

Senate File 2363

H-8383

1 Amend Senate File 2363, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 14, after line 28 by inserting:

4 <DIVISION

5 LEGISLATIVE INTENT

6 Sec. \_\_\_\_\_. SHORT TITLE. This Act shall be known  
7 and may be cited as the "Statewide Broadband Expansion  
8 Act".

9 Sec. \_\_\_\_\_. LEGISLATIVE INTENT. The general assembly  
10 finds that the availability of broadband access,  
11 and the infrastructure necessary to facilitate that  
12 access, varies to a significant extent from one area  
13 of the state to another, and that increasing access  
14 to broadband throughout the state is vital so that  
15 every citizen, business entity or organization, and  
16 community in this state can be afforded the opportunity  
17 to fully integrate with and utilize modern technology  
18 for educational, economic development and job training,  
19 health care, and other purposes.

20 DIVISION

21 STATEWIDE BROADBAND COORDINATION

22 Sec. \_\_\_\_\_. Section 8B.1, Code 2014, is amended by  
23 adding the following new subsections:

24 NEW SUBSECTION. 01. "*Broadband*" means a  
25 high-speed, high-capacity electronic transmission  
26 medium that can carry data signals from multiple  
27 independent network sources by establishing different  
28 bandwidth channels and that is commonly used to deliver  
29 internet services to the public.

30 NEW SUBSECTION. 001. "*Broadband infrastructure*"  
31 means the physical infrastructure used for the  
32 transmission of data via broadband, including but not  
33 limited to any equipment, systems, switches, routers,  
34 wire, cable, satellite, conduits, servers, software,  
35 technology, base transceiver station sites, or other  
36 means of transmission or communication. "*Broadband*  
37 *infrastructure*" does not include land, buildings,  
38 structures, improvements, or equipment not directly  
39 used in the transmission of data.

40 NEW SUBSECTION. 0001. "*Communications service*  
41 *provider*" means a service provider that provides  
42 broadband service.

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

45 Sec. \_\_\_\_\_. Section 8B.1, subsection 1, Code 2014, is  
46 amended to read as follows:

47 1. "*Information technology*" means computing and  
48 electronics applications used to process and distribute  
49 information in digital and other forms and includes  
50 information technology devices, information technology

1 services, infrastructure services, broadband and  
2 broadband infrastructure, and value-added services.

3 Sec. \_\_\_\_\_. Section 8B.1, Code 2014, is amended by  
4 adding the following new subsections:

5 NEW SUBSECTION. 7A. *“Targeted underserved service*  
6 *area”* means a United States census bureau census  
7 block located in this state, including any crop  
8 operation located within the census block, within  
9 which communications service providers do not offer or  
10 facilitate broadband service at or above twenty-five  
11 megabits per second of download speed or three megabits  
12 per second of upload speed. This definition may be  
13 adjusted by the office by rule pursuant to section  
14 8B.10.

15 NEW SUBSECTION. 7B. *“Targeted unserved service*  
16 *area”* means a United States census bureau census  
17 block located in this state, including any crop  
18 operation located within the census block, within  
19 which communications service providers do not offer or  
20 facilitate broadband service at or above four megabits  
21 per second of download speed or one megabit per second  
22 of upload speed. This definition may be adjusted by  
23 the office by rule pursuant to section 8B.10.

24 Sec. \_\_\_\_\_. Section 8B.3, subsection 1, Code 2014, is  
25 amended to read as follows:

26 1. The office is created for the purpose of  
27 leading, directing, managing, coordinating, and  
28 providing accountability for the information technology  
29 resources of state government and for coordinating  
30 statewide broadband availability and access.

31 Sec. \_\_\_\_\_. Section 8B.4, Code 2014, is amended by  
32 adding the following new subsection:

33 NEW SUBSECTION. 14A. Streamline, consolidate,  
34 and coordinate the access to and availability of  
35 broadband and broadband infrastructure throughout  
36 the state, including but not limited to the  
37 facilitation of public-private partnerships, ensuring  
38 that all state agencies' broadband and broadband  
39 infrastructure policies and procedures are aligned,  
40 promoting accountability regarding broadband and  
41 broadband infrastructure availability and access,  
42 integrating broadband with cyber security standards  
43 and rules, resolving issues which arise with regard  
44 to implementation efforts, collecting data and  
45 developing metrics or standards against which the data  
46 may be measured and evaluated regarding broadband  
47 infrastructure installation and deployment, and  
48 identifying options regarding the creation of standing  
49 resources for stakeholders such as a fiberoptic  
50 database or a fiberoptic network conduit installation

1 coordination effort for state-funded construction  
2 projects.

