

- SUBJECT:** Making TIF loans and grants contingent on having an Internet safety policy
- COMMITTEE:** Regulated Industries — favorable, without amendment
- VOTE:** 5 ayes — King, Hunter, Turner, Baxter, Guillen
0 nays
2 absent — Crabb, Wolens
- WITNESSES:** For — (*Registered, but did not testify:*) Ted Melina Raab, Texas Federation of Teachers
Against — None
On — Steve Johnson, Telecommunications Infrastructure Fund; Gloria Meraz, Texas Library Association
- BACKGROUND:** The 74th Legislature created the Telecommunications Infrastructure Fund (TIF) as part of the Public Utility Regulatory Act of 1995. With revenue generated by an assessment on telecommunications providers' gross receipts that is passed on to consumers through a charge on telephone bills, the fund provides loans and grants to Texas' public schools, not-for-profit hospitals, public libraries, and institutions of higher education for telecommunications access.
- Penal Code, sec. 43.21 defines "obscene" as material or a performance, that:
- the average person, applying contemporary community standards, would find that taken as a whole appeals to the prurient interest in sex;
 - depicts or describes patently offensive representations or descriptions of sexual acts or patently offensive representations of activities such as masturbation, excretory functions, sadism, masochism, or lewd exhibition of sexual organs or male or female organs in a state of sexual arousal or a device used primarily for stimulation of sexual organs; and
 - taken as a whole, lacks serious literary, artistic, political, and scientific value.

DIGEST: HB 854 would make a public library or school ineligible for a TIF loan or grant unless it adopted and implemented an Internet safety policy for computers used to access the Internet.

An Internet safety policy would have to address:

- measures to restrict minors from accessing obscene material on the Internet;
- the safety and security of minors when using e-mail, chat rooms, or other forms of direct online communication;
- unauthorized access or other unlawful online activities by minors; and
- unauthorized disclosure, use, or dissemination of a minor's personal identification information.

The bill would define "obscene" according to its definition in Penal Code, sec. 43.21.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

HB 854 would help ensure that public schools and libraries take an active role in protecting children from obscene material on the Internet. Parents can supervise children using the Internet at home, but it is more difficult to supervise a child's use of the Internet at school or in a public library. Parents pay for TIF through their monthly telephone bills. If schools and libraries are going to use TIF money to provide Internet access, they should have to provide some assurance that children will not be accessing online material of which their parents would not approve.

It would not be a burden for schools and libraries to adopt Internet safety policies. In fact, many schools in Texas already have such policies as a condition for receiving federal E-rate funds to pay for Internet access. Moreover, the TIF board currently requires grantees to have an "acceptable use" policy governing Internet access before receiving grants or loans from the fund. For schools or libraries that already do not have Internet safety policies in place, statewide library or school associations could develop model policies that members then simply could adopt and implement in order to receive TIF money.

**OPPONENTS
SAY:**

HB 854 would add an unnecessary bureaucratic and administrative hurdle for public libraries and schools seeking TIF grants or loans. The TIF board already requires grantees to have an “acceptable use” policy. In addition, the federal Children’s Internet Protection Act requires a school or library receiving E-rate funds to install Internet filters and implement an Internet safety policy. This bill is unnecessary because TIF board policies and federal laws already are in place to protect minors from inappropriate online material.

Internet filters or similar components of an Internet safety policy inadvertently could block minors from accessing legitimate online resources. Studies have shown that filters often erroneously block web sites, such as those containing information on religious groups, governmental entities, political candidates, or health issues.