

House File 686 - Introduced

HOUSE FILE _____
BY FORD

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act expanding access to the Iowa communications network by
2 adding classifications of eligible users of the network.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2141YH 82
5 rn/je/5

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1 1 Section 1. Section 8D.2, subsection 4, Code 2007, is
1 2 amended to read as follows:
1 3 4. "Private agency" means an accredited nonpublic school,
1 4 a nonprofit institution of higher education eligible for
1 5 tuition grants, ~~or~~ a hospital licensed pursuant to chapter
1 6 135B or a physician clinic to the extent provided in section
1 7 8D.13, subsection 16, ~~or a not-for-profit organization exempt~~
1 8 ~~from federal income taxation under section 501(c)(3) of the~~
1 9 ~~Internal Revenue Code and approved to access the network~~
1 10 ~~pursuant to section 8D.9, subsection 5.~~
1 11 Sec. 2. Section 8D.2, Code 2007, is amended by adding the
1 12 following new subsection:
1 13 NEW SUBSECTION. 4A. "Private individual" means a private
1 14 citizen or resident of this state who has been approved to
1 15 access the network pursuant to section 8D.9, subsection 6.
1 16 Sec. 3. Section 8D.3, subsection 3, paragraph i, Code
1 17 2007, is amended to read as follows:
1 18 i. Evaluate existing and projected rates for use of the
1 19 system and ensure that rates are sufficient to pay for the
1 20 operation of the system excluding the cost of construction and
1 21 lease costs for Parts I, II, and III. The commission shall
1 22 establish all hourly rates to be charged to all authorized
1 23 users for the use of the network and shall consider all costs
1 24 of the network in establishing the rates. A fee established
1 25 by the commission to be charged to a hospital licensed
1 26 pursuant to chapter 135B, a physician clinic, ~~or~~ the federal
1 27 government, ~~a not-for-profit organization, or a private~~
1 28 ~~individual shall be at an appropriate rate so that, at a~~
1 29 ~~minimum, there is no state subsidy related to the costs of the~~
1 30 ~~connection or use of the network related to such user. Fees~~
1 31 ~~charged to a not-for-profit organization or a private~~
1 32 ~~individual shall be subject to the provisions of section~~
1 33 ~~8D.13, subsection 20.~~
1 34 Sec. 4. Section 8D.9, Code 2007, is amended by adding the
1 35 following new subsections:
2 1 NEW SUBSECTION. 5. A not-for-profit organization
2 2 considered a private agency pursuant to section 8D.2,
2 3 subsection 4, shall be authorized to utilize the network
2 4 strictly for purposes associated with the administration or
2 5 business of the not-for-profit organization, conditioned upon
2 6 the submission of an application to the commission and receipt
2 7 from the commission of approval of eligibility. Application
2 8 forms and approval criteria shall be determined by the
2 9 commission by rule, and shall include information relating to
2 10 the organization's net worth or annual funding for reduced
2 11 rate qualification purposes as provided in section 8D.13,
2 12 subsection 20.
2 13 NEW SUBSECTION. 6. A private individual shall be
2 14 authorized to utilize the network conditioned upon the
2 15 submission of an application to the commission and receipt
2 16 from the commission of approval of eligibility. Application
2 17 forms and approval criteria shall be determined by the
2 18 commission by rule, and shall include information relating to
2 19 the individual's address of residence for identification of
2 20 enterprise zone status relating to reduced rate qualification

2 21 as provided in section 8D.13, subsection 20.

2 22 Sec. 5. Section 8D.11, subsections 1 and 2, Code 2007, are
2 23 amended to read as follows:

2 24 1. The commission may purchase, lease, and improve
2 25 property, equipment, and services for telecommunications for
2 26 public and private agencies and private individuals and may
2 27 dispose of property and equipment when not necessary for its
2 28 purposes. However, the commission shall not enter into a
2 29 contract for the purchase, lease, or improvement of property,
2 30 equipment, or services for telecommunications pursuant to this
2 31 subsection in an amount greater than one million dollars
2 32 without prior authorization by a constitutional majority of
2 33 each house of the general assembly, or approval by the
2 34 legislative council if the general assembly is not in session.
2 35 The commission shall not issue any bonding or other long-term
3 1 financing arrangements as defined in section 12.30, subsection
3 2 1, paragraph "b". Real or personal property to be purchased
3 3 by the commission through the use of a financing agreement
3 4 shall be done in accordance with the provisions of section
3 5 12.28, provided, however, that the commission shall not
3 6 purchase property, equipment, or services for
3 7 telecommunications pursuant to this subsection in an amount
3 8 greater than one million dollars without prior authorization
3 9 by a constitutional majority of each house of the general
3 10 assembly, or approval by the legislative council if the
3 11 general assembly is not in session.

