



Iowa Utilities Board

“Connect Every Acre” Broadband Legislation

IUB Board Member Nick Wagner

MARC - June 19, 2017

“Connect Every Acre”

Background/Purpose:

- Enacted in 2015
- Applies to assessment years beginning on or after January 1, 2016.
- New applications not accepted on or after July 1, 2020.
- Expand broadband access to underserved, unserved and rural areas.
- Encourage the expansion of high-speed broadband Internet to all corners of the state to foster growth for modern agriculture, increase access for rural communities and school districts, and connect small business to the global marketplace.
- Provides a ten-year property tax exemption for companies that build broad infrastructure in “Targeted Service Areas” (TSAs).
- Wireless or wireline

“Connect Every Acre”

Definitions:

- A Targeted Service Area (TSA) is defined as a U.S. Census Bureau census block located in the state, including any crop operation located within the census block, within which no communications service provider offers or facilitates broadband service at or above 25 megabits per second (Mbps) of download speed and 3 Mbps of upload speed as of July 1, 2015.
- Iowa has over 7500 census blocks
- Broadband means a high-speed, high capacity electronic transmission medium, including fixed and mobile wireless mediums, that can carry data signals from independent network sources by establishing different bandwidth channels and that is commonly used to deliver Internet services to the public.
- No direct state funding is currently provided but the mechanism exists

“Connect Every Acre”

Process:

- **First** - Companies apply for and obtain certification from Office of the Chief Information Officer (OCIO) showing that their broadband infrastructure installation is in a TSA. Companies are required to provide census block locations on the infrastructure installation and a certification of project completion with broadband service at or above the minimum speed requirements. OCIO’s determinations can be appealed.

OCIO maintains a statewide map with a census block layer that designates census blocks where no service provider offered or facilitates broadband service to the public at or above 25 Mbps down and 3 Mbps up as of July 1, 2015.

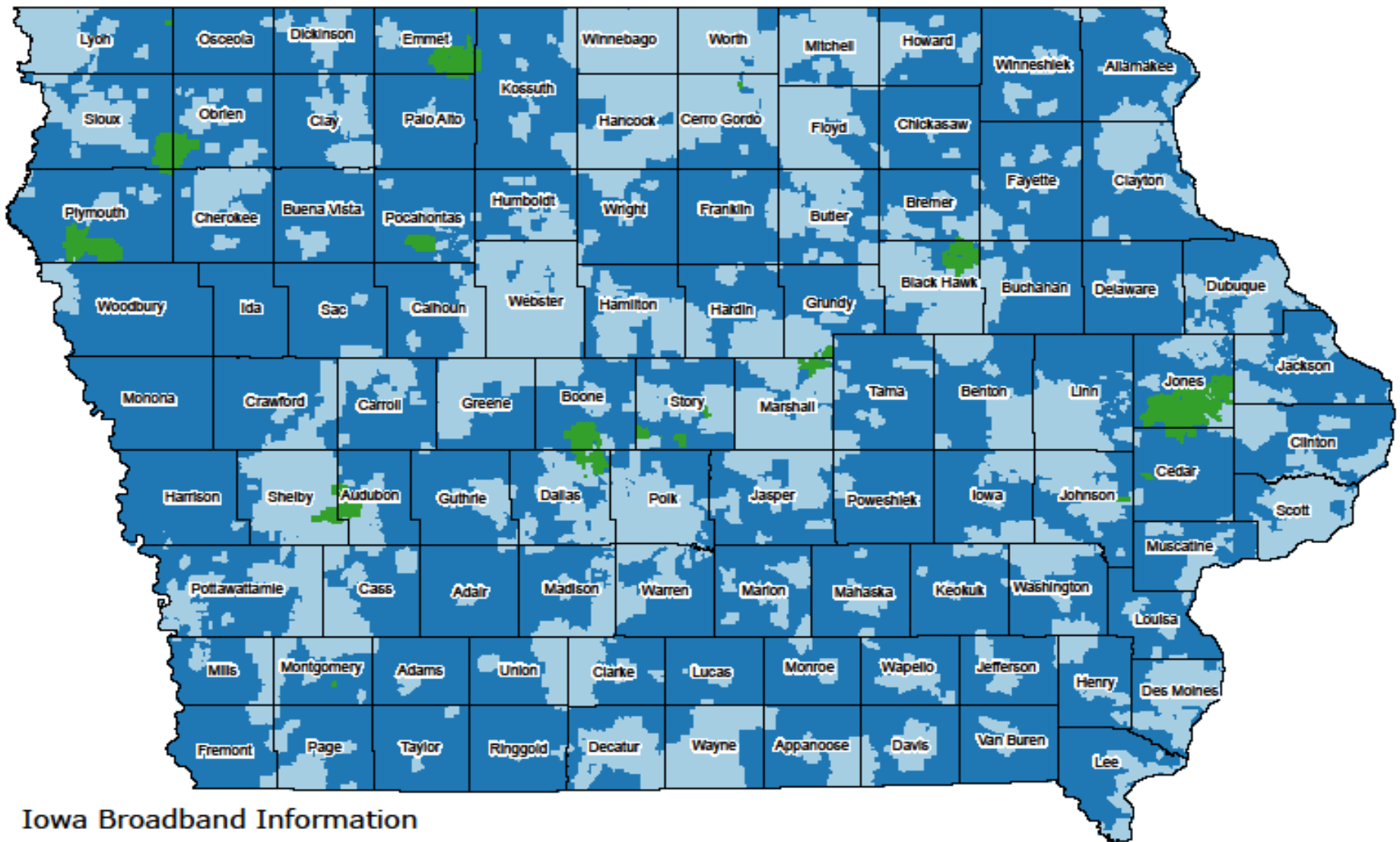
- **Next** - Applications for tax exemptions are filed with either a county board of supervisors or with the department of revenues. Applications must include OCIO certifications.

