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**AB-693 Broadband: state oversight.** (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 693**

**Introduced by Assembly Member Boerner**

**February 14, 2025**

An act to amend and repeal Section 11549.52 of, to amend, repeal, and add Sections 6547.7 and 11011.2 of, to add Section 8889.1 to, to add Chapter 13.1 (commencing with Section 8890) to Division 1 of Title 2 of, and to repeal Chapter 13 (commencing with Section 8885) of, the Government Code, to amend, repeal, and add Section 1720 of the Labor Code, and to amend and repeal Sections 281, 281.2, 281.6, and 912.2 of, and to amend, repeal, and add Sections 281.1 and 285 of, the Public Utilities Code, relating to communications.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 693, as introduced, Boerner. Broadband: state oversight.

Existing law establishes the Department of Technology, which is supervised by the Director of Technology, within the Government Operations Agency. Existing law requires the department, in consultation with the public, the Public Utilities Commission (PUC), and the California Broadband Council, by January 1, 2024, to develop a state digital equity plan that includes specified elements, including the identification of barriers to digital equity faced by covered populations in this state.

This bill would create the Broadband and Digital Equity Commission with specified membership, and would, on July 1, 2027, repeal the California Broadband Council and establish the members of the council as a committee of the commission, as specified. The bill would provide that each member of the commission, excluding ex officio members, receive compensation of \$100 per day, but not to exceed \$400 for any commission business authorized by the commission during any month, and the necessary expenses incurred by the member in the performance of the member's duties.

The bill would establish the Department of Broadband and Digital Equity in the Government Operations Agency for the purpose of promoting ubiquitous and universal broadband deployment in unserved and underserved areas of the state and to increase broadband adoption throughout the state for the benefit of all Californians. The bill would, on and after July 1, 2027, declare the department to be the only centralized state department for broadband and digital equity activities within the state authorized to establish rules or regulations for broadband internet access service and internet service providers, as provided. The bill would require the commission to appoint the executive director of the department, who shall serve at the pleasure of the commission, as

specified, and would authorize the executive director to appoint, with the approval of the commission, necessary staff, as provided.

Existing law requires the PUC to develop, implement, and administer the California Advanced Services Fund to encourage deployment of high-quality advanced communications to all Californians, as specified. Existing law establishes the Broadband Loan Loss Reserve Fund in the State Treasury, and continuously appropriates moneys in the fund to the PUC to be available to fund costs related to the financing of the deployment of broadband infrastructure by a local governmental agency or nonprofit organization, as provided. Existing law requires the PUC to maintain and update a statewide, publicly accessible, and interactive map showing the accessibility of broadband service in the state. Existing law requires the Office of Broadband and Digital Literacy to oversee the acquisition and management of contracts for the development and construction of a statewide open-access middle-mile broadband network to provide an opportunity for last-mile providers, anchor institutions, and tribal entities to connect to, and interconnect with other networks and other appropriate connections to, the statewide open-access middle-mile broadband network to facilitate high-speed broadband service. Existing law requires the office to retain a third-party administrator to manage the development, acquisition, construction, maintenance, and operation of a statewide open-access middle-mile broadband network, as specified.

Existing law requires the office, with the third-party administrator, to develop and construct a statewide open-access middle-mile broadband network that prioritizes last-mile connections to unserved and underserved areas and locations. Existing law requires the office and third-party administrator to work directly with last-mile project grant awardees to ensure that network segments, including prioritized stand-alone Department of Transportation construction projects, support last-mile connections, and requires the office and the third-party administrator, to the extent feasible, to minimize disruption due to excavations, as provided.

This bill would delete the provisions described in the above paragraph. The bill would, on and after July 1, 2027, require the department to assume all administrative functions of the California Advanced Services Fund and the Broadband Loan Loss Reserve Fund, and require the department to administer and maintain the interactive map showing the accessibility of broadband service in the state and the statewide open-access middle-mile broadband network, as specified. The bill would authorize the department to perform work, at the request of the commission, that the commission deems necessary to carry out its duties and responsibilities, but requires the commission to consider the expertise and resources available to the department, and specifies that the commission is not prohibited from using the services of other public or private entities.

The bill would require the commission to advise and assist the department, the agency, and the Legislature in formulating and evaluating state policies and plans for broadband and digital equity programs in the state, and would authorize the commission to participate in relevant federal government rulemakings to advocate on behalf of the department and the state's interests. The bill would require the department to report to the Legislature by July 1, 2028, and at least annually thereafter, on the activities of the department and actions taken by the commission, and would require the report to include, among other things, the number of unserved and underserved households in the state, and progress toward increasing connectivity. The bill would require the department to establish a process to enable California residents, consumer advocates, and local governments to make complaints regarding any activity that may result in digital discrimination of access.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### **SECTION 1.** The Legislature finds and declares all of the following:

(a) California is one of the only states in the nation without a dedicated state agency or department to undertake and implement broadband programs within the state.

(b) Under the current administrative structure for broadband programs, essential duties are split between the Public Utilities Commission and the Department of Technology, which has created issues with interagency coordination and stakeholder engagement and has caused delays that have made the goal of universal and ubiquitous broadband service difficult to attain.

(c) While the Public Utilities Commission staff have extensive experience regulating monopoly industries, telephone service, and administering broadband grant programs, the commission is not the most appropriate agency to continue this work into the future for various reasons, including:

(1) The commission's resources are already spread thin tackling existential threats such as climate change, and other high-stakes issues such as the reliability of the electrical grid, utility wildfire safety, and rising electricity rates for California consumers.

(2) Almost all of the commissioners appointed to the commission in recent years have had little experience working on telecommunications or broadband policy issues before being appointed to the commission. Additionally, because the

composition of the commission has its basis in the California Constitution, the Legislature or the Governor cannot easily augment it with additional commissioners.

(3) As an independent constitutional agency, the commission's commissioners are not directly accountable to the Governor or the Legislature. For example, at a recent hearing of the Assembly Budget Subcommittee No. 7 on Accountability and Oversight in which the commission was invited to participate, no commissioners decided to make themselves available to testify about the commission's progress to implement billions of dollars of broadband funding that was appropriated by the Legislature.

(4) The commission's convoluted and obscure public rulemaking process is a burden for interested stakeholders to participate, especially for grassroots organizations, local governments, and tribes. The commission's procedures and requirements lead to lower levels of public engagement in rulemakings and prevent interested stakeholders from having a meaningful seat at the table with decisionmakers.

(d) The California Constitution supports, and there is recent precedent for, divesting the commission of specific responsibilities over consumer services and functions that are not explicitly referenced in the Constitution, such as broadband internet access service.

(e) Historically, the Department of Technology has not been a public-facing agency with regular public engagement responsibilities and duties. While the department has made progress toward more effective public engagement, the department's mission is still fundamentally about statewide information technology strategic planning, project delivery, procurement, policy and standards, and enterprise architecture.

(f) An agency dedicated to broadband and digital equity, overseen by a commission with representatives from relevant stakeholder groups, would better serve the needs of Californians and put the state on a better path toward universal and ubiquitous broadband service.

**SEC. 2.** Section 6547.7 of the Government Code is amended to read:

**6547.7. (a)** A joint powers entity created pursuant to this chapter may issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of Division 31 of the Health and Safety Code, revenue bonds for the deployment of broadband infrastructure by a public entity or nonprofit organization that are supported in whole or in part by funding granted pursuant to Section 281.2 of the Public Utilities Code, and industrial development bonds pursuant to the California Industrial Development Financing Act (Title 10 (commencing with Section 91500)).

*(b) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*

**SEC. 3.** Section 6547.7 is added to the Government Code, to read:

**6547.7. (a)** A joint powers entity created pursuant to this chapter may issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of Division 31 of the Health and Safety Code, revenue bonds for the deployment of broadband infrastructure by a public entity or nonprofit organization that are supported in whole or in part by funding granted pursuant to Section 8890.7, and industrial development bonds pursuant to the California Industrial Development Financing Act (Title 10 (commencing with Section 91500)).

*(b) This section shall become operative on July 1, 2027.*

**SEC. 4.** Section 8889.1 is added to the Government Code, immediately following 8889, to read:

**8889.1.** This chapter shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.

**SEC. 5.** Chapter 13.1 (commencing with Section 8890) is added to Division 1 of Title 2 of the Government Code, to read:

#### **CHAPTER 13.1. Department of Broadband and Digital Equity**

**8890.** For purposes of this chapter, unless the context requires otherwise, the following definitions apply:

- (a) "Agency" means the Government Operations Agency.
- (b) "Commission" means the Broadband and Digital Equity Commission.
- (c) "Department" means the Department of Broadband and Digital Equity.

**8890.1. (a)** There is hereby established the Department of Broadband and Digital Equity in the Government Operations Agency.

(b) The department is established in the agency for the purpose of promoting ubiquitous and universal broadband deployment in unserved and underserved areas of the state and to increase broadband adoption throughout the state for the benefit of all Californians.

(c) On and after July 1, 2027, the department is the centralized state department for broadband and digital equity activities within the state and, notwithstanding any other law, is the only state agency authorized to establish rules or regulations for broadband internet access service and internet service providers.

**8890.2.** On July 1, 2027, upon the California Broadband Council's dissolution pursuant to Section 8889.1 of the Government Code, the members of the California Broadband Council shall collectively become a committee under the administration of the commission.

