

AMENDED IN ASSEMBLY MARCH 24, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2172**

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**Introduced by Assembly Member Levine**

February 18, 2004

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An act to amend Section ~~280~~ 280.5 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 2172, as amended, Levine. Telecommunications: ~~Lease~~ *lease* of state property for wireless facilities: *Digital Divide Account in the California Teleconnect Fund Administrative Committee Fund.*

Existing law requires the Director of General Services, to compile and maintain an inventory of state-owned real property, excluding certain property, that may be available for lease to providers of wireless telecommunications services for location of wireless telecommunications facilities, and to provide a requesting party, upon payment of any applicable fee, with a copy of the inventory. Existing law authorizes the director to negotiate and enter into an agreement for the lease of certain department-managed and state-owned real property to any provider of wireless telecommunications services for location of its facilities, subject to specified conditions.

Existing law requires, notwithstanding any other provision of law, that any revenue collected from a lease entered into pursuant to these provisions to use property that was acquired with money in a fund other than the General Fund, be deposited into the fund from which it was obtained. Existing law requires that moneys received and deposited in

those funds be available upon appropriation by the Legislature notwithstanding any other provision of law.

~~Existing law establishes the California Teleconnect Fund Administrative Committee to advise the Public Utilities Commission regarding the commission's responsibilities for the development, implementation, and administration of a program to advance universal telephone service by providing discounted rates to qualifying schools, libraries, hospitals, health clinics, and community organizations.~~

Existing law establishes the California Teleconnect Fund Administrative Committee Fund in the State Treasury and provides that moneys in the fund, collected by telephone corporations in utility rates authorized by the commission and deposited into the fund, may only be expended for the purposes authorized, upon appropriation in the annual Budget Act. *Existing law creates the Digital Divide Account within the fund, and requires that 15% of the revenues from fees collected from the lease of state-owned real property to the providers of wireless telecommunication services pursuant to the above-described provisions, with certain exceptions, be deposited in the Digital Divide Account, to be available, upon appropriation by the Legislature, to finance digital divide projects through the Digital Divide Grant Program.*

*This bill would additionally except from the requirement that 15% of the revenues from fees collected from the lease of state-owned real property to the providers of wireless telecommunications services be deposited into the Digital Divide Account, those fees received from a lease agreement for access to property that was acquired with money from a fund other than the General Fund. The bill would specify that all of the revenues from fees from a lease agreement to access property that was acquired with money from a fund other than the General Fund, are required to be deposited into that fund.*

~~The bill would require that, notwithstanding the provisions relating to the California Teleconnect Fund Administration Committee Fund, if a wireless telecommunications facility is sited on land purchased with funds from a continuously appropriated special fund, all revenues generated from a lease of that property be deposited into that special fund.~~

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



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

1 SECTION 1. Section ~~280~~ 280.5 of the Public Utilities Code  
2 is amended to read:

3 ~~280. (a) The commission shall develop, implement, and~~  
4 280.5. (a) Of the revenues from fees collected pursuant to  
5 Section 14666.8 of the Government Code after the operative date  
6 of this section, except for revenues from fees from a lease  
7 agreement for access to Department of Transportation property,  
8 *fees from a lease agreement for access to property that was*  
9 *acquired with money from a fund other than the General Fund, or*  
10 *fees from a lease agreement for access to state property* existing  
11 prior to the operative date of the section, 15 percent shall be  
12 available, upon appropriation by the Legislature, for the purpose  
13 of addressing the state’s digital divide. *All of the revenues from fees*  
14 *from a lease agreement for access to property that was acquired*  
15 *with money from a fund other than the General Fund, shall be*  
16 *deposited into that fund pursuant to subdivision (e) of Section*  
17 *14666.8 of the Government Code.*

18 (b) Revenues described in subdivision (a) shall be deposited in  
19 the Digital Divide Account, which is hereby established in the  
20 California Teleconnect Fund Administrative Committee Fund  
21 established pursuant to Section 270, to be used only for digital  
22 divide pilot projects. Not more than 5 percent of the revenues  
23 described in subdivision (a), may be used to pay the costs incurred  
24 in connection with the administration of digital divide pilot  
25 projects by the commission.

26 (c) (1) The Digital Divide Grant Program is hereby  
27 established subject to the availability of funding pursuant to this  
28 section. The commission may not implement the grant program  
29 until the commission projects that at least five hundred thousand  
30 dollars (\$500,000) will be available in the Digital Divide Account  
31 during the calendar year following implementation, based on  
32 money collected pursuant to Section 14666.8 of the Government  
33 Code.

34 (2) The commission shall provide grants pursuant to this  
35 subdivision on a competitive basis subject to criteria to be  
36 established by the commission and in a way that disburses the  
37 funds widely, including urban and rural areas. Grants shall be  
38 awarded to community-based nonprofit organizations that are



1 exempt from taxation under Section 501(c)(3) of the Internal  
2 Revenue Code for the purpose of funding community technology  
3 programs.

