

Bradley, chair  
Millage  
Falck

HSB 129

STATE GOVERNMENT

SENATE/HOUSE FILE OF 111 110  
BY (PROPOSED IOWA  
TELECOMMUNICATIONS AND  
TECHNOLOGY COMMISSION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act providing for the protection of proprietary rights and  
2 collection of fees and revenue for software, network designs,  
3 and technology applications of the Iowa communications  
4 network.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 8D.11A PROPRIETARY INTERESTS.

2 The commission may license, sell, or trade its proprietary  
3 software, telecommunications architecture design, and  
4 proprietary technology applications developed to support  
5 authorized users to private vendors and to other political  
6 entities and subdivisions, including but not limited to  
7 states, territories, protectorates, and foreign countries.  
8 The commission may enter into nondisclosure agreements to  
9 protect the state of Iowa's proprietary interests. The  
10 provisions of chapter 23A relating to noncompetition by state  
11 agencies and political subdivisions with private enterprise  
12 shall not apply to commission activities authorized under this  
13 section.

14 Sec. 2. Section 23A.2, subsection 10, Code 2001, is  
15 amended by adding the following new paragraph:

16 NEW PARAGRAPH. n. The licensing, sale, or trade by the  
17 Iowa telecommunications and technology commission of  
18 proprietary software, telecommunications architecture design,  
19 and proprietary technology applications pursuant to section  
20 8D.11A.

21 EXPLANATION

22 This bill relates to the proprietary interests of the Iowa  
23 telecommunications and technology commission, on behalf of the  
24 state of Iowa, with respect to software, telecommunications  
25 architecture design, and proprietary technology applications  
26 developed to support authorized Iowa communications network  
27 users. The bill authorizes the commission to license, sell,  
28 or trade its proprietary software, telecommunications  
29 architecture design, and proprietary technology applications  
30 to private vendors, and other political entities and  
31 subdivisions, including but not limited to states,  
32 territories, protectorates, and foreign countries. The bill  
33 also authorizes the commission to enter into nondisclosure  
34 agreements to protect the state of Iowa's proprietary  
35 interests. The bill provides that the provisions of Code

1 chapter 23A relating to noncompetition by government shall not  
2 apply to the licensing, sale, or trade by the commission of  
3 proprietary software, telecommunications architecture design,  
4 and proprietary technology applications.

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ASB 129

# IOWA TELECOMMUNICATIONS & TECHNOLOGY COMMISSION

THOMAS J. VILSACK  
GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

BETSY BRANDSGARD, CHAIRPERSON  
RICHARD D. JOHNSON  
TIMOTHY L. LAPOINTE  
MARY A. NELSON  
RICHARD H. OPIE  
MARK J. SCHOUTEN



IOWA COMMUNICATIONS NETWORK  
PO BOX 587  
JOHNSTON, IA 50131-0587

February 1, 2001

## Memorandum

**TO:** Members of the General Assembly  
**FR:** Harold M. Thompson *HMT*  
**CC:** Iowa Telecommunications and Technology Commission Members  
**RE:** Proposed Policy Code Change

This memorandum is provided as an explanation of the need, purpose, and intent of LSB1233.

The Iowa Communications Network is the largest full-motion, two-way video network in the world. As such, many proprietary software, network designs, and technology applications have been developed to support authorized users. These proprietary software and hardware configurations that were developed on behalf of the state with state funds have required investment by the state. The ICN has received a number of requests for the software and hardware configuration plans and engineering drawings from a number of countries and other states that are interested in duplicating these proprietary developments. The state is obligated to provide this information under current laws without the ability to recoup costs for the state's investment in development of the software, network designs, and technology applications. This language will allow for the state to receive fees for release of this information much like the Regents Institutions receive fees for their research and development projects.

