

See Reg. News 4/13 No. 417 (p. 2119)

FILED APR 11 1984

SENATE FILE 2342

BY COMMITTEE ON WAYS AND MEANS  
Approved 4/11 (p. 1466)

Passed Senate, Date 4-12-84 (p. 1482) Passed House, Date 4-18-84 (p. 2176)

Vote: Ayes 46 Nays 0 Vote: Ayes 92 Nays 0

Approved May 11, 1984

*Repassed Senate 4-19-84 (p. 1625)*  
46-0

### A BILL FOR

1 An Act relating to regional transit systems by defining the  
2 systems to include systems which receive state or federal  
3 funds, by providing motor fuel and special fuel tax  
4 exemptions for these systems, and by providing free  
5 registration plates and validation stickers for these  
6 systems.

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

SENATE FILE 2342

S-5872

1 Amend Senate File 2342 as follows:

2 1. Page 6, by inserting after line 7 the following  
3 new section:

4 "Sec. \_\_\_\_ . Section 601E.6, subsection 3, paragraph  
5 b, Code 1983, is amended to read as follows:

6 b. Requiring persons who seek permanent handicapped  
7 identification devices to furnish evidence upon initial  
8 application that they are permanently handicapped  
9 and, in addition, to furnish evidence annually that  
10 they remain physically handicapped; and requiring  
11 persons who seek temporary handicapped identification  
12 devices to furnish evidence upon initial application  
13 that they are physically handicapped and, in addition,  
14 to furnish evidence at six-month intervals that they  
15 remain physically handicapped."

16 2. Renumber sections and correct internal  
17 references as are necessary in accordance with this  
18 amendment.

S-5872 FILED  
APRIL 12, 1984

BY JOHN N. NYSTROM

RULED OUT OF ORDER (p. 1452)

1 Section 1. Section 321.19, subsection 1, Code Supple-  
2 ment 1983, is amended to read as follows:

3 1. All vehicles owned or leased for a period of sixty  
4 days or more by the government and used in the transaction  
5 of official business by the representatives of foreign  
6 governments or by officers, boards, or departments of the  
7 government of the United States, and by the state, counties,  
8 municipalities and other political subdivisions of the state  
9 including vehicles used by an urban transit company operated  
10 by a municipality, regional transit system, and self-propelling  
11 vehicles used neither for the conveyance of persons for hire,  
12 pleasure, or business nor for the transportation of freight  
13 other than those used by an urban transit company operated  
14 by a municipality, regional transit system, and all fire  
15 trucks, providing they are not owned and operated for a  
16 pecuniary profit, are exempted from the payment of the fees  
17 imposed by this chapter, except as provided for urban transit  
18 companies in subsection 2, but are not exempt from the  
19 penalties provided in this chapter. The department shall  
20 furnish, on application, free of charge, distinguishing plates  
21 for vehicles thus exempted, which plates except plates on  
22 Iowa highway safety patrol vehicles shall bear the word  
23 "official," and the department shall keep a separate record.  
24 Registration plates issued for Iowa highway safety patrol  
25 vehicles, except unmarked patrol vehicles, shall bear two  
26 red stars on a yellow background, one before and one following  
27 the registration number on the plate which registration number  
28 shall be the officer's badge number. Registration plates  
29 issued for a county sheriff's patrol vehicles shall display  
30 one seven pointed gold star on a green background followed  
31 by the letter "S" and the call number of the vehicle. However,  
32 the director of general services or the director of  
33 transportation may order the issuance of regular registration  
34 plates for any exempted vehicle used by peace officers in  
35 the enforcement of the law and persons enforcing chapter 204

1 and other laws relating to controlled substances. For purposes  
2 of sale of exempted vehicles, the exempted governmental body,  
3 upon the sale of the exempted vehicle, may issue for in-transit  
4 purposes a pasteboard card bearing the words "Vehicle in  
5 Transit," the name of the official body from which the vehicle  
6 was purchased, together with the date of the purchase plainly  
7 marked in at least one-inch letters, and other information  
8 which may be required by the department. The in-transit card  
9 shall be valid for use only within forty-eight hours after  
10 the purchase date as indicated on the bill of sale which shall  
11 be carried by the driver.

12 Sec. 2. Section 321.19, subsection 2, unnumbered para-  
13 graph 2, Code Supplement 1983, is amended to read as follows:

14 Any person, firm, corporation, or company operating an  
15 urban transit system shall pay to the county treasurer annually  
16 as a registration fee for each bus, car, or vehicle used in  
17 the transportation of passengers, five dollars, which shall  
18 be paid into the city general fund. Any urban transit company  
19 operated by a municipality is not required to pay such  
20 registration fees. The ~~meter-vehicle~~ department, in accordance  
21 with subsection 1, shall furnish distinguishing plates for  
22 vehicles used by urban transit companies operated by a  
23 municipality. No other provision of law providing for the  
24 payment of taxes, registration, or license fees for vehicles  
25 shall be applicable to any bus, car, or vehicle for the  
26 transportation of passengers owned and operated by any urban  
27 transit company.