4 (3) Recipients of grants pursuant to this subdivision shall report  
5 to the commission annually on the effectiveness of the grant  
6 program.

7 (4) The commission shall report to the Legislature and the  
8 Governor annually on the effectiveness of the program  
9 administered pursuant to this subdivision.

10 (d) For purposes of this section, “community technology  
11 programs” means a program that is engaged in diffusing  
12 technology in local communities and training local communities  
13 in the use of technology, especially local communities that  
14 otherwise would have no access or limited access to the Internet  
15 and other technologies.

16 (e) For purposes of this section, “digital divide projects”  
17 means community technology programs involved in activities that  
18 include, but are not limited to, the following:

19 (1) Providing open access to and opportunities for training in  
20 technology.

21 (2) Developing content relevant to the interests and wants of  
22 the local community.

23 (3) Preparing youth for opportunities in the new economy  
24 through multimedia training and skills.

25 (4) Harnessing technology for e-government services.

26 ~~administer a program to advance universal service by providing~~  
27 ~~discounted rates to qualifying schools, libraries, hospitals, health~~  
28 ~~clinics, and community organizations, consistent with Chapter~~  
29 ~~278 of the Statutes of 1994.~~

30 ~~(b) There is hereby created the California Teleconnect Fund~~  
31 ~~Administrative Committee, which is an advisory board to advise~~  
32 ~~the commission regarding the development, implementation, and~~  
33 ~~administration of a program to advance universal service by~~  
34 ~~providing discounted rates to qualifying schools, libraries,~~  
35 ~~hospitals, health clinics, and community organizations, consistent~~  
36 ~~with Chapter 278 of the Statutes of 1994, and to carry out the~~  
37 ~~program pursuant to the commission’s direction, control, and~~  
38 ~~approval.~~

39 ~~(c) All revenues collected by telephone corporations in rates~~  
40 ~~authorized by the commission to fund the program specified in~~



1 ~~subdivision (a) shall be submitted to the commission pursuant to~~  
2 ~~a schedule established by the commission. Commencing on~~  
3 ~~October 1, 2001, and continuing thereafter, the commission shall~~  
4 ~~transfer the moneys received, and all unexpended revenues~~  
5 ~~collected prior to October 1, 2001, to the Controller for deposit in~~  
6 ~~the California Teleconnect Fund Administrative Committee Fund.~~  
7 ~~All interest earned by moneys in the fund shall be deposited in the~~  
8 ~~fund.~~

9 ~~(d) Moneys appropriated from the California Teleconnect~~  
10 ~~Fund Administrative Committee Fund to the commission shall be~~  
11 ~~utilized exclusively by the commission for the program specified~~  
12 ~~in subdivision (a), including all costs of the board and the~~  
13 ~~commission associated with the administration and oversight of~~  
14 ~~the program and the fund.~~

15 ~~(e) Moneys loaned from the California Teleconnect Fund~~  
16 ~~Administrative Committee Fund in the Budget Act of 2003 are~~  
17 ~~subject to Section 16320 of the Government Code. If the~~  
18 ~~commission determines a need for moneys in the California~~  
19 ~~Teleconnect Fund Administrative Committee Fund, the~~  
20 ~~commission shall notify the Director of Finance of the need, as~~  
21 ~~specified in Section 16320 of the Government Code. The~~  
22 ~~commission may not increase the rates authorized by the~~  
23 ~~commission to fund the program specified in subdivision (b) while~~  
24 ~~moneys loaned from the California Teleconnect Fund~~  
25 ~~Administrative Committee Fund in the Budget Act of 2003 are~~  
26 ~~outstanding unless both of the following conditions are satisfied:~~

27 ~~(1) The Director of Finance, after making a determination~~  
28 ~~pursuant to subdivision (b) of Section 16320 of the Government~~  
29 ~~Code, does not order repayment of all or a portion of any loan from~~  
30 ~~the California Teleconnect Fund Administrative Committee Fund~~  
31 ~~within 30 days of notification by the commission of the need for~~  
32 ~~the moneys.~~

33 ~~(2) The commission notifies the Director of Finance and the~~  
34 ~~Chairperson of the Joint Legislative Budget Committee in writing~~  
35 ~~that it intends to increase the rates authorized by the commission~~  
36 ~~to fund the program specified in subdivision (a). The notification~~  
37 ~~required pursuant to this paragraph shall be made 30 days in~~  
38 ~~advance of the intended rate increase.~~

39 ~~(f) Notwithstanding subdivisions (a) to (e), inclusive, if a~~  
40 ~~wireless telecommunications facility or function is sited on land~~



1 ~~purchased with funds from a continuously appropriated special~~  
2 ~~fund, all revenue generated from a lease entered into pursuant to~~  
3 ~~Section 14666.8 of the Government Code shall be deposited into~~  
4 ~~that special fund.~~

5 ~~(g) Subdivision (e) shall become inoperative upon full~~  
6 ~~repayment or discharge of all moneys loaned from the California~~  
7 ~~Teleconnect Fund Administrative Committee Fund in the Budget~~  
8 ~~Act of 2003.~~

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