



BILL SUMMARY

Broadband HF 641

Status of Bill: House Floor
Committee: Commerce (22-1)
Ways & Means (24-0)
Lead Democrats: Reps. Oldson & Hall
Floor Manager: Rep. Cownie
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April 20, 2015

Bill Summary

Division I - Creates the title of the new chapter 8B, "Connection Iowa Farms, Schools, and Communities Act." Sets the legislative intent which finds that increasing the extent and availability of broadband infrastructure promotes economic development, employment, increased educational and training opportunities, etc.

Division II - Statewide Broadband Coordination

This division has **definitions** for terms such as broadband, broadband infrastructure, and targeted service area.

Broadband is defined to be a high-speed, high-capacity electronic transmission medium, including fixed wireless and mobile wireless mediums, that can carry data signals from independent network sources by establishing different bandwidth channels and that is commonly used to deliver internet services to the public.

Targeted Service Area is defined to be a U.S. census bureau census block located in this state including any crop operation located within the census block, within which no communications service provider offers or facilitates broadband service at or above 25 megabits per second of download speed and 3 megabits per second of upload speed.

Creates **new responsibilities for the Office of Chief Information Officer** to streamline, consolidate, and coordinate the access to and availability of broadband and broadband infrastructure throughout the state. This office is responsible for establishing and administering the broadband grant program, as well as coordinating the fiber-optic network conduit installation program.

The **broadband grant program** is designed to award grants to communication service providers that reduce or eliminate targeted service areas by installing broadband infrastructure in the targeted service areas. The bill creates the opportunity for this fund to accept any available federal and/or private funds. No state moneys are appropriated into this fund.

Applications for a grant will be reviewed by a group of individuals made of up representatives from schools, communities, agriculture, industry, and other areas to award grants on a competitive basis. When considering the awarding of grants, the group will consider items including the geographic diversity of the project, the economic impact of the project, the relative need for broadband infrastructure, and the percentage of the homes, farms, schools, and businesses in the targeted service area that will be provided access to broadband service. Grants cannot be more than 10% of the communication service provider's project cost.

The **fiberoptic network conduit installation program** is created to provide for the installation where conduit does not exist. When defining fiber network conduit, language specifically states that this does not include electronics or cable. The Office of the Chief Information Officer will coordinate with applicable state agencies and other entities to ensure the opportunity to install fiberoptic network conduit wherever a state-funded project provides that opportunity. The office may contract with a nongovernmental third party to manage, lease, install, or provide fiberoptic network conduit access.

Requires political subdivisions with **permitting authority regarding nonwireless, broadband permits** to act within 60 business days that the application/permit has been submitted. Action means approve, approve with modification, or disapprove. If no action is taken within that 60-day time period, the application is automatically approved. Language states that the application for tax exemption must include the number of homes, farms, schools, and businesses in the targeted service area that will be offered broadband services.

Adds the Chief Information Officer as an ex officio member to the ICN's Iowa Telecommunications and Technology Commission. Increases the membership on the Statewide Interoperability Board from 15 to 17 members. The new members are from the Office of the Chief Information Officer and an emergency medical care provider.

Division III - Property Tax Incentives

Provides for a **ten-year property tax exemption** for entities that have installed broadband infrastructure that began and completed on or after July 1, 2014, in a targeted service areas. The exemption is 100% for that ten-year time period. Language requires the company asking for the exemption to provide the percentage of the homes, farms, school, and businesses in the targeted service area that will be provided access to broadband service.

Applies to assessment years beginning on or after January 1, 2016. If a project began and was completed between July 1, 2014, and December 31, 2014, an owner seeking the property tax exemption must first file an exemption with the county board of supervisors in each county where property is located by February 1, 2016, or the following two assessment years.

Division IV - Information Technology Infrastructure for Education

Adds language to the **statewide school infrastructure funding** to state that school infrastructure includes the acquisition or installation of information technology infrastructure.

Amendment Summary

H-1242 by Cownie (R) - Eliminates the retroactivity for the property tax exemption, making projects that began and completed on or after July 1, 2015, eligible to apply for the ten year property tax exemption.