

JAN 28 1972

HOUSE FILE 1084

*Place On Calendar  
Sen. Agriculture 2/2/72, Pass 2/7/72*

BY COMMITTEE ON AGRICULTURE

Passed House, Date 2-1-72 Passed Senate, Date 2-21-72  
Vote: Ayes 64 Nays 23 Vote: Ayes 43 Nays 0  
Approved 3/2/72

## A BILL FOR

1 An Act to provide that rural water districts shall not be  
2 subject to regulation by the Iowa state commerce commis-  
3 sion.

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

5 Section 1. Section four hundred ninety A point one  
6 (490A.1), unnumbered paragraph three (3), Code 1971, is amended  
7 to read as follows:

8 Mutual telephone companies in which at least fifty per-  
9 cent of the users are owners, telephone companies having less  
10 than two thousand stations, municipally-owned utilities, un-  
11 incorporated villages which own their own distribution system,  
12 and co-operative corporations or associations shall not be  
13 subject to the rate regulation provided for in this chapter;  
14 provided, however, that nothing contained in this chapter  
15 shall be construed to apply to municipally-owned water works  
16 or rural water districts incorporated and organized pursuant  
17 to chapter 357A. Telephone companies otherwise exempt from  
18 rate regulation and having telephone exchange facilities which  
19 cross state lines may elect, in writing, filed with the com-  
20 mission, to have their rates regulated by the commission.  
21 When such election, in writing, has been filed with the com-  
22 mission, the commission shall assume rate regulation jurisdic-  
23 tion over said companies.

### EXPLANATION

24  
25 This bill provides that nonprofit rural water corpora-

1 tions or associations will not be subject to regulation by  
2 the Commerce Commission. Under present law the Commission  
3 can require extension of water service to new customers, but  
4 this burden of constructing capacity in excess of the require-  
5 ments of initial members makes it impossible for the nonprofit  
6 rural water associations to secure capital financing to build  
7 any systems.

8  
9  
10  
11 1 Amend House File 1084, line 17, by striking the  
12 2 words and figures "chapter 357A" and inserting in lieu  
13 3 thereof the words and figures "chapters 357A and 504A"

14 Offered from the floor and adopted  
15 February 1, 1972

16 By KRUSE of O'Brien  
17 BERGMAN of Osceola  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35