Substitute for SF 459  
3-26-01  
(P. 824)

MAR 1 2001

Place On Calendar

HOUSE FILE 470

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 129)

Passed House, Date 3/19/01 (P. 820) Passed Senate, Date 3-26-01 (P. 825)  
Vote: Ayes 98 Nays 0 Vote: Ayes 46 Nays 0  
Approved March 30, 2001

**A BILL FOR**

1 An Act providing for the protection of proprietary rights and  
2 collection of fees for software, network designs, and  
3 technology applications of the Iowa communications network.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF-470

1 Section 1. NEW SECTION. 8D.11A PROPRIETARY INTERESTS.

2 The commission may charge a negotiated fee, to recover a  
3 share of the costs related to the research and development,  
4 initial production, and derivative products of its proprietary  
5 software and hardware, telecommunications architecture design,  
6 and proprietary technology applications developed to support  
7 authorized users, to private vendors and to other political  
8 entities and subdivisions, including but not limited to  
9 states, territories, protectorates, and foreign countries.  
10 The commission may enter into nondisclosure agreements to  
11 protect the state of Iowa's proprietary interests. The  
12 provisions of chapter 23A relating to noncompetition by state  
13 agencies and political subdivisions with private enterprise  
14 shall not apply to commission activities authorized under this  
15 section.

16 Sec. 2. Section 23A.2, subsection 10, Code 2001, is  
17 amended by adding the following new paragraph:

18 NEW PARAGRAPH. n. The performance of an activity  
19 authorized pursuant to section 8D.11A.

20 EXPLANATION

21 This bill relates to the proprietary interests of the Iowa  
22 telecommunications and technology commission, on behalf of the  
23 state of Iowa, with respect to hardware and software,  
24 telecommunications architecture design, and proprietary  
25 technology applications developed to support authorized Iowa  
26 communications network users. The bill authorizes the  
27 commission to charge a negotiated fee to recover a share of  
28 the costs related to the research and development, initial  
29 production, and derivative products of its proprietary  
30 hardware and software, telecommunications architecture design,  
31 and proprietary technology applications to private vendors,  
32 and other political entities and subdivisions, including but  
33 not limited to states, territories, protectorates, and foreign  
34 countries. The bill also authorizes the commission to enter  
35 into nondisclosure agreements to protect the state of Iowa's

1 proprietary interests. The bill provides that the provisions  
2 of Code chapter 23A relating to noncompetition by government  
3 shall not apply to the negotiated fee authorized in Code  
4 section 8D.11A.

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**HOUSE FILE 470  
FISCAL NOTE**

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A fiscal note for **House File 470** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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House File 470 authorized the Iowa Telecommunications and Technology Commission to charge a negotiated fee relating to proprietary interests. The fee should recover a share of the costs related to the research and development, initial production, and derivative products of its proprietary hardware and software, telecommunications architecture design, and proprietary technology applications to private vendors and other political entities and subdivisions.

**FISCAL IMPACT**

Due to insufficient information to determine annual receipts the Iowa Telecommunications and Technology Commission may receive from charges associated with proprietary interests, a reliable estimate cannot be provided. It is anticipated that any revenues generated may vary significantly on an annual basis. The amount of revenue generated would depend on the amount invested in the development of the product and the value of the product to the buyer.

**SOURCE**

Iowa Telecommunications and Technology Commission

(LSB 1233hv, DPW)

FILED MARCH 6, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

NEW PARAGRAPH. n. The performance of an activity authorized pursuant to section 8D.11A.

HOUSE FILE 470

AN ACT

PROVIDING FOR THE PROTECTION OF PROPRIETARY RIGHTS AND COLLECTION OF FEES FOR SOFTWARE, NETWORK DESIGNS, AND TECHNOLOGY APPLICATIONS OF THE IOWA COMMUNICATIONS NETWORK.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 8D.11A PROPRIETARY INTERESTS.

The commission may charge a negotiated fee, to recover a share of the costs related to the research and development, initial production, and derivative products of its proprietary software and hardware, telecommunications architecture design, and proprietary technology applications developed to support authorized users, to private vendors and to other political entities and subdivisions, including but not limited to states, territories, protectorates, and foreign countries. The commission may enter into nondisclosure agreements to protect the state of Iowa's proprietary interests. The provisions of chapter 23A relating to noncompetition by state agencies and political subdivisions with private enterprise shall not apply to commission activities authorized under this section.

Sec. 2. Section 23A.2, subsection 10, Code 2001, is amended by adding the following new paragraph:

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BRENT SIEGRIST  
Speaker of the House

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MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 470, Seventy-ninth General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved March 30 2001

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THOMAS J. VILSACK  
Governor