28 Sec. 3. Section 321.19, Code Supplement 1983, is amended  
29 by adding the following new subsection:

30 NEW SUBSECTION. 3. "Regional transit system" means a  
31 public transit system serving one county or all or part of  
32 a multicounty area whose boundaries correspond to the same  
33 boundaries as those of the regional planning areas designated  
34 by the governor, except as agreed upon by the department.  
35 Each county board of supervisors within the region is re-

1 sponsible for determining the service and funding within its  
2 county. However, the administration and overhead support  
3 services for the overall regional transit system shall be  
4 consolidated into one existing or new agency to be mutually  
5 agreed upon by the participating members. Privately chartered  
6 bus services and uses other than providing services that are  
7 open and public on a shared ride basis shall not be construed  
8 to be a regional transit system.

9 Sec. 4. Section 321.22, Code 1983, is amended to read  
10 as follows:

11 321.22 URBAN AND REGIONAL TRANSIT EQUIPMENT PLATES.

12 1. An urban transit company or system having a franchise  
13 to operate in any city and any regional transit system may  
14 make application to the ~~meter-vehicle~~ department, upon forms  
15 furnished by the department, for a certificate containing  
16 a distinguishing number and for one or more pairs of transit  
17 bus plates to be attached to the front and rear of buses owned  
18 or operated by the ~~urban~~ transit company or system.

19 2. The department shall issue to the applicant a  
20 certificate, or certificates, containing, but not limited  
21 to, the applicant's name and address, the distinguishing  
22 number assigned to the applicant, and such other information  
23 deemed necessary by the department for proper identification  
24 of the buses.

25 3. The department shall issue ~~urban~~ transit bus (license)  
26 plates as applied for, which shall have imprinted thereon  
27 the words "~~Urban~~ Transit Bus," and the distinguishing number  
28 assigned to the applicant. The department shall issue the  
29 certificates and plates without fee.

30 4. Every ~~urban~~ transit bus plate issued ~~hereunder~~ shall  
31 expire at midnight on ~~the-thirtieth-day-of~~ June 30 of each  
32 year, and new plates or validation stickers for the ensuing  
33 year may be obtained upon proper application.

34 Sec. 5. Section 324.3, subsection 4, Code Supplement 1983,  
35 is amended to read as follows:

1 4. Motor fuel used in the operation of an Iowa urban  
2 transit system or regional transit system. Any fuel sold  
3 to an Iowa urban transit system which is used for ~~any a~~ purpose  
4 other than as specified in section 324.57, ~~subsection~~  
5 subsections 9 and 11, ~~shall~~ is not be exempt from the tax.

6 Sec. 6. Section 324.35, unnumbered paragraphs 3 and 4,  
7 Code 1983, are amended to read as follows:

8 No tax is imposed under this division on special fuel used  
9 in the operation of an Iowa urban transit system or regional  
10 transit system, except that any special fuel sold to an Iowa  
11 urban transit system or regional transit system, which is  
12 used for any purpose other than as specified in section 324.57,  
13 ~~subsection~~ subsections 9 and 11, ~~shall~~ is not be exempt from  
14 the tax.

15 A tax shall not be imposed under this division and ~~the~~  
16 ~~provisions of~~ sections 324.34, 324.36, and 324.38 ~~shall~~ are  
17 not be applicable if special fuel is sold to the state, any  
18 of its agencies, an Iowa urban transit system, regional transit  
19 system, or ~~any~~ political subdivision of the state when the  
20 special fuel is delivered into storage tanks, regardless of  
21 size, and all of the special fuel is used for public purposes.

22 Sec. 7. Section 324.57, Code 1983, is amended by adding  
23 the following new subsection:

24 NEW SUBSECTION. 11. "Regional transit system" means a  
25 public transit system serving one county or all or part of  
26 a multicounty area whose boundaries correspond to the same  
27 boundaries as those of the regional planning areas designated  
28 by the governor, except as agreed upon by the department.  
29 Each county board of supervisors within the region is respon-  
30 sible for determining the service and funding within its  
31 county. However, the administration and overhead support  
32 services for the overall regional transit system shall be  
33 consolidated into one existing or new agency to be mutually  
34 agreed upon by the participating members. Privately chartered  
35 bus services and uses other than providing services that are

1 open and public on a shared ride basis shall not be construed  
2 to be a regional transit system.

3 Sec. 8. Section 325.1, Code 1983, is amended by adding  
4 the following new subsection:

5 NEW SUBSECTION. 10. "Regional transit system" means a  
6 public transit system serving one county or all or part of  
7 a multicounty area whose boundaries correspond to the same  
8 boundaries as those of the regional planning areas designated  
9 by the governor, except as agreed upon by the department.

