



[SF 2114](#) – Railroad Maintenance Costs, Financial Responsibility (LSB1912SZ)
Staff Contact: Garry Martin (515.281.4611) garry.martin@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2114](#) requires the owner of a railroad track or railroad corporation, as applicable, to bear financial responsibility for building and maintaining railroad crossings on private farms, in towns or cities, and across primary roads. Railroad track owners and railroad corporations are also required to bear financial responsibility for removing railroad tracks in cities, counties, and other jurisdictions that have authority to remove railway tracks. The Bill requires railway corporations that transfer a railroad right-of-way to a person who is not a railroad corporation to pay the costs associated with the related right-of-way improvements prior to the transfer, or on a schedule agreed to by the transferee.

Railroad corporations and railroad track owners are to bear the cost of the responsibilities detailed in the Bill without assistance from the Department of Transportation (DOT) or other governmental entity.

The Bill repeals the Highway Grade Crossing Safety Fund and the Highway Railroad Grade Crossing Surface Repair Fund. The FY 2024 ending balances of the funds will be transferred to the Road Use Tax Fund (RUTF) at the end of the year.

Background

Current law requires the owner of a railroad track to place certain warning devices, including close-clearance warning devices and signals and gate arms at railway and highway crossings at grade. Railroad corporations are required to construct and maintain private farm crossings, construct crossings that intersect highways at grade, remove unused crossings that intersect highways, and maintain certain improvements along the railroad track rights-of-way. A railroad corporation is eligible to agree with the DOT and the local government entity with jurisdiction over the relevant area about certain costs, and the DOT must assist with the project by paying a portion of the cost for the work, if moneys are available, from the Highway Railroad Grade Crossing Surface Repair Fund.

The annual off-the-top allocations from the RUTF to the Highway Grade Crossing Safety Fund is \$700,000 per year and the Highway Railroad Grade Crossing Surface Repair Fund is \$900,000 per year.

The RUTF is the primary source of funding for the construction, maintenance, and administration of Iowa's highways. Road Use Tax Fund revenue is collected by the State Treasurer and distributed to the DOT, counties, and cities by formula. All other distributions and appropriations are taken off the top, 47.5% is allocated to the DOT for primary roads, 24.5% to counties for secondary roads, 8.0% to counties for farm-to-market roads, and 20.0% to cities. In FY 2023, the RUTF received \$1.988 billion in revenue.

Assumptions

At the end of FY 2023, the Highway Railroad Grade Crossing Surface Repair Fund had a balance of \$3.5 million and the Highway Grade Crossing Safety Fund had a balance of \$9,000. All remaining Fund balances will be transferred to the RUTF by the end of FY 2024.

Fiscal Impact

The elimination of off-the-top allocations from the RUTF to the Highway Grade Crossing Safety Fund and Highway Grade Crossing Repair Fund will make available an additional \$1.6 million per year to be distributed by formula to the Primary Road Fund, Secondary Road Fund, Cities Street Construction Fund, and Farm-to-Market Road Fund.

Sources

Legislative Services Agency
Department of Transportation
Treasurer of State

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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