

**Senate Study Bill 1181 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON WEBSTER)

**A BILL FOR**

- 1 An Act prohibiting franchise fees imposed by cities and counties.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 331.301, Code 2025, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 26. Beginning on July 1, 2025, a county  
4 shall not assess or collect a franchise fee.

5 Sec. 2. Section 364.2, subsection 4, paragraph f,  
6 subparagraph (1), subparagraph division (a), Code 2025, is  
7 amended to read as follows:

8 (a) A franchise fee assessed by a city may be based upon  
9 a percentage of gross revenues generated from sales of the  
10 franchisee within the city not to exceed five percent except  
11 as provided in subparagraph division (b), without regard to the  
12 city's cost of inspecting, supervising, and otherwise regulating  
13 the franchise. Beginning on July 1, 2025, a city shall not  
14 assess a franchise fee related to any franchise granted by the  
15 city.

16 Sec. 3. Section 480A.6, Code 2025, is amended to read as  
17 follows:

18 **480A.6 Franchise ordinance not superseded.**

19 This chapter does not modify or supersede the rights and  
20 obligations of a local government and the public utility  
21 established by the terms of any existing or future franchise  
22 granted, approved, and accepted pursuant to section 364.2,  
23 subsection 4. A For fiscal years beginning before July 1,  
24 2025, a city which collects a city franchise fee from an entity  
25 pursuant to section 364.2, subsection 4, under an existing or  
26 future franchise, shall not also collect a fee from that entity  
27 under section 480A.3.

28 **EXPLANATION**

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

31 Currently, a city may grant a franchise to erect and maintain  
32 essential city services described in Code section 364.2(4)(a),  
33 and may impose a franchise fee upon the gross sales amount  
34 of such services not to exceed 5 percent. In cities with a  
35 population exceeding 200,000, the franchise fee allowed to be

S.F. \_\_\_\_\_

1 imposed shall not exceed 7 percent of the gross sales amount.

2 This bill eliminates a city's ability to impose any franchise  
3 fees beginning July 1, 2025.

4 The bill also prohibits a county from imposing or collecting a  
5 franchise fee beginning July 1, 2025.

unofficial