SENATE BILL 98-085

BY SENATORS Schroeder, Bishop, Chlouber, Dennis, Johnson, Matsunaka, and Rizzuto;
also REPRESENTATIVES Dyer, Alexander, G. Berry, Chavez, Entz, George, Hagedorn, Spradley, Sullivant, Taylor, Tucker, and Young.

AN ACT

CONCERNING THE ESTABLISHMENT OF THE "RURAL TECHNOLOGY ENTERPRISE ZONE ACT" TO INCREASE PRIVATE INVESTMENT IN TECHNOLOGY INFRASTRUCTURE THAT IMPROVES INTERNET ACCESS IN RURAL AREAS OF THE STATE.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Title 39, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 32
Rural Technology Enterprise Zone Act

39-32-101. Short title. This article shall be known and may be cited as the "Rural Technology Enterprise Zone Act".

39-32-102. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) The ability of the people in all parts of this state to access the Internet, also known as the Information Superhighway, is an important component in the ability of the state to remain competitive in the fields of business and education as well as the ability of government to provide services to these people both now and in the future; and

(b) A disparity currently exists in the state between the ability of people living in urban areas and people living in rural areas to access the Internet because of a lack of adequate technology, infrastructure, and advance telecommunications service in rural areas.
(2) The General Assembly further finds and declares that it is the policy of the state, in order to provide incentives for private businesses to invest in the infrastructure needed to improve the ability of the people living in rural areas to access the internet, to establish a program to provide a tax incentive to enterprises that provide such infrastructure in designated areas to be known as rural technology enterprise zones.

39-32-103. Needs assessment and inventory - public hearing. (1) In order to determine the extent to which the internet can be accessed in rural areas of the state, the Public Utilities Commission shall conduct a technology infrastructure needs assessment and inventory in such areas to determine the status of internet access in rural areas. Such needs assessment and inventory shall specifically examine the following:

(a) The need and ability to provide or improve internet access in rural areas in the state;

(b) The existence and identification of any barriers that prevent or reduce internet access in rural areas; and

(c) The types of technology infrastructure, including advanced and emerging technologies, that would improve internet access in rural areas.

(2) After conducting the needs and assessment inventory pursuant to subsection (1) of this section, the Public Utilities Commission shall conduct a public hearing on the designation of rural technology enterprise zones pursuant to section 39-32-104. The Commission shall provide public notice of such hearing to residents living within any proposed rural technology enterprise zone and to any other interested parties the Commission may identify. The Commission shall consider any testimony or other evidence presented at such hearing in designating any rural technology enterprise zone pursuant to section 39-32-104.

39-32-104. Zones established. (1) Based upon the needs and assessment inventory and the evidence received during the public hearing conducted pursuant to section 39-32-103, the Public Utilities Commission may designate rural areas in the state as rural technology enterprise zones. In designating such zones, the Commission shall specify by rule, based upon the needs and assessment inventory and the evidence received at the public hearing, the specific technology infrastructure needs of each rural technology enterprise zone and the types of investments that will meet those needs. For each rural technology enterprise zone designated pursuant to this section, the Commission shall further specify the following:

(a) The boundaries of the rural technology enterprise zone;

(b) The potential for increasing internet access within the rural technology enterprise zone;
(c) The specific technology infrastructure required to provide adequate internet access within the zone and any unique needs or characteristics of the zone;

(d) The specific investments in technology infrastructure that will qualify for income tax credits in the zone pursuant to section 39-32-105; and

(e) Any other information the commission deems pertinent.

39-32-105. Credit against tax - investment in technology infrastructure.
(1) There shall be allowed to any person as a credit against the tax imposed by article 22 of this title, for income tax years commencing on or after January 1, 1999, but prior to January 1, 2005, an amount equal to ten percent of the amount of the total investment made during such years in technology infrastructure required to provide internet access in rural technology enterprise zones. Such credit may be claimed only for specific capital investments in technology infrastructure that will qualify for income tax credits in such zone as specified by the public utilities commission pursuant to section 39-32-104 (1) (d). The credit claimed by a person pursuant to this section shall not exceed one hundred thousand dollars in any one tax year.

(2) If the credit allowed under this section exceeds the income taxes otherwise due on the claimant's income, the amount of the credit not used as an offset against income taxes may be carried forward as a tax credit against subsequent years' income tax liability for a period not to exceed ten years and shall be applied first to the earliest years possible.

(1) The public utilities commission shall submit a report to the house and senate business affairs and labor committees of the general assembly on or before September 1, 2003, outlining the progress, if any, in improving internet access within rural technology enterprise zones. Such report shall include, but is not limited to, the following information:

(a) An analysis of the changes made in technology infrastructure in the rural technology enterprise zones to improve internet access and the effects of those changes; and

(b) Any available statistics, including statistics that may be published pursuant to section 39-21-113, C.R.S., concerning the amount of investments made in rural technology enterprise zones.

SECTION 2. No appropriation. The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 18, 1998