3 12 2. The commission also shall not provide or resell
3 13 communications services to entities other than public and
3 14 private agencies and private individuals. The public or
3 15 private agency or private individual shall not provide
3 16 communication services of the network to another entity unless
3 17 otherwise authorized pursuant to this chapter. The commission
3 18 may arrange for joint use of available services and
3 19 facilities, and may enter into leases and agreements with
3 20 private and public agencies and private individuals with
3 21 respect to the Iowa communications network, and public
3 22 agencies are authorized to enter into leases and agreements
3 23 with respect to the network for their use and operation.
3 24 Rentals and other amounts due under the agreements or leases
3 25 entered into pursuant to this section by a state agency are
3 26 payable from funds annually appropriated by the general
3 27 assembly or from other funds legally available. Other public
3 28 agencies may pay the rental costs and other amounts due under
3 29 an agreement or lease from their annual budgeted funds or
3 30 other funds legally available or to become available.

3 31 Sec. 6. Section 8D.13, subsection 1, Code 2007, is amended
3 32 to read as follows:

3 33 1. Moneys in the Iowa communications network fund are
3 34 appropriated to the Iowa telecommunications and technology
3 35 commission for purposes of providing financing for the
4 1 procurement, operation, and maintenance of the Iowa
4 2 communications network with sufficient capacity to serve the
4 3 video, data, and voice requirements of the educational
4 4 telecommunications system consisting of Part I, Part II, and
4 5 Part III, and other public and private agencies and private
4 6 individuals.

4 7 Sec. 7. Section 8D.13, subsection 2, paragraph c, Code
4 8 2007, is amended to read as follows:

4 9 c. "Part III" means the communications connection between
4 10 the secondary switching centers and the agencies defined in
4 11 section 8D.2, subsections 4 and 5, excluding state agencies,
4 12 institutions under the control of the board of regents,
4 13 nonprofit institutions of higher education eligible for
4 14 tuition grants, and the judicial branch, judicial district
4 15 departments of correctional services, hospitals and physician
4 16 clinics, agencies of the federal government, ~~and~~ post offices,
4 17 ~~not-for-profit organizations, and private individuals~~.

4 18 Sec. 8. Section 8D.13, Code 2007, is amended by adding the
4 19 following new subsection:

4 20 NEW SUBSECTION. 20. Access to the network shall be
4 21 offered to not-for-profit organizations defined as a private
4 22 agency pursuant to section 8D.2, subsection 4, and to private
4 23 individuals pursuant to section 8D.2, subsection 4A. A
4 24 not-for-profit organization or a private individual shall
4 25 receive approval from the commission prior to authorized usage
4 26 as provided in section 8D.9, subsection 5 or 6, and shall be
4 27 responsible for all costs associated with becoming a part of
4 28 the network. In establishing rates applicable to a
4 29 not-for-profit organization or a private individual pursuant
4 30 to section 8D.3, subsection 3, the commission shall adopt by
4 31 rule a rate differential whereby authorized users submitting

4 32 information on the application required pursuant to section
4 33 8D.9, subsections 5 and 6, shall be subject to a reduced rate
4 34 for authorized use if the following apply:

4 35 a. For a not-for-profit organization, an estimated annual
5 1 funding level or net worth of less than three hundred fifty
5 2 thousand dollars.

5 3 b. For a private individual, a residence located in an
5 4 area of a city that meets the distress criteria provided under
5 5 the enterprise zone program in section 15E.194, subsection 2.

5 6 The commission shall establish rates applicable to
5 7 not-for-profit organizations and private individuals to whom
5 8 paragraphs "a" and "b" do not apply to compensate for the rate
5 9 reduction for qualifying organizations or individuals.

5 10 EXPLANATION

5 11 This bill adds not-for-profit organizations and private
5 12 individuals to the list of authorized users of the Iowa
5 13 communications network.

5 14 The bill provides that prior to being authorized, a
5 15 not-for-profit organization or a private individual shall
5 16 submit an application on a form to be developed by the Iowa
5 17 telecommunications and technology commission to the commission
5 18 for approval as an authorized user. The bill provides that
5 19 the commission shall establish rates for usage which ensure
5 20 that no state subsidy related to the costs of the connection
5 21 or use of the network by not-for-profit organizations or
5 22 private individuals as users occurs, and provides that such
5 23 organizations and individuals shall be responsible for all
5 24 costs associated with becoming a part of the network. The
5 25 bill provides, however, that the commission shall establish a
5 26 rate differential whereby not-for-profit organizations with
5 27 annual funding or a net worth of less than \$350,000, or
5 28 private individuals residing in an enterprise zone, shall pay
5 29 reduced rates. The bill directs the commission to establish
5 30 rates applicable to organizations with a higher funding level
5 31 or higher net worth and private individuals not residing in an
5 32 enterprise zone to balance out the reduced rates.

5 33 The bill makes conforming changes to Code chapter 8D, which
5 34 deals with the Iowa communications network and the duties of
5 35 the telecommunications and technology commission.

6 1 LSB 2141YH 82

6 2 rn:nh/je/5.1