

**House File 693 - Introduced**

HOUSE FILE 693

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 483)

(SUCCESSOR TO HSB 137)

**A BILL FOR**

- 1 An Act relating to matters under the purview of the utilities
- 2 division of the department of commerce.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I  
ADMINISTRATION

Section 1. Section 476.2, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. The board shall have the authority to employ or appoint an independent administrative law judge to preside over any hearing or proceeding before the board. Sections 10A.801 and 17A.11 do not apply to the employment or appointment of an administrative law judge pursuant to this subsection.

Sec. 2. Section 476.10, subsection 1, paragraph b, Code 2021, is amended to read as follows:

b. The board shall ascertain the total of the division's expenses incurred during each fiscal year in the performance of its duties under law. The board shall add to the total of the division's expenses the certified expenses of the consumer advocate as provided under [section 475A.6](#). The board shall deduct all amounts charged directly to any person from the total expenses of the board and the consumer advocate. The board may assess the amount remaining after the deduction to all persons providing service over which the board has jurisdiction in proportion to the respective gross operating revenues of such persons from intrastate operations during the last calendar year over which the board has jurisdiction. For purposes of determining gross operating revenues under this section, the board shall not include gross receipts received by a cooperative corporation or association for wholesale transactions with members of the cooperative corporation or association, provided that the members are subject to assessment by the board based upon the members' gross operating revenues, or provided that such a member is an association whose members are subject to assessment by the board based upon the members' gross operating revenues. If any portion of the remainder can be identified with a specific type of utility service, the board shall assess those expenses only

1 to the entities providing that type of service over which the  
2 board has jurisdiction. The board may make the remainder  
3 assessments under this paragraph ~~on a quarterly basis to some~~  
4 or all persons providing service over which the board has  
5 jurisdiction, based upon estimates of the expenditures for  
6 the fiscal year for the utilities division and the consumer  
7 advocate. Not more than ninety days following the close of the  
8 fiscal year, the utilities division shall conform the amount of  
9 the prior fiscal year's assessments to the requirements of this  
10 paragraph. For gas and electric public utilities exempted from  
11 rate regulation pursuant to this chapter, and for providers  
12 of telecommunications service required to register with the  
13 board pursuant to section 476.95A that are exempted from rate  
14 regulation pursuant to this chapter, the remainder assessments  
15 under this paragraph shall be computed at one-half the rate  
16 used in computing the assessment for other persons.

17 DIVISION II

18 PIPELINE

19 Sec. 3. Section 479.31, subsection 1, Code 2021, is amended  
20 to read as follows:

21 1. A person who violates this chapter or any rule or  
22 order issued pursuant to this chapter shall be subject to a  
23 civil penalty levied by the board ~~not to exceed one hundred~~  
24 ~~thousand dollars for each violation~~ in accordance with 49  
25 C.F.R. §190.223. Each day that the violation continues shall  
26 constitute a separate offense. ~~However, the maximum civil~~  
27 ~~penalty shall not exceed one million dollars for any related~~  
28 ~~series of violations~~. Civil penalties collected pursuant to  
29 this section shall be forwarded by the chief operating officer  
30 of the board to the treasurer of state to be credited to the  
31 general fund of the state and appropriated to the division of  
32 community action agencies of the department of human rights for  
33 purposes of the low income home energy assistance program and  
34 the weatherization assistance program.

35 Sec. 4. Section 479A.7, Code 2021, is amended to read as

1 follows:

2 **479A.7 Annual inspection fee.**

3 A The board may, in accordance with section 476.10, charge  
4 a pipeline company shall pay with an annual inspection fee of  
5 fifty cents per mile of pipeline or fraction thereof for each  
6 inch of diameter of the pipeline located in this state that  
7 is directly attributable to the costs of conducting annual  
8 inspections pursuant to this chapter. The annual inspection  
9 fee shall be paid for the calendar year in advance between  
10 January 1 and February 1 of each year.

