

## Historical Legislative Victories

*As Iowans demand better and faster broadband services in virtually every element of their daily lives, ICA has helped legislators hear their demands. ICA is a leader at the Iowa Capitol advocating for changes to state programs and regulations in order to increase incentives and eliminate impediments to expand broadband services to more Iowans. Here's a list of legislative victories representing bills signed by the Governor that the ICA generated, engaged in, or modified on behalf of Iowa's 115 rural broadband providers.*

2024.....	Updates to One Call Laws to Include Locators
2024.....	Video Franchise Updates
2021.....	\$100 Million Broadband Grant Funding (NOFA 6)
2021.....	Up to 75% Match for State Grants; 100/100 Buildout
2021.....	50% Reduction in IUB Remainder Assessments
2020.....	\$5 Million Broadband Grant Funding (NOFA 4)
2020.....	Increase State Match for Broadband Grants
2020.....	Exempting Broadband Grants from Iowa Taxation
2019.....	\$5 Million Broadband Grant Funding (NOFA 2)
2019.....	Broadband Grant Program Improvements
2019.....	Municipal Right of Way Fee Limitations
2018.....	Initial Broadband Funding -- \$1.3M (NOFA 1)
2018.....	Local Exchange Carrier Deregulation
2018.....	Communications Property Tax Reform
2016.....	Rural Healthcare Through Telepharmacy
2015.....	Connect Every Acre/Broadband Tax Exemption/Property Tax Reform
2013.....	Telecommunications Property Tax Reform
2012.....	E911 Modernization
2011.....	National Broadband Plan Resolution
2007.....	Video Franchise Modernization
2006.....	M & E Sales Tax Exemption for Telecom Equipment
2005.....	Retail Service Deregulation
2005.....	Dual Party Relay
2004.....	Increased Wireless E911 Surcharge
2004.....	Municipal Telecom Regulation Establishment
2003.....	Authority to Sell Iowa Communications Network
2003.....	Broadband Deployment Investment for Large ISPs

**\*\*\*Note that numerous “defensive victories” over the years stopped bad legislation relating to the ICN, railroad rights of way, regulation of the network and more.**

## Details on ICA-Sponsored or Promoted Bills Enacted into Law from 2003 to 2024

### 2024

[HF 2581](#) – **One Call Updates.** Extends liability to locators, sets standards for locators to meet and establishes penalties for noncompliance. Creates a new definition of the "48-hour period" applicable to One Call notifications and locates to mean a period of forty-eight consecutive hours beginning at 6:00 a.m. the next business day from the day the notification center receives a notice and excludes Saturdays, Sundays, and legal holidays. Expands IUB authority to investigate One Call complaints. Requires marking flags to contain utility contact information.

[HF 2279](#) – **Video Franchise Updates.** Increases the term of the franchise from 10 to 25 years. Eliminates requirements to file copies of advertisements with an application for a video franchise.

### 2021

[HF 848](#) -- **Governor's Broadband Bill with 100/100 Buildout/Increased State Match.** Updates the Iowa Broadband Grant Program to increase the state match to 75%, 50% or 35% depending on the level of current service in the TSA. Requires buildouts to be capable of 100/100 speeds. Applicants serving areas with no 25/3 can get a state match of 50% to build 100/20.

[HF 867](#) – **Admin & Reg Appropriations.** Allocates \$100 million to the Governor's Broadband Grant program.

[HF 693](#) -- **IUB Policy Bill.** Reduces IUB remainder assessment by 50% for non-rate-regulated telecoms.

### 2020

[SF 2400](#) – **Empower Rural Iowa.** Increases state match to 35%. Splits funding between applications for 100/20+ buildouts and 25/3+ buildouts. Favors applicants who seek less than the maximum state match, allows OCIO to determine TSAs based on geographic areas other than census blocks, removes wireless and satellite service from determining TSAs, allows funding to OCIO to administer grant program and conduct mapping.

