

Senate File 2400 - Reprinted

SENATE FILE 2400
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 2262)
(SUCCESSOR TO SSB 3112)

(COMPANION TO HF 2459 BY
COMMITTEE ON COMMERCE)

(As Amended and Passed by the Senate March 10, 2020)

A BILL FOR

1 An Act relating to broadband service, including matters under
2 the purview of the office of the chief information officer,
3 the empower rural Iowa broadband grant fund, and certain
4 broadband infrastructure tax exemptions, and including
5 effective date and retroactive applicability provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8B.1, subsections 5, 13, and 14, Code
2 2020, are amended to read as follows:

3 5. "*Facilitate*" means a communication service provider's
4 ability to provide broadband service at or above the download
5 and upload speeds specified in the definition of targeted
6 service area in this section or section 8B.11, subsection
7 5, paragraph "a", if applicable, to a home, farm, school,
8 or business within a commercially reasonable time and at a
9 commercially reasonable price upon request by a consumer.

10 13. "*Targeted service area*" means a any of the following:

11 a. A United States census bureau census block located
12 in this state, including any crop operation located within
13 the census block, or other geographic unit the office sets
14 by rule, within which no communications service provider
15 offers or facilitates broadband service at or above the
16 download and upload speeds identified by the federal
17 communications commission pursuant to section 706 of the
18 federal Telecommunications Act of 1996, as amended.

19 b. Any geographic area, as the office sets by rule, that
20 is materially underserved by broadband service such that
21 the download and upload speeds identified by the federal
22 communications commission pursuant to section 706 of the
23 federal Telecommunications Act of 1996, as amended, of the
24 broadband service in the geographic area are not meaningfully
25 available. The office's power to determine the geographic
26 area by rule under this paragraph includes the power to define
27 and interpret standards as to whether a geographic area is
28 materially underserved and broadband service is meaningfully
29 available.

30 14. "*Underserved area*" means any portion of a targeted
31 service area within which no communications service provider
32 ~~offers or~~ facilitates broadband service meeting the download
33 and upload speeds specified in the definition of targeted
34 service area in this section.

35 Sec. 2. Section 8B.4, Code 2020, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 17A. Provide technical assistance to
3 communications service providers related to grant applications
4 under section 8B.11.

5 Sec. 3. Section 8B.9, subsection 5, Code 2020, is amended
6 to read as follows:

7 5. An annual report regarding the status of broadband
8 expansion and coordination, the ~~connecting Iowa farms, schools,~~
9 ~~and communities empower rural Iowa~~ broadband grant program
10 established under [section 8B.11](#), and the adequacy of the speed
11 set in the definition of targeted service area in [section 8B.1](#).

12 Sec. 4. Section 8B.10, subsection 1, Code 2020, is amended
13 to read as follows:

14 1. The determination of whether a communications service
15 provider ~~offers or~~ facilitates broadband service meeting the
16 download and upload speeds specified in the definition of
17 targeted service area in [section 8B.1](#) shall be determined
18 or ascertained by reference to broadband availability maps
19 or data sources that are ~~widely accepted for accuracy and~~
20 ~~available for public review and comment and that are identified~~
21 by the office by rule. The office shall periodically make
22 renewed determinations of whether a communications service
23 provider ~~offers or~~ facilitates broadband service at or above
24 the download and upload speeds specified in the definition of
25 targeted service area in [section 8B.1](#), which shall, to the
26 extent updated maps and data sources are available at the time,
27 include making such determinations prior to each round of grant
28 applications solicited by the office pursuant to [section 8B.11](#).

29 Sec. 5. Section 8B.10, Code 2020, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 3. All findings and determinations made
32 pursuant to this section shall exclude mobile wireless or
33 satellite data, capabilities, and delivery mediums.

