

**House File 451 - Introduced**

HOUSE FILE 451  
BY STONE

**A BILL FOR**

1 An Act prohibiting the state or a political subdivision of  
2 the state from entering into contracts with, or providing  
3 tax incentives or specified benefits to, certain companies  
4 that censor online content, and including effective date and  
5 applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 15A.1, subsection 2, Code 2025, is amended  
2 by adding the following new paragraphs:

3 NEW PARAGRAPH. e. Whether a court has found by a  
4 preponderance of the evidence that the person to whom the funds  
5 will be disbursed has violated a provision of chapter 554I.

6 NEW PARAGRAPH. f. Whether the person to whom the funds will  
7 be disbursed is involved in litigation in which it has been  
8 alleged that the person has violated a provision of chapter 554I.

9 Sec. 2. Section 24.17, subsection 2, Code 2025, is amended to  
10 read as follows:

11 2. a. One copy of the budget shall be retained on file in  
12 the office by the county auditor and the other shall be certified  
13 by the county auditor to the state board. The department of  
14 management shall certify the taxes back to the county auditor by  
15 June 15.

16 b. For budgets for fiscal years beginning on or after July  
17 1, 2025, if a political subdivision that is a city, county,  
18 school district, or township has been found to have intentionally  
19 violated a provision of chapter 554I during the twelve-month  
20 period prior to the date taxes are certified back to the  
21 county auditor under paragraph "a", the amount of the political  
22 subdivision's budget certified under this chapter and the amount  
23 of taxes certified back to the county auditor by the department  
24 of management, including any amounts received as replacement  
25 taxes under chapter 437A or 437B, shall be reduced by ten  
26 percent. Once a political subdivision has been found to have  
27 violated a provision of chapter 554I and the amount of the  
28 political subdivision's budget certified under this chapter and  
29 the amount of taxes certified back to the county auditor by  
30 the department of management, including any amounts received  
31 as replacement taxes under chapter 437A or 437B, have been  
32 reduced by ten percent, if the political subdivision fails to  
33 remedy the violation of chapter 554I prior to January 31 of any  
34 subsequent fiscal year, the percentage reduction of the political  
35 subdivision's budget certified under this chapter and the amount

1 of taxes certified back by the department of revenue, including  
2 any amounts received as replacement taxes under chapter 437A  
3 or 437B, shall be reduced by a percentage equal to the total  
4 reduction for the preceding fiscal year plus five percent.

5 Sec. 3. NEW SECTION. **554I.1 Definitions.**

6 As used in this chapter, unless the context otherwise  
7 requires:

8 1. "Company" means and includes a person or an affiliate of a  
9 person who owns or operates any of the following:

- 10 a. A massive online marketplace.  
11 b. A massive online video sharing website.  
12 c. A massive social networking website.  
13 d. A monopolistic entity.  
14 e. A pre-installed application store.

15 2. "Content generated by bots" means and includes content  
16 that is created or posted on an internet site by a software  
17 application or program.

18 3. "Excessively violent content" means any image, video, or  
19 other content that, taking the material as a whole and applying  
20 contemporary community standards with respect to what is suitable  
21 for public distribution, meets all of the following criteria:

- 22 a. Depicts or involves killing, maiming, dismembering, or  
23 sexually assaulting an individual.  
24 b. Lacks serious literary, scientific, political, or artistic  
25 value.

26 4. "Expressive merchandise" means and includes any tangible  
27 personal property that contains or displays a viewpoint that  
28 constitutes constitutionally protected speech.

29 5. "Governmental entity" means and includes all of the  
30 following:

- 31 a. A unit of state government in the executive, legislative,  
32 or judicial branch.  
33 b. A political subdivision of the state, including a city,  
34 county, township, school district, and any other governmental  
35 entity authorized to levy taxes.

1 6. "*Intellectual property*" means a commercially valuable  
2 product of the human intellect in a concrete or abstract form  
3 that is protected by a copyright, trademark, or patent.

4 7. "*Massive online marketplace*" means and includes an  
5 internet site that meets all of the following criteria:

6 a. Offers tangible personal property for sale to the general  
7 public.

8 b. Sells or facilitates the sale of protected publications or  
9 expressive merchandise.

10 c. Has at least seventy-five million subscribers or members  
11 in the United States in the calendar year before the date a court  
12 has found by a preponderance of the evidence that the massive  
13 online marketplace violated this chapter, or has sold goods to  
14 at least seventy-five million individuals in the United States  
15 in the calendar year before the date a court has found by a  
16 preponderance of the evidence that the massive online marketplace  
17 has violated a provision of this chapter.

18 8. "*Massive online video sharing website*" means and includes  
19 an internet site that meets all of the following criteria:

20 a. Allows users or the public to share videos with other  
21 users or the public.

22 b. Hosts, stores, provides, or otherwise facilitates access  
23 by individuals in the United States.

24 c. Has at least five hundred million videos available at any  
25 point in time.

26 9. "*Massive social networking website*" means and includes an  
27 internet site that meets all of the following criteria:

28 a. Allows users, through the creation of pages within the  
29 internet site or profiles or by other means, to provide  
30 information about themselves that is available to the public or  
31 to other users.

32 b. Allows users a mechanism for communication with other  
33 users.