**8890.3.** (a) The commission consists of 11 voting members and 2 ex officio members as follows:

(1) (A) Seven members appointed by the Governor with the advice and consent of the Senate.

(B) Two members appointed by the Speaker of the Assembly and two members appointed by the Senate Committee on Rules, not subject to confirmation by the Senate.

(C) A member appointed pursuant to this paragraph shall not simultaneously hold an elected public office, or serve on any local or regional public board or commission with business before the commission.

(D) A member appointed pursuant to this paragraph shall hold office for a term of six years, and until their successor is appointed, except as otherwise provided in this section.

(2) (A) One Member of the Senate appointed by the Senate Committee on Rules and one Member of the Assembly appointed by the Speaker of the Assembly shall be ex officio members without votes and shall participate in the activities of the commission to the extent that their participation is not incompatible with their positions as Members of the Legislature.

(B) Ex officio members shall hold office for terms of four years, and until their successors are appointed.

(3) Vacancies shall be filled by the appointing authority for the unexpired portion of the terms in which they occur.

(b) (1) When making an appointment to the commission, the Governor shall make every effort to ensure that there is a geographic balance to the membership of the commission, including that the commission as a whole includes members from the northern and the southern areas of the state and from the urban and the rural areas of the state.

(2) Of the members of the commission appointed by the Governor pursuant to subdivision (a), the appointments shall include the following:

(A) One member with a background in consumer advocacy in telecommunications or the broadband sector.

(B) One member with extensive experience working with or serving on nonprofit boards focused on digital equity, closing the digital divide, or broadband related activities.

(C) One member from a private internet service provider with more than 1,000,000 customers in California.

(D) One member from a private internet service provider with fewer than 1,000,000 customers in California.

(E) One member with a background in labor union advocacy.

(F) One member from a California Native American tribe.

(3) Each member of the commission shall represent the state at large.

(c) The commission shall elect one of its members as a chairperson who shall preside at all meetings, and a vice chairperson who shall preside in the chairperson's absence. The chairperson shall serve a term of two years. A member shall not serve as chairperson for more than two successive terms.

(d) (1) After consulting with members of the commission, the chairperson of the commission may appoint the members to committees of the commission.

(2) Each committee shall elect one of its members, other than the chairperson of the commission, to serve as the committee chairperson, who shall preside at all committee meetings.

(3) The chairperson shall maintain the committee of the commission created pursuant to Section 8890.2 until at least December 31, 2027, and after that date may terminate that committee.

(4) The commission shall not form a committee for the purpose of considering budgetary or fiscal matters.

(e) Other than ex officio members, each member of the commission shall receive compensation of one hundred dollars (\$100) per day, but not to exceed four hundred dollars (\$400), for any commission business authorized by the commission during any month, when a majority of the commission approves the compensation by a recorded vote, and for the necessary expenses incurred by the member in the performance of the member's duties.

(f) (1) (A) The commission shall appoint an executive director of the department, who shall serve at the pleasure of the commission.

(B) The executive director of the department shall receive the salary established by the Director of Finance for exempt officials.

(C) The executive director of the department shall administer the affairs of the commission and the department, and shall direct the staff of the department.

(2) The executive director may appoint, with the approval of the commission, staff necessary to carry out this chapter.

(3) The department may perform work, at the request of the commission, that the commission deems necessary to carry out its duties and responsibilities.

(4) For purposes of this subdivision, the commission shall consider the expertise and resources available to the department, and is not prohibited from using the services of other public or private entities.

(g) (1) The commission shall advise and assist the department, the agency, and the Legislature in formulating and evaluating state policies and plans for broadband and digital equity programs in the state.

(2) The commission may participate in relevant federal government rulemakings to advocate on behalf of the department and the state's interests.

(3) The commission may request and review reports of the department and other state entities that pertain to issues of broadband or digital equity that the commission determines needs special study.

**8890.4.** (a) Notwithstanding Section 10231.5, the department shall, on or before July 1, 2028, and at least annually thereafter, report to the Legislature on the activities of the department and actions taken by the commission.

(b) The report shall include, but is not limited to, all of the following:

(1) Information the department deems is relevant to broadband or digital equity that was previously required to be reported to the Legislature by previous or preceding state entities.

(2) The number of unserved and underserved households in the state, and progress toward increasing connectivity.

(3) Changes in broadband adoption rates within the state.

(c) A report to be submitted pursuant to this section shall be submitted in compliance with Section 9795.

**8890.5.** The department shall establish a process to enable California residents, consumer advocates, and local governments to make complaints regarding any activity that may result in digital discrimination of access.

**8890.6.** (a) On and after July 1, 2027, the department shall assume the administration of the California Advanced Services Fund, which is hereby continued in the State Treasury, to encourage the deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies, consistent with this section and with the statements of intent in Section 2 of the Internet for All Now Act (Chapter 851 of the Statutes of 2017).

(b) (1) (A) The goal of the Broadband Infrastructure Grant Account is, no later than December 31, 2032, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households in each consortia region, as identified by the department. The department shall be responsible for achieving the goals of the program.

(B) For purposes of the Broadband Infrastructure Grant Account, both of the following definitions apply:

(i) "Mbps" means megabits per second.

(ii) (I) Except as provided in subclause (II), "unserved area" means an area for which there is no facility-based broadband provider offering at least one tier of broadband service at speeds of at least 25 mbps downstream, 3 mbps upstream, and a latency that is sufficiently low to allow real-time interactive applications, considering updated federal and state broadband mapping data.

(II) For projects funded, in whole or in part, from moneys received from the federal Rural Digital Opportunity Fund, "unserved area" means an area in which no facility-based broadband provider offers broadband service at speeds consistent with the standards established by the Federal Communications Commission pursuant to In the Matter of Rural Digital Opportunity Fund, WC Docket No. 19-126, Report and Order, FCC 20-5 (adopted January 30, 2020, and released February 7, 2020), or as it may be later modified by the Federal Communications Commission.

(2) In approving infrastructure projects funded through the Broadband Infrastructure Grant Account, the department shall do both of the following:

(A) Approve projects that provide last-mile broadband access to households that are unserved by an existing facility-based broadband provider.

(B) (i) Prioritize projects in unserved areas where internet connectivity is available only at speeds at or below 10 mbps downstream and 1 mbps upstream or areas with no internet connectivity.

(ii) This subparagraph does not prohibit the department from approving funding for projects outside of the areas specified in clause (i).

(3) Moneys appropriated for purposes of this section may be used to match or leverage federal moneys for communications infrastructure, digital equity, and adoption, including, but not limited to, moneys from the United States Department of Commerce Economic Development Administration, the United States Department of Agriculture ReConnect Loan and Grant Program, and the Federal Communications Commission for communications infrastructure, digital equity, and adoption.

(4) The department shall transition California Advanced Services Fund program methodologies to provide service to serviceable locations and evaluate other program changes to align with other funding sources, including, but not limited to, funding locations.

(5) The department shall maximize investments in new, robust, and scalable infrastructure and use California Advanced Services Fund moneys to leverage federal and non-California Advanced Services Fund moneys by undertaking activities, including, but not limited to, all of the following:

(A) Providing technical assistance to local governments and providers.

(B) Assisting in developing grant applications.

(C) Assisting in preparing definitive plans for deploying necessary infrastructure in each county, including coordination across contiguous counties.

(6) Moneys appropriated for purposes of this section may be used to fund projects that deploy broadband infrastructure to unserved nonresidential facilities used for local and state emergency response activities, including, but not limited to, fairgrounds.

(c) The department shall maintain the following accounts within the fund, which are hereby continued in existence:

(1) The Broadband Infrastructure Grant Account.

(2) The Rural and Urban Regional Broadband Consortia Grant Account.

(3) The Broadband Public Housing Account.

(4) The Broadband Adoption Account.

(5) The Federal Funding Account.

(d) (1) The Public Utilities Commission shall transfer the moneys it receives from the surcharge it is authorized to impose pursuant to paragraph (4) to fund the accounts to the Controller for deposit into the California Advanced Services Fund.

(2) All interest earned on moneys in the fund shall be deposited into the fund.

(3) The department may make recommendations to the Legislature regarding appropriations from the California Advanced Services Fund and the accounts established pursuant to subdivision (c).

(4) For the period described in Section 281.1 of the Public Utilities Code, the Public Utilities Commission may collect a sum not to exceed one hundred fifty million dollars (\$150,000,000) per year.

(e) All moneys in the California Advanced Services Fund, including moneys in the accounts within the fund, shall be available, upon appropriation by the Legislature, to the department for the California Advanced Services Fund program administered by the department pursuant to this section, including the costs incurred by the department in developing, implementing, and administering the program and the fund.

(f) In administering the Broadband Infrastructure Grant Account, the department shall do all of the following:

(1) The department shall award grants from the Broadband Infrastructure Grant Account on a technology-neutral basis, taking into account the useful economic life of capital investments, and including both wireline and wireless technology.

(2) The department shall consult with regional consortia, stakeholders, local governments, existing facility-based broadband providers, and consumers regarding unserved areas and cost-effective strategies to achieve the broadband access goal through public workshops conducted at least annually no later than April 30 of each year.

(3) The department shall identify unserved rural and urban areas and delineate the areas in the annual report prepared pursuant to Section 8890.4.

(4) An existing facility-based broadband provider may, but is not required to, apply for funding from the Broadband Infrastructure Grant Account to make an upgrade pursuant to this subdivision.

