

AMENDED IN SENATE JANUARY 7, 2002

SENATE BILL

No. 1046

Introduced by Senator Polanco

February 23, 2001

~~An act to amend Section 22107 of the Financial Code, relating to finance lenders.~~ *An act to add and repeal Section 884 of the Public Utilities Code, relating to public utilities.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1046, as amended, Polanco. ~~Finance—lenders~~
Telecommunications: Universal Lifeline Telephone Service Trust Administrative Committee Fund.

Existing law, the Moore Universal Telephone Service Act, requires the Public Utilities Commission to set rates, charges, and eligibility criteria in order to furnish lifeline telephone service to low-income citizens. The act requires the commission to conduct proceedings to investigate the feasibility of redefining universal service in light of current trends toward accelerated convergence of voice-video, and data, with an emphasis on the role of basic telecommunications and Internet services in the workplace, among other purposes. Existing law establishes the Universal Lifeline Telephone Service Trust Administrative Committee Fund to be used for these and other related purposes.

This bill would require the commission, on or before July 1, 2003, to issue a plan and strategy for utilizing not more than 1/2 of the surplus, if any, in the Universal Lifeline Telephone Service Trust Administrative Committee Fund for the purpose of providing incentives to telecommunications providers that agree to promote equal access to high speed communications networks by voluntarily offering expanded

telecommunications services, with a priority for providing two-way voice, video, and data service, as components of basic service, in currently underserved geographic regions of the state.

~~Existing law, the California Finance Lenders Law, requires a person to be licensed by the Commissioner of Corporations in order to engage in the business of a finance lender or broker. Existing law requires a licensee to pay to the commissioner a specified amount assessed by the commissioner.~~

~~This bill would make a nonsubstantive change to that provision relating to the payment a licensee is required to make.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 22107 of the Financial Code is amended~~
- 2 *SECTION 1. The Legislature finds and declares all of the*
- 3 *following:*
- 4 *(a) The rapid development and deployment of advanced*
- 5 *technologies have been directly linked to the competitiveness of*
- 6 *American industry in world markets, economic growth,*
- 7 *employment, and prosperity.*
- 8 *(b) Communications technologies, in particular, have proven*
- 9 *successful in helping to overcome economic and social*
- 10 *polarization that exist as a result of economic disparities among*
- 11 *Americans.*
- 12 *(c) According to the Alliance for Public Technology, the*
- 13 *economic disparity among Californians is even greater than that*
- 14 *of the nation as a whole and the disparity among those living in the*
- 15 *Silicon Valley is even more severe.*
- 16 *(d) Many communities across the state are discovering that*
- 17 *expanded access to digital technology is an important element of*
- 18 *economic self-sufficiency and, as a result, are advocating public*
- 19 *policies that encourage aggregation or pooling of demand, vibrant*
- 20 *competition for local and long distance services, and network*
- 21 *investment in communities.*
- 22 *(e) High speed Internet access is also a critical tool for the*
- 23 *competitiveness for California’s business community.*
- 24 *(f) According to the San Francisco Black Chamber of*
- 25 *Commerce, many small and medium sized businesses do not have*



1 a choice of high speed Internet service providers and many have
2 no high speed Internet access at all.

3 SEC. 2. Section 884 is added to the Public Utilities Code, to
4 read:

5 884. (a) The commission shall, on or before July 1, 2003,
6 issue a plan and strategy to use not more than one-half of the
7 surplus, if any, in the Universal Lifeline Telephone Service Trust
8 Administrative Committee Fund for purposes of providing
9 incentives, as determined by the commission, to
10 telecommunications providers that agree to promote equal access
11 to high speed communications networks by voluntarily offering
12 expanded telecommunications services, with a priority for
13 providing two-way voice, video, and data service, as components
14 of basic service, in currently underserved geographic regions of
15 the state.

16 (b) This section shall become inoperative on July 2, 2003, and,
17 as of January 1, 2004, is repealed, unless a later enacted statute
18 that is enacted before January 1, 2004, deletes or extends the dates
19 on which it becomes inoperative and is repealed.

20 to read:

21 ~~22107. (a) Each licensee shall pay to the commissioner its~~
22 ~~pro rata share of all costs and expenses reasonably incurred in the~~
23 ~~administration of this division, as estimated by the commissioner,~~
24 ~~for the ensuing year and any deficit actually incurred or anticipated~~
25 ~~in the administration of the program in the year in which the~~
26 ~~assessment is made. The pro rata share shall be the proportion that~~
27 ~~a licensee's gross income bears to the aggregate gross income of~~
28 ~~all licensees as shown by the annual financial reports to the~~
29 ~~commissioner, for the costs and expenses remaining after the~~
30 ~~amount assessed pursuant to subdivision (c).~~

31 ~~(b) On or before the 30th day of May of each year, the~~
32 ~~commissioner shall notify each licensee by mail of the amount~~
33 ~~assessed and levied against the licensee and that amount shall be~~
34 ~~paid within 20 days thereafter. If payment is not made within 20~~
35 ~~days, the commissioner shall assess and collect a penalty, in~~
36 ~~addition to the assessment, of 1 percent of the assessment for each~~
37 ~~month or part of a month that the payment is delayed or withheld.~~

38 ~~(c) In the levying and collection of the assessment, a licensee~~
39 ~~shall neither be assessed for nor be permitted to pay less than two~~
40 ~~hundred fifty dollars (\$250) per licensed location per year.~~



1 ~~(d) If a licensee fails to pay the assessment on or before the 30th~~
2 ~~day of June following the day upon which payment is due, the~~
3 ~~commissioner may by order summarily suspend or revoke the~~
4 ~~certificate issued to the licensee. If after an order is made, a request~~
5 ~~for hearing is filed in writing within 30 days, and a hearing is not~~
6 ~~held within 60 days thereafter, the order is deemed rescinded as of~~
7 ~~its effective date. During any period when its certificate is revoked~~
8 ~~or suspended, a licensee shall not conduct business pursuant to this~~
9 ~~division except as may be permitted by order of the commissioner.~~
10 ~~However, the revocation, suspension, or surrender of a certificate~~
11 ~~shall not affect the powers of the commissioner as provided in this~~
12 ~~division.~~

