
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 600 Session of
2001

INTRODUCED BY HUGHES, CORMAN, MELLOW, O'PAKE, KITCHEN, KUKOVICH,
LAVALLE, STOUT, TARTAGLIONE, WAGNER, SCHWARTZ, WOZNIAK,
COSTA, BODACK, MUSTO, BOSCOLA, STACK, LOGAN, FUMO, KASUNIC
AND WILLIAMS, MARCH 27, 2001

REFERRED TO COMMUNICATIONS AND HIGH TECHNOLOGY, MARCH 27, 2001

AN ACT

1 Providing for grants and tax credits to establish or expand
2 community technology centers to provide disadvantaged
3 residents of economically distressed urban and rural
4 communities with access to information technology; and making
5 appropriations.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Pennsylvania
10 Community Technology Centers Act.

11 Section 2. Declaration of policy.

12 The General Assembly finds and declares as follows:

13 (1) A third of America's economic growth in recent years
14 has come from information technologies, including 19,000,000
15 new jobs.

16 (2) Thirty percent of nonminority Americans are
17 connected to the Internet while only 11% of African Americans
18 and 2% of Hispanic Americans are online. Households with

1 incomes of at least \$75,000 are more than 20 times as likely
2 to have access to the Internet than those at the lowest
3 income levels and more than nine times as likely to have a
4 computer at home.

5 (3) Citizens in rural areas are less likely to be
6 connected to the Internet than urban users. Regardless of
7 income level, those living in rural areas are lagging behind
8 in computer ownership and Internet access.

9 (4) Unemployed persons who access the Internet outside
10 their homes are nearly three times more likely to use the
11 Internet for job searching than the national average.
12 Americans who are not in the labor force, such as retirees or
13 homemakers, are twice as likely to use public libraries for
14 access.

15 (5) People earning less than \$20,000 who use the
16 Internet outside the home are twice as likely to get their
17 access through a public library or community center than
18 those earning more than \$20,000.

19 (6) Minorities who have Internet access pursue online
20 courses and school research at even higher rates outside the
21 home, 50.3% for Hispanics, 47% for Native
22 Americans/Eskimos/Aleuts and 46.3% for African Americans.

23 (7) Among all Americans, 17% use the Internet at some
24 site outside the home. Many Americans who obtain Internet
25 access outside the home rely on such places as public
26 libraries, 8.2%, and community centers, 0.6%, to gain access.

27 (8) With the advent of the Internet and its various
28 commercial, educational, medical and cultural applications,
29 the ability of all people in all parts of this Commonwealth
30 to access the Internet has become an important component in

1 the ability of the Commonwealth and its people and
2 institutions to remain competitive in the information-based
3 global economy.

4 (9) It is the policy of this Commonwealth to encourage
5 private sector investments in the technology infrastructure
6 of urban and rural areas in order to improve the
7 telecommunications capabilities in such areas and to provide
8 affordable access to people living in urban and rural
9 communities.

10 Section 3. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Basic training." Training designed and implemented through
15 an approved community technology center award recipient that
16 gives individual affiliates operational knowledge of the
17 Internet, widely used office or personal software, e-commerce or
18 World Wide Web-page design.

19 "Community technology center." A center established to
20 provide access to computers and technology, in particular,
21 educational technology, to adults and children in economically
22 distressed communities who would otherwise lack access to such
23 technology. These centers shall be funded by grants awarded by
24 the Secretary of Community and Economic Development and shall
25 either be used to establish such centers or expand existing
26 community technology centers.

27 "Department." The Department of Community and Economic
28 Development of the Commonwealth.

29 "Economically distressed community." A city, county, census
30 tract, area designated by zip code or neighborhood that is

1 experiencing economic distress as evidenced by any of the
2 following means: Department of Census poverty data, unemployment
3 rates, reduced-lunch and free-lunch counts. These methods of
4 determination of economic distress shall not be exclusive.

5 "Eligible applicants." An applicant that has the capacity to
6 significantly expand access to computers and related services
7 for disadvantaged residents of economically distressed urban and
8 rural communities, that would otherwise be denied such access,
9 and is one of the following:

10 (1) an entity such as a foundation, museum, library,
11 for-profit business, public or private nonprofit organization
12 or community-based organization;

13 (2) an institution of higher education;

14 (3) a State educational agency;

15 (4) a local education agency; or

16 (5) a consortium of entities described in paragraph (1),
17 (2), (3) or (4).

18 "Internet." The international interconnected global computer
19 network of tens of thousands of packet-switched networks that
20 use the Internet Protocol to transmit data.

21 "Internet service provider." Any dedicated Internet service
22 provider or online service provider.

