds annually to ensure that every Washingtonian has resources to safely and effectively access the internet and noncommercial media that informs, educates, and connects Washington communities. The digital equity program must provide space for trainings, computer labs, studios, pods, booths, and mobile recording and broadcast equipment.

Commerce must determine eligibility criteria for the program and must prioritize:

- community anchor institutions such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitate greater use of broadband service by underserved populations;
- accountable communities of health, public access, education, and government television stations;
- workforce development councils;
- Washington State University extension offices; and
- operations including public transparency and reporting, including but not limited to annual service and impact reports or audits.

The digital equity program must include digital access resource coordinators who will work with coalitions, networks, and broadband action teams to engage and educate communities about artificial intelligence and online safety. The coordinators must: coordinate content for a central resource database; coordinate and build referral networks; produce virtual, in-person events, and community connection time for collaboration and database updating; coordinate and share strategies with broadband action teams that focus on network infrastructure and workforce

development; provide information that is multilingual, culturally responsive, and responsive to the regional community needs; and notify the community about grant and funding opportunities.

The digital equity program must include multimedia producers and trainers who will increase capacity and support existing community and government media and stations with technical expertise and training. The producers and trainers must: coordinate with community and government media and stations on eligible content; identify apprenticeship opportunities; provide training; and identify opportunities for creative economy and small business intersections.

Tax on Phone Lines.

A 20 cents per month per subscriber tax is required for all radio access lines (wireless and cell), prepaid wireless, interconnected voice over internet protocol (VoIP) service lines, and switched access lines (land lines) for Commerce to fund the programs, provide grants, and to administrate the programs. Cities and counties are prohibited from imposing a local tax to fund these programs.

Companies must collect and remit the tax to the Department of Revenue (Revenue). The tax must be paid by each subscriber whose place of primary use is within the state and consumers with retail transactions in the state. The companies must hold the tax in trust until they are paid to Revenue. The amount of the tax must be separately stated on the subscriber's billing statement or sales invoice.

A company is personally liable for the tax, regardless of the reason for any failure to collect or remit the tax. This violation is a misdemeanor, as is a consumer's refusal to pay the tax. Appropriation or conversion of the tax is a gross misdemeanor. If Revenue seeks collection of an unpaid tax, it may add a penalty of 10 percent.

Public Media Broadcaster and Digital Equity Account.

The Public Media Broadcaster and Digital Equity Account (Account) is created. All receipts from the 20 cents per phone per month tax must be deposited into the Account. Account funds may not be used to replace general fund appropriations for public media and digital equity. The Department of Revenue may retain up to three percent of available funds for evaluation and administration of the public media broadcaster and digital equity programs.

The remaining funds must be distributed as follows:

- 80 percent must be used to fund grants under the public media broadcaster program; and
- 20 percent must be used to fund digital equity grants.

Appropriation: None.

Fiscal Note: Requested on January 19, 2026.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.