3 Sec. \_\_\_\_\_. Section 8B.9, Code 2014, is amended by  
4 adding the following new subsection:

5 NEW SUBSECTION. 5. An annual report regarding the  
6 status of broadband expansion and coordination.

7 Sec. \_\_\_\_\_. NEW SECTION. **8B.10 Targeted unserved and**  
8 **underserved service areas — determination — criteria**  
9 **— subdivision.**

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

21 2. The office shall establish procedures to allow  
22 challenges to claims that an area meets the definition  
23 of a targeted unserved service area or targeted  
24 underserved service area.

25 3. Service areas that have more than one  
26 communications service provider shall be subdivided  
27 based on incumbent local telephone exchange areas  
28 that have been established by the utilities board of  
29 the utilities division of the department of commerce  
30 pursuant to section 476.29.

31 Sec. \_\_\_\_\_. Section 8D.3, subsection 2, paragraph a,  
32 Code 2014, is amended to read as follows:

33 a. The commission is composed of the chief  
34 information officer appointed pursuant to section 8B.2  
35 or the chief information officer's designee and five  
36 other members who shall be appointed by the governor  
37 and subject to confirmation by the senate. ~~Members~~  
38 Appointed members of the commission shall not serve in  
39 any manner or be employed by an authorized user of the  
40 network or by an entity seeking to do or doing business  
41 with the network.

42 (1) The governor shall appoint a member as the  
43 chairperson of the commission from the five members  
44 appointed by the governor, subject to confirmation by  
45 the senate.

46 (2) ~~Members~~ Appointed members of the commission  
47 shall serve six-year staggered terms as designated by  
48 the governor and appointments to the commission are  
49 subject to the requirements of sections 69.16, 69.16A,  
50 and 69.19. Vacancies shall be filled by the governor

1 for the duration of the unexpired term.

2 (3) The salary of the appointed members of the  
3 commission shall be twelve thousand dollars per year,  
4 except that the salary of the chairperson shall be  
5 seventeen thousand dollars per year. Members Appointed  
6 members of the commission shall also be reimbursed  
7 for all actual and necessary expenses incurred in the  
8 performance of duties as members. The benefits and  
9 salary paid to the appointed members of the commission  
10 shall be adjusted annually equal to the average of the  
11 annual pay adjustments, expense reimbursements, and  
12 related benefits provided under collective bargaining  
13 agreements negotiated pursuant to chapter 20.

14 Sec. \_\_\_\_\_. Section 8D.3, subsection 2, paragraph b,  
15 Code 2014, is amended to read as follows:

16 ~~b. In addition to the members appointed by the~~  
17 ~~governor, the~~ The auditor of state or the auditor's  
18 designee shall serve as a nonvoting, ex officio member  
19 of the commission.

20 Sec. \_\_\_\_\_. Section 8D.4, Code 2014, is amended to  
21 read as follows:

22 **8D.4 Executive director appointed.**

23 The commission, in consultation with the director  
24 of the department of administrative services ~~and the~~  
25 ~~chief information officer,~~ shall appoint an executive  
26 director of the commission, subject to confirmation  
27 by the senate. Such individual shall not serve as a  
28 member of the commission. The executive director shall  
29 serve at the pleasure of the commission. The executive  
30 director shall be selected primarily for administrative  
31 ability and knowledge in the field, without regard to  
32 political affiliation. The governor shall establish  
33 the salary of the executive director within range nine  
34 as established by the general assembly. The salary  
35 and support of the executive director shall be paid  
36 from funds deposited in the Iowa communications network  
37 fund.

38 Sec. \_\_\_\_\_. Section 80.28, subsection 2, Code 2014,  
39 is amended to read as follows:

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

42 a. The following members representing state  
43 agencies:

44 (1) One member representing the department of  
45 public safety.

46 (2) One member representing the state department of  
47 transportation.

48 (3) One member representing the department of  
49 homeland security and emergency management.

50 (4) One member representing the department of

1 corrections.

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

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

6 (7) One member representing the office of the chief  
7 information officer.

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

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

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

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

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

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

24 (5) One at-large member.

25 DIVISION \_\_\_\_\_

26 INCOME TAX INCENTIVES

27 Sec. \_\_\_\_\_. NEW SECTION. 422.11C Broadband  
28 infrastructure tax credit.

29 1. For purposes of this section, "*broadband*  
30 *infrastructure*", "*communications service provider*",  
31 "*targeted unserved service area*", and "*targeted*  
32 *underserved service area*" mean the same as defined in  
33 section 8B.1.

