



Telecommunications and Information Technology

During the 2017 legislative session, the General Assembly considered a variety of issues related to telecommunications and information technology (IT), including the provision of rural broadband internet and telecommunications service, state IT resources and funding, and data privacy and cybersecurity.

Rural Broadband

Current law requires a county seeking to establish a local improvement district (LID) for the purpose of financing a telecommunications service improvement to enter into an agreement with a telecommunications service provider to provide services, facilities, plants, or systems in the area in which the telecommunications service improvement will be constructed. Additionally, the new telecommunications service must be wholly owned, operated, and maintained by the telecommunications service provider, rather than the county.

House Bill 17-1174 permits a rural county with a population of fewer than 60,000 residents to establish a LID in an unserved area to contract with a telecommunications service provider or an advanced service provider to fund the construction of an advanced service improvement.

House Bill 17-1193 permits the use of small wireless service infrastructure, or "small cell facilities," in any zone, but not on any structure with tolling collection or enforcement equipment attached. The bill also clarifies that the right-of-way access available to telecommunications providers extends to broadband providers and includes small cell facilities.

Service providers may utilize the expedited permitting process established for broadband facilities when applying to build small cell facilities. Local governments are prohibited from creating preferences or disadvantages to any provider in granting or withholding permits.

The Public Utilities Commission (PUC), which is housed in the Department of Regulatory Agencies (DORA), provides financial assistance to telecommunications companies that provide basic telephone or broadband service in areas that lack effective competition by assessing a surcharge on all telecommunications companies in the state, and allocating those contributions to the High Cost Support Mechanism (HCSM). A portion of the HCSM is transferred to the Broadband Fund, which is administered by the Broadband Deployment Board (board). The board awards grants for projects aimed at deploying broadband service in underserved areas of the state.

Telecommunications and Information Technology (cont'd)

Senate Bill 17-306 requires the PUC to make a determination on HCSM funding available for both broadband development and Broadband Development Board administration. Funds for broadband development must be transferred to a separate account within the HCSM, which is maintained by the HCSM third-party contractor, while funds for board administration must be transferred to the newly renamed Broadband Administrative Fund (formerly the Broadband Fund). The PUC may not disburse money for broadband development grants from the HCSM unless directed to by the Broadband Development Board.

Senate Bill 17-081, which was postponed indefinitely by the Senate Business, Labor, and Technology Committee, would have changed the definition of a broadband network and the way the PUC makes an effective competition determination for HCSM funding. The PUC would have been required to make the effective competition determinations by January 1, 2018. The bill also established that HCSM funding could only be used to support one wired line and one wireless line per individual household or individual business.

Under current law, local governments are prohibited from providing cable television, telecommunication services, or high speed internet without first receiving voter approval. Local governments that do provide these services must comply with all state and federal laws, rules, and regulations governing the service by a private provider and may not grant preferences or discriminate in the provision of the service. *Senate Bill 17-042*, which was postponed indefinitely by the Senate Business, Labor, and Technology Committee, would have repealed these restrictions and allowed local governments to provide cable television, telecommunication services, or high speed internet without first having to obtain voter approval.

State IT Resources and Funding

The Joint Budget Committee (JBC) and the Joint Technology Committee (JTC) are both charged with overseeing the funding of IT projects in the state. *Senate Bill 17-255*, recommended by the JBC, creates the Technology Advancement and Emergency Fund in the Governor's Office of Information Technology (OIT) to be used for one-time costs associated with emergency IT expenditures, addressing deferred maintenance of state agency IT assets, and providing additional services to address unforeseen IT service demands.

The JBC also recommended *House Bill 17-1361*, which requires the State Auditor to contract with a qualified, independent third-party consulting firm to conduct an evaluation of the state's information technology (IT) resources. The evaluation is required to include information about:

- whether the consolidation of state agency IT resources into the Governor's Office of Information Technology (OIT) has met the goals of the General Assembly with regard to the management of daily IT operations;
- whether the Executive Branch has a strategic plan in place to guide the evaluation, prioritization, and selection of IT projects;
- opportunities for the state to interface with the public through technology;
- OIT's working relationship with state agencies, departments, and institutions of higher education that weren't included in the consolidation, but rely on OIT to provide certain IT resources; and
- consumer satisfaction among state agencies with the management of state agency IT resources.

Telecommunications and Information Technology (cont'd)

The JTC, after a year of stakeholder meetings and research, recommended *House Bill 17-1341*. The bill, which was postponed indefinitely at the request of the sponsors, would have created a new source selection and contract negotiation timeline for use by state agencies when planning to submit a budget request to the JTC for a major IT capital project.

Data Privacy and Cybersecurity

Data privacy and cybersecurity become increasingly more important as technology improves and the risk of data breaches increases accordingly. *Senate Bill 17-304*, recommended by the JTC, adds the ability to request information about data privacy and cybersecurity and to coordinate with the Colorado Cybersecurity Council to the authority of the JTC.

House Bill 17-1069, which was postponed indefinitely by the House State, Veterans, and Military Affairs Committee, would have created a subcommittee of the Joint Technology Committee (JTC) to study issues related to data privacy and cyber security. The subcommittee would have been comprised of legislative and non-legislative members and was directed to consider the following:

- whether state agencies are collecting or retaining data that exceeds what is necessary and appropriate for the agencies to perform their functions;
- who has access to data, the extent of such access, and appropriate mechanisms to protect sensitive data; and
- measures to protect data against unauthorized access, disclosure, use, modification, or destruction.

All state and local agencies would have been required to cooperate with the subcommittee and provide such data and other information as the subcommittee might require. The bill directed the subcommittee to submit a report of its findings and recommendations to the JTC and the General Assembly on or before January 1, 2018.