[HF 2641](#) -- **Broadband Grants and State Tax Exemption.** Exempting federal, state, and local broadband grant receipts from state taxation.

### 2019

[HF 772](#) -- **Empower Rural Iowa/Broadband Grant Program.** Improves the broadband grant program to target funding to areas that do not have 25/3 service, creates a validation process to

the maps and for applications, and requires OCIO to use updated maps. Also modifies the scoring mechanism. Extends the term of the Broadband Grant Program to 2025 and replaces the statutory reference to 25/3 with the federal definition, allowing the OCIO to raise the speed requirement for future buildouts. Also extends the property tax program until 2027 and expands the rural housing tax credit program.

**HF 759** -- **Broadband Grant Funding.** Appropriates \$5 million for the Iowa Broadband Grant Program.

**HF 537** -- **Rights of Way Fees.** Limits allowable fees charged to utilities to those that are “direct and fully documented management costs.”

## **2018**

**SF 2388** – **Property Tax Reform.** This bill changes the assessment mechanism of telephone property to be on the same basis as commercial businesses (i.e., land and building). Also exempts the value of transmission property used for telecommunications, cable television, or internet service from assessment. Implements a transition to land and building assessment during assessment years 2019 to 2021, with full implementation in the 2022 assessment year. During the transition, the Department of Revenue will calculate an assessed value using the current assessment method and keeping both the 40% exemption and broadband buildout exemption in place. As part of the phase in, an additional exemption will be applied as follows:

- Assessment Year 2019 – 25%
- Assessment Year 2020 – 50%
- Assessment Year 2021 – 75%

**HF2446** – **LEC Deregulation.** Implements comprehensive LEC deregulation to codify recent IUB and ICA efforts to largely deregulate retail local exchange carrier service. In addition, this bill deregulates VoIP service and retains IUB authority to settle interconnection disputes. It also equalized Dual-Party Relay funding for wireline and wireless carriers at \$0.03 per line per month.

## **2016**

**SF 453** – **Rural Healthcare through Telepharmacy.** The Alliance joined a coalition to promote economic growth and population retention in rural Iowa via the expansion of telepharmacy services to small communities where traditional pharmacies can no longer operate profitably and saves struggling pharmacies from closing.

## **2015**

**HF 655** – **Broadband Expansion Incentives -- “Governor’s Connect Every Acre” Initiative.** The Alliance lead the industry effort at the Iowa Capitol on the broadband proposals to ensure that

“no harm” was done to rural telecommunications providers in the final legislation. This bill established a broadband grant program and 100% property tax exemption for 10 years for new buildouts into “targeted service areas.”

## **2014**

**SF 2195 – Local Service Tariff Deregulation.** The Alliance made improvements to IUB legislation that eliminated the requirement for local services tariffs and gave LECs more flexibility in setting terms and conditions of service.

**Defense.** Most of our effort in 2014 was spent on defense as our members led successful battles to defeat a proposal to utilize the ICN as a solution to “Connect Every Iowan” ([HF2472](#)) and to defeat another bill that would have given VoIP regulatory advantages over the provision of TDM voice services.

## **2013**

**SF 295 - Property Tax Exemption for Local Exchange Carriers.** After years of lobbying for changes to the burdensome application of monopoly-style property tax assessments on LECs, the Legislature enacted a flat reduction as follows:

- Telcos receive a 40 percent exemption on overall valuation up to \$20 million phased in over 2013 and 2014. There is a tiered percentage of exemption for companies with values over \$20 million up to \$500 million.
- A 20 percent exemption effective in the Jan. 1, 2013 assessment year. A 40 percent exemption will be effective during the Jan. 1, 2014 assessment year.

**HF 644 – E911 Surcharge Equalization.** This E911 equalization legislation achieved long sought-after reform of E911 communications funding and marked the achievement of reaching full communications industry parity. The bill included provisions to help accomplish this such as:

- Increasing the wireless surcharge from \$0.65 to \$1.00
- Removing the local option of seeking a referendum to increase the surcharge on wireline customers up to \$2.50 per month.

