

1 **DIGITAL STATE**

2 1999 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Lyle W. Hillyard**

5 AN ACT RELATING TO INFORMATION TECHNOLOGY AND PUBLIC UTILITIES;
6 REQUIRING STATE ENTITIES TO ALLOW CERTAIN SERVICES TO BE TRANSACTED
7 ON THE INTERNET BY JULY 1, 2002, AND ENACTING RELATED PROVISIONS;
8 AMENDING THE CHIEF INFORMATION OFFICER'S DUTIES IN RELATION TO
9 SERVICES AND TRANSACTIONS ON THE INTERNET; CREATING THE RURAL
10 TELECOMMUNICATIONS TASK FORCE AND DELINEATING DUTIES AND
11 PROCEDURES; PROVIDING THAT THE TASK FORCE REPORT TO THE PUBLIC
12 SERVICE COMMISSION AND TO THE PUBLIC UTILITIES AND TECHNOLOGY INTERIM
13 COMMITTEE; REQUIRING THE PUBLIC SERVICE COMMISSION TO INITIATE A
14 PROCEEDING AND MAKE RULES REGARDING USE OF THE UNIVERSAL SERVICE
15 FUND FOR ADVANCED TELECOMMUNICATIONS SERVICES IN RURAL AREAS; AND
16 PROVIDING A REPEAL DATE.

17 This act affects sections of Utah Code Annotated 1953 as follows:

18 AMENDS:

19 **54-8b-15**, as enacted by Chapter 122, Laws of Utah 1997

20 **63D-1-301.5**, as enacted by Chapter 364, Laws of Utah 1998

21 ENACTS:

22 **63-55b-167**, Utah Code Annotated 1953

23 **63D-1-105**, Utah Code Annotated 1953

24 **67-1-13**, Utah Code Annotated 1953

25 *Be it enacted by the Legislature of the state of Utah:*

26 Section 1. Section **54-8b-15** is amended to read:

27 **54-8b-15. Universal Public Telecommunications Service Support Fund --**

28 **Established.**

29 (1) For purposes of this section:

30 (a) "Basic telephone service" means local exchange service and may include such other
31 functions and elements, if any, as the commission determines to be eligible for support by the fund.

32 (b) "Fund" means the Universal Public Telecommunications Service Support Fund
33 established in this section.

34 (2) The commission shall establish an expendable trust fund known as the Universal
35 Public Telecommunications Service Support Fund, which is to be implemented by January 1,
36 1998.

37 (3) The commission shall:

38 (a) institute a proceeding within 30 days of the effective date of this section to establish
39 rules governing the administration of the fund; and

40 (b) issue those rules by October 1, 1997.

41 (4) The rules in Subsection (3) shall:

42 (a) include rules governing the mechanics of phasing out the trust fund established under
43 Section 54-8b-12;

44 (b) specify the relationship between the payments made to the trust fund in Section
45 54-8b-12 and the payments made to the fund established in this section; and

46 (c) be consistent with the Federal Telecommunications Act.

47 (5) Operation of the fund shall be nondiscriminatory and competitively and technologically
48 neutral in the collection and distribution of funds, neither providing a competitive advantage for,
49 nor imposing a competitive disadvantage upon, any telecommunications provider operating in the
50 state.

51 (6) The fund shall be designed to:

52 (a) promote equitable cost recovery of basic telephone service through the imposition of
53 just and reasonable rates for telecommunications access and usage; and

54 (b) preserve and promote universal service within the state by ensuring that customers
55 have access to affordable basic telephone service.

56 (7) To the extent not funded by a federal universal service fund or other federal
57 jurisdictional revenues or by the fund established pursuant to Section 54-8b-12, the fund shall be
58 used to defray the costs, as determined by the commission, of any qualifying telecommunications

59 corporation in providing public telecommunications services to:

60 (a) customers that qualify for a commission-approved lifeline program; and

61 (b) customers, where the basic telephone service rate considered affordable by the
62 commission in a particular geographic area is less than the costs, as determined by the commission
63 for that geographic area, of basic telephone service.

64 (8) The fund shall be portable among qualifying telecommunications corporations.

65 Requirements to qualify for funds under this section shall be defined by rules established by the
66 commission.

67 (9) As necessary to accomplish the purposes of this section, the fund shall provide a
68 mechanism for specific, predictable, and sufficient funds in addition to those provided under the
69 federal universal service fund.

70 (10) (a) Each telecommunications corporation that provides intrastate public
71 telecommunication service shall contribute to the fund on an equitable and nondiscriminatory
72 basis.

73 (b) For purposes of funding the fund, the commission shall have the authority to require
74 all corporations that provide intrastate telecommunication services in this state to contribute
75 monies to the fund through explicit charges determined by the commission.

76 (c) Any charge in Subsection (10)(b) shall not apply to wholesale services, including
77 access and interconnection. Charges associated with being a provider of public
78 telecommunications service shall be in the form of end-user surcharges applied to intrastate retail
79 rates.