34 c. Has at least twenty million subscribers or members in the  
35 United States in the calendar year before the date a court has

1 found by a preponderance of the evidence that the massive social  
2 networking website has violated a provision of this chapter, or  
3 has been used by at least twenty million individuals in the  
4 United States in the calendar year before the date a court has  
5 found by a preponderance of the evidence that the massive social  
6 networking website has violated a provision of this chapter.

7 10. "*Monopolistic entity*" means a person who owns or operates  
8 a social networking website, a person who owns or operates an  
9 internet search engine, or a person who owns or operates any  
10 similar internet site that displays content to its users, and to  
11 which any of the following apply:

12 a. The person, within the ten-year period preceding the date  
13 a court has found by a preponderance of the evidence that the  
14 person has violated a provision of this chapter, has been found  
15 to have violated any state or federal antitrust or price-fixing  
16 law.

17 b. The person is involved in litigation in which the office  
18 of the attorney general has alleged that the person has violated  
19 any state or federal antitrust or price-fixing law.

20 11. "*Obscene material*" means any material depicting or  
21 describing the genitals, sex acts, masturbation, excretory  
22 functions, or sadomasochistic abuse which the average person,  
23 taking the material as a whole and applying contemporary  
24 community standards with respect to what is suitable material  
25 for minors, would find appeals to the prurient interest and is  
26 patently offensive; and the material, taken as a whole, lacks  
27 serious literary, scientific, political, or artistic value.

28 12. "*Pornography*" means and includes any material depicting  
29 or describing erotic behavior that is intended to cause sexual  
30 excitement which the average person, taking the material as a  
31 whole and applying contemporary community standards, would find  
32 appeals to the prurient interest and is patently offensive;  
33 and the material, taken as a whole, lacks serious literary,  
34 scientific, political, or artistic value.

35 13. "*Pre-installed application store*" means and includes any

1 program, application, service, or mechanism that is pre-installed  
2 on a mobile telephone or other portable electronic communication  
3 device capable of being used to write, send, or view an  
4 electronic message that meets all of the following criteria:

5 a. Facilitated at least one hundred million annual downloads  
6 of programs or applications by individuals in the United States  
7 in the calendar year before the date a court has found by a  
8 preponderance of the evidence that the pre-installed application  
9 store has violated a provision of this chapter.

10 b. Facilitated the download of programs or applications  
11 that constitute a massive online marketplace, massive online  
12 video sharing website, or massive social networking website in  
13 the calendar year before the date a court has found by a  
14 preponderance of the evidence that the preinstalled application  
15 store has violated a provision of this chapter.

16 14. "Protected publication" means and includes any newspaper,  
17 nonfiction book, periodical, religious text, or any other  
18 publication that contains or displays a viewpoint that  
19 constitutes constitutionally protected speech.

20 15. "Social networking website" means and includes an  
21 internet site that meets all of the following criteria:

22 a. Allows users, through the creation of pages within the  
23 internet site or profiles or by other means, to provide  
24 information about themselves that is available to the public or  
25 to other users.

26 b. Allows users a mechanism for communication with other  
27 users.

28 **Sec. 4. NEW SECTION. 554I.2 Prohibition on censorship —**  
29 **ability to opt out of certain algorithms.**

30 1. a. A company shall not intentionally affect the ability  
31 of a citizen of this state to view, comment, or otherwise  
32 interact with a United States citizen's content on the company's  
33 internet site by limiting, blocking, or otherwise restricting any  
34 content on the company's internet site if the content constitutes  
35 constitutionally protected speech.

1     b. A company shall not intentionally restrict the ability of  
2 a citizen of this state to download a social networking website  
3 on a pre-installed application store.

4     c. A company shall not intentionally restrict the ability of  
5 a citizen of this state to purchase any protected publication or  
6 expressive merchandise on a massive online marketplace if similar  
7 protected publications or expressive merchandise were allowed for  
8 sale on the massive online marketplace at the time the company  
9 restricted the ability of a citizen of this state to purchase the  
10 protected publication or expressive merchandise.

11    2. Notwithstanding subsection 1, a company may do any of the  
12 following:

13     a. Restrict the ability of a citizen of this state to view,  
14 comment, or otherwise interact with a United States citizen's  
15 content on the company's internet site if the content is criminal  
16 in nature, if the content does not constitute constitutionally  
17 protected speech, or if the content constitutes any of the  
18 following:

- 19       (1) Obscene material.
- 20       (2) Excessively violent content.
- 21       (3) Pornography.
- 22       (4) Content generated by bots.
- 23       (5) Intellectual property.

24     b. Restrict the ability of a citizen of this state to  
25 download a social networking website program or application  
26 from a pre-installed application store if the social networking  
27 website is being used for criminal activity and the social  
28 networking website does not have a policy in place to require its  
29 employees to notify law enforcement upon receiving a complaint or  
30 otherwise becoming aware of the criminal activity being discussed  
31 or conducted on its social networking website, or does not have  
32 a policy in place to require its employees to refer the complaint  
33 or existence of criminal activity to designated employees that  
34 carry out the policy.

35     c. Restrict the ability of a citizen of this state to

1 download a social networking website program or application from  
2 a pre-installed application store if, within sixty days of the  
3 restriction, the United States department of homeland security  
4 determines the social networking website program or application  
5 constitutes a national security threat.