## **2012**

**SF 2332 - E911 Modernization.** While this bill lacked substantive E911 reform, it set the stage for E911 surcharge equalization during the 2013 legislative session through its call for an industry task force to address this and other E911-related issues.

## **2011**

**HR 6 - House Resolution Supporting Broadband in Rural Communities.** The House unanimously passed this bipartisan resolution pointing out the faults of, and requesting

modifications to, the FCC's "National Broadband Plan" for the benefit of rural residents in Iowa. The resolution was used as an advocacy tool among federal policy makers.

## **2007**

**SF 554 - State-Issued Video Franchises.** The legislation eliminated the ability of local franchising authorities to extract additional payments and concessions in return for granting a cable franchise. Under this legislation, a video provider can utilize the current local franchising process or, upon expiration of their local franchise, opt-in to state-issued franchise. New providers can choose either state or local franchise.

## **2006**

**SF 2390 - Machinery and Equipment Tax Exemption for Telco Providers.** After years of pushing for this, the industry scored a victory by finally getting an exemption for central office equipment and transmission equipment from the machinery and equipment sales tax with a seven-year phase-out of the tax through refunds. Alliance member companies benefit from this exemption as it allows providers to purchase equipment faster and with greater frequency which opens the door to better service for consumers.

## **2005**

**SF 264 - Dual-Party Relay.** Included wireless carriers in the assessment for the Dual-Party Relay program, at three cents per subscriber line per month. Again, this development was another push towards communications industry parity where all providers of the same service should all play by the same rules including fees.

**HF 277 – Retail Services Deregulation.** The legislation provided for deregulation of all retail service rates with the exception of basic service rates for residential (a cap \$19 per month) and business lines (a cap of \$38). Required any price cap carrier that wanted to raise residential rates by more than \$1 in any 12-month period or business rates by more than \$2 in any 12-month period to install broadband in every exchange within 18 months. Basic residential and business service was fully rate deregulated on July 1, 2008 and provided predatory pricing language for consumers.

## **2004**

**SF 2187 - Municipal Telecommunications Subject to Open Records.** Legislation making municipal telephone's cost accounting records subject to open records laws. This bill required annual audits and made the report subject to open records laws. This also made municipal telephones subject to paying sales and use tax on the purchases of telecommunications equipment. The Alliance supports transparency and the association fought hard to make sure that taxpayers funded providers be held accountable by the public through disclosure of information through open records.

**SF 2298 – Wireless E911 Surcharge.** The E911 wireless surcharge increased from 50 to 65 cents per customer line via this legislation. This bill placed wireline providers third to receive payment from the wireless surcharge fund and made provisions to pay off the debt owed to the wireline providers. This significant victory also was another step towards total parity between wireline and wireless service.

### **2003**

**SF 368 -- Broadband Investment.** A bill that allowed for rate-regulated telecommunications companies to increase rates up to \$2 per month and invest the proceeds in broadband deployment. The bill created “TEC towns” to recognize technology-enabled communities who have achieved a high level of deployment of advanced telecommunications services.

**SF 458 -- ICN Sale.** The “standings bill” in 2003 featured a late amendment added requiring the State to sell the ICN to a “qualified private business enterprise” by Oct. 1, 2007. This was the first recognition by the Legislature that the ICN is a liability and not an asset for the taxpayers of Iowa since the entity’s creation in the 1980s.

### **2002**

**SF 515 -- Railroad Right-of Way Fee Limitation and Permit Modernization.** This legislation clarified the rights of utilities to cross railroad rights of ways, including exercise of the power of eminent domain, special circumstances for relief and emergency relief pertaining to the “authority to cross” which eased tensions among the industry and railroad landowners and eliminated most of the disputes over railroad crossings over the last decade.