(5) Projects eligible for grant awards shall deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream, or the most current broadband definition speed standard set by the Federal Communications Commission from time to time, as determined appropriate by the department, whichever broadband access speed is greater, to unserved areas or unserved households.

(6) (A) An individual household or property owner shall be eligible to apply for a grant to offset the costs of connecting the household or property to an existing or proposed facility-based broadband provider. Any infrastructure built to connect a household or property with funds provided under this paragraph shall become the property of, and part of, the network of the facility-based broadband provider to which it is connected.

(B) (i) In approving a project pursuant to this paragraph, the department shall consider limiting funding to households based on income so that funds are provided only to households that would not otherwise be able to afford a line extension to the property, limiting the amount of grants on a per-household basis, and requiring a percentage of the project to be paid by the household or the owner of the property.

(ii) The aggregate amount of grants awarded pursuant to this paragraph shall not exceed five million dollars (\$5,000,000).

(7) An entity that is not a telephone corporation shall be eligible to apply to participate in the program administered by the department pursuant to this section to provide access to broadband to an unserved area if the entity otherwise meets the eligibility requirements and complies with program requirements established by the department.

(8) The department shall provide each applicant, and any party challenging an application, the opportunity to demonstrate actual levels of broadband service in the project area, which the department shall consider in reviewing the application.

(9) The department shall establish a service list of interested parties to be notified of any California Advanced Services Fund applications. Any application and any amendment to an application for project funding shall be served to those on the service list and posted on the department's internet website at least 30 days before publishing the corresponding draft resolution.

(10) A grant awarded pursuant to this subdivision may include funding for the following costs, consistent with paragraph (5):

(A) Costs directly related to the deployment of infrastructure.

(B) Costs to lease access to property or for internet backhaul services for a period not to exceed five years.

(C) Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

(11) The department may award grants to fund all or a portion of a project. The department shall determine, on a case-by-case basis, the level of funding to be provided for a project and shall consider factors that include, but are not limited to, the location and accessibility of the area, the existence of communication facilities that may be upgraded to deploy broadband, and whether the project makes a significant contribution to achievement of the program goal.

(g) (1) Moneys in the Rural and Urban Regional Broadband Consortia Grant Account shall be available for grants to eligible consortia to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process. An eligible consortium may include, as specified by the department, representatives of organizations, including, but not limited to, local and regional government, public safety, elementary and secondary education, health care, libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

(2) Each consortium shall conduct an annual audit of its expenditures for programs funded pursuant to this subdivision and shall submit to the department an annual report that includes both of the following:

(A) A description of activities completed during the prior year, how each activity promotes the deployment of broadband services, and the cost associated with each activity.

(B) The number of project applications assisted.

(h) (1) For purposes of this subdivision, "low-income community" includes, but is not limited to, publicly supported housing developments, and other housing developments or mobilehome parks with low-income residents, as determined by the department.

(2) Moneys in the Broadband Public Housing Account shall be available for the department to award grants and loans pursuant to this subdivision to a low-income community that otherwise meets eligibility requirements and complies with program requirements established by the department.

(3) Moneys deposited into the Broadband Public Housing Account shall be available for grants and loans to low-income communities to finance projects to connect broadband networks that offer free broadband service that meets or exceeds state standards, as determined by the department, for residents of the low-income communities. A low-income community may be an eligible applicant if the low-income community does not have access to any broadband service provider that offers free broadband service that meets or exceeds state standards, as determined by the department, for the residents of the low-income community.

(4) To the extent feasible, the department shall approve projects for funding from the Broadband Public Housing Account in a manner that reflects the statewide distribution of low-income communities.

(5) In reviewing a project application under this subdivision, the department shall consider the availability of other funding sources for that project, any financial contribution from the broadband service provider to the project, the availability of any other public or private broadband adoption or deployment program, including tax credits and other incentives, and whether the applicant has sought funding from, or participated in, any reasonably available program. The department may require an applicant to provide match funding, and shall not deny funding for a project solely because the applicant is receiving funding from another source.

(6) The department shall prioritize grants pursuant to this subdivision to those existing publicly supported housing developments that have not yet received a grant pursuant to this subdivision and do not have access to free broadband internet service onsite.

(i) (1) Moneys in the Broadband Adoption Account shall be available to the department to award grants to increase publicly available or after school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption.

(2) Eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, including nonprofit religious organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.

(3) Payment pursuant to a grant for digital inclusion shall be based on digital inclusion metrics established by the department that may include the number of residents trained, the number of residents served, or the actual verification of broadband subscriptions resulting from the program funded by the grant.



(4) The department shall give preference to programs in communities with demonstrated low broadband access, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. The department shall determine how best to prioritize projects for funding pursuant to this paragraph.

(5) Moneys awarded pursuant to this subdivision shall not be used to subsidize the costs of providing broadband service to households.

(j) The department shall post on the home page of the California Advanced Services Fund on its internet website a list of all pending applications, application challenge deadlines, and notices of amendments to pending applications.

(k) (1) The department shall require each entity that receives funding or financing for a project pursuant to this section to report monthly to the department, at minimum, all of the following information:

(A) The name and contractor's license number of each licensed contractor and subcontractor undertaking a contract or subcontract in excess of twenty-five thousand dollars (\$25,000) to perform work on a project funded or financed pursuant to this section.

(B) The location where a contractor or subcontractor described in subparagraph (A) will be performing that work.

(C) The anticipated dates when that work will be performed.

(2) The department shall, on a monthly basis, post the information reported pursuant to this subdivision on the California Advanced Services Fund internet website that the department shall maintain.

(l) The department shall notify the appropriate policy committees of the Legislature on the date on which the goal specified in subparagraph (A) of paragraph (1) of subdivision (b) is achieved.

(m) (1) Upon the deposit of state or federal infrastructure moneys into the Federal Funding Account, the department shall implement a program using those moneys to expeditiously connect unserved and underserved communities by applicable federal deadlines.

(2) Projects funded pursuant to this subdivision shall be implemented consistent with Part 35 (commencing with Section 35.1) of Title 31 of the Code of Federal Regulations and any conditions or guidelines applicable to these one-time federal infrastructure moneys.

(n) This section shall become operative July 1, 2027.

**8890.7.** (a) (1) On and after July 1, 2027, the Broadband Loan Loss Reserve Fund is hereby continued in the State Treasury. Upon appropriation by the Legislature, moneys in the fund shall be available to the department to fund costs related to the financing of the deployment of broadband infrastructure by a local governmental agency or nonprofit organization, including, but not limited to, payment of costs of debt issuance, obtaining credit enhancement, and establishment and funding of reserves for the payment of principal and interest on the debt.

(2) The department may establish, among other things, eligibility requirements, financing terms and conditions, and allocation criteria for infrastructure projects deployed using financing supported in whole or in part by funds allocated pursuant to this section.

(3) The department may require a local governmental agency or nonprofit organization to provide information demonstrating the agency's or nonprofit organization's ability to reasonably finance and implement the infrastructure project deployed using financing supported in whole or in part by funds allocated pursuant to this section.

(4) The department shall require each local governmental agency or nonprofit organization receiving funds under this section to file both of the following reports in the form and manner specified by the department:

(A) Biannual progress reports identifying project milestones and percent completions to date, and including other information as the department may prescribe.

(B) A completion report, including a full description of the completed project, comparison of approved versus actual costs of construction, speed test data for all areas served by the project, and other information as the department may prescribe.

(b) This section shall become operative on July 1, 2027.

**8890.8.** (a) The department shall, consistent with Item 7502-062-8506 of the Budget Act of 2021, oversee the acquisition and management of contracts for the development and construction of a statewide open-access middle-mile broadband network, and for the maintenance and operation of the statewide open-access middle-mile broadband network to provide an opportunity for

last-mile providers, anchor institutions, and tribal entities to connect to, and interconnect with other networks and other appropriate connections to, the statewide open-access middle-mile broadband network to facilitate high-speed broadband service.

(b) The department has the same authority granted to the Department of General Services pursuant to paragraph (1) of subdivision (e) of Section 6611 of the Public Contract Code for purposes of implementing this section.

(c) This section shall become operative July 1, 2027.

**8890.9.** (a) The department, in collaboration with relevant state agencies and stakeholders, shall maintain and update a statewide, publicly accessible, and interactive map showing the accessibility of broadband service in the state, including, but not limited to, information identifying the percentage of each census block that has broadband service meeting federal and state standards. The map shall identify, for each address in the state, each provider of broadband services that offers service at the address and the maximum speed of broadband services offered by each provider of broadband services at the address.

(b) The map required pursuant to subdivision (a) shall also include all of the following features to receive self-reported data:

(1) A feature for users to disclose how much they pay for stand-alone or bundled broadband service.

(2) A feature for users to identify the internet service provider to which they subscribe for broadband service.

(3) A feature for users to disclose the maximum speed for broadband service to which they subscribe.

(4) A feature that allows individuals to refute the broadband speed or technology, or both, that an internet service provider claims to offer at an address.

(5) A feature that allows individuals to identify barriers to broadband access.

(c) The features and self-reported data required pursuant to subdivisions (b) and (h) shall be made publicly available and expressed at the address for which the data was submitted. The department shall obtain consent from an individual before publicly disclosing information that the individual submits pursuant to subdivision (b) or (h).