6 3. a. A company shall provide its subscribers, members, and  
7 users who are citizens of this state with the ability to opt  
8 out of post promoting algorithms and shadow banning algorithms  
9 on the company's massive online marketplace, massive online video  
10 sharing website, or massive social networking website.

11 b. For purposes of this subsection:

12 (1) "Post promoting algorithm" means and includes the  
13 mechanism, process, or set of rules that is used to sort the  
14 content that is visible to a subscriber, member, or user based on  
15 data or information possessed, used, or controlled by a company  
16 which relates to the subscriber, member, or user.

17 (2) "Shadow banning algorithm" means and includes the  
18 mechanism, process, or set of rules that is used to restrict  
19 the visibility of a subscriber's, member's, or user's content  
20 to other subscribers, members, or users in a way that is not  
21 readily apparent to the subscriber, member, or user who created  
22 the content.

23 Sec. 5. NEW SECTION. **554I.3 Enforcement — companies.**

24 1. a. A court's finding by a preponderance of the evidence  
25 that a company has violated a provision of this chapter shall  
26 be conclusive proof of the company's breach of any agreement  
27 between the company and a governmental entity in effect as of  
28 the effective date of this Act regarding tax credits; assistance  
29 under section 15.335B; sales tax exemptions or refunds under  
30 chapter 423; or property tax credits, exemptions, including but  
31 not limited to exemptions under chapter 427, rebates, refunds,  
32 reimbursements, or grants for property taxes paid, and the  
33 governmental entity shall cancel the agreement effective as of  
34 the date of the court's finding by a preponderance of the  
35 evidence that a company has violated a provision of this chapter.

1     b. A court's finding by a preponderance of the evidence that  
2 a company has violated a provision of this chapter shall be  
3 conclusive proof of the company's breach of any agreement between  
4 the company and a governmental entity entered into after the  
5 effective date of this Act regarding tax credits; assistance  
6 under section 15.335B; sales tax exemptions or refunds under  
7 chapter 423; or property tax credits, exemptions, including but  
8 not limited to exemptions under chapter 427, rebates, refunds,  
9 reimbursements, or grants for property taxes paid, and the  
10 governmental entity shall cancel the agreement effective as of  
11 the date of the court's finding.

12     2. Notwithstanding any other provision of law to the  
13 contrary, upon a court's finding by a preponderance of the  
14 evidence that a company has violated a provision of this chapter,  
15 the company shall be prohibited from entering into any future  
16 agreement with a governmental entity regarding tax credits;  
17 assistance under section 15.335B; sales tax exemptions or refunds  
18 under chapter 423; or property tax credits, exemptions, including  
19 but not limited to exemptions under chapter 427, rebates,  
20 refunds, reimbursements, or grants for property taxes paid,  
21 and shall be prohibited from receiving any future payments;  
22 tax credits; assistance under section 15.335B; sales tax  
23 exemptions or refunds under chapter 423; or property tax credits,  
24 exemptions, including but not limited to exemptions under chapter  
25 427, rebates, refunds, reimbursements, or grants for property  
26 taxes paid. The prohibition provided in this subsection shall  
27 begin on the date of the court's finding. Except as provided in  
28 section 554I.7, the prohibition shall be for a period of twenty  
29 years. The twenty-year prohibition shall be reinstated for each  
30 subsequent finding by a court pursuant to this subsection.

31     3. Notwithstanding any other provision of law to the  
32 contrary, upon a court's finding by a preponderance of the  
33 evidence that a company has violated a provision of this chapter  
34 all of the following shall apply:

35     a. Tax credits; assistance from programs and funds under

1 section 15.335B; sales tax exemptions or refunds under chapter  
2 423; or property tax credits, exemptions, including but not  
3 limited to exemptions under chapter 427, rebates, refunds,  
4 reimbursements, or grants for property taxes paid, that were  
5 previously claimed by the company but not earned under the terms  
6 of the agreement with the governmental entity at the time of  
7 the cancellation of the agreement pursuant to subsection 1,  
8 shall be recaptured or terminated by the governmental entity.  
9 The recapture or termination pursuant to this subsection of  
10 any tax credits; assistance under section 15.335B; sales tax  
11 exemptions or refunds under chapter 423; or property tax credits,  
12 exemptions, including but not limited to exemptions under chapter  
13 427, rebates, refunds, reimbursements, or grants for property  
14 taxes paid, that were previously claimed but not earned by the  
15 company shall supersede any agreement previously entered into  
16 with the governmental entity. Recapture or termination pursuant  
17 to this subsection shall be accomplished in the same manner as  
18 provided in section 15.330, subsection 2, by the method for  
19 resolving a breach described in the agreement, through court  
20 action, or any other means determined by the attorney general  
21 to result in the most expeditious recapture or termination  
22 of tax credits; assistance under section 15.335B; sales tax  
23 exemptions or refunds under chapter 423; or property tax credits,  
24 exemptions, including but not limited to exemptions under chapter  
25 427, rebates, refunds, reimbursements, or grants for property  
26 taxes paid, that were previously claimed by the company but not  
27 earned under the terms of the agreement with the governmental  
28 entity at the time of the cancellation of the agreement pursuant  
29 to subsection 1.

30     **b.** Payments or other quantifiable benefits received but not  
31 earned by the company shall be returned to the governmental  
32 entity.