34 2. The taxes imposed under this division, less the  
35 credits allowed under section 422.12, shall be reduced  
36 by a broadband infrastructure tax credit equal to seven  
37 percent of the amount expended by a communications  
38 service provider for a new installation of broadband  
39 infrastructure completed on or after July 1, 2014, with  
40 such reduction not to exceed a maximum of two hundred  
41 fifty thousand dollars per United States census bureau  
42 census block or three million dollars per installation.  
43 A taxpayer claiming a credit under this section shall  
44 certify prior to commencement of the installation  
45 that the broadband infrastructure installation will  
46 take place within a targeted unserved service area or  
47 a targeted underserved service area. Any credit in  
48 excess of the tax liability for the tax year shall not  
49 be refunded, but may be credited to the tax liability  
50 for the following ten tax years or until depleted,

1 whichever is earlier.

2 3. An individual may claim the tax credit allowed a  
3 partnership, limited liability company, S corporation,  
4 estate, or trust electing to have the income taxed  
5 directly to the individual. The amount claimed by the  
6 individual shall be based upon the pro rata share of  
7 the individual's earnings of a partnership, limited  
8 liability company, S corporation, estate, or trust.

9 4. The director of revenue may adopt rules pursuant  
10 to chapter 17A for the interpretation and proper  
11 administration of the credit provided in this section.

12 Sec. \_\_\_\_\_. Section 422.33, Code 2014, is amended by  
13 adding the following new subsection:

14 NEW SUBSECTION. 31. The taxes imposed under this  
15 division shall be reduced by a broadband infrastructure  
16 tax credit allowed under section 422.11C.

17 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. This division  
18 of this Act applies retroactively to January 1, 2014,  
19 for tax years beginning on or after that date.

#### 20 DIVISION \_\_\_\_\_

#### 21 PROPERTY TAX INCENTIVES

22 Sec. \_\_\_\_\_. Section 427.1, Code 2014, is amended by  
23 adding the following new subsection:

24 NEW SUBSECTION. 40. *Broadband infrastructure.*

25 *a.* Broadband infrastructure shall be entitled  
26 to an exemption from taxation to the extent provided  
27 in this section based upon the actual value added  
28 by broadband infrastructure that is newly installed  
29 and completed. For the purposes of this subsection,  
30 "broadband infrastructure", "targeted unserved service  
31 area", and "targeted underserved service area" mean the  
32 same as defined in section 8B.1.

33 *b.* The exemption shall apply to the new  
34 installation of broadband infrastructure completed on  
35 or after July 1, 2014, in a targeted unserved service  
36 area or a targeted underserved service area. A person  
37 claiming an exemption under this subsection shall  
38 certify prior to commencement of the installation  
39 that the broadband installation will take place  
40 within a targeted unserved service area or a targeted  
41 underserved service area.

42 *c.* If the broadband infrastructure is assessed with  
43 other property as a unit by the department of revenue  
44 pursuant to sections 428.24 through 428.29 or chapter  
45 433, this exemption shall be limited to the value added  
46 by the broadband infrastructure as determined as of  
47 the assessment date and the exemption shall be applied  
48 prior to any other exemption applicable to the unit  
49 value.

50 *d.* The tax exemption shall be a one hundred percent

1 exemption from taxation on the actual value added by  
2 the improvements for a period of ten years.

3 e. (1) A person may submit a proposal to the  
4 governing body of the city or county within which  
5 a broadband infrastructure installation project is  
6 proposed to receive prior approval for eligibility  
7 for a tax exemption for the project pursuant to this  
8 section. The governing body shall, by resolution, give  
9 its prior approval if the project is in conformance  
10 with the requirements of this subsection. Such prior  
11 approval shall not entitle the owner to exemption from  
12 taxation until the improvements have been completed  
13 and found to be qualified real estate. However, if  
14 the proposal is not approved, the person may submit an  
15 amended proposal for the governing body to approve or  
16 reject.

17 (2) The application for an exemption shall be filed  
18 by the owner of the property with the governing body  
19 of the city or county in which the property is located  
20 by February 1 of the assessment year for which the  
21 exemption is first claimed, but not later than the  
22 year in which the value added pursuant to the project  
23 is first assessed for taxation, or the following  
24 two assessment years, in which case the exemption is  
25 allowed for the total number of years in the exemption  
26 schedule. However, upon the request of the owner at  
27 any time, the governing body of the city or county  
28 may provide by resolution that the owner may file an  
29 application by February 1 of any other assessment  
30 year selected by the governing body in which case the  
31 exemption is allowed for the number of years remaining  
32 in the exemption schedule selected. The application  
33 shall contain but not be limited to the following  
34 information:

35 (a) The nature of the improvement.  
36 (b) The estimated cost of the improvement.  
37 (c) The estimated or actual date of project  
38 completion.

