CHAPTER 121

PUBLIC UTILITIES — FEES FOR USE OF PUBLIC RIGHTS-OF-WAY

H.F. 537

AN ACT relating to the imposition of certain fees on public utilities for the use of public rights-of-way.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 480A.2, subsection 2, Code 2019, is amended to read as follows:

2. *"Management costs"* means the reasonable, <u>direct</u>, <u>and fully documented</u> costs a local government actually incurs in managing to manage public rights-of-way.

Sec. 2. Section 480A.3, Code 2019, is amended to read as follows:

480A.3 Fees.

<u>1</u>. A local government shall not recover any fee from a public utility for the use of its <u>available</u> right-of-way, other than a <u>permit</u> fee for its management costs <u>attributable to the</u> <u>public utility's</u> requested use of the local government's right-of-way. A local government may recover from a public utility only those management costs caused by the public utility's activity in the public right-of-way. A fee or other obligation under this section shall be imposed on a competitively neutral basis. When a local government's management costs cannot be attributed to only one entity, those costs shall be allocated among all users of the public rights-of-way, including the local government itself. The allocation shall reflect proportionately the costs incurred by the local government as a result of the various types of uses of the public rights-of-way.

2. This section does not prohibit:

 \overline{a} . Prohibit the collection of a franchise fee as permitted in section 480A.6.

b. Prohibit voluntary agreements between a public utility and local government to share services for the purpose of reducing costs and preserving public rights-of-way for future public safety purposes.

Sec. 3. Section 480A.4, Code 2019, is amended to read as follows:

480A.4 In-kind services.

A local government, in lieu of a fee imposed under this chapter, shall not require in-kind services by a public utility right-of-way user, or require in-kind services as a condition of the use of the local government's public right-of-way, <u>unless pursuant to a voluntary agreement</u> between a public utility and local government to share services for the purpose of reducing costs and preserving public rights-of-way for future public safety purposes.

Approved May 10, 2019