34 Sec. 6. Section 8B.11, subsection 1, Code 2020, is amended
35 to read as follows:

1 1. The office shall administer a broadband grant program
2 designed to reduce or eliminate unserved and underserved
3 areas in the state, leveraging federal funds and public and
4 private partnerships where possible, by awarding grants to
5 communications service providers that reduce or eliminate
6 targeted service areas by installing broadband infrastructure
7 that facilitates broadband service in targeted service areas
8 at or above the download and upload speeds specified in the
9 ~~definition of targeted service area in section 8B.1~~ subsection
10 5, in accordance with this section.

11 Sec. 7. Section 8B.11, subsection 2, paragraphs a and b,
12 Code 2020, are amended to read as follows:

13 ~~a. A connecting Iowa farms, schools, and communities~~ An
14 empower rural Iowa broadband grant fund is established in the
15 state treasury under the authority of the office. The fund
16 shall consist of moneys available to and obtained or accepted
17 by the office. Moneys in the fund are appropriated to the
18 office to be used for the grant program, including for the
19 administration and operation of the grant program.

20 ~~b.~~ The office shall use moneys in the fund to provide grants
21 to communications service providers pursuant to this section.
22 The office may use moneys in the fund to pay the costs and
23 expenses associated with the administration and operation of
24 the grant program. The office shall use moneys in the fund to
25 leverage available federal moneys if possible.

26 Sec. 8. Section 8B.11, subsection 2, Code 2020, is amended
27 by adding the following new paragraph:

28 NEW PARAGRAPH. ~~d.~~ Notwithstanding paragraph "c" or any
29 provision to the contrary, moneys in the fund that have been
30 awarded but not paid to a communications service provider
31 shall not revert but shall remain available to the office for
32 purposes of administering the award in a manner consistent with
33 the terms and conditions of any corresponding contract or grant
34 agreement governing the administration of the award.

35 Sec. 9. Section 8B.11, subsection 3, Code 2020, is amended

1 to read as follows:

2 3. Communications service providers may apply to the office
3 for a grant pursuant to [this section](#) for the installation
4 of broadband infrastructure that facilitates broadband
5 service in targeted service areas at or above the download
6 and upload speeds specified in ~~the definition of targeted~~
7 ~~service area in [section 8B.1](#)~~ [subsection 5](#). ~~The office may,~~
8 ~~by rule, increase the minimum download and upload speeds~~
9 ~~for grant eligibility pursuant to [this section](#).~~ The office
10 shall include representatives from schools, communities,
11 agriculture, industry, and other areas as appropriate to review
12 and recommend grant awards. The office shall conduct an open
13 application review process that includes the opportunity
14 for the public to submit factual information as part of a
15 validation process to address claims that a targeted service
16 area is currently served with broadband service at or above
17 the download and upload speeds specified in ~~the definition~~
18 ~~of targeted service area in [section 8B.1](#)~~ [subsection 5](#). Upon
19 completion of the validation process, the office may modify
20 a proposed targeted service area to account for information
21 received during the validation process. The office shall make
22 available a public internet site identifying all publicly
23 available information contained in the applications, the
24 members of the review committee, a summary of the review
25 committee's recommended results, and any results of performance
26 testing conducted after the project is completed.

27 Sec. 10. Section 8B.11, subsection 4, paragraph a,
28 unnumbered paragraph 1, Code 2020, is amended to read as
29 follows:

30 The office shall award grants on a competitive basis for
31 the installation of broadband infrastructure that facilitates
32 broadband service in targeted service areas at or above the
33 download and upload speeds specified in ~~the definition of~~
34 ~~targeted service area in [section 8B.1](#)~~ [subsection 5](#), after
35 considering the following:

1 Sec. 11. Section 8B.11, subsection 4, paragraph a,
2 subparagraph (2), Code 2020, is amended to read as follows:

3 (2) The applicant's total proposed budget for the project,
4 including ~~the~~ all of the following:

5 (a) The amount or percentage of local or federal matching
6 funds, if any, and any funding obligations shared between
7 public and private entities, and the.