33     **4.** Upon a court's finding by a preponderance of the evidence  
34 that a company has violated a provision of this chapter, the  
35 prohibition provided in subsection 1 and the return of received

1 but not earned amounts provided in subsection 3 shall not be  
2 stayed during appeal proceedings.

3 Sec. 6. NEW SECTION. **554I.4 Inventory of agreements with**  
4 **companies — obligations.**

5 1. Within thirty days following the effective date of this  
6 Act, a governmental entity shall do all of the following:

7 a. Conduct a review of currently effective agreements related  
8 to tax credits; assistance under section 15.335B; sales tax  
9 exemptions or refunds under chapter 423; or property tax credits,  
10 exemptions, including but not limited to exemptions under chapter  
11 427, rebates, refunds, reimbursements, or grants for property  
12 taxes paid, that were provided by the governmental entity  
13 beginning January 1, 2001, through the effective date of this  
14 Act, to determine if any agreements related to tax credits;  
15 assistance under section 15.335B; sales tax exemptions or refunds  
16 under chapter 423; or property tax credits, exemptions, including  
17 but not limited to exemptions under chapter 427, rebates,  
18 refunds, reimbursements, or grants for property taxes paid, were  
19 entered into with, or provided to, a company.

20 b. Provide notice to a company on the form provided by  
21 the office of the attorney general pursuant to subsection  
22 3, of the governmental entity's rights pursuant to section  
23 554I.3 by certified mail return receipt requested if the  
24 governmental entity determines pursuant to subsection 1 that  
25 a currently effective agreement; tax credit; assistance under  
26 section 15.335B; sales tax exemption or refund under chapter 423;  
27 or property tax credit, exemption, including but not limited to  
28 an exemption under chapter 427, rebate, refund, reimbursement, or  
29 grant for property taxes paid, was entered into with, or provided  
30 to, the company beginning January 1, 2001, through the effective  
31 date of this Act.

32 c. Provide the office of the attorney general with copies of  
33 the notice and receipt of delivery provided in subsection 2.

34 d. This subsection shall not be construed to provide a  
35 company that did not receive notice a defense to a suit alleging

1 a violation of this chapter or a defense to a suit alleging the  
2 company breached an agreement with the governmental entity.

3 2. A governmental entity shall include all of the following  
4 in agreements to which it is a party entered into on or after the  
5 effective date of this Act:

6 a. A statement summarizing the governmental entity's  
7 enforcement rights under section 554I.3 with respect to  
8 agreements related to tax credits; assistance under section  
9 15.335B; sales tax exemptions or refunds under chapter 423; and  
10 property tax credits, exemptions, including but not limited to  
11 exemptions under chapter 427, rebates, refunds, reimbursements,  
12 or grants for property taxes paid.

13 b. A provision stating that any agreement between the  
14 governmental entity and a company subject to section 554I.3 that  
15 does not relate to tax credits; assistance under section 15.335B;  
16 sales tax exemptions or refunds under chapter 423; or property  
17 tax credits, exemptions, including but not limited to exemptions  
18 under chapter 427, rebates, refunds, reimbursements, or grants  
19 for property taxes paid, may be canceled at the governmental  
20 entity's discretion within ninety days after a court's finding by  
21 a preponderance of the evidence that the company has violated a  
22 provision of this chapter.

23 3. The office of the attorney general shall develop and  
24 provide to governmental entities a form to be used for the notice  
25 provided in subsection 2 within seven days of the effective date  
26 of this Act.

27 Sec. 7. NEW SECTION. **554I.5 Enforcement — governmental**  
28 **entities.**

29 Notwithstanding any other provision of law to the contrary,  
30 upon a court's finding by a preponderance of the evidence that  
31 a governmental entity intentionally violated a provision of this  
32 chapter, including but not limited to by making payments or  
33 providing tax credits; assistance under section 15.335B; sales  
34 tax exemptions or refunds under chapter 423; or property tax  
35 credits, exemptions, including but not limited to exemptions

1 under chapter 427, rebates, refunds, reimbursements, or grants  
2 for property taxes paid, in violation of section 554I.3, all of  
3 the following shall apply:

4 1. The governmental entity's certified budget and amount of  
5 taxes certified shall be reduced as provided in section 24.17,  
6 subsection 2, paragraph "b".

7 2. If the governmental entity receives an appropriation, the  
8 governmental entity's portion of each appropriation in the fiscal  
9 year of the court's finding of an intentional violation shall  
10 be reduced by ten percent. If the governmental entity fails  
11 to remedy the violation of this chapter prior to the beginning  
12 of the subsequent fiscal year, the governmental entity's portion  
13 of each appropriation made by the general assembly for the  
14 subsequent fiscal year shall be reduced by a percentage equal  
15 to the percentage reduction for the preceding fiscal year plus  
16 five percent. All appropriation amounts reduced pursuant to this  
17 section shall be transferred to the fund from which they were  
18 appropriated.

19 **Sec. 8. NEW SECTION. 554I.6 Obligations of the office of**  
20 **the attorney general.**

21 1. The office of the attorney general shall enforce the  
22 provisions of this chapter, including in all appeal proceedings.

23 a. The office of the attorney general shall appeal a district  
24 court's decision if a company prevails in the district court in  
25 an action under this chapter.

