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**HF 537** – Public Utilities, Public Rights-of-Way (LSB1784HV)  
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Fiscal Note Version – Final Action

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**Description**

**House File 537** relates to the imposition of fees on public utilities for the use of public rights-of-way. The Bill amends the definition of “management costs” and requires that these costs be direct and fully documented. The Bill specifies that the only fee a local government may recover from a public utility requesting use of an available right-of-way is a permit fee for management costs attributable to the public utility’s requested use of the available public right-of-way. The Bill does not permit the local government to recover management costs caused by the public utility’s activity in the right-of-way.

This Bill provides that Iowa Code section **480A.3** does not 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, and allows a local government to require in-kind services in lieu of a fee if pursuant to such a voluntary agreement.

**Background**

Iowa Code chapter **480A** allows local governments to impose certain fees on public utilities for operating public utility facilities in public rights-of-way. Under current law, a local government may only impose a fee for management costs that are caused by the public utility’s activity in the right-of-way, and cannot require in-kind services in lieu of a fee.

**Fiscal Impact**

**House File 537** may decrease revenue to local governments by more than \$100,000. The ability of cities to comply with the requirement under the Bill is unknown. The Legislative Services Agency (LSA) has not received data that was requested to identify the total fees currently collected under Iowa Code chapter **480A**. Therefore, an estimate for the fiscal impact of this change cannot be made at this time.

**Source**

LSA Analysis

/s/ Holly M. Lyons

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June 3, 2019

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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