39 (d) Certification that the installation was  
40 completed in a targeted unserved service area or a  
41 targeted underserved service area.

42 (3) The governing body of the city or county shall  
43 forward for review all approved applications to the  
44 appropriate local assessor by March 1 annually. The  
45 assessor shall proceed to determine the actual value  
46 of the newly installed broadband infrastructure and  
47 shall certify the valuation determined to the county  
48 auditor at the time of transmitting the assessment  
49 rolls. After the tax exemption is granted, the local  
50 assessor shall continue to grant the tax exemption

1 for the remainder of the time period in the exemption  
2 schedule, and applications for exemption for succeeding  
3 years shall not be required.

4 *f.* The director of revenue may adopt rules pursuant  
5 to chapter 17A for the interpretation and proper  
6 administration of the exemption provided in this  
7 subsection.

8 DIVISION \_\_\_\_\_

9 SCHOOL INFORMATION TECHNOLOGY INFRASTRUCTURE

10 Sec. \_\_\_\_\_. Section 423F.3, subsection 6, Code 2014,  
11 is amended to read as follows:

12 6. *a.* For purposes of this chapter, "*school*  
13 *infrastructure*" means those activities authorized in  
14 section 423E.1, subsection 3, Code 2007.

15 *b.* Additionally, "*school infrastructure*" includes  
16 the payment or retirement of outstanding bonds  
17 previously issued for school infrastructure purposes  
18 as defined in this subsection, and the payment or  
19 retirement of bonds issued under sections 423E.5 and  
20 423F.4.

21 *c.* Additionally, "*school infrastructure*" includes  
22 the acquisition or installation of information  
23 technology infrastructure. "Information technology  
24 infrastructure" means the basic, underlying physical  
25 framework or system necessary to deliver technology  
26 connectivity to a school district and to network school  
27 buildings within a school district.

28 ~~*e.*~~ *d.* A school district that uses secure an  
29 advanced vision for education fund moneys for school  
30 infrastructure shall comply with the state building  
31 code in the absence of a local building code.

32 DIVISION \_\_\_\_\_

33 STEM INTERNSHIPS

34 Sec. \_\_\_\_\_. Section 15.411, subsection 3, Code 2014,  
35 is amended to read as follows:

36 3. *a.* The authority shall establish and administer  
37 ~~an innovative businesses~~ internship program with two  
38 components for Iowa students. For purposes of this  
39 subsection, "*Iowa student*" means a student of an Iowa  
40 community college, private college, or institution of  
41 higher learning under the control of the state board of  
42 regents, or a student who graduated from high school in  
43 Iowa but now attends an institution of higher learning  
44 outside the state of Iowa.

45 *b.* The purpose of the first component of the  
46 program is to link Iowa students to small and medium  
47 sized Iowa firms through internship opportunities. An  
48 Iowa employer may receive financial assistance in an  
49 amount of one dollar for every two dollars paid by  
50 the employer to an intern. The amount of financial



1 assistance shall not exceed three thousand one hundred  
2 dollars for any single internship, or nine thousand  
3 three hundred dollars for any single employer. In  
4 order to be eligible to receive financial assistance  
5 under this ~~subsection~~ paragraph, the employer must  
6 have five hundred or fewer employees and must be an  
7 innovative business. The authority shall encourage  
8 youth who reside in economically distressed areas,  
9 youth adjudicated to have committed a delinquent  
10 act, and youth transitioning out of foster care to  
11 participate in the first component of the internship  
12 program.

13 c. (1) The purpose of the second component of the  
14 program is to assist in placing Iowa students studying  
15 in the fields of science, technology, engineering, and  
16 mathematics into internships that lead to permanent  
17 positions with Iowa employers. The authority shall  
18 collaborate with eligible employers, including but not  
19 limited to innovative businesses, to ensure that the  
20 interns hired are studying in such fields. An Iowa  
21 employer may receive financial assistance in an amount  
22 of one dollar for every dollar paid by the employer to  
23 an intern. The amount of financial assistance shall  
24 not exceed five thousand dollars per internship. The  
25 authority may adopt rules to administer this component.

26 (2) The requirement to administer this component of  
27 the internship program is contingent upon the provision  
28 of funding for such purposes by the general assembly.>

29 2. Title page, line 2, after <providing> by  
30 inserting <for taxation and>

31 3. Title page, line 3, before <applicability> by  
32 inserting <retroactive and other>

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PRICHARD of Floyd