(d) The department may collect from providers of broadband services information necessary to establish and update the map required pursuant to this section.

(e) The department shall also create a notification feature on the map for individuals. Using this feature, an individual may sign up to be notified when updates are made to the map.

(f) The department may collect information from providers of broadband services at the address level.

(g) The department shall not, pursuant to subdivision (a), (d), or (e), disclose residential subscriber information protected by Section 2891 of the Public Utilities Code.

(h) The map required pursuant to subdivision (a) shall include a feature for users to submit a verified speed test at their location.

(i) For purposes of this section, the following definitions apply:

(1) "Broadband" has the same meaning as defined in Section 5830 of the Public Utilities Code.

(2) "Verified speed test" means a broadband speed performance test result that was measured and verified using a reputable application specified by the commission for that purpose.

(j) This section shall become operative on July 1, 2027.

**SEC. 6.** Section 11011.2 of the Government Code is amended to read:

**11011.2.** (a) (1) Notwithstanding any other law, including, but not limited to, Sections 11011 and 14670, except as provided in this section, the Department of General Services may lease real property under the jurisdiction of a state agency, department, or district agricultural association, if the Director of General Services determines that the real property is of no immediate need to the state but may have some potential future use to the program needs of the agency, department, or district agricultural association.

(2) Except as provided in paragraph (4), the Director of General Services shall not lease any of the following real property pursuant to this section:

(A) Tax-deeded land or lands under the jurisdiction of the State Lands Commission.

(B) Land that has escheated to the state or that has been distributed to the state by court decree in estates of deceased persons.

(C) Lands under the jurisdiction of the State Coastal Conservancy or another state conservancy.

(D) Lands under the jurisdiction of the Department of Transportation or the California State University system, or land owned by the Regents of the University of California.

(E) Lands under the jurisdiction of the Department of Parks and Recreation.

(F) Lands under the jurisdiction of the Department of Fish and Wildlife.

(3) Except as provided in paragraph (4), a lease entered into pursuant to this section shall be set at the amount of the lease's fair market value, as determined by the Director of General Services.

(4) Notwithstanding paragraphs (2) and (3), the Department of General Services may lease real property under the jurisdiction of a state agency, department, or district agricultural association, with the consent of that state agency, department, or district agricultural association in support of broadband infrastructure deployment to connect unserved or underserved locations in the state, at an amount less than fair market value, if the following conditions are met:

(A) For last-mile broadband infrastructure deployment projects, the Public Utilities Commission gives consent and makes a written finding of the public benefit for each lease entered that is below fair market value.

(B) For the state middle-mile broadband network authorized by Section 11549.52, the Department of Technology gives consent and makes a written finding of the public benefit for each lease entered that is below fair market value.

(C) The lease terms enable the state to recover all direct costs for the term of the lease.

(5) The Director of General Services may determine the length of term or a use of the lease, and specify any other terms and conditions that are determined to be in the best interest of the state.

(b) The Department of General Services may enter into a long-term lease of real property pursuant to this section that has outstanding lease revenue bonds and for which the real property cannot be disencumbered from the bonds, only if the issuer and trustee for the bonds approves the lease transaction, and this approval takes into consideration, among other things, that the proposed lease transaction does not breach a covenant or obligation of the issuer or trustee.

(c) (1) All issuer- and trustee-related costs for reviewing a proposed lease transaction pursuant to this section, and all other costs of the lease transaction related to the defeasance or other retirement of any bonds, including the cost of nationally recognized bond counsel, shall be paid from the proceeds of that lease.

(2) The Department of General Services shall be reimbursed for any reasonable costs or expenses incurred in conducting a transaction pursuant to this section.

(3) Notwithstanding subdivision (g) of Section 11011, unless necessary to maintain the operating reserve referenced in that subdivision, the Department of General Services shall deposit into the General Fund the net proceeds of a lease entered into pursuant to this section, after deducting the amount of the reimbursement of costs incurred pursuant to this section or the reimbursement of adjustments to the General Fund loan made pursuant to Section 8 of Chapter 20 of the ~~2009-10~~ [Statutes of 2009](#) Fourth Extraordinary Session from the lease.

(d) The Department of General Services shall transmit a report to each house of the Legislature on or before June 30, 2011, and on or before June 30 each year thereafter, listing every new lease that is below fair market value or exceeds a period of five years entered into under the authority of this section and the following information regarding each listed lease:

(1) Lease payments.

(2) Length of the lease.

(3) Identification of the leasing parties.

(4) Identification of the leased property.

(5) For any lease to support broadband infrastructure deployment, a description of the related broadband infrastructure project to connect unserved or underserved locations in the state.

(6) Any other information the Director of General Services determines should be included in the report to adequately describe the material provisions of the lease.

(e) For purposes of this section, "unserved" and "underserved" locations shall be as specified on the state broadband map maintained by the Public Utilities Commission or in broadband infrastructure grant programs.

*(f) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*

**SEC. 7.** Section 11011.2 is added to the Government Code, to read:

**11011.2.** (a) (1) Notwithstanding any other law, including, but not limited to, Sections 11011 and 14670, except as provided in this section, the Department of General Services may lease real property under the jurisdiction of a state agency, department, or district agricultural association, if the Director of General Services determines that the real property is of no immediate need to the state but may have some potential future use to the program needs of the agency, department, or district agricultural association.

(2) Except as provided in paragraph (4), the Director of General Services shall not lease any of the following real property pursuant to this section:

(A) Tax-deeded land or lands under the jurisdiction of the State Lands Commission.

(B) Land that has escheated to the state or that has been distributed to the state by court decree in estates of deceased persons.

(C) Lands under the jurisdiction of the State Coastal Conservancy or another state conservancy.

(D) Lands under the jurisdiction of the Department of Transportation or the California State University system, or land owned by the Regents of the University of California.

(E) Lands under the jurisdiction of the Department of Parks and Recreation.

(F) Lands under the jurisdiction of the Department of Fish and Wildlife.

(3) Except as provided in paragraph (4), a lease entered into pursuant to this section shall be set at the amount of the lease's fair market value, as determined by the Director of General Services.

(4) Notwithstanding paragraphs (2) and (3), the Department of General Services may lease real property under the jurisdiction of a state agency, department, or district agricultural association, with the consent of that state agency, department, or district agricultural association in support of broadband infrastructure deployment to connect unserved or underserved locations in the state, at an amount less than fair market value, if the following conditions are met:

(A) For last-mile broadband infrastructure deployment projects, the Department of Broadband and Digital Equity gives consent and makes a written finding of the public benefit for each lease entered that is below fair market value.

(B) For the state middle-mile broadband network authorized by Section 8890.8, the Department of Broadband and Digital Equity gives consent and makes a written finding of the public benefit for each lease entered that is below fair market value.

(C) The lease terms enable the state to recover all direct costs for the term of the lease.

(5) The Director of General Services may determine the length of term or a use of the lease, and specify any other terms and conditions that are determined to be in the best interest of the state.

(b) The Department of General Services may enter into a long-term lease of real property pursuant to this section that has outstanding lease revenue bonds and for which the real property cannot be disencumbered from the bonds, only if the issuer and trustee for the bonds approves the lease transaction, and this approval takes into consideration, among other things, that the proposed lease transaction does not breach a covenant or obligation of the issuer or trustee.

(c) (1) All issuer- and trustee-related costs for reviewing a proposed lease transaction pursuant to this section, and all other costs of the lease transaction related to the defeasance or other retirement of any bonds, including the cost of nationally recognized bond counsel, shall be paid from the proceeds of that lease.

(2) The Department of General Services shall be reimbursed for any reasonable costs or expenses incurred in conducting a transaction pursuant to this section.

(3) Notwithstanding subdivision (g) of Section 11011, unless necessary to maintain the operating reserve referenced in that subdivision, the Department of General Services shall deposit into the General Fund the net proceeds of a lease entered into pursuant to this section, after deducting the amount of the reimbursement of costs incurred pursuant to this section or the reimbursement of adjustments to the General Fund loan made pursuant to Section 8 of Chapter 20 of the Statutes of 2009 Fourth Extraordinary Session from the lease.

(d) The Department of General Services shall transmit a report to each house of the Legislature on or before June 30, 2011, and on or before June 30 each year thereafter, listing every new lease that is below fair market value or exceeds a period of five years entered into under the authority of this section and the following information regarding each listed lease:

(1) Lease payments.

(2) Length of the lease.

(3) Identification of the leasing parties.

(4) Identification of the leased property.

(5) For any lease to support broadband infrastructure deployment, a description of the related broadband infrastructure project to connect unserved or underserved locations in the state.

(6) Any other information the Director of General Services determines should be included in the report to adequately describe the material provisions of the lease.

(e) For purposes of this section, "unserved" and "underserved" locations shall be as specified on the state broadband map maintained by the Department of Broadband and Digital Equity or in broadband infrastructure grant programs.

(f) This section shall become operative on July 1, 2027.

**SEC. 8.** Section 11549.52 of the Government Code is amended to read:

**11549.52.** (a) The office shall, consistent with Item 7502-062-8506 of the Budget Act of 2021, oversee the acquisition and management of contracts for the development and construction of a statewide open-access middle-mile broadband network, and for the maintenance and operation of the statewide open-access middle-mile broadband network to provide an opportunity for last-mile providers, anchor institutions, and tribal entities to connect to, and interconnect with other networks and other appropriate connections to, the statewide open-access middle-mile broadband network to facilitate high-speed broadband service.