23 "Participant." Any individual who chooses to participate in
24 an approved basic training program offered by an approved
25 community technology center program.

26 "Qualified capital investment." Any capital investment or
27 activity made or proposed to be made by a person to enhance the
28 technology infrastructure of a community technology center.

29 Section 4. Grants, contracts or cooperative agreements.

30 (a) Award.--The department may award grants, contracts or

1 cooperative agreements pursuant to this act on a competitive
2 basis to eligible applicants to assist them to:

3 (1) create or expand community technology centers that
4 provide disadvantaged residents of economically distressed
5 urban and rural communities with access to information
6 technology and related training; or

7 (2) provide technical assistance or support to community
8 technology centers.

9 (b) Length of award.--Grants, contracts or cooperative
10 agreements awarded pursuant to this act may not exceed three
11 years.

12 Section 5. Application.

13 (a) Requirements.--An eligible applicant shall submit an
14 application to the department in a manner prescribed by
15 regulations. The application shall include all of the following:

16 (1) a description of the proposed project, including a
17 description of the magnitude of the need for the services and
18 how the project would expand access to information technology
19 and related services to disadvantaged residents of an
20 economically distressed urban or rural community;

21 (2) a demonstration of:

22 (i) the commitment, including the financial
23 commitment, of entities such as institutions,
24 organizations, businesses and other groups in the
25 community that will provide support for the creation,
26 expansion and continuation of the proposed project; and

27 (ii) the extent to which the proposed project
28 establishes linkages with other appropriate agencies and
29 organizations providing services to disadvantaged
30 residents of an economically distressed urban or rural

1 community;

2 (3) a description of how the proposed project would be
3 sustained once the Commonwealth funds awarded pursuant to
4 this act are expended; and

5 (4) a plan for the evaluation of the program, which
6 shall include benchmarks to monitor progress toward specific
7 project objectives.

8 (b) Matching requirements.--The Commonwealth share of the
9 cost of any project funded pursuant to this act shall not exceed
10 50% of the total amount of the project. The non-Commonwealth
11 share of the project may be in cash or in kind, fairly
12 evaluated, including services.

13 Section 6. Use of funds.

14 (a) Required uses.--A recipient shall use funds awarded
15 pursuant to this act for:

16 (1) creating or expanding community technology centers
17 that expand access to information technology and related
18 training for disadvantaged residents of distressed urban or
19 rural communities; and

20 (2) evaluating the effectiveness of the project.

21 (b) Permissible uses.--A recipient may use funds awarded
22 pursuant to this act for activities described in its
23 applications that carry out the purposes of this act, such as:

24 (1) supporting a center coordinator and staff to
25 supervise instruction and build community partnerships;

26 (2) acquiring equipment, networking capabilities and
27 infrastructure.

28 (3) developing and providing services and activities for
29 community residents that provide access to computers,
30 information technology and the use of such technology in

1 support of preschool preparation, academic achievement,
2 lifelong learning and work force development including:

3 (i) after-school activities in which children and
4 youths use software that provides academic enrichment and
5 assistance with homework, develops their technical skills
6 and allows them to explore the Internet and participate
7 in multimedia activities, including World Wide Web-pages
8 design and creation;

9 (ii) adult education and family literacy activities
10 through technology and the Internet, including:

11 (A) General Educational Development, English as
12 a second language and adult basic education classes
13 or programs;

14 (B) introduction to computers;

15 (C) intergenerational activities; and

16 (D) lifelong learning opportunities.

17 (iii) career development and job preparation
18 activities, including:

19 (A) training in basic and advanced computer
20 skills;

21 (B) resume writing workshops; and

22 (C) access to databases of employment
23 opportunities, career information and other online
24 materials;

25 (iv) small business activities, including:

26 (A) computer-based training for basic
27 entrepreneurial skills and electronic commerce; and

28 (B) access to information on business startup
29 programs that are available online or from other
30 sources;

1 (v) activities that provide home access to computers
2 and technology, including assistance and services to
3 promote the acquisition, installation and use of
4 information technology in the home through low-cost
5 solutions, such as networked computers, World Wide Web-
6 based television devices and other technology.

7 Section 7. Investment in technology infrastructure; tax credit.

8 (a) Technology infrastructure tax credit.--Any person that
9 has made a qualified capital investment in a community
10 technology center or an affiliate shall receive a tax credit as
11 provided in subsection (c) if the Department of Revenue annually
12 approves a proposal submitted by such person.