Broadband infrastructure that qualifies as telephone or Telegraph property under Iowa Code chapter 433 is centrally assessed by the department of revenue. Broadband infrastructure that does not qualify as telephone or telegraph property under Iowa Code chapter 433 is locally assessed under Iowa Code chapter 441.

“Connect Every Acre” – House File 655

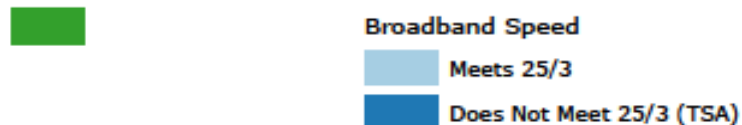
Process Continued:

- Department of revenue or county board of supervisors notify applicants of approval or denial of exemption, including appeal rights.
- For locally assessed property, the local assessor determines the actual value added by the installation of broadband infrastructure under Iowa Code section 441.21.
- For centrally assessed property, the department of revenue will determine the actual value added by the installation of the broadband infrastructure by methodologies set forth in 701—Chapter 77.
- The exemption is for 100% of the value added by the broadband infrastructure for ten years as long as the minimum download and upload speeds are maintained. Anytime after the exemption is granted, OCIO, the department of revenue or the local county board can require a company to substantiate that it is still providing the required speeds.



Iowa Broadband Information

Proposed Project Areas Census Block Designation



OCIO has made every effort to identify Targeted Service Areas ("TSA") in the State of Iowa. Please note, a TSA means a census block within which no communications service provider offered or facilitated broadband service at or above twenty-five megabits per second of download speed and three megabits per second of upload speed as of July 1, 2015, anywhere within the census block. See <https://ocio.iowa.gov/broadband> for information and interactive map

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Results as of June 15, 2017

- Total New Projects 14
- Total Estimated Investment \$16,145,000
- Total Estimated Line Miles 674
- Estimated Households Passed 4135
- Estimated Schools Passed 10
- Estimated Businesses Passed 777
- Estimated Census Blocks Involved 1,344