~~(b)The office shall, with the third-party administrator, develop and construct a statewide open-access middle-mile broadband network that prioritizes last-mile connections to unserved and underserved areas and locations:~~

~~(1)In prioritizing last-mile connections, the office shall prioritize a geographically diverse group of network segments in rural and urban areas of the state to achieve the greatest reductions in the number of locations that are unserved and underserved by broadband internet access service that meets federal and state standards:~~

~~(2)In prioritizing stand-alone Department of Transportation construction projects from the Department of Technology's Middle-Mile Broadband Network Initiative, the office shall prioritize network segments necessary for connection to last-mile projects with grant awards from one or more of the following programs, including, but not limited to:~~

~~(A)The Broadband Equity, Access, and Deployment Program:~~

~~(B)The California Advanced Services Fund program, as described in Section 281 of the Public Utilities Code:~~

~~(C)The Federal Funding Account program:~~

~~(c)The office and the third party administrator shall work directly with last-mile project grant awardees to ensure that network segments, including prioritized stand-alone Department of Transportation construction projects, support last-mile connections:~~

~~(d)The office and the third party administrator shall, to the extent feasible, minimize disruption due to excavations. This shall not be used as a basis to exclude or deprioritize a network segment:~~

~~(e)~~

~~(b)~~ The office has the same authority granted to the department pursuant to paragraph (1) of subdivision (e) of Section 6611 of the Public Contract Code for purposes of implementing this section.

~~(c) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.~~

**SEC. 9.** Section 1720 of the Labor Code is amended to read:

**1720.** (a) As used in this chapter, "public works" means all of the following:

(1) Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by a public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, "construction" includes work performed during the design, site assessment, feasibility study, and other preconstruction phases of construction, including, but not limited to, inspection and land surveying work, regardless of whether any further construction work is conducted, and work performed during the postconstruction phases of construction, including, but not limited to, all cleanup work at the jobsite. For purposes of this paragraph, "installation" includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems.

(2) Work done for irrigation, utility, reclamation, and improvement districts, and other districts of this type. "Public works" does not include the operation of the irrigation or drainage system of an irrigation or reclamation district, except as used in Section 1778 relating to retaining wages.

(3) Street, sewer, or other improvement work done under the direction and supervision or by the authority of an officer or public body of the state, or of a political subdivision or district thereof, whether the political subdivision or district operates under a freeholder's charter or not.

(4) The laying of carpet done under a building lease-maintenance contract and paid for out of public funds.

(5) The laying of carpet in a public building done under contract and paid for in whole or in part out of public funds.

(6) Public transportation demonstration projects authorized pursuant to Section 143 of the Streets and Highways Code.

(7) (A) Infrastructure project grants from the California Advanced Services Fund pursuant to Section 281 of the Public Utilities Code.

(B) For purposes of this paragraph, the Public Utilities Commission is not the awarding body or the body awarding the contract, as defined in Section 1722.

(8) Tree removal work done in the execution of a project under paragraph (1).

(b) For purposes of this section, "paid for in whole or in part out of public funds" means all of the following:

(1) The payment of money or the equivalent of money by the state or political subdivision directly to or on behalf of the public works contractor, subcontractor, or developer.

(2) Performance of construction work by the state or political subdivision in execution of the project.

(3) Transfer by the state or political subdivision of an asset of value for less than fair market price.

(4) Fees, costs, rents, insurance or bond premiums, loans, interest rates, or other obligations that would normally be required in the execution of the contract, that are paid, reduced, charged at less than fair market value, waived, or forgiven by the state or political subdivision.

(5) Money loaned by the state or political subdivision that is to be repaid on a contingent basis.

(6) Credits that are applied by the state or political subdivision against repayment obligations to the state or political subdivision.

(c) Notwithstanding subdivision (b), all of the following apply:

(1) Private residential projects built on private property are not subject to this chapter unless the projects are built pursuant to an agreement with a state agency, a redevelopment agency, a successor agency to a redevelopment agency when acting in that capacity, or a local public housing authority.

(2) If the state or a political subdivision requires a private developer to perform construction, alteration, demolition, installation, or repair work on a public work of improvement as a condition of regulatory approval of an otherwise private development project, and the state or political subdivision contributes no more money, or the equivalent of money, to the overall project than is required to perform this public improvement work, and the state or political subdivision maintains no proprietary interest in the overall project, then only the public improvement work shall thereby become subject to this chapter.

(3) (A) If the state or a political subdivision reimburses a private developer for costs that would normally be borne by the public, or provides directly or indirectly a public subsidy to a private development project that is de minimis in the context of the project, an otherwise private development project shall not thereby become subject to this chapter.

(B) (i) For purposes of subparagraph (A), a public subsidy is de minimis if it is both less than six hundred thousand dollars (\$600,000) and less than 2 percent of the total project cost.

(ii) Notwithstanding clause (i), for purposes of subparagraph (A), a public subsidy for a project that consists entirely of single-family dwellings is de minimis if it is less than 2 percent of the total project cost.

(iii) This subparagraph ~~shall~~ **does** not apply to a project that was advertised for bid, or a contract that was awarded, before July 1, 2021.

(4) The construction or rehabilitation of affordable housing units for low- or moderate-income persons pursuant to paragraph (5) or (7) of subdivision (e) of Section 33334.2 of the Health and Safety Code that are paid for solely with moneys from the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Health and Safety Code or that are paid for by a combination of private funds and funds available pursuant to Section 33334.2 or 33334.3 of the Health and Safety Code do not constitute a project that is paid for in whole or in part out of public funds.

(5) Unless otherwise required by a public funding program, the construction or rehabilitation of privately owned residential projects is not subject to this chapter if one or more of the following conditions are met:

(A) The project is a self-help housing project in which no fewer than 500 hours of construction work associated with the homes are to be performed by the home buyers.

(B) The project consists of rehabilitation or expansion work associated with a facility operated on a not-for-profit basis as temporary or transitional housing for homeless persons with a total project cost of less than twenty-five thousand dollars (\$25,000).

(C) Assistance is provided to a household as either mortgage assistance, downpayment assistance, or for the rehabilitation of a single-family home.

(D) The project consists of new construction, expansion, or rehabilitation work associated with a facility developed by a nonprofit organization to be operated on a not-for-profit basis to provide emergency or transitional shelter and ancillary services and assistance to homeless adults and children. The nonprofit organization operating the project shall provide, at no profit, not less than 50 percent of the total project cost from nonpublic sources, excluding real property that is transferred or leased. Total project cost includes the value of donated labor, materials, and architectural and engineering services.

(E) The public participation in the project that would otherwise meet the criteria of subdivision (b) is public funding in the form of below-market interest rate loans for a project in which occupancy of at least 40 percent of the units is restricted for at least 20 years, by deed or regulatory agreement, to individuals or families earning no more than 80 percent of the area median income.

(d) Notwithstanding any provision of this section to the contrary, the following projects are not, solely by reason of this section, subject to this chapter:

(1) Qualified residential rental projects, as defined by Section 142(d) of the Internal Revenue Code, financed in whole or in part through the issuance of bonds that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 (commencing with Section 8869.80) of Division 1 of Title 2 of the Government Code on or before December 31, 2003.

(2) Single-family residential projects financed in whole or in part through the issuance of qualified mortgage revenue bonds or qualified veterans' mortgage bonds, as defined by Section 143 of the Internal Revenue Code, or with mortgage credit certificates under a Qualified Mortgage Credit Certificate Program, as defined by Section 25 of the Internal Revenue Code, that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 (commencing with Section 8869.80) of Division 1 of Title 2 of the Government Code on or before December 31, 2003.

(3) Low-income housing projects that are allocated federal or state low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code, Chapter 3.6 (commencing with Section 50199.4) of Part 1 of Division 31 of the Health and Safety Code, or Section 12206, 17058, or 23610.5 of the Revenue and Taxation Code, on or before December 31, 2003.

(e) Notwithstanding paragraph (1) of subdivision (a), construction, alteration, demolition, installation, or repair work on the electric transmission system located in California constitutes a public works project for the purposes of this chapter.

(f) If a statute, other than this section, or a regulation, other than a regulation adopted pursuant to this section, or an ordinance or a contract applies this chapter to a project, the exclusions set forth in subdivision (d) do not apply to that project.

(g) For purposes of this section, references to the Internal Revenue Code mean the Internal Revenue Code of 1986, as amended, and include the corresponding predecessor sections of the Internal Revenue Code of 1954, as amended.

(h) The amendments made to this section by either Chapter 938 of the Statutes of 2001 or the act adding this subdivision shall not be construed to preempt local ordinances requiring the payment of prevailing wages on housing projects.

*(i) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*

**SEC. 10.** Section 1720 is added to the Labor Code, to read:

**1720.** (a) As used in this chapter, “public works” means all of the following:

(1) Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by a public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, “construction” includes work performed during the design, site assessment, feasibility study, and other preconstruction phases of construction, including, but not limited to, inspection and land surveying work, regardless of whether any further construction work is conducted, and work performed during the postconstruction phases of construction, including, but not limited to, all cleanup work at the jobsite. For purposes of this paragraph, “installation” includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems.

(2) Work done for irrigation, utility, reclamation, and improvement districts, and other districts of this type. “Public works” does not include the operation of the irrigation or drainage system of an irrigation or reclamation district, except as used in Section 1778 relating to retaining wages.