26 b. The office of the attorney general shall file an  
27 application for further review with the supreme court if, after  
28 the appeal provided in paragraph "a", the supreme court issues  
29 an order of transfer and transfers the case to the court of  
30 appeals and the company prevails in the action before the court  
31 of appeals.

32 c. When an appeal is taken by the office of the attorney  
33 general, the office shall not be required to give an appeal bond  
34 or security for costs.

35 2. a. Within sixty days following the effective date of this

1 Act, the office of the attorney general shall make available on  
2 its internet site a system to allow a citizen of this state to  
3 report potential violations of this chapter by a company or by a  
4 governmental entity to the office.

5 b. The system required pursuant to paragraph "a" shall  
6 include all of the following:

7 (1) A mechanism for the electronic submission of photographs  
8 or other evidence of a company's potential violation of this  
9 chapter.

10 (2) An annual accounting, on a calendar year basis, of the  
11 number of complaints received by the office of the attorney  
12 general related to the number of potential violations of this  
13 chapter by companies and governmental entities. In addition to  
14 the current year's accounting, the system shall display annual  
15 accountings required by this subparagraph for the years preceding  
16 the current calendar year.

17 (3) An annual accounting, on a calendar year basis, of the  
18 number of investigations required pursuant to subsections 3  
19 and 4 in which the office of the attorney general determines  
20 the preponderance of the evidence indicates that a company  
21 or governmental entity violated this chapter. In addition to  
22 the current year's accounting, the system shall display annual  
23 accountings required by this subparagraph for the years preceding  
24 the current calendar year.

25 (4) A list of the companies that a court has found by a  
26 preponderance of the evidence have violated this chapter.

27 (5) A list of the governmental entities that a court has  
28 found by a preponderance of the evidence have violated this  
29 chapter.

30 (6) A mechanism to ensure that the person submitting the  
31 report is a citizen of this state.

32 3. Notwithstanding subsection 5, the office of the attorney  
33 general shall complete the investigation of a report received  
34 pursuant to subsection 2 within sixty days of the receipt of  
35 the report if the report included a photograph or other evidence

1 that, in the opinion of the office, indicates a company's  
2 potential violation of this chapter.

3 4. The office of the attorney general shall contact a person  
4 who submits a report pursuant to subsection 2 related to a  
5 company's potential violation of this chapter that did not  
6 contain a photograph or other evidence within seven days of  
7 the receipt of the report and inform the person of one of the  
8 following:

9 a. The office will investigate the report, in which case the  
10 office shall complete the investigation within sixty days of the  
11 receipt of the report.

12 b. The person has thirty days to provide the office with a  
13 photograph or other evidence that indicates a potential violation  
14 of this chapter, in which case the office shall complete the  
15 investigation within sixty days of the receipt of the photograph  
16 or other evidence.

17 5. a. Upon completion of an investigation or investigations  
18 in which the office of the attorney general determines the  
19 preponderance of the evidence indicates that a company or  
20 governmental entity has violated this chapter, the office shall  
21 file suit in a court of competent jurisdiction to enforce the  
22 provisions of this chapter.

23 b. The office of the attorney general shall file suit for  
24 a violation of this chapter every four years from the date of  
25 the most recent court's finding if the office determines that  
26 a company has violated this chapter at any point during the  
27 four-year period after the court's most recent finding.

28 c. (1) The office of the attorney general shall file suit  
29 against a governmental entity that has previously been found to  
30 have violated a provision of this chapter no later than February  
31 1 of any subsequent fiscal year if the office of the attorney  
32 general determines that the governmental entity failed to remedy  
33 a prior violation of this chapter prior to January 31 of the  
34 current fiscal year.

35 (2) In a suit filed pursuant to this paragraph, the sole

1 issue before the court shall be to determine whether the  
2 governmental entity has remedied a prior violation of this  
3 chapter.

4 d. The office of the attorney general may join all claims  
5 arising from investigations under this subsection against a  
6 company or governmental entity if the preponderance of the  
7 evidence indicates that the company or governmental entity has  
8 violated this chapter.

9 6. a. To accomplish the objectives and to carry out the  
10 duties prescribed by this section, the office of the attorney  
11 general, in addition to other powers conferred upon the office of  
12 the attorney general by this section, may issue subpoenas to any  
13 person, administer an oath or affirmation to any person, conduct  
14 hearings in aid of any investigation or inquiry, and prescribe  
15 such forms as may be necessary.

16 b. Subject to paragraph "c", information, documents,  
17 testimony, or other evidence provided to the office of the  
18 attorney general by a person pursuant to paragraph "a", or  
19 provided by a person as evidence in any civil action brought  
20 pursuant to this section, shall not be admitted in evidence,  
21 or used in any manner whatsoever, in any criminal prosecution  
22 or forfeiture proceeding against that person. If a criminal  
23 prosecution or forfeiture proceeding is initiated in a state  
24 court against a person who has provided information pursuant to  
25 paragraph "a", the state shall have the burden of proof that the  
26 information provided was not used in any manner to further the  
27 criminal investigation, prosecution, or forfeiture proceeding.