11 DIVISION III

12 TELECOMMUNICATIONS SERVICES

13 Sec. 5. Section 34A.2, subsections 8 and 14, Code 2021, are  
14 amended to read as follows:

15 8. "*Competitive local exchange service provider*" means the  
16 ~~same as defined in section 476.96~~ any person, including a  
17 municipal utility, that provides local exchange services, other  
18 than a local exchange carrier or a non-rate-regulated wireline  
19 provider of local exchange services under an authorized  
20 certificate of public convenience and necessity within a  
21 specific geographic area described in maps filed with and  
22 approved by the board as of September 30, 1992.

23 14. "*Local exchange carrier*" means ~~the same as defined in~~  
24 ~~section 476.96~~ any person that was the incumbent and historical  
25 rate-regulated wireline provider of local exchange services  
26 or any successor to such person that provides local exchange  
27 services under an authorized certificate of public convenience  
28 and necessity within a specific geographic area described in  
29 maps filed with and approved by the board as of September 30,  
30 1992.

31 Sec. 6. Section 423.3, subsection 47A, Code 2021, is amended  
32 to read as follows:

33 47A. a. The sales price from the sale or rental of central  
34 office equipment or transmission equipment primarily used  
35 by local exchange carriers and competitive local exchange

1 service providers as defined in ~~section 476.96~~, Code 2017;  
2 by franchised cable television operators, mutual companies,  
3 municipal utilities, cooperatives, and companies furnishing  
4 communications services that are not subject to rate regulation  
5 as provided in chapter 476; by long distance companies as  
6 defined in section 477.10; or for a commercial mobile radio  
7 service as defined in 47 C.F.R. §20.3 in the furnishing of  
8 telecommunications services on a commercial basis.

9 *b.* For the purposes of this subsection, ~~“central:~~

10 (1) “Central office equipment” means equipment utilized  
11 in the initiating, processing, amplifying, switching, or  
12 monitoring of telecommunications services. “Central office  
13 equipment” also includes ancillary equipment and apparatus  
14 which support, regulate, control, repair, test, or enable such  
15 equipment to accomplish its function.

16 (2) “Competitive local exchange service provider” means any  
17 person, including a municipal utility, that provides local  
18 exchange services, other than a local exchange carrier or a  
19 non-rate-regulated wireline provider of local exchange services  
20 under an authorized certificate of public convenience and  
21 necessity within a specific geographic area described in maps  
22 filed with and approved by the board as of September 30, 1992.

23 (3) “Local exchange carrier” means any person that was  
24 the incumbent and historical rate-regulated wireline provider  
25 of local exchange services or any successor to such person  
26 that provides local exchange services under an authorized  
27 certificate of public convenience and necessity within a  
28 specific geographic area described in maps filed with and  
29 approved by the board as of September 30, 1992.

30 (4) “Transmission equipment” means equipment utilized  
31 in the process of sending information from one location to  
32 another location. ~~“Central office equipment”~~ and ~~“transmission~~  
33 “Transmission equipment” also ~~include~~ includes ancillary  
34 equipment and apparatus which support, regulate, control,  
35 repair, test, or enable such equipment to accomplish its

1 function.

2 Sec. 7. Section 477C.7, subsection 2, Code 2021, is amended  
3 to read as follows:

4 2. The entities subject to assessment shall remit the  
5 assessed amounts quarterly, as determined by the board, to a  
6 special fund, as defined under section 8.2, subsection 9. The  
7 moneys in the fund are appropriated solely to plan, establish,  
8 administer, and promote the relay service and equipment  
9 distribution programs.

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EXPLANATION

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

13 This bill relates to matters under the purview of the  
14 utilities division of the department of commerce.

15 The bill provides the Iowa utilities board with authority  
16 to employ or appoint an independent administrative law judge  
17 to preside over any hearing or proceeding before the board.  
18 Certain provisions applicable to the employment or appointment  
19 of administrative law judges by state agencies do not apply to  
20 appointments by the board.