8 (b) The percentage of funding provided directly from the
9 applicant, including whether the applicant requested from the
10 office an amount less than the maximum amount the office could
11 award pursuant to subsection 5 and, if so, the percentage of
12 the project cost that the applicant is requesting.

13 Sec. 12. Section 8B.11, subsection 5, Code 2020, is amended
14 to read as follows:

15 5. The office shall not award a grant pursuant to this
16 section that exceeds ~~fifteen~~ any of the following amounts:

17 a. Thirty-five percent of the communications service
18 provider's project cost, for projects that will result in the
19 installation of broadband infrastructure that will facilitate
20 broadband service providing a minimum download speed of one
21 hundred megabits per second and a minimum upload speed of
22 twenty megabits per second.

23 b. Fifteen percent of the communications service provider's
24 project cost, for projects that will result in the installation
25 of broadband infrastructure that will facilitate broadband
26 service providing a minimum download speed less than one
27 hundred megabits per second but greater than or equal to the
28 download speed specified in the definition of targeted service
29 area in section 8B.1, and a minimum upload speed less than
30 twenty megabits per second but greater than or equal to the
31 upload speed specified in the definition of targeted service
32 area in section 8B.1.

33 Sec. 13. Section 427.1, subsection 40, paragraph b, Code
34 2020, is amended to read as follows:

35 b. The exemption shall apply to the installation of

1 broadband infrastructure that facilitates broadband service
2 at or above the download and upload speeds specified in the
3 definition of targeted service area in [section 8B.1](#) commenced
4 and completed on or after July 1, 2015, and before July 1,
5 2025, in a targeted service area, and used to deliver internet
6 services to the public. A person claiming an exemption under
7 this subsection shall certify to the local assessor prior to
8 commencement of the installation that the installation of
9 broadband infrastructure will facilitate broadband service
10 at or above the download and upload speeds specified in the
11 definition of targeted service area in [section 8B.1](#) within a
12 targeted service area and shall specify the current number
13 of homes, farms, schools, and businesses in the targeted
14 service area ~~that were offered~~ to which broadband service was
15 facilitated and the download and upload speeds available prior
16 to the broadband infrastructure installation for which the
17 exemption is claimed and the number of homes, farms, schools,
18 and businesses in the targeted service area ~~that will be~~
19 ~~offered~~ to which broadband service will be facilitated and the
20 download and upload speeds that will be available as a result
21 of installation of the broadband infrastructure for which the
22 exemption is claimed.

23 Sec. 14. Section 427.1, subsection 40, paragraph f,
24 subparagraph (1), subparagraph division (d), Code 2020, is
25 amended to read as follows:

26 (d) Certification from the office of the chief information
27 officer ~~pursuant to [section 8B.10](#)~~ that the installation will
28 facilitate broadband service at or above the download and
29 upload speeds specified in the definition of targeted service
30 area in [section 8B.1](#) in a targeted service area.

31 Sec. 15. 2019 Iowa Acts, chapter 136, section 6, subsection
32 1, is amended to read as follows:

33 1. There is appropriated from the general fund of the state
34 to the office of the chief information officer for the fiscal
35 year beginning July 1, 2019, and ending June 30, 2020, the

1 following amount, or so much thereof as is necessary, to be
2 used for the purposes designated:

3 For deposit in the ~~connecting Iowa farms, schools, and~~
4 ~~communities~~ empower rural Iowa broadband grant fund established
5 under [section 8B.11](#) for a broadband grant program; and for
6 salaries, support, maintenance, and miscellaneous purposes:
7 \$ 5,000,000

8 Sec. 16. EFFECTIVE DATE. This Act, being deemed of
9 immediate importance, takes effect upon enactment.

10 Sec. 17. RETROACTIVE APPLICABILITY. The following applies
11 retroactively to July 1, 2015:

12 The section of this Act enacting section 8B.11, subsection
13 2, paragraph "d".