28 c. Paragraph "b" does not apply unless the person has first  
29 asserted a right against self-incrimination and the office of  
30 the attorney general has elected to provide the person with a  
31 written statement that the information, documents, testimony,  
32 or other evidence at issue are subject to paragraph "b".  
33 After a person has been provided with such a written statement  
34 by the office of the attorney general, a claim of privilege  
35 against self-incrimination is not a defense to any action or

1 proceeding to obtain the information, documents, testimony, or  
2 other evidence. The limitation on the use of evidence in a  
3 criminal proceeding contained in this section does not apply to  
4 any prosecution or proceeding for perjury or contempt of court  
5 committed in the course of the giving or production of the  
6 information, documents, testimony, or other evidence.

7 7. Service by the office of the attorney general of any  
8 notice requiring a person to file a statement or report, or of  
9 a subpoena upon any person, shall be made personally within this  
10 state, but if such cannot be obtained, substituted service may be  
11 made in any of the following ways:

12 a. Personal service thereof without this state.

13 b. The mailing thereof by registered mail to the last known  
14 place of business, residence, or abode within or without this  
15 state of such person for whom the same is intended.

16 c. As to any person other than a natural person, in the  
17 manner provided in the rules of civil procedure as if a petition  
18 had been filed.

19 d. Such service as a district court may direct in lieu of  
20 personal service within this state.

21 8. If a person fails or refuses to file a statement or  
22 report, or obey any subpoena issued by the office of the attorney  
23 general, the office of the attorney general may, after notice,  
24 apply to the Polk county district court or the district court for  
25 the county in which the person resides or is located and, after  
26 hearing, request an order that provides for any of the following:

27 a. A grant of injunctive relief, restraining the sale or  
28 advertisement of any merchandise by such persons.

29 b. The dissolution of a corporation created by or under the  
30 laws of this state or revoking or suspending the certificate of  
31 authority to do business in this state of a foreign corporation  
32 or revoking or suspending any other licenses, permits, or  
33 certificates issued pursuant to law to such person which are used  
34 to further the allegedly unlawful practice.

35 c. A grant of such other relief as may be required until the

1 person files the statement or report, or obeys the subpoena.

2 9. a. The office of the attorney general shall notify the  
3 department of management upon a court's initial finding by a  
4 preponderance of the evidence that a governmental entity has  
5 intentionally violated a provision of this chapter, including in  
6 a suit filed pursuant to section 554I.8, subsection 3.

7 b. The office of the attorney general shall notify the  
8 department of management no later than June 1 of any subsequent  
9 fiscal year if a governmental entity fails to remedy the  
10 violation in paragraph "a" prior to January 31 of the current  
11 fiscal year.

12 10. All records provided to the office of the attorney  
13 general pursuant to this section shall be kept confidential and  
14 are not subject to chapter 22.

15 Sec. 9. NEW SECTION. **554I.7 Petition for stay.**

16 1. No sooner than four years after a court's finding that a  
17 company violated a provision of this chapter pursuant to section  
18 554I.3, the company may petition the court for a stay of the  
19 provisions of section 554I.3, subsection 1.

20 2. At the time the company petitions the court for a stay  
21 pursuant to subsection 1, the company shall file with the court  
22 a bond payable to the state in an amount deemed necessary by the  
23 office of the attorney general.

24 3. Within thirty days after a company files a petition for  
25 a stay pursuant to subsection 1, the office of the attorney  
26 general shall file with the court a statement indicating any  
27 reports received under section 554I.6, subsection 2, related to  
28 the company from the date of the court's finding that the company  
29 violated a provision of this chapter pursuant to section 554I.3  
30 through the date the company filed the petition for a stay.

31 4. The court shall grant the petition for stay filed pursuant  
32 to subsection 1 if it finds that the company did not violate the  
33 provisions of this chapter from the date of the court's finding  
34 that the company violated a provision of this chapter pursuant  
35 to section 554I.3 through the date the company filed the petition

1 for a stay.

2     a. Beginning one year after the court grants the petition  
3 for stay pursuant to this subsection, the company shall annually  
4 file with the court an additional bond in the amount of any  
5 payments; tax credits; assistance under section 15.335B; sales  
6 tax exemptions or refunds under chapter 423; or property tax  
7 credits, exemptions, including but not limited to exemptions  
8 under chapter 427, rebates, refunds, reimbursements, or grants  
9 for property taxes paid, which the company received from the  
10 state during the previous year.

11     b. A governmental entity shall not provide the company with  
12 any tax credits; assistance under section 15.335B; sales tax  
13 exemptions or refunds under chapter 423; or property tax credits,  
14 exemptions, including but not limited to exemptions under chapter  
15 427, rebates, refunds, reimbursements, or grants for property  
16 taxes paid, until the company has satisfied the requirements in  
17 paragraph "a" for the previous year.

18     5. The company shall be permanently prohibited from entering  
19 into any agreement with a governmental entity regarding tax  
20 credits; assistance under section 15.335B; sales tax exemptions  
21 or refunds under chapter 423; or property tax credits,  
22 exemptions, including but not limited to exemptions under chapter  
23 427, rebates, refunds, reimbursements, or grants for property  
24 taxes paid, and shall be permanently prohibited from receiving  
25 from a governmental entity any payments; tax credits; assistance  
26 under section 15.335B; sales tax exemptions or refunds under  
27 chapter 423; or property tax credits, exemptions, including but  
28 not limited to exemptions under chapter 427, rebates, refunds,  
29 reimbursements, or grants for property taxes paid, if the company  
30 violates a provision of this chapter after a court has granted  
31 the company's petition for stay pursuant to this section and  
32 before the end of the twenty-year prohibition provided in section  
33 554I.3, subsection 1.

34     6. The amount of any bond forfeited under this section shall  
35 be deposited in the general fund of the state.

1 7. A company shall not file more than one petition for a stay  
2 of the provisions of section 554I.3, subsection 1, during the  
3 twenty-year prohibition provided in section 554I.3, subsection 1.

4 8. This section shall not be construed to limit the authority  
5 of the office of the attorney general under section 554I.6 to  
6 investigate potential violations of this chapter or file suit to  
7 enforce the provisions of this chapter.

8 Sec. 10. NEW SECTION. **554I.8 Right to intervene —**  
9 **enforcement by citizens of this state.**

10 1. A governmental entity impacted by an action under this  
11 chapter may intervene in any action under this chapter.

12 2. A citizen of this state who has reported a company's  
13 potential violation of this chapter pursuant to section 554I.6  
14 may intervene in any action related to the company under this  
15 chapter.

16 3. Notwithstanding section 554I.6, subsection 1, a citizen  
17 of this state who has reported a company's potential violation  
18 of this chapter pursuant to section 554I.6 may file suit in  
19 a court of competent jurisdiction to enforce the provisions of  
20 this chapter if the company is not currently subject to the  
21 prohibition provided in section 554I.3, subsection 2, and if the  
22 company's potential violation of this chapter occurred at least  
23 thirty days following the effective date of this Act.

24 Sec. 11. NEW SECTION. **554I.9 Rules.**

25 The office of the attorney general shall adopt rules pursuant  
26 to chapter 17A to administer and interpret this chapter.

27 Sec. 12. TRANSITIONAL COMPLAINT REPORTING SYSTEM. Within  
28 thirty days following the effective date of this Act, and until  
29 fifty-nine days following the effective date of this Act, the  
30 office of the attorney general shall make available on its  
31 internet site a transitional system to allow a citizen of this  
32 state to report potential violations of chapter 554I by a company  
33 or a governmental entity to the office. The system shall  
34 include, at a minimum, a mechanism for the electronic submission  
35 of reports of potential violations of chapter 554I and the

1 electronic evidence associated with the potential violations.

2 Sec. 13. IMPLEMENTATION OF ACT. Section 25B.2, subsection 3,  
3 shall not apply to this Act.

4 Sec. 14. EFFECTIVE DATE. This Act, being deemed of immediate  
5 importance, takes effect upon enactment.

6 Sec. 15. APPLICABILITY. This Act applies to agreements  
7 between a company and a governmental entity in effect or entered  
8 into on or after the effective date of this Act.

9 EXPLANATION

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

12 This bill prohibits the state or political subdivisions of  
13 the state from entering into contracts with, or providing tax  
14 incentives or other specified benefits to, certain companies that  
15 censor online content.

16 The bill requires that, before public funds are used for  
17 economic development, the public body dispensing the public funds  
18 shall consider whether a court has found that the person to whom  
19 the funds will be disbursed has violated a provision of new Code  
20 chapter 554I, and whether the person is involved in litigation in  
21 which it has been alleged that the person violated Code chapter  
22 554I.

23 The bill modifies Code section 24.17 to provide that, for  
24 fiscal years beginning on or after July 1, 2025, if a political  
25 subdivision has been found to have violated new Code chapter 554I  
26 during the 12-month period prior to the date taxes are certified,  
27 the amount of the political subdivision's budget certified under  
28 Code chapter 24 and the amount of taxes certified back to the  
29 county auditor by the department of management shall be reduced  
30 as described in the bill.

31 Current law requires a county board of supervisors and a  
32 city council to post a public hearing notice on the board's or  
33 council's social media account. The bill provides that posting  
34 of the public hearing notice is authorized but not required.

35 The bill establishes new Code chapter 554I. The bill adds

1 several defined terms to the Code chapter, including definitions  
2 for "company", "content generated by bots", "excessively  
3 violent content", "expressive merchandise", "governmental  
4 entity", "intellectual property", "massive online marketplace",  
5 "massive online video sharing website", "massive social  
6 networking website", "monopolistic entity", "obscene material",  
7 "pornography", "pre-installed application store", and "social  
8 networking website".

9 The bill prohibits a company from intentionally affecting the  
10 ability of a citizen of this state to view, comment, or otherwise  
11 interact with certain content on the company's internet site by  
12 restricting such content.

13 The bill prohibits a company from intentionally affecting  
14 the ability of a citizen of this state to interact with  
15 certain content on the company's internet site, restricting  
16 the ability of a citizen of this state to download a social  
17 networking website on a pre-installed application store, or  
18 restricting the ability of a citizen of this state to purchase  
19 any protected publication or expressive merchandise on a massive  
20 online marketplace as prescribed in the bill. The bill provides,  
21 however, that a company may restrict the ability of a citizen of  
22 this state to interact with a United States citizen's content on  
23 the company's internet site in certain enumerated cases.

24 The bill requires a company to provide its subscribers,  
25 members, and users who are citizens of this state with  
26 the ability to opt out of post promoting algorithms and  
27 shadow banning algorithms on the company's massive online  
28 marketplace, massive online video sharing website, or massive  
29 social networking website. The bill defines "post promoting  
30 algorithm" and "shadow banning algorithm".

31 The bill provides that a court's finding that a company has  
32 violated the prohibition on censorship shall be conclusive proof  
33 of the company's breach of any agreement between the company and  
34 a governmental entity, and the governmental entity shall cancel  
35 the agreement effective as of the date described in the bill.

1 The bill provides that, upon a court's finding that a company  
2 has violated this prohibition on censorship, the company shall  
3 be prohibited from entering into any future agreement with a  
4 governmental entity and shall be prohibited from receiving any  
5 future payment from a governmental entity. The bill establishes  
6 that this begins on the date of the court's finding and shall  
7 extend for a period of 20 years, unless a stay is granted.  
8 Additionally, the bill establishes that this 20-year prohibition  
9 shall be reinstated for each subsequent finding by a court that a  
10 company violated the prohibition on censorship.

11 The bill provides that, upon a court's finding that a  
12 company has violated the prohibition on censorship, tax credits;  
13 assistance under Code section 15.335B; sales tax exemptions or  
14 refunds; or property tax rebates, refunds, reimbursements, or  
15 grants for property taxes paid, that were previously claimed by  
16 the company, but not earned under the terms of the agreement with  
17 the governmental entity at the time of the cancellation of the  
18 agreement, shall be recaptured as provided in the bill.

19 The bill provides that the prohibition on entering into any  
20 agreement with a governmental entity and the requirement that  
21 unearned amounts be returned to governmental entities shall not  
22 be stayed during appeal proceedings.

23 The bill requires a governmental entity to take certain  
24 enumerated steps with respect to companies it may have agreements  
25 with within 30 days of the effective date of the bill. The bill  
26 also requires a governmental entity to include in its contracts  
27 certain statements and provisions related to the governmental  
28 entity's enforcement rights. The bill requires the office of the  
29 attorney general to develop a form describing these enforcement  
30 rights within seven days of the effective date of the bill.

31 The bill provides that if a governmental entity intentionally  
32 violates the bill's provisions, certain financial penalties will  
33 apply.

34 The bill requires the attorney general to enforce the  
35 bill. The bill requires the attorney general to appeal a district

1 court's decision if a company prevails in the district court in  
2 an action relating to the bill. Additionally, the bill requires  
3 the attorney general to file an application for further review  
4 with the supreme court if, after the first appeal, the supreme  
5 court transfers the case to the court of appeals and the company  
6 prevails in the action before the court of appeals.

7 The bill requires, within 60 days of the bill's effective  
8 date, the attorney general to make available on its internet  
9 site a system to allow a citizen of this state to report a  
10 company's or a governmental entity's potential violation of the  
11 bill. The bill requires this system to include several features.  
12 The bill establishes certain investigative responsibilities of  
13 the attorney general with respect to reports submitted through  
14 this system.

15 The bill requires the attorney general to file suit in a court  
16 of competent jurisdiction to enforce the bill's provisions, and  
17 establishes when the attorney general shall file suit. The bill  
18 provides the attorney general with certain enumerated powers.  
19 Additionally, the bill requires the attorney general to notify  
20 the department of management regarding the outcome of cases  
21 arising under the bill. The bill provides that all records  
22 provided to the attorney general under Code section 554I.6 shall  
23 be kept confidential and are not subject to Code chapter 22.

24 The bill authorizes companies that have been found to have  
25 violated the bill to petition the court for a stay of the bill's  
26 provisions. The bill prescribes when this petition may be filed,  
27 how many petitions may be filed, bonding requirements, statements  
28 that the attorney general must file, when a court may grant the  
29 stay, and what occurs in the event a company violates the bill  
30 again after a stay has been granted.

31 The bill establishes that governmental entities impacted by an  
32 action under the bill may intervene in the action. Additionally,  
33 the bill establishes that a citizen of this state who has  
34 reported a company's violation of the bill to the attorney  
35 general may intervene in any action related to that company.

1 The bill authorizes a citizen of this state who has reported  
2 a company's violation of the bill to file suit to enforce  
3 the bill's provisions if the company is not currently subject  
4 to a prohibition detailed in the bill, and if the company's  
5 potential violation occurred at least 30 days following the  
6 bill's effective date.

7 The bill may include a state mandate as defined in Code  
8 section 25B.3. The bill makes inapplicable Code section 25B.2,  
9 subsection 3, which would relieve a political subdivision from  
10 complying with a state mandate if funding for the cost of the  
11 state mandate is not provided or specified. By operation of  
12 law, political subdivisions are required to comply with any state  
13 mandate included in the bill.

14 The bill authorizes the attorney general to adopt rules to  
15 administer and interpret the bill.

16 The bill requires the attorney general to create a  
17 transitional reporting system within 30 days following the bill's  
18 effective date that will operate until 59 days following the  
19 bill's effective date. The bill requires the transitional  
20 reporting system to include, at a minimum, a mechanism for the  
21 electronic submission of reports of potential violations of the  
22 bill and the electronic evidence associated with the potential  
23 violations.

24 The bill takes effect upon enactment and applies to agreements  
25 between a company and a governmental entity in effect or entered  
26 into on or after the effective date of the bill.