(3) Street, sewer, or other improvement work done under the direction and supervision or by the authority of an officer or public body of the state, or of a political subdivision or district thereof, whether the political subdivision or district operates under a freeholder’s charter or not.

(4) The laying of carpet done under a building lease-maintenance contract and paid for out of public funds.

(5) The laying of carpet in a public building done under contract and paid for in whole or in part out of public funds.

(6) Public transportation demonstration projects authorized pursuant to Section 143 of the Streets and Highways Code.

(7) (A) Infrastructure project grants from the California Advanced Services Fund pursuant to Section 8890.6 of the Government Code.

(B) For purposes of this paragraph, the Department of Broadband and Digital Equity is not the awarding body or the body awarding the contract, as defined in Section 1722.

(8) Tree removal work done in the execution of a project under paragraph (1).

(b) For purposes of this section, “paid for in whole or in part out of public funds” means all of the following:

(1) The payment of money or the equivalent of money by the state or political subdivision directly to or on behalf of the public works contractor, subcontractor, or developer.

(2) Performance of construction work by the state or political subdivision in execution of the project.

(3) Transfer by the state or political subdivision of an asset of value for less than fair market price.

(4) Fees, costs, rents, insurance or bond premiums, loans, interest rates, or other obligations that would normally be required in the execution of the contract, that are paid, reduced, charged at less than fair market value, waived, or forgiven by the state or political subdivision.

(5) Money loaned by the state or political subdivision that is to be repaid on a contingent basis.

(6) Credits that are applied by the state or political subdivision against repayment obligations to the state or political subdivision.

(c) Notwithstanding subdivision (b), all of the following apply:

(1) Private residential projects built on private property are not subject to this chapter unless the projects are built pursuant to an agreement with a state agency, a redevelopment agency, a successor agency to a redevelopment agency when acting in that capacity, or a local public housing authority.

(2) If the state or a political subdivision requires a private developer to perform construction, alteration, demolition, installation, or repair work on a public work of improvement as a condition of regulatory approval of an otherwise private development project, and the state or political subdivision contributes no more money, or the equivalent of money, to the overall project than is required to perform this public improvement work, and the state or political subdivision maintains no proprietary interest in the overall project, then only the public improvement work shall thereby become subject to this chapter.



(3) (A) If the state or a political subdivision reimburses a private developer for costs that would normally be borne by the public, or provides directly or indirectly a public subsidy to a private development project that is de minimis in the context of the project, an otherwise private development project shall not thereby become subject to this chapter.

(B) (i) For purposes of subparagraph (A), a public subsidy is de minimis if it is both less than six hundred thousand dollars (\$600,000) and less than 2 percent of the total project cost.

(ii) Notwithstanding clause (i), for purposes of subparagraph (A), a public subsidy for a project that consists entirely of single-family dwellings is de minimis if it is less than 2 percent of the total project cost.

(iii) This subparagraph does not apply to a project that was advertised for bid, or a contract that was awarded, before July 1, 2021.

(4) The construction or rehabilitation of affordable housing units for low- or moderate-income persons pursuant to paragraph (5) or (7) of subdivision (e) of Section 33334.2 of the Health and Safety Code that are paid for solely with moneys from the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Health and Safety Code or that are paid for by a combination of private funds and funds available pursuant to Section 33334.2 or 33334.3 of the Health and Safety Code do not constitute a project that is paid for in whole or in part out of public funds.

(5) Unless otherwise required by a public funding program, the construction or rehabilitation of privately owned residential projects is not subject to this chapter if one or more of the following conditions are met:

(A) The project is a self-help housing project in which no fewer than 500 hours of construction work associated with the homes are to be performed by the home buyers.

(B) The project consists of rehabilitation or expansion work associated with a facility operated on a not-for-profit basis as temporary or transitional housing for homeless persons with a total project cost of less than twenty-five thousand dollars (\$25,000).

(C) Assistance is provided to a household as either mortgage assistance, downpayment assistance, or for the rehabilitation of a single-family home.

(D) The project consists of new construction, expansion, or rehabilitation work associated with a facility developed by a nonprofit organization to be operated on a not-for-profit basis to provide emergency or transitional shelter and ancillary services and assistance to homeless adults and children. The nonprofit organization operating the project shall provide, at no profit, not less than 50 percent of the total project cost from nonpublic sources, excluding real property that is transferred or leased. Total project cost includes the value of donated labor, materials, and architectural and engineering services.

(E) The public participation in the project that would otherwise meet the criteria of subdivision (b) is public funding in the form of below-market interest rate loans for a project in which occupancy of at least 40 percent of the units is restricted for at least 20 years, by deed or regulatory agreement, to individuals or families earning no more than 80 percent of the area median income.

(d) Notwithstanding any provision of this section to the contrary, the following projects are not, solely by reason of this section, subject to this chapter:

(1) Qualified residential rental projects, as defined by Section 142(d) of the Internal Revenue Code, financed in whole or in part through the issuance of bonds that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 (commencing with Section 8869.80) of Division 1 of Title 2 of the Government Code on or before December 31, 2003.

(2) Single-family residential projects financed in whole or in part through the issuance of qualified mortgage revenue bonds or qualified veterans' mortgage bonds, as defined by Section 143 of the Internal Revenue Code, or with mortgage credit certificates under a Qualified Mortgage Credit Certificate Program, as defined by Section 25 of the Internal Revenue Code, that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 (commencing with Section 8869.80) of Division 1 of Title 2 of the Government Code on or before December 31, 2003.

(3) Low-income housing projects that are allocated federal or state low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code, Chapter 3.6 (commencing with Section 50199.4) of Part 1 of Division 31 of the Health and Safety Code, or Section 12206, 17058, or 23610.5 of the Revenue and Taxation Code, on or before December 31, 2003.

(e) Notwithstanding paragraph (1) of subdivision (a), construction, alteration, demolition, installation, or repair work on the electric transmission system located in California constitutes a public works project for the purposes of this chapter.

(f) If a statute, other than this section, or a regulation, other than a regulation adopted pursuant to this section, or an ordinance or a contract applies this chapter to a project, the exclusions set forth in subdivision (d) do not apply to that project.

(g) For purposes of this section, references to the Internal Revenue Code mean the Internal Revenue Code of 1986, as amended, and include the corresponding predecessor sections of the Internal Revenue Code of 1954, as amended.

(h) The amendments made to this section by either Chapter 938 of the Statutes of 2001 or the act adding this subdivision shall not be construed to preempt local ordinances requiring the payment of prevailing wages on housing projects.

(i) This section shall become operative on July 1, 2027.

**SEC. 11.** Section 281 of the Public Utilities Code is amended to read:

**281.** (a) The commission shall develop, implement, and administer the California Advanced Services Fund to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies, consistent with this section and with the statements of intent in Section 2 of the Internet for All Now Act (Chapter 851 of the Statutes of 2017).

(b) (1) (A) The goal of the Broadband Infrastructure Grant Account is, no later than December 31, 2032, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households in each consortia region, as identified by the commission. The commission shall be responsible for achieving the goals of the program.

(B) For purposes of the Broadband Infrastructure Grant Account, both of the following definitions apply:

(i) "Mbps" means megabits per second.

(ii) (I) Except as provided in subclause (II), "unserved area" means an area for which there is no facility-based broadband provider offering at least one tier of broadband service at speeds of at least 25 mbps downstream, 3 mbps upstream, and a latency that is sufficiently low to allow ~~realtime~~ *real-time* interactive applications, considering updated federal and state broadband mapping data.

(II) For projects funded, in whole or in part, from moneys received from the federal Rural Digital Opportunity Fund, "unserved area" means an area in which no facility-based broadband provider offers broadband service at speeds consistent with the standards established by the Federal Communications Commission pursuant to In the Matter of Rural Digital Opportunity Fund, WC Docket No. 19-126, Report and Order, FCC 20-5 (adopted January 30, 2020, and released February 7, 2020), or as it may be later modified by the Federal Communications Commission.

(2) In approving infrastructure projects funded through the Broadband Infrastructure Grant Account, the commission shall do both of the following:

(A) Approve projects that provide last-mile broadband access to households that are unserved by an existing facility-based broadband provider.

(B) (i) Prioritize projects in unserved areas where internet connectivity is available only at speeds at or below 10 mbps downstream and 1 mbps upstream or areas with no internet connectivity.

(ii) This subparagraph does not prohibit the commission from approving funding for projects outside of the areas specified in clause (i).

(3) Moneys appropriated for purposes of this section may be used to match or leverage federal moneys for communications infrastructure, digital equity, and adoption, including, but not limited to, moneys from the United States Department of Commerce Economic Development Administration, the United States Department of Agriculture ReConnect Loan and Grant Program, and the Federal Communications Commission for communications infrastructure, digital equity, and adoption.

(4) The commission shall transition California Advanced Services Fund program methodologies to provide service to serviceable locations and evaluate other program changes to align with other funding sources, including, but not limited to, funding locations.

(5) The commission shall maximize investments in new, robust, and scalable infrastructure and use California Advanced Services Fund moneys to leverage federal and non-California Advanced Services Fund moneys by undertaking activities, including, but not limited to, all of the following:

(A) Providing technical assistance to local governments and providers.

(B) Assisting in developing grant applications.

(C) Assisting in preparing definitive plans for deploying necessary infrastructure in each county, including coordination across contiguous counties.

(6) Moneys appropriated for purposes of this section may be used to fund projects that deploy broadband infrastructure to unserved nonresidential facilities used for local and state emergency response activities, including, but not limited to, fairgrounds.

(c) The commission shall establish the following accounts within the fund:

- (1) The Broadband Infrastructure Grant Account.
- (2) The Rural and Urban Regional Broadband Consortia Grant Account.
- (3) The Broadband Public Housing Account.
- (4) The Broadband Adoption Account.
- (5) The Federal Funding Account.

(d) (1) The commission shall transfer the moneys received by the commission from the surcharge the commission may impose pursuant to paragraph (4) to fund the accounts to the Controller for deposit into the California Advanced Services Fund.

(2) All interest earned on moneys in the fund shall be deposited into the fund.

(3) The commission may make recommendations to the Legislature regarding appropriations from the California Advanced Services Fund and the accounts established pursuant to subdivision (c).

(4) For the period described in Section 281.1, the commission may collect a sum not to exceed one hundred fifty million dollars (\$150,000,000) per year.

(e) All moneys in the California Advanced Services Fund, including moneys in the accounts within the fund, shall be available, upon appropriation by the Legislature, to the commission for the California Advanced Services Fund program administered by the commission pursuant to this section, including the costs incurred by the commission in developing, implementing, and administering the program and the fund.

(f) In administering the Broadband Infrastructure Grant Account, the commission shall do all of the following:

(1) The commission shall award grants from the Broadband Infrastructure Grant Account on a technology-neutral basis, taking into account the useful economic life of capital investments, and including both wireline and wireless technology.

(2) The commission shall consult with regional consortia, stakeholders, local governments, existing facility-based broadband providers, and consumers regarding unserved areas and cost-effective strategies to achieve the broadband access goal through public workshops conducted at least annually no later than April 30 of each year.

(3) The commission shall identify unserved rural and urban areas and delineate the areas in the annual report prepared pursuant to Section 914.7.

(4) An existing facility-based broadband provider may, but is not required to, apply for funding from the Broadband Infrastructure Grant Account to make an upgrade pursuant to this subdivision.

(5) Projects eligible for grant awards shall deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream, or the most current broadband definition speed standard set by the Federal Communications Commission from time to time, as determined appropriate by the commission, whichever broadband access speed is greater, to unserved areas or unserved households.

(6) (A) An individual household or property owner shall be eligible to apply for a grant to offset the costs of connecting the household or property to an existing or proposed facility-based broadband provider. Any infrastructure built to connect a household or property with funds provided under this paragraph shall become the property of, and part of, the network of the facility-based broadband provider to which it is connected.

(B) (i) In approving a project pursuant to this paragraph, the commission shall consider limiting funding to households based on income so that funds are provided only to households that would not otherwise be able to afford a line extension to the property, limiting the amount of grants on a per-household basis, and requiring a percentage of the project to be paid by the household or the owner of the property.

(ii) The aggregate amount of grants awarded pursuant to this paragraph shall not exceed five million dollars (\$5,000,000).

(7) An entity that is not a telephone corporation shall be eligible to apply to participate in the program administered by the commission pursuant to this section to provide access to broadband to an unserved area if the entity otherwise meets the eligibility requirements and complies with program requirements established by the commission.

(8) The commission shall provide each applicant, and any party challenging an application, the opportunity to demonstrate actual levels of broadband service in the project area, which the commission shall consider in reviewing the application.

(9) The commission shall establish a service list of interested parties to be notified of any California Advanced Services Fund applications. Any application and any amendment to an application for project funding shall be served to those on the service list and posted on the commission's internet website at least 30 days before publishing the corresponding draft resolution.

(10) A grant awarded pursuant to this subdivision may include funding for the following costs consistent with paragraph (5):

(A) Costs directly related to the deployment of infrastructure.

(B) Costs to lease access to property or for internet backhaul services for a period not to exceed five years.

(C) Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

(11) The commission may award grants to fund all or a portion of the project. The commission shall determine, on a case-by-case basis, the level of funding to be provided for a project and shall consider factors that include, but are not limited to, the location and accessibility of the area, the existence of communication facilities that may be upgraded to deploy broadband, and whether the project makes a significant contribution to achievement of the program goal.

(g) (1) Moneys in the Rural and Urban Regional Broadband Consortia Grant Account shall be available for grants to eligible consortia to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process. An eligible consortium may include, as specified by the commission, representatives of organizations, including, but not limited to, local and regional government, public safety, elementary and secondary education, health care, libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

(2) Each consortium shall conduct an annual audit of its expenditures for programs funded pursuant to this subdivision and shall submit to the commission an annual report that includes both of the following:

(A) A description of activities completed during the prior year, how each activity promotes the deployment of broadband services, and the cost associated with each activity.

(B) The number of project applications assisted.

(h) (1) All remaining moneys in the Broadband Infrastructure Revolving Loan Account that are unencumbered as of January 1, 2018, shall be transferred into the Broadband Infrastructure Grant Account.

(2) All repayments of loans funded by the former Broadband Infrastructure Revolving Loan Account shall be deposited into the Broadband Infrastructure Grant Account.

(i) (1) For purposes of this subdivision, "low-income community" includes, but is not limited to, publicly supported housing developments, and other housing developments or mobilehome parks with low-income residents, as determined by the commission.

(2) Moneys in the Broadband Public Housing Account shall be available for the commission to award grants and loans pursuant to this subdivision to a low-income community that otherwise meets eligibility requirements and complies with program requirements established by the commission.

(3) Moneys deposited into the Broadband Public Housing Account shall be available for grants and loans to low-income communities to finance projects to connect broadband networks that offer free broadband service that meets or exceeds state standards, as determined by the commission, for residents of the low-income communities. A low-income community may be an eligible applicant if the low-income community does not have access to any broadband service provider that offers free broadband service that meets or exceeds state standards, as determined by the commission, for the residents of the low-income community.

(4) To the extent feasible, the commission shall approve projects for funding from the Broadband Public Housing Account in a manner that reflects the statewide distribution of low-income communities.

(5) In reviewing a project application under this subdivision, the commission shall consider the availability of other funding sources for that project, any financial contribution from the broadband service provider to the project, the availability of any other public or private broadband adoption or deployment program, including tax credits and other incentives, and whether the applicant has sought funding from, or participated in, any reasonably available program. The commission may require an applicant to provide match funding, and shall not deny funding for a project solely because the applicant is receiving funding from another source.

(6) The commission shall prioritize grants pursuant to this subdivision to those existing publicly supported housing developments that have not yet received a grant pursuant to this subdivision and do not have access to free broadband internet service onsite.

(j) (1) Moneys in the Broadband Adoption Account shall be available to the commission to award grants to increase publicly available or after school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption.

(2) Eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, including nonprofit religious organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.

(3) Payment pursuant to a grant for digital inclusion shall be based on digital inclusion metrics established by the commission that may include the number of residents trained, the number of residents served, or the actual verification of broadband subscriptions resulting from the program funded by the grant.

(4) The commission shall give preference to programs in communities with demonstrated low broadband access, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. The commission shall determine how best to prioritize projects for funding pursuant to this paragraph.

(5) Moneys awarded pursuant to this subdivision shall not be used to subsidize the costs of providing broadband service to households.

(k) The commission shall post on the home page of the California Advanced Services Fund on its internet website a list of all pending applications, application challenge deadlines, and notices of amendments to pending applications.

(l) (1) The commission shall require each entity that receives funding or financing for a project pursuant to this section to report monthly to the commission, at minimum, all of the following information:

(A) The name and contractor's license number of each licensed contractor and subcontractor undertaking a contract or subcontract in excess of twenty-five thousand dollars (\$25,000) to perform work on a project funded or financed pursuant to this section.

(B) The location where a contractor or subcontractor described in subparagraph (A) will be performing that work.

(C) The anticipated dates when that work will be performed.

(2) The commission shall, on a monthly basis, post the information reported pursuant to this subdivision on the commission's California Advanced Services Fund internet website.

(m) The commission shall notify the appropriate policy committees of the Legislature on the date on which the goal specified in subparagraph (A) of paragraph (1) of subdivision (b) is achieved.

(n) (1) Upon the deposit of state or federal infrastructure moneys into the Federal Funding Account, the commission shall implement a program using those moneys to expeditiously connect unserved and underserved communities by applicable federal deadlines.

(2) Projects funded pursuant to this subdivision shall be implemented consistent with Part 35 of Title 31 of the Code of Federal Regulations and any conditions or guidelines applicable to these one-time federal infrastructure moneys.

(3) Of the two billion dollars (\$2,000,000,000) appropriated to the commission to fund last-mile broadband infrastructure in the Budget Act of 2021, the commission shall allocate those moneys to applicants for the construction of last-mile broadband infrastructure as follows:

(A) The commission shall initially allocate one billion dollars (\$1,000,000,000) for last-mile broadband projects in urban counties as follows:

(i) The commission shall first allocate five million dollars (\$5,000,000) for last-mile broadband projects in each urban county.

(ii) The commission shall allocate the remaining moneys based on each urban county's proportionate share of the California households without access to broadband internet access service with at least 100 megabits per second download speeds, as identified and validated by the commission pursuant to the most recent broadband data collection, as of July 1, 2021, as ordered in commission Decision 16-12-025 (December 1, 2016), Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring and Reporting on the Market.

(B) The commission shall allocate at least one billion dollars (\$1,000,000,000) for last-mile broadband projects in rural counties as follows:

(i) The commission shall first allocate five million dollars (\$5,000,000) for last-mile broadband projects in each rural county.

(ii) The commission shall allocate the remaining moneys based on each rural county's proportionate share of the California households without broadband internet access service with at least 100 megabits per second download speeds, as identified and validated by the commission pursuant to the most recent broadband data collection, as of July 1, 2021, as ordered in commission Decision 16-12-025 (December 1, 2016), Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring and Reporting on the Market.

(4) Until September 30, 2024, applicants may apply for and encumber moneys allocated pursuant to this subdivision for last-mile broadband projects. Any moneys allocated pursuant to this subdivision that are not encumbered on or before September 30, 2024, shall be made available to the commission to allocate for the construction of last-mile broadband infrastructure anywhere in the state.

*(o) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*

**SEC. 12.** Section 281.1 of the Public Utilities Code is amended to read:

**281.1. (a)** Beginning January 1, 2022, the commission may impose the surcharge pursuant to paragraph (4) of subdivision (d) of Section 281 to fund the California Advanced Services Fund pursuant to Section 281 until December 31, 2032.

*(b) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*

**SEC. 13.** Section 281.1 is added to the Public Utilities Code, to read:

**281.1. (a)** Beginning January 1, 2022, the commission may impose the surcharge pursuant to paragraph (4) of subdivision (d) of Section 8890.6 of the Government Code to fund the California Advanced Services Fund pursuant to Section 8890.6 of the Government Code until December 31, 2032.

(b) This section shall become operative on July 1, 2027.

**SEC. 14.** Section 281.2 of the Public Utilities Code is amended to read:

**281.2. (a) (1)** The Broadband Loan Loss Reserve Fund is hereby established in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys in the fund are hereby continuously appropriated, without regard to fiscal years, to the commission and shall be available to fund costs related to the financing of the deployment of broadband infrastructure by a local ~~government~~ *governmental* agency or nonprofit organization, including, but not limited to, payment of costs of debt issuance, obtaining credit enhancement, and establishment and funding of reserves for the payment of principal and interest on the debt.

(2) In the 2021–22 fiscal year, the commission may make cashflow loans to the Broadband Loan Loss Reserve Fund from accounts established pursuant to subdivision (c) of Section 281.

(b) The commission may establish, among other things, eligibility requirements, financing terms and conditions, and allocation criteria, for infrastructure projects deployed using financing supported in whole or in part by funds allocated pursuant to this section.

(c) The commission may require a local ~~government~~ *governmental* agency or nonprofit organization to provide information demonstrating the agency's or nonprofit organization's ability to reasonably finance and implement the infrastructure project deployed using financing supported in whole or in part by funds allocated pursuant to this section.

(d) The commission shall require each local ~~government~~ *governmental* agency or nonprofit organization receiving funds under this section to file both of the following reports in the form and manner specified by the commission:

(1) Biannual progress reports identifying project milestones and percent completions to date, and including other information as the commission may prescribe.

(2) A completion report, including a full description of the completed project, comparison of approved versus actual costs of construction, speed test data for all areas served by the project, and other information as the commission may prescribe.

*(e) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*

**SEC. 15.** Section 281.6 of the Public Utilities Code is amended to read:

**281.6.** (a) The commission, in collaboration with relevant state agencies and stakeholders, shall maintain and update a statewide, publicly accessible, and interactive map showing the accessibility of broadband service in the state, including, but not limited to, information identifying the percentage of each census block that has broadband service meeting federal and state standards. The map shall identify, for each address in the state, each provider of broadband services that offers service at the address and the maximum speed of broadband services offered by each provider of broadband services at the address.

(b) The map required pursuant to subdivision (a) shall also include all of the following features to receive self-reported data:

(1) A feature for users to disclose how much they pay for stand-alone or bundled broadband service.

(2) A feature for users to identify the internet service provider to which they subscribe for broadband service.

(3) A feature for users to disclose the maximum speed for broadband service to which they subscribe.

(4) A feature that allows individuals to refute the broadband speed or technology, or both, that an internet service provider claims to offer at an address.

(5) A feature that allows individuals to identify barriers to broadband access.

(c) The features and self-reported data required pursuant to subdivisions (b) and (h) shall be made publicly available and expressed at the address for which the data was submitted. The commission shall obtain consent from an individual before publicly disclosing information that the individual submits pursuant to subdivision (b) or (h).

(d) The commission may collect from providers of broadband services information necessary to establish and update the map required pursuant to this section.

(e) The commission shall also create a notification feature on the map for individuals. Using this feature, an individual may sign up to be notified when updates are made to the map.

(f) The commission may collect information from providers of broadband services at the address level.

(g) The commission shall not, pursuant to subdivision (a), (d), or (e), disclose residential subscriber information protected by Section 2891.

(h) The map required pursuant to subdivision (a) shall include a feature for users to submit a verified speed test at their location.

(i) The commission shall not accept information collected by the commission pursuant to subdivisions (b) and (c) as evidence in a commission proceeding unless the commission validates the accuracy of the self-reported information.

(j) For purposes of this section, the following definitions apply:

(1) "Broadband" has the same meaning as defined in Section 5830.

(2) "Verified speed test" means a broadband speed performance test result that was measured and verified using a reputable application specified by the commission for that purpose.

*(k) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*

**SEC. 16.** Section 285 of the Public Utilities Code is amended to read:

**285.** (a) As used in this section, "interconnected Voice over Internet Protocol (VoIP) service" has the same meaning as in Section 9.3 of Title 47 of the Code of Federal Regulations.

(b) The Legislature finds and declares that the sole purpose of this section is to require the commission to impose the surcharges pursuant to this section to ensure that end-use customers of interconnected VoIP service providers contribute to the funds enumerated in this section, and, therefore, this section does not indicate the intent of the Legislature with respect to any other purpose.

(c) The commission shall require interconnected VoIP service providers to collect and remit surcharges on their California intrastate revenues in support of the following public purpose program funds:

- (1) California High-Cost Fund-A Administrative Committee Fund under Section 275.
- (2) California High-Cost Fund-B Administrative Committee Fund under Section 276.
- (3) Universal Lifeline Telephone Service Trust Administrative Committee Fund under Section 277.
- (4) Deaf and Disabled Telecommunications Program Administrative Committee Fund under Section 278.
- (5) California Teleconnect Fund Administrative Committee Fund under Section 280.
- (6) California Advanced Services Fund under Section 281.

(d) The authority to impose a surcharge pursuant to this section applies only to a surcharge imposed on end-use customers for interconnected VoIP service provided to an end-use customer's place of primary use that is located within California. As used in this subdivision, "place of primary use" means the street address where the end-use customer's use of interconnected VoIP service primarily occurs, or a reasonable proxy as determined by the interconnected VoIP service provider, such as the customer's registered location for 911 purposes.

*(e) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*

**SEC. 17.** Section 285 is added to the Public Utilities Code, to read:

**285.** (a) As used in this section, "interconnected Voice over Internet Protocol (VoIP) service" has the same meaning as in Section 9.3 of Title 47 of the Code of Federal Regulations.

(b) The Legislature finds and declares that the sole purpose of this section is to require the commission to impose the surcharges pursuant to this section to ensure that end-use customers of interconnected VoIP service providers contribute to the funds enumerated in this section, and, therefore, this section does not indicate the intent of the Legislature with respect to any other purpose.

(c) The commission shall require interconnected VoIP service providers to collect and remit surcharges on their California intrastate revenues in support of the following public purpose program funds:

- (1) California High-Cost Fund-A Administrative Committee Fund under Section 275.
- (2) California High-Cost Fund-B Administrative Committee Fund under Section 276.
- (3) Universal Lifeline Telephone Service Trust Administrative Committee Fund under Section 277.
- (4) Deaf and Disabled Telecommunications Program Administrative Committee Fund under Section 278.
- (5) California Teleconnect Fund Administrative Committee Fund under Section 280.
- (6) California Advanced Services Fund under Section 8890.6 of the Government Code.

(d) The authority to impose a surcharge pursuant to this section applies only to a surcharge imposed on end-use customers for interconnected VoIP service provided to an end-use customer's place of primary use that is located within California. As used in this subdivision, "place of primary use" means the street address where the end-use customer's use of interconnected VoIP service primarily occurs, or a reasonable proxy as determined by the interconnected VoIP service provider, such as the customer's registered location for 911 purposes.

(e) This section shall become operative on July 1, 2027.

**SEC. 18.** Section 912.2 of the Public Utilities Code is amended to read:

**912.2. (a)** On or before April 1, 2023, and biennially thereafter, the commission shall conduct a fiscal and performance audit of the implementation and effectiveness of the California Advanced Services Fund to ensure that funds have been expended in accordance with the approved terms of the grant awards and loan agreements pursuant to Section 281 or 281.2 and shall report



its findings to the Legislature. The reports shall include an update to the maps in the final report of the California Broadband Task Force and data on the types and numbers of jobs created as a result of the program administered by the commission pursuant to Section 281 or 281.2 and shall include information specified in Section 914.7.

*(b) This section shall become inoperative on July 1, 2027, and, as of January 1, 2028, is repealed.*