13 (b) Proposals.--Any person desiring to participate in the
14 program shall submit a written proposal to the Department of
15 Revenue at such time and in such manner as the Department of
16 Revenue shall by regulation prescribe. The proposal shall set
17 forth the community technology center selected for investment,
18 the specific technology investment proposed for such community
19 technology center, the estimated amount to be invested and the
20 plan for implementing the proposal. The decision of the
21 Department of Revenue to approve or disapprove a proposal shall
22 be in writing and, if the proposal is approved, shall state the
23 maximum tax credit allowable to the person.

24 (c) Grant of tax credit.--The Department of Revenue shall
25 grant a tax credit against any tax due under Article III, IV,
26 VI, VII, VII-A, VIII, VIII-A, IX, X or XV of the act of March 4,
27 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, or any
28 tax substituted in lieu thereof, for income tax years commencing
29 on or after January 1, 2001, but prior to January 1, 2006, in an
30 amount equal to 50% of the amount of total investment made

1 during such years in technology infrastructure required to
2 improve telecommunications services or provide Internet access
3 in a community technology center or an affiliate. A tax credit
4 not to exceed 50% of the total amount invested by a person
5 during the taxable year may be allowed for investments in
6 special programs uniquely designed by a program participant, in
7 collaboration with the department, to improve the technology
8 infrastructure that will qualify for a tax credit in a community
9 technology center or an affiliate as determined by the community
10 technology center or affiliate. The tax credit claimed by a
11 person pursuant to this subsection shall not exceed \$50,000 in
12 any one tax year. If the tax credit allowed under this
13 subsection exceeds the taxes otherwise due, the amount of the
14 credit not used as an offset against taxes may be carried
15 forward as a tax credit against subsequent years' tax liability
16 for a period not to exceed five years and shall be applied first
17 to the earliest years possible.

18 (d) Amount of tax credit.--The total amount of tax credit
19 granted for programs under this section shall not exceed
20 \$1,500,000 of tax credits in any fiscal year.

21 Section 8. New market initiative tax credit.

22 (a) Tax credit.--Any person that has provided hardware or
23 software to an urban or rural community technology center
24 participant shall receive a tax credit as provided in subsection
25 (c) if the Department of Revenue annually approves an
26 application submitted by such person.

27 (b) Application.--Any person desiring to participate in the
28 program shall submit a written application to the Department of
29 Revenue at such time and in such manner as the Department of
30 Revenue shall by regulation prescribe.

1 (c) Grant of tax credit.--The Department of Revenue shall
2 grant a tax credit against any tax due under Article III, IV,
3 VI, VII, VII-A, VIII, VIII-A, IX, X or XV of the act of March 4,
4 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, or any
5 tax substituted in lieu thereof, for income tax years commencing
6 on or after January 1, 2001, but prior to January 1, 2006, in an
7 amount equal to 10% of the amount of hardware or software
8 provided pursuant to subsection (a). The tax credit claimed by a
9 person pursuant to this subsection shall not exceed \$50,000 in
10 any one tax year. If the tax credit allowed under this
11 subsection exceeds the taxes otherwise due, the amount of the
12 credit not used as an offset against taxes may be carried
13 forward as a tax credit against subsequent years' tax liability
14 for a period not to exceed five years and shall be applied first
15 to the earliest years possible.

16 (d) Amount of tax credit.--The total amount of tax credit
17 granted for programs under this act shall not exceed \$1,500,000
18 of tax credits in any fiscal year.

19 Section 9. New market initiative grant program.

20 Any participant may apply to the department in such a manner
21 as the department shall, by regulation, prescribe to receive a
22 grant to assist in obtaining a direct connector to an Internet
23 service provider. A participant wishing to receive a grant
24 pursuant to this section shall submit a written request to the
25 department within 90 days of completing at least 25 hours of
26 course work in an approved community technology center program.
27 The participant shall agree to use an Internet service provider
28 from a list of subsidized Internet service providers of the
29 Commonwealth's choice for a period of not less than 180 days.
30 Any hardware or software purchased using a grant obtained

1 pursuant to this section shall be property of the department and
2 participants who receive a grant pursuant to this subsection
3 shall enter into a contract with the department acknowledging
4 that the hardware and software shall remain the property of the
5 department and that the sale or disposal of the equipment will
6 result in a penalty of \$1,500. A participant may request
7 additional grants to upgrade the hardware or software purchased.
8 Section 10. Appropriations.

9 The sum of \$5,000,000 is hereby appropriated to the
10 Department of Community and Economic Development for the purpose
11 of awarding grants, contracts or cooperative agreements for
12 community technology center creation or expansion. The sum of
13 \$2,000,000 is hereby appropriated to the Department of Community
14 and Economic Development for the purpose of awarding new market
15 initiative grants for direct Internet service provider
16 connections.

17 Section 11. Effective date.

18 This act shall take effect in 60 days.