80 (d) In establishing any surcharge under this section, the commission is not limited by the
81 restrictions in Subsection 54-8b-12(2).

82 (11) Nothing in this section shall be construed to enlarge or reduce the commission's
83 jurisdiction or authority, as provided in other provisions of this title.

84 (12) Any telecommunications corporation failing to make contributions to this fund or
85 failing to comply with the directives of the commission concerning its books, records, or other
86 information required to administer this section shall be subject to applicable penalties.

87 (13) The commission shall have a bill prepared for the 1998 General Session of the
88 Legislature to place in statute as much of the regulation implemented by rule pursuant to the act
89 the commission believes is practicable.

90 (14) Based upon recommendations made by the Rural Telecommunications Task Force
91 established by Section 67-1-13, the commission shall initiate a proceeding and issue rules by
92 December 1, 1999, governing the use of this fund for advanced telecommunications services in
93 rural areas of the state.

94 Section 2. Section **63-55b-167** is enacted to read:

95 **63-55b-167. Repeal date -- Title 67.**

96 Section 67-1-13 is repealed November 30, 2000.

97 Section 3. Section **63D-1-105** is enacted to read:

98 **63D-1-105. Government products and services on Internet.**

99 (1) The appropriate state entities shall allow the following services to be transacted
100 through the Internet by July 1, 2002:

- 101 (a) application for and renewal of professional and occupational licenses;
- 102 (b) renewal of drivers licenses;
- 103 (c) application for hunting and fishing licenses;
- 104 (d) filings for income tax, sales tax, court documents, and Uniform Commercial Code;
- 105 (e) registrations for products, brands, motor vehicles, corporations, and businesses;
- 106 (f) submission of an application for unemployment, welfare, and health benefits; and
- 107 (g) payment of fines and fees.

108 (2) The state system of public education, in coordination with the Utah Education
109 Network, shall develop and make the following services available through the Internet by July 1,
110 2002;

- 111 (a) secure access by parents and students to student grades and progress reports;
- 112 (b) email communications with teachers, parent-teacher associations, and school
113 administrators;
- 114 (c) access to school calendars and schedules; and
- 115 (d) teaching resources that may include teaching plans, curriculum guides, and media
116 resources.

117 (3) State entities shall:

- 118 (a) in carrying out the requirements of this section, take reasonable steps to ensure the
119 security and privacy of records that are private or controlled as defined by GRAMA;
- 120 (b) in addition to those required services listed in Subsections (1) through (3), determine

121 any additional services which may be made available to the public through electronic means,
122 including the Internet, by July 1, 2002; and

123 (c) as part of their budget reports to the Information Technology Commission prescribed
124 by Section 63D-1-204, report on the progress of compliance with Subsections (1) through (3).

125 (4) A state entity is not required to provide a transaction through the Internet that is
126 impractical, unreasonable, or not permitted by laws pertaining to privacy or security.

127 Section 4. Section **63D-1-301.5** is amended to read:

128 **63D-1-301.5. Chief information officer -- Duties.**

129 (1) The chief information officer shall:

130 (a) develop specific information technology objectives, policies, procedures, and standards
131 to guide the development of information systems within state government to achieve maximum
132 economy and quality while preserving optimum user flexibility, including:

133 (i) policies, standards, and procedures for appropriate interchange of information, optimum
134 service, and minimum costs;

135 (ii) policies for costing all information technology services performed by any state
136 information technology cost recovery center so that every cost recovery center charges its users a
137 rate for services that is both equitable and sufficient to recover all the costs of its operation,
138 including the cost of capital equipment and facilities;

139 (iii) policies governing coordination, cooperation, joint efforts, working relationships, and
140 cost accounting relative to the development and maintenance of information technology and
141 information systems; and

142 (iv) policies to ensure the protection of individual privacy and guarantee the exclusive
143 control to a user of its own data;

144 (b) coordinate the preparation of agency information technology plans within state
145 government, encompassing both short-term and long-term needs that support the agency's and the
146 state's strategic plans, including Utah Tomorrow;

147 (c) require each state agency to submit semiannually an agency information technology
148 plan containing the information required by Subsection (2) before the legislative session in which
149 the budget request will be heard and no later than the June 15 after the legislative session in which
150 the budget request was authorized to the chief information officer;

151 (d) upon receipt of a state agency's information technology plan:

