

House File 551 - Introduced

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BY THOMSON

A BILL FOR

1 An Act relating to the advertised and delivered speeds
2 of 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:

unofficial

1 Section 1. NEW SECTION. **554I.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 provider
11 that provides broadband services to persons residing in this
12 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. **554I.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 with
20 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 the
3 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 that
8 the communications service provider actually provided to the
9 customer.

10 Sec. 3. NEW SECTION. **554I.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 in
14 the quarter that the maximum download speed of broadband services
15 that the communications service provider actually provided to the
16 customer is less than the maximum download speed of broadband
17 services that the communications service contracted to provide to
18 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
21 the 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 that
33 the communications service provider contracted to provide to the
34 customer.

35 Sec. 4. NEW SECTION. **554I.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 in
6 the civil action, the court shall assess a civil penalty against
7 the communications service provider in an amount equal to two
8 times the sum of the refund credits owed to the customer under
9 section 554I.3, subsection 1, plus the refund credits owed to the
10 customer under section 554I.3, subsection 2.

11 2. Revenue from the civil penalties assessed in subsection 1
12 shall be remitted annually to the treasurer of state for deposit
13 in the general fund of the state. For the fiscal year beginning
14 July 1, 2025, and for each succeeding fiscal year, the moneys
15 deposited in the general fund of the state pursuant to this
16 paragraph are appropriated as follows:

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

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

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

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

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

34 b. Total moneys in excess of the moneys appropriated under
35 paragraph "a" are appropriated to the office of the state public

1 defender of the department of inspections, appeals, and licensing
2 for payments on behalf of eligible adults and juveniles from the
3 indigent defense fund, in accordance with section 815.11.

4 3. Notwithstanding section 8.33, moneys appropriated in
5 subsection 2 that remain unencumbered or unobligated at the close
6 of the fiscal year shall not revert but shall remain available
7 for expenditure for the purposes designated.

8 Sec. 5. NEW SECTION. **554I.5 Communications service**
9 **providers — audits.**

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

17 Sec. 6. NEW SECTION. **554I.6 Rules.**

18 The attorney general shall adopt rules pursuant to chapter 17A
19 to administer this chapter.

20 EXPLANATION

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

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

25 The bill requires a communications service provider (provider)
26 to provide each customer with a report at the end of each
27 quarter. "Communications service provider" is defined in the
28 bill. The report shall include the maximum download and
29 upload speeds of broadband services (broadband) advertised by
30 the provider and, for each hour in the quarter, the maximum
31 download and upload speeds of broadband that the provider
32 contracted to provide; the actual maximum download and upload
33 speeds of broadband provided to the customer; and the difference
34 between the maximum download and upload speeds of broadband
35 that the provider contracted to provide to the customer and the

1 maximum download and upload speeds actually provided. "Broadband
2 services" and "customer" are defined in the bill.

3 The bill requires a provider to provide a refund credit on
4 a prorated basis to a customer for each hour in the quarter
5 that the maximum download or upload speed of broadband actually
6 provided to the customer is less than the maximum download or
7 upload speed of broadband the provider contracted to provide.

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

15 The bill requires a provider to hire an independent contractor
16 to audit the provider's compliance with the bill and to verify
17 the maximum download and upload speeds of the broadband provided
18 by the provider.

19 The attorney general shall adopt rules to administer the bill.