

House File 2359 - Introduced

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BY THOMSON

A BILL FOR

1 An Act relating to the advertised and delivered speeds of
2 broadband services provided by communication service
3 providers, and providing civil penalties.

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

1 Section 1. NEW SECTION. 554H.1 Definitions.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "*Broadband services*" means a high-speed, high-capacity
5 electronic transmission medium, including fixed wireless and
6 mobile wireless mediums, that can carry data signals from
7 independent network sources by establishing different bandwidth
8 channels and that is commonly used to deliver internet services
9 to the public.

10 2. "*Communications service provider*" means a service
11 provider that provides broadband services to persons residing
12 in this state.

13 3. "*Customer*" means a person residing in this state who
14 receives broadband services from a communications service
15 provider.

16 Sec. 2. NEW SECTION. 554H.2 Communications service
17 providers — reports.

18 Within thirty days after the end of each quarter, each
19 communications service provider shall provide each customer
20 with a report that includes all of the following:

21 1. The maximum download speed and maximum upload speed of
22 broadband services that the communications service provider
23 advertised as being available in the customer's geographic area
24 during the quarter.

25 2. For each hour in the quarter, the maximum download
26 speed and maximum upload speed of broadband services that the
27 communications service provider contracted to provide to the
28 customer.

29 3. For each hour in the quarter, the maximum download
30 speed and maximum upload speed of broadband services that
31 the communications service provider actually provided to the
32 customer.

33 4. For each hour in the quarter, the difference between
34 the maximum download speed of broadband services that the
35 communications service provider contracted to provide to the

1 customer and the maximum download speed of broadband services
2 that the communications service provider actually provided to
3 the customer.

4 5. For each hour in the quarter, the difference between
5 the maximum upload speed of broadband services that the
6 communications service provider contracted to provide to the
7 customer and the maximum upload speed of broadband services
8 that the communications service provider actually provided to
9 the customer.

10 Sec. 3. NEW SECTION. 554H.3 **Communications service**
11 **providers — refunds.**

12 1. *a.* A communications service provider shall provide a
13 refund credit on a prorated basis to a customer for each hour
14 in the quarter that the maximum download speed of broadband
15 services that the communications service provider actually
16 provided to the customer is less than the maximum download
17 speed of broadband services that the communications service
18 contracted to provide to the customer.

19 *b.* A communications service provider shall provide a refund
20 credit on a prorated basis to a customer for each hour in the
21 quarter that the maximum upload speed of broadband services
22 that the communications service provider actually provided to
23 the customer is less than the maximum upload speed of broadband
24 services that the communications service provider contracted to
25 provide to the customer.

26 2. In addition to the refund credits described in subsection
27 1, a communications service provider shall provide a refund
28 credit on a prorated basis to a customer for each day in the
29 quarter that the maximum download speed or maximum upload speed
30 of broadband services that the communications service provider
31 actually provided to the customer is less than the maximum
32 download speed or maximum upload speed of broadband services
33 that the communications service provider contracted to provide
34 to the customer.

35 Sec. 4. NEW SECTION. 554H.4 **Communications service**

1 **providers — enforcement — penalties.**

2 1. A customer or the attorney general may seek judicial
3 enforcement of the requirements of this chapter in a civil
4 action brought against a communications service provider. If
5 the customer or the attorney general is the prevailing party
6 in the civil action, the court shall assess a civil penalty
7 against the communications service provider in an amount equal
8 to two times the sum of the refund credits owed to the customer
9 under section 554H.3, subsection 1, plus the refund credits
10 owed to the customer under section 554H.3, subsection 2.

11 2. Revenue from the civil penalties assessed in subsection
12 1 shall be remitted annually to the treasurer of state for
13 deposit in the general fund of the state. For the fiscal year
14 beginning July 1, 2024, and for each succeeding fiscal year,
15 the moneys deposited in the general fund of the state pursuant
16 to this paragraph are appropriated as follows:

17 a. The first ten million dollars are appropriated to
18 the economic development authority for all of the following
19 purposes:

20 (1) For salaries, support, miscellaneous purposes,
21 programs, marketing, and the maintenance of an administration
22 division, a business development division, a community
23 development division, a small business development division,
24 and other divisions the authority may organize.

25 (2) For business development operations and programs,
26 international trade, export assistance, workforce recruitment,
27 and the partner state program.

28 (3) For transfer to a fund created pursuant to section
29 15.313 for purposes of financing strategic infrastructure
30 projects.

31 (4) For community economic development programs, tourism
32 operations, community assistance, plans for Iowa green corps
33 and summer youth programs, the main street and rural main
34 street programs, the school-to-career program, the community
35 development block grant, and housing and shelter-related

1 programs.

2 *b.* Total moneys in excess of the moneys appropriated under
3 paragraph "a" are appropriated to the office of the state
4 public defender of the department of inspections, appeals,
5 and licensing for payments on behalf of eligible adults and
6 juveniles from the indigent defense fund, in accordance with
7 section 815.11.

8 3. Notwithstanding section 8.33, moneys appropriated in
9 subsection 2 that remain unencumbered or unobligated at the
10 close of the fiscal year shall not revert but shall remain
11 available for expenditure for the purposes designated.

12 **Sec. 5. NEW SECTION. 554H.5 Communications service**
13 **providers — audits.**

14 Each communications service provider shall engage the
15 services of an independent contractor, at the communications
16 service provider's sole expense and subject to the approval
17 of the attorney general, to audit the communications service
18 provider's compliance with this section and to verify the
19 maximum download speed and maximum upload speed of the
20 broadband services provided by the communications service
21 provider.

22 **Sec. 6. NEW SECTION. 554H.6 Rules.**

23 The attorney general shall adopt rules pursuant to chapter
24 17A to administer this chapter.

25 EXPLANATION

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

28 This bill relates to the advertised and delivered speeds of
29 broadband services provided by communication service providers.

30 The bill requires a communications service provider
31 (provider) to provide each customer with a report at the
32 end of each quarter. "Communications service provider" is
33 defined in the bill. The report shall include the maximum
34 download and upload speeds of broadband services (broadband)
35 advertised by the provider and, for each hour in the quarter,

1 the maximum download and upload speeds of broadband that the
2 provider contracted to provide; the actual maximum download
3 and upload speeds of broadband provided to the customer; and
4 the difference between the maximum download and upload speeds
5 of broadband that the provider contracted to provide to the
6 customer and the maximum download and upload speeds actually
7 provided. "Broadband services" and "customer" are defined in
8 the bill.

9 The bill requires a provider to provide a refund credit on
10 a prorated basis to a customer for each hour in the quarter
11 that the maximum download or upload speed of broadband actually
12 provided to the customer is less than the maximum download or
13 upload speed of broadband the provider contracted to provide.

14 The bill grants the attorney general authority to seek
15 judicial enforcement of the bill. A court may assess a civil
16 penalty against a provider in an amount equal to two times
17 the sum of the refund credits to be provided to a customer.
18 Revenue from the civil penalties shall be remitted to the
19 treasurer for deposit in the general fund, to be appropriated
20 as detailed in the bill.

21 The bill requires a provider to hire an independent
22 contractor to audit the provider's compliance with the bill
23 and to verify the maximum download and upload speeds of the
24 broadband provided by the provider.

25 The attorney general shall adopt rules to administer the
26 bill.