- 152 (i) provide a complete copy of that plan to the director of the Division of Information
153 Technology Services;
- 154 (ii) review and approve or disapprove agency information technology plans to ensure that
155 these plans are the most economically viable and are the best solution to the agency's needs and
156 the state's needs; and
- 157 (iii) approve or disapprove of and coordinate the acquisition of information technology
158 equipment, telecommunications equipment, and related services for all agencies of state
159 government;
- 160 (e) facilitate the implementation of agency plans;
- 161 (f) establish priorities in terms of both importance and time sequencing for the
162 development and implementation of information systems;
- 163 (g) monitor information systems development to promote maximum use of existing state
164 information resources;
- 165 (h) advise the governor on information technology policy and make recommendations to
166 the governor regarding requests for appropriations for information technology equipment and
167 personnel;
- 168 (i) maintain liaison with the legislative and judicial branches, the Board of Regents, the
169 State Board of Education, local government, federal government, business and industry, and
170 consumers to promote cooperation and make recommendations regarding information resources;
- 171 (j) conduct performance audits of state information technology management, planning, and
172 the use of information technology resources and distribute copies of the audit reports as provided
173 in Subsection (3); [and]
- 174 (k) prepare an annual report to the governor and to the Legislature's Public Utilities and
175 Technology Interim Committee and the Information Technology Commission that:
- 176 (i) summarizes the state's current and projected use of information technology; and
177 (ii) includes a description of major changes in state policy and a brief description of each
178 state agency's plan;
- 179 (l) inform each state entity of the requirements of Section 63D-1-105; and
- 180 (m) as permitted by law, coordinate the efforts of state government to provide services and
181 transactions through the Internet.
- 182 (2) (a) Each state agency information technology plan shall include information about

183 planned information technology objectives and expenditures for the next year in the level of detail
184 and format specified by the chief information officer.

185 (b) The plans in Subsection (2)(a) shall include the progress of each state agency toward
186 making the agency's services available on the Internet as provided in Section 63D-1-105.

187 (3) (a) Upon completion of an audit report produced under authority of Subsection (1)(j),
188 the chief information officer shall:

189 (i) provide copies of all audit reports to:

190 (A) the agency audited;

191 (B) the governor;

192 (C) the Office of Legislative Fiscal Analyst;

193 (D) the Public Utilities and Technology Interim Committee; and

194 (E) the Information Technology Commission; and

195 (ii) present the performance audit findings to the Information Technology Policy and
196 Strategy Committee at their next meeting.

197 (b) Each state agency shall provide the chief information officer with complete access to
198 all information technology records, documents, and reports, including electronic, analog, or digital,
199 when requested for the purpose of a performance audit.

200 (4) The rate for services established by an information technology cost recovery center,
201 and reviewed by the chief information officer, may be lowered if the Legislature appropriates
202 monies to the cost recovery center for the specific purpose of lowering rates.

203 Section 5. Section **67-1-13** is enacted to read:

204 **67-1-13. Rural Telecommunications Task Force -- Creation -- Membership --**

205 **Quorum -- Compensation -- Staff -- Duties -- Reports and recommendations.**

206 (1) There is created within the governor's office the Rural Telecommunications Task Force
207 consisting of the following 11 members:

208 (a) one representative from state government appointed by the governor who shall serve
209 as chair;

210 (b) one member of the Senate appointed by the president of the Senate;

211 (c) one member of the House of Representatives appointed by the speaker of the House
212 of Representatives;

213 (d) the chair of the Public Service Commission or the chair's designee;

214 (e) the administrative secretary of the Committee of Consumer Services or the
215 administrative secretary's designee;
216 (f) the director of the Division of Public Utilities or the director's designee;
217 (g) two representatives from a local government organization in rural Utah, one
218 representing cities and one representing counties, appointed by the governor; and
219 (h) three representatives from telecommunications providers in rural Utah to be appointed
220 by the governor.

221 (2) A majority of the members of the task force constitute a quorum. The action of a
222 majority of a quorum constitutes the action of the task force.

223 (3) (a) Salaries and expenses of the members of the task force who are legislators shall be
224 paid in accordance with Section 36-2-2 and Legislative Joint Rule 15.03.

225 (b) Members of the task force who are not legislators may not receive compensation for
226 their work associated with the task force, but may receive per diem and expenses incurred as a
227 member of the task force at the rates established by the Division of Finance under Sections
228 63A-3-106 and 63A-3-107.

229 (4) The governor's office shall provide staff support to the task force.

230 (5) The task force shall review and make recommendations on the following issues:

231 (a) identify appropriate eligibility criteria for Universal Service Fund Support for capital
232 investment in broadband data services in rural areas of the state so that:

233 (i) such support is limited to areas lacking those services;

234 (ii) an appropriate fund balance is maintained;

235 (iii) such support begins January 1, 2000; and

236 (iv) increases in surcharges to support the fund are minimal;

237 (b) identify areas of the state where state government should assume liability for the costs
238 of relocating facilities in the case of right-of-way realignments in order to encourage deployment
239 of digital infrastructure to those areas; and

240 (c) other possible solutions to aid in the deployment of advanced telecommunications
241 services in rural areas of the state.

242 (6) The task force shall provide:

243 (a) recommendations on rule changes to the Public Service Commission by October 1,
244 1999; and

245 (b) a report, including any proposed legislation, to the Public Utilities and Technology
246 Interim Committee before November 30, 1999.

Legislative Review Note
as of 2-15-99 3:32 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel