

House File 576 - Introduced

HOUSE FILE 576
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 104)

A BILL FOR

1 An Act relating to and providing for the coordination and
2 facilitation of broadband access in targeted areas of the
3 state, including property tax incentives for broadband
4 infrastructure installation, a broadband grant program and
5 fund, and including applicability provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

LEGISLATIVE INTENT

Section 1. SHORT TITLE. This Act shall be known and may be cited as the "Connecting Iowa Farms, Schools, and Communities Act".

Sec. 2. LEGISLATIVE INTENT. The general assembly finds and declares that increasing the extent and availability of broadband infrastructure throughout the state facilitates the provision of internet access to citizens, farms, businesses, and communities at speeds that promote economic development, employment, enhanced access to goods and services, increased educational and training opportunities, faster access to government services and health care, and improved overall information and community access.

DIVISION II

STATEWIDE BROADBAND COORDINATION

Sec. 3. Section 8B.1, Code 2015, is amended by adding the following new subsections:

NEW SUBSECTION. 01. "Broadband" means 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.

NEW SUBSECTION. 001. "Broadband infrastructure" means the physical infrastructure used for the transmission of data that provides broadband services. "Broadband infrastructure" does not include land, buildings, structures, improvements, or equipment not directly used in the transmission of data via broadband.

NEW SUBSECTION. 0001. "Communications service provider" means a service provider that provides broadband service.

NEW SUBSECTION. 00001. "Crop operation" means the same as defined in section 717A.1.

NEW SUBSECTION. 7A. "Targeted service area" means a United

1 States census bureau census block located in this state,
2 including any crop operation located within the census block,
3 within which no communications service provider offers or
4 facilitates broadband service at or above twenty-five megabits
5 per second of download speed and three megabits per second of
6 upload speed.

7 Sec. 4. Section 8B.1, subsection 1, Code 2015, is amended
8 to read as follows:

9 1. "*Information technology*" means computing and electronics
10 applications used to process and distribute information in
11 digital and other forms and includes information technology
12 devices, information technology services, infrastructure
13 services, broadband and broadband infrastructure, and
14 value-added services.

15 Sec. 5. Section 8B.3, subsection 1, Code 2015, is amended
16 to read as follows:

17 1. The office is created for the purpose of leading,
18 directing, managing, coordinating, and providing accountability
19 for the information technology resources of state government
20 and for coordinating statewide broadband availability and
21 access.

22 Sec. 6. Section 8B.4, Code 2015, is amended by adding the
23 following new subsections:

24 NEW SUBSECTION. 14A. Streamline, consolidate, and
25 coordinate the access to and availability of broadband and
26 broadband infrastructure throughout the state, including but
27 not limited to the facilitation of public-private partnerships,
28 ensuring that all state agencies' broadband and broadband
29 infrastructure policies and procedures are aligned, resolving
30 issues which arise with regard to implementation efforts,
31 and collecting data and developing metrics or standards
32 against which the data may be measured and evaluated regarding
33 broadband infrastructure installation and deployment.

34 NEW SUBSECTION. 14B. Administer the broadband grant
35 program pursuant to section 8B.11.

1 NEW SUBSECTION. 14C. Coordinate the fiberoptic network
2 conduit installation program established in section 8B.25.

3 Sec. 7. Section 8B.9, Code 2015, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 5. An annual report regarding the status
6 of broadband expansion and coordination, the connecting
7 Iowa farms, schools, and communities broadband grant program
8 established under section 8B.11, and the adequacy of the speed
9 set in the definition of targeted service area in section 8B.1.

10 Sec. 8. NEW SECTION. **8B.10 Targeted service areas —**
11 **determination — criteria.**

12 1. The determination of whether a communications service
13 provider offers or facilitates broadband service meeting the
14 download or upload speeds specified in the definition of
15 targeted service area in section 8B.1 shall be determined or
16 ascertained by reference to broadband availability maps or data
17 sources that are widely accepted for accuracy and available for
18 public review and comment and that are identified by the office
19 by rule.

20 2. The office shall establish procedures to allow
21 challenges to the office's finding on whether an area meets the
22 definition of targeted service area.

23 Sec. 9. NEW SECTION. **8B.11 Connecting Iowa farms, schools,**
24 **and communities — broadband grants — fund.**

25 1. The office shall administer a broadband grant program
26 to award grants to communication service providers that reduce
27 or eliminate targeted service areas by installing broadband
28 infrastructure in targeted service areas in accordance with
29 this section.

30 2. *a.* A connecting Iowa farms, schools, and communities
31 broadband grant fund is established in the state treasury
32 under the authority of the office. The fund shall consist of
33 moneys appropriated to the fund or appropriated to the office
34 for purposes of the grant program, moneys available to and
35 obtained or accepted by the office from the federal government

1 or private sources, or other funds available to the office
2 for purposes of the grant program. Moneys in the fund are
3 appropriated to the office to be used for the grant program.

4 *b.* The office shall use moneys in the fund to provide grants
5 to communication service providers pursuant to this section.
6 The office shall use moneys in the fund to leverage available
7 federal moneys.

8 *c.* Notwithstanding section 8.33, moneys in the fund
9 that remain unencumbered or unobligated at the close of the
10 fiscal year shall not revert but shall remain available for
11 expenditure for the purposes designated until the close of the
12 succeeding fiscal year.

13 3. Communication service providers may apply to the office
14 for a grant pursuant to this section for the installation of
15 broadband infrastructure that facilitates broadband service
16 at or above twenty-five megabits per second of download speed
17 and three megabits per second of upload speed in targeted
18 service areas. The office shall include representatives from
19 schools, communities, agriculture, industry, and other areas
20 as appropriate to review and recommend grant awards. The
21 office shall conduct an open application review process and
22 include a public internet site for applications, results, and
23 performance.

24 4. *a.* The office shall award grants on a competitive basis
25 after considering the following:

26 (1) The relative need for broadband infrastructure in the
27 area and the existing broadband service speeds.

28 (2) The geographic diversity of the project areas of all the
29 applicants.

30 (3) The economic impact of the project to the area.

31 (4) The applicant's total proposed budget for the project,
32 including the amount or percentage of local match, if any.

33 (5) Other factors the office deems relevant.

34 *b.* Except as otherwise provided in this section, the office
35 shall not evaluate applications based on the office's knowledge

1 of the applicant except for the information provided in the
2 application.

3 5. The office shall not award a grant pursuant to this
4 section that exceeds ten percent of the communication service
5 provider's project cost.

6 6. The office shall adopt rules pursuant to chapter 17A,
7 including but not limited to the broadband grant program
8 process, management, and measurements as deemed necessary by
9 the office.

10 Sec. 10. NEW SECTION. **8B.25 Fiberoptic network conduit**
11 **installation program.**

12 1. For the purposes of this section, "*fiberoptic network*
13 *conduit*" means a pipe or duct used to enclose fiberoptic cable
14 facilities buried alongside a roadway or surface mounted on
15 a bridge, overpass, or other facility where placement below
16 ground is impossible or impractical.

17 2. The office shall lead and coordinate a program to
18 provide for the installation of fiberoptic network conduit
19 where such conduit does not exist. The chief information
20 officer shall consult and coordinate with the department of
21 administrative services, the department of transportation, the
22 Iowa communications network, and other agencies and entities
23 as determined appropriate to ensure that the opportunity is
24 provided to lay or install fiberoptic network conduit wherever
25 a state-funded construction project involves trenching, boring,
26 a bridge, a roadway, or opening of the ground, or alongside any
27 state-owned infrastructure.

28 3. Contingent upon the provision of funding for such
29 purposes by the general assembly, the office may contract with
30 a third party to manage, lease, install, or otherwise provide
31 fiberoptic network conduit access for projects described in
32 this section. This section shall not prohibit the office from
33 purchasing or installing fiberoptic cable within any fiberoptic
34 network conduit installed pursuant to the program.

35 Sec. 11. NEW SECTION. **8B.26 Broadband permitting process**

1 — **expeditious response.**

2 Notwithstanding any other provision to the contrary, a
3 political subdivision vested with permitting authority shall
4 approve, approve with modification, or disapprove nonwireless,
5 broadband-related permits within sixty business days following
6 the submission of a permit application and fee. In the event
7 that no action is taken during the sixty-day period, the
8 application shall be deemed approved.

9 Sec. 12. Section 8D.3, subsection 2, paragraph a, Code 2015,
10 is amended to read as follows:

11 a. The commission is composed of five voting members
12 appointed by the governor and subject to confirmation by the
13 senate. ~~Members~~ Voting members of the commission shall not
14 serve in any manner or be employed by an authorized user of the
15 network or by an entity seeking to do or doing business with
16 the network.

17 (1) The governor shall appoint a voting member as the
18 chairperson of the commission from the five voting members
19 ~~appointed by the governor~~, subject to confirmation by the
20 senate.

21 (2) ~~Members~~ Voting members of the commission shall serve
22 six-year staggered terms as designated by the governor and
23 appointments to the commission are subject to the requirements
24 of sections 69.16, 69.16A, and 69.19. Vacancies shall be
25 filled by the governor for the duration of the unexpired term.

26 (3) The salary of the voting members of the commission shall
27 be twelve thousand dollars per year, except that the salary
28 of the chairperson shall be seventeen thousand dollars per
29 year. ~~Members~~ Voting members of the commission shall also be
30 reimbursed for all actual and necessary expenses incurred in
31 the performance of duties as members. The benefits and salary
32 paid to the voting members of the commission shall be adjusted
33 annually equal to the average of the annual pay adjustments,
34 expense reimbursements, and related benefits provided under
35 collective bargaining agreements negotiated pursuant to chapter

1 20.

2 Sec. 13. Section 8D.3, subsection 2, paragraph b, Code 2015,
3 is amended to read as follows:

4 ~~b. In addition to the members appointed by the governor,~~
5 the The auditor of state or the auditor's designee and the
6 chief information officer appointed pursuant to section 8B.2
7 or the chief information officer's designee shall serve as a
8 nonvoting, ex officio ~~member~~ members of the commission.

9 Sec. 14. Section 8D.4, Code 2015, is amended to read as
10 follows:

11 **8D.4 Executive director appointed.**

12 ~~The commission, in consultation with the director of~~
13 ~~the department of administrative services and the chief~~
14 ~~information officer,~~ shall appoint an executive director of
15 the commission, subject to confirmation by the senate. Such
16 individual shall not serve as a member of the commission.
17 The executive director shall serve at the pleasure of the
18 commission. The executive director shall be selected primarily
19 for administrative ability and knowledge in the field, without
20 regard to political affiliation. The governor shall establish
21 the salary of the executive director within range nine as
22 established by the general assembly. The salary and support of
23 the executive director shall be paid from funds deposited in
24 the Iowa communications network fund.

25 Sec. 15. Section 80.28, subsection 2, Code 2015, is amended
26 to read as follows:

27 2. The board shall consist of ~~fifteen~~ seventeen voting
28 members, as follows:

29 a. The following members representing state agencies:

30 (1) One member representing the department of public
31 safety.

32 (2) One member representing the state department of
33 transportation.

34 (3) One member representing the department of homeland
35 security and emergency management.

1 (4) One member representing the department of corrections.

2 (5) One member representing the department of natural
3 resources.

4 (6) One member representing the Iowa department of public
5 health.

6 (7) One member representing the office of the chief
7 information officer created in section 8B.2.

8 b. The governor shall solicit and consider recommendations
9 from professional or volunteer organizations in appointing the
10 following members:

11 (1) Two members who are representatives from municipal
12 police departments.

13 (2) Two members who are representatives of sheriff's
14 offices.

15 (3) Two members who are representatives from fire
16 departments. One of the members shall be a volunteer fire
17 fighter and the other member shall be a paid fire fighter.

18 (4) Two members who are law communication center managers
19 employed by state or local government agencies.

20 (05) One member who is an emergency medical care provider
21 as defined in section 147A.1.

22 (5) One at-large member.

23 DIVISION III

24 PROPERTY TAX INCENTIVES AND ASSESSMENT

25 Sec. 16. Section 421.1A, subsection 3, Code 2015, is amended
26 to read as follows:

27 3. At the election of a property owner or aggrieved taxpayer
28 or an appellant described in section 441.42, the property
29 assessment appeal board shall review any final decision,
30 finding, ruling, determination, or order of a local board of
31 review relating to protests of an assessment, valuation, or
32 application of an equalization order, or any final decision
33 of the county board of supervisors relating to denial of an
34 application for a property tax exemption pursuant to section
35 427.1, subsection 40.

1 Sec. 17. Section 421.1A, subsection 4, Code 2015, is amended
2 by adding the following new paragraph:

3 NEW PARAGRAPH. *Ob.* Affirm or reverse a final decision
4 of a county board of supervisors relating to denial of an
5 application for a property tax exemption under section 427.1,
6 subsection 40.

7 Sec. 18. Section 427.1, Code 2015, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION. 40. *Broadband infrastructure.*

10 *a.* The owner of broadband infrastructure shall be entitled
11 to an exemption from taxation to the extent provided in this
12 subsection. For the purposes of this subsection, "*broadband*
13 *infrastructure*" and "*targeted service area*" mean the same as
14 defined in section 8B.1.

15 *b.* The exemption shall apply to the installation of
16 broadband infrastructure that facilitates broadband service
17 at or above twenty-five megabits per second of download speed
18 and three megabits per second of upload speed commenced and
19 completed on or after July 1, 2014, in a targeted service area,
20 and used to deliver internet services to the public. A person
21 claiming an exemption under this subsection shall certify to
22 the local assessor prior to commencement of the installation
23 that the broadband installation will take place within a
24 targeted service area.

25 *c.* The tax exemption shall be a one hundred percent
26 exemption from taxation for a period of ten years in an
27 amount equal to the actual value added by installation of the
28 broadband infrastructure.

29 *d.* For companies assessed by the department of revenue
30 pursuant to chapter 433, the exemption shall be limited to
31 an amount equal to the actual value added by installation of
32 the broadband infrastructure as of the assessment date as
33 determined by the department and the exemption shall be applied
34 prior to any other exemption applicable to the unit value, as
35 determined under that chapter.

1 e. (1) An application for an exemption shall be filed by
2 the owner of the property with the county board of supervisors
3 of each county in which the property is located by February
4 1 of the year in which the broadband infrastructure is first
5 assessed for taxation, or the following two assessment years,
6 and in each case the exemption is allowed for ten years.

7 (2) In lieu of subparagraph (1), and notwithstanding any
8 provision in this subsection to the contrary, an owner may at
9 any time before completion of the project submit a proposal to
10 the board of supervisors requesting that the board allow the
11 owner to file an application for exemption by February 1 of
12 any other assessment year following completion of the project,
13 which year shall be selected by the board. If the board, by
14 resolution, approves the proposal, the exemption is allowed for
15 ten years.

16 f. (1) The application shall be made on forms prescribed by
17 the director of revenue. The application shall contain but not
18 be limited to the following information:

19 (a) The nature of the broadband infrastructure
20 installation.

21 (b) The actual cost of installing the broadband
22 infrastructure under the project, if available. The
23 application shall contain supporting documents demonstrating
24 the actual cost.

25 (c) Certification from the office of the chief information
26 officer pursuant to section 8B.10 that the installation is
27 being performed or was completed in a targeted service area.
28 Certification from the office of the chief information officer
29 that broadband infrastructure installed in a targeted service
30 area facilitates broadband service at or above twenty-five
31 megabits per second of download speed and three megabits per
32 second of upload speed.

33 (d) Certification of the date of commencement and actual or
34 estimated date of completion.

35 (e) A copy of any nonwireless broadband-related permit

1 issued by a political subdivision.

2 (f) If applying pursuant to paragraph "e", subparagraph (2),
3 the actual cost already incurred for installation of broadband
4 infrastructure, if any, the estimated costs for project
5 completion, and the estimated date of project completion. The
6 application shall contain supporting documents demonstrating
7 the actual cost.

8 (2) The board of supervisors shall forward all approved
9 applications and any necessary information regarding the
10 applications to the appropriate local assessor or to the
11 department of revenue, as applicable, by March 1 annually.
12 After the tax exemption is granted, the local assessor
13 shall continue to grant the tax exemption for ten years, and
14 applications for exemption for succeeding years shall not be
15 required.

16 (3) An applicant for a property tax exemption under this
17 subsection may appeal the decision of the board of supervisors
18 regarding denial of the application to the property assessment
19 appeal board.

20 g. (1) If a company whose property in the county is not
21 assessed by the department of revenue is approved to receive a
22 property tax exemption pursuant to this subsection, the actual
23 value added by installation of the broadband infrastructure
24 shall be determined by the local assessor who shall certify the
25 amount of exemption determined to the county auditor at the
26 time of transmitting the assessment rolls.

27 (2) Notwithstanding any other provision of law to the
28 contrary, if a company in which all or a portion of the
29 company's property in the county is assessed by the department
30 pursuant to chapter 433 and the company's property in the
31 county is approved to receive a property tax exemption
32 pursuant to this subsection, the department shall assess
33 all the company's property in the county used for operating
34 telegraph and telephone lines, broadband, or cable systems for
35 each assessment year the company receives the exemption, for

1 purposes of determining the actual value added by installation
2 of the broadband infrastructure.

3 (3) (a) If assessing property pursuant to subparagraph (2),
4 the department shall certify the assessment value and exemption
5 amounts for all property used for the operation of providing
6 cable and broadband services and generally not assessed by
7 the department to the local assessor for inclusion on the
8 assessment rolls as provided in section 433.8, subsection 2.

9 (b) A company whose property is assessed by the department
10 pursuant to subparagraph (2) shall follow the appeal procedures
11 in chapter 429 for appealing any part of the assessment on
12 all the company's property, including the company's property
13 that would have been valued by the local assessor but for
14 subparagraph (2). For appeal proceedings for assessed values
15 submitted pursuant to subparagraph division (a), the department
16 shall notify the taxpayer of the right to appeal pursuant to
17 chapter 429.

18 *h.* The director of revenue may adopt rules pursuant to
19 chapter 17A for the interpretation and proper administration of
20 the exemption provided in this subsection.

21 Sec. 19. Section 433.8, Code 2015, is amended to read as
22 follows:

23 **433.8 Assessment in each county — how certified.**

24 1. The director of revenue shall, for the purpose of
25 determining what amount shall be assessed to each company
26 in each county of the state into which the line of the said
27 company extends, certify to the several county auditors of the
28 respective counties into, over, or through which said line
29 extends the number of miles of line in the county for that
30 company, the actual value per mile of line for that company,
31 and the exemption value per mile of line for that company for
32 exemptions received pursuant to section 427.1, subsection 40,
33 section 433.4, or any other exemptions. In no case, however,
34 shall the taxable value of the property be reduced below zero.

35 2. If assessing all of the property of a company pursuant to

1 section 427.1, subsection 40, paragraph "g", subparagraph (2),
2 the director shall also certify such amounts to the assessor
3 for inclusion on the assessment rolls.

4 Sec. 20. RULES. The office of the chief information
5 officer shall adopt rules pursuant to chapter 17A to certify
6 that the installation of broadband infrastructure meets the
7 requirements under section 427.1, subsection 40, as enacted in
8 this division of this Act, for purposes of receiving a property
9 tax exemption.

10 Sec. 21. IMPLEMENTATION. Section 25B.7 shall not apply to
11 this division of this Act.

12 Sec. 22. IMPLEMENTATION. Notwithstanding section 427.1,
13 subsection 40, paragraph "b", as enacted in this division
14 of this Act, owners of broadband infrastructure seeking an
15 exemption for the installation of broadband infrastructure
16 commenced between July 1, 2014, and the effective date of this
17 division of this Act, shall certify to the local assessor that
18 the broadband infrastructure installation took place within
19 a targeted service area prior to applying for an exemption
20 pursuant to this division of this Act.

21 Sec. 23. APPLICABILITY.

22 1. This division of this Act applies to assessment years
23 beginning on or after January 1, 2016.

24 2. Notwithstanding section 427.1, subsection 40, paragraph
25 "e", subparagraph (1), as enacted in this division of this
26 Act, in the case of projects commenced and completed between
27 July 1, 2014, and December 31, 2014, an owner seeking an
28 exemption shall first file an application for an exemption with
29 the county board of supervisors of each county in which the
30 property is located by February 1, 2016, or the following two
31 assessment years, and in each case the exemption is allowed for
32 ten years.

33 DIVISION IV

34 INFORMATION TECHNOLOGY INFRASTRUCTURE FOR EDUCATION

35 Sec. 24. Section 423F.3, subsection 6, Code 2015, is amended

1 by adding the following new paragraph:

2 NEW PARAGRAPH. *0c.* Additionally, "school infrastructure"
3 includes the acquisition or installation of information
4 technology infrastructure. For purposes of this paragraph,
5 "information technology infrastructure" means the basic,
6 underlying physical framework or system necessary to deliver
7 technology connectivity to a school district and to network
8 school buildings within a school district.

9

EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill relates to and provides for the coordination and
13 facilitation of broadband access in targeted service areas of
14 the state. The bill is titled the "Connecting Iowa Farms,
15 Schools, and Communities Act".

16 DIVISION I — LEGISLATIVE INTENT. The division provides
17 that the general assembly finds and declares that increasing
18 the extent and availability of broadband infrastructure
19 throughout the state facilitates the provision of internet
20 access to citizens, businesses, farms, and communities at
21 speeds that promote economic development, employment, enhanced
22 access to goods and services, increased educational and
23 training opportunities, faster access to government services
24 and health care, and improved overall information and community
25 access.

26 DIVISION II — STATEWIDE BROADBAND COORDINATION. The
27 division modifies provisions in Code chapter 8B, relating to
28 the office of the chief information officer. The division adds
29 several definitions to the Code chapter for use in the Code
30 chapter and in other related provisions. The division defines
31 "broadband" to mean a high-speed, high-capacity electronic
32 transmission medium, including fixed wireless and mobile
33 wireless mediums, that can carry data signals from independent
34 network sources by establishing different bandwidth channels
35 and that is commonly used to deliver internet services to the

1 public. The division defines "broadband infrastructure" to
2 mean the physical infrastructure used for the transmission
3 of data that provides broadband services. The division
4 defines "communications service provider" to mean a service
5 provider that provides broadband service. The division defines
6 "targeted service area" to mean a United States census bureau
7 census block located in Iowa, including any crop operation
8 located within the census block, within which no communications
9 service provider offers or facilitates broadband service
10 at or above 25 megabits per second of download speed and 3
11 megabits per second of upload speed. The division defines
12 "crop operation" by referencing a definition contained in Code
13 section 717A.1 as meaning a commercial enterprise where a crop
14 is maintained on the property of the commercial enterprise.
15 Additionally, the division adds broadband and broadband
16 infrastructure to an existing definition of "information
17 technology".

18 The division adds to the powers and duties of the chief
19 information officer streamlining, consolidating, and
20 coordinating access to and availability of broadband and
21 broadband infrastructure throughout Iowa.

22 The division provides that the determination of whether
23 a provider's download and upload speeds are being met for
24 purposes of the definition of "targeted service area" shall be
25 by reference to broadband availability maps or data sources
26 identified by the office by rule. The division directs the
27 office to establish procedures to allow challenges to the
28 office's finding on whether an area meets the definition of
29 "targeted service area".

30 The division establishes a connecting Iowa farms, schools,
31 and communities grant program and fund. The division requires
32 the office of the chief information officer to administer
33 a broadband grant program to award grants to communication
34 service providers that reduce or eliminate targeted service
35 areas by installing broadband infrastructure in targeted

1 service areas. The division establishes a fund, consisting
2 of moneys appropriated to it or appropriated to the office
3 or otherwise available to the office for purposes of the
4 grant program. The moneys in the fund are appropriated
5 to the office of the chief information officer. The bill
6 provides that communication service providers may apply to
7 the office for a grant. The division requires the office to
8 include representatives from schools, communities, agriculture,
9 industry, and other areas as appropriate to review and
10 recommend grant awards. The division also requires the
11 office to conduct an open application review process and
12 include a public internet site for applications, results,
13 and performance. The division sets criteria for the office
14 to consider when awarding grants. The division limits grant
15 amounts to a maximum of 10 percent of the communication service
16 provider's project cost.

17 The division also adds to the powers and duties of the chief
18 information officer the responsibility for coordinating a new
19 fiberoptic network conduit installation program to facilitate
20 incorporation of fiberoptic network conduit installations, as
21 defined by the bill, into state-funded construction projects
22 or by state-owned infrastructure. The division provides that,
23 subject to funding from the general assembly, the office
24 may contract with a third party to manage, lease, install,
25 or otherwise provide fiberoptic network conduit access, and
26 the program shall not prohibit the office from purchasing or
27 installing fiberoptic cable within fiberoptic network conduit
28 installed pursuant to the program.

29 Additionally, the division specifies expeditious response
30 requirements regarding the approval, modification, or
31 disapproval of nonwireless broadband-related permits. The
32 division provides that, notwithstanding any other provision to
33 the contrary, a political subdivision vested with permitting
34 authority shall approve, approve with modification, or
35 disapprove nonwireless broadband-related permits within 60

1 business days following the submission of a permit application
2 and fee. In the event that no action is taken during the 60-day
3 period, the application shall be deemed approved.

4 The division also requires the chief information officer
5 to prepare an annual report regarding the status of broadband
6 expansion and coordination, the broadband grant program, and
7 the adequacy of the speed set in the definition of targeted
8 service area. The division adds the chief information officer
9 to the Iowa telecommunications and technology commission
10 which oversees the operation of the Iowa communications
11 network and to the statewide interoperable communications
12 system board established in Code section 80.28. The division
13 makes corresponding changes. Further, the division adds an
14 additional member to the board who is an emergency medical
15 care provider, and eliminates a provision that required the
16 commission to consult with the director of the department of
17 administrative services and the chief information officer when
18 appointing the commission's executive director.

19 DIVISION III — PROPERTY TAX INCENTIVES AND ASSESSMENT. The
20 division provides a property tax exemption for installation of
21 broadband infrastructure that facilitates broadband service at
22 or above 25 megabits per second of download speed and three
23 megabits per second of upload speed within a targeted service
24 area, which installation is commenced and completed on or
25 after July 1, 2014, and which is used to deliver internet
26 services to the public. The exemption shall be a 100 percent
27 exemption from taxation for a period of 10 years based on
28 the actual value added by the installation of the broadband
29 infrastructure. The division specifies procedures relating
30 to applying for the tax exemption with the county board of
31 supervisors within which the broadband infrastructure is
32 located, granting the tax exemption, and assessing the property
33 of companies receiving the exemption.

34 The division applies to assessment years beginning on or
35 after January 1, 2016. The division provides that property

1 owners seeking an exemption for installation of broadband
2 infrastructure commenced between July 1, 2014, and the
3 effective date of the division of the bill must certify to
4 the local assessor that the installation of the broadband
5 infrastructure took place within a targeted service area prior
6 to applying for an exemption. All other property owners
7 must certify to the local assessor prior to commencement of
8 the installation. The division also provides that property
9 owners seeking an exemption for the installation of broadband
10 infrastructure commenced and completed between July 1, 2014,
11 and December 31, 2014, shall first file an application for an
12 exemption with the county board of supervisors by February 1,
13 2016, or the following two assessment years. An exemption
14 filed pursuant to this provision of the division is allowed for
15 10 years.

16 Code section 25B.7 provides that for a property tax credit
17 or exemption enacted on or after January 1, 1997, if a state
18 appropriation made to fund the credit or exemption is not
19 sufficient to fully fund the credit or exemption, the political
20 subdivision shall be required to extend to the taxpayer only
21 that portion of the credit or exemption estimated by the
22 department of revenue to be funded by the state appropriation.
23 The division provides that Code section 25B.7 does not apply to
24 the property tax exemption created under this division.

25 DIVISION IV — INFORMATION TECHNOLOGY INFRASTRUCTURE FOR
26 EDUCATION. The division provides that school infrastructure
27 for purposes of statewide school infrastructure funding
28 includes the acquisition or installation of information
29 technology infrastructure, as defined in the division.