21 Current law requires the board to deduct all amounts charged  
22 directly to any person subject to the jurisdiction of the  
23 board for providing utility services from the total annual  
24 expenses of the board and the consumer advocate. The board may  
25 assess the remaining amount on a quarterly basis to all persons  
26 providing service over which the board has jurisdiction in  
27 proportion to their respective gross operating revenues. The  
28 bill strikes the requirement that these assessments be made on  
29 a quarterly basis and allows the board to make the assessments  
30 to some or all persons providing service over which the board  
31 has jurisdiction. The bill establishes that, for providers  
32 of telecommunications service required to register with the  
33 board that are exempted from rate regulation, the remainder of  
34 the assessments shall be computed at one-half the rate used in  
35 computing assessments for other persons.

1 Current law allows the board to impose a civil penalty of up  
2 to \$100,000 for each violation of Code chapter 479, relating  
3 to pipelines and underground gas storage, or any rule or order  
4 issued pursuant to the Code chapter, provided that the maximum  
5 penalty does not exceed \$1 million for any related series of  
6 violations. The bill removes these maximum amounts and instead  
7 provides that a civil penalty levied by the board shall be in  
8 accordance with specified federal law.

9 Current law requires pipeline companies operating pipelines  
10 or underground gas storage under Code chapter 479A to pay the  
11 board an annual inspection fee of 50 cents for each mile of  
12 pipeline located in Iowa. The bill removes this set fee and  
13 instead allows the board to charge pipeline companies with  
14 annual inspection fees that are directly attributable to the  
15 costs of conducting inspections.

16 The bill removes cross references in Code section 34A.2  
17 to repealed Code section 476.96, which included definitions  
18 for "competitive local exchange service provider" and "local  
19 exchange carrier", and provides new definitions for such terms.  
20 "Competitive local exchange service provider" is defined as  
21 any person, including a municipal utility, that provides local  
22 exchange services, other than a local exchange carrier or a  
23 non-rate-regulated wireline provider of local exchange services  
24 under an authorized certificate of public convenience and  
25 necessity within a specific geographic area described in maps  
26 filed with the board as of September 30, 1992. "Local exchange  
27 carrier" is defined as any person that was the incumbent and  
28 historical rate-regulated wireline provider of local exchange  
29 services or any successor to such person that provides local  
30 exchange services under an authorized certificate of public  
31 convenience and necessity within a specific geographic area  
32 described in maps filed with the board as of September 30,  
33 1992.

34 The bill amends Code section 423.3, subsection 47A, to  
35 modify the definitions of "central office equipment" and

1 "transmission equipment". The bill provides "central office  
2 equipment" includes ancillary equipment and apparatus which  
3 enable central office equipment to accomplish its function.  
4 Additionally, the bill provides "transmission equipment",  
5 including ancillary equipment and apparatus which enable  
6 transmission equipment, to accomplish its function.

7 The bill defines "competitive local exchange service  
8 provider", for purposes of Code section 423.3, subsection 47A,  
9 as any person, including a municipal utility, that provides  
10 local exchange services, other than a local exchange carrier  
11 or a non-rate-regulated wireline provider of local exchange  
12 services under an authorized certificate of public convenience  
13 and necessity within a specific geographic area described in  
14 maps filed with the board as of September 30, 1992. The bill  
15 defines "local exchange carrier", for purposes of Code section  
16 423.3, subsection 47A, as any person that was the incumbent and  
17 historical rate-regulated wireline provider of local exchange  
18 services or any successor to such person that provides local  
19 exchange services under an authorized certificate of public  
20 convenience and necessity within a specific geographic area  
21 described in maps filed with the board as of September 30,  
22 1992.

23 Current law requires wireless carriers and wireline local  
24 exchange carriers providing telecommunications service in the  
25 state to remit the amounts assessed to fund the dual party  
26 relay service to a special fund on a quarterly basis. The bill  
27 provides that these remittances will be made as determined by  
28 the board.