10 Each county board of supervisors within the region is respon-  
11 sible for determining the service and funding within its  
12 county. However, the administration and overhead support  
13 services for the overall regional transit system shall be  
14 consolidated into one existing or new agency to be mutually  
15 agreed upon by the participating members. Privately chartered  
16 bus services and uses other than providing services that are  
17 open and public on a shared ride basis shall not be construed  
18 to be a regional transit system.

19 Sec. 9. Section 325.6, subsection 3, Code 1983, is amended  
20 to read as follows:

21 3. A ~~meter-carrier~~ regional transit system providing  
22 primarily passenger service for ~~elderly, handicapped and other~~  
23 transportation of disadvantaged persons shall be as defined  
24 in section 601J.1 is exempt from certification requirements  
25 of this section if it satisfies each of the following  
26 requirements:

27 a. The ~~meter-carrier~~ regional transit system is not a  
28 corporation organized for profit under the laws of Iowa or  
29 any other state or the ~~meter-carrier~~ regional transit system  
30 is a governmental organization.

31 b. The ~~meter-carrier~~ regional transit system receives  
32 any operating funds from federal, state or local government  
33 sources.

34 c. The ~~meter-carrier~~ regional transit system does not  
35 duplicate a transportation service provided by a ~~meter-carrier~~

1 regional transit system issued a certificate of convenience  
2 and necessity.

3 Each ~~motor-carrier~~ regional transit system exempt under  
4 ~~the-provisions-of~~ this subsection shall ~~obtain-a-permit-from~~  
5 ~~the-department,-which-shall-be-nontransferable---~~ such carriers  
6 shall comply with all safety, insurance and other rules of  
7 the department pertaining to a publicly funded transit system.

8 EXPLANATION

9 The bill defines a regional transit system to include  
10 systems which receive state or federal funds and provides  
11 a motor fuel and special fuel tax exemption for these sys-  
12 tems. The bill also exempts regional transit systems from  
13 registration fees. The bill takes effect July 1 following  
14 enactment.

15

SENATE FILE 2342  
FISCAL NOTE

REQUESTED BY SENATOR PALMER

In compliance with a written request there is hereby submitted a  
Fiscal Note for Senate File 2342 pursuant to Joint Rule 17.

Senate File 2342 defines a regional transit system to include  
systems which receive state or federal funds. The bill also  
provides a motor fuel tax exemption for these systems. Exemptions  
also will be provided to regional transit systems for vehicle  
registration fees. At the present time, due to the way their  
funding and organizational process was created, 8 of the 16  
transit systems are exempt from paying state fuel taxes and  
purchasing registration plates. The Department of Revenue has  
approved the proposed exemptions of the 8 privately owned transit  
systems. The 8 privately owned public transit systems would not  
have to pay \$42,918 fuel tax which would be a loss to the RUTF.  
There would be a loss of \$2,500 in registration plate fees of  
which \$2,435 would be a loss to the RUTF and \$65 would be lost to  
the counties.

FISCAL EFFECT: There would be a loss in funds of \$45,353 to the  
RUTF and a loss of \$65 to the counties.

(4247S, 84-318F, TAF)

Source: Department of Transportation

FILED:  
APRIL 13, 1984

BY DENNIS C. PROUTY, DIRECTOR  
LEGISLATIVE FISCAL BUREAU

LSB 4247S 70

bk/jw/5

SENATE FILE 2342

H-6398

- 1 Amend Senate File 2342, as passed by the Senate
- 2 as follows:
- 3 1. Page 4, line 3, by inserting after the word
- 4 "system" the words "or regional transit system".

H-6398 FILED APRIL 18, 1984 BY KOENIGS of Mitchell  
ADOPTED BY UNANIMOUS CONSENT (*p. 2198*)

HOUSE AMENDMENT TO SENATE FILE 2342

S-6000

- 1 Amend Senate File 2342, as passed by the Senate
- 2 as follows:
- 3 1. Page 4, line 3, by inserting after the word
- 4 "system" the words "or regional transit system".

S-6000 FILED RECEIVED FROM THE HOUSE  
APRIL 19, 1984 *sent received 4/19 (p. 1423)*

SENATE FILE 2342

AN ACT

RELATING TO REGIONAL TRANSIT SYSTEMS BY DEFINING THE SYSTEMS TO INCLUDE SYSTEMS WHICH RECEIVE STATE OR FEDERAL FUNDS, BY PROVIDING MOTOR FUEL AND SPECIAL FUEL TAX EXEMPTIONS FOR THESE SYSTEMS, AND BY PROVIDING FREE REGISTRATION PLATES AND VALIDATION STICKERS FOR THESE SYSTEMS.

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

Section 1. Section 321.19, subsection 1, Code Supplement 1983, is amended to read as follows:

1. All vehicles owned or leased for a period of sixty days or more by the government and used in the transaction of official business by the representatives of foreign governments or by officers, boards, or departments of the government of the United States, and by the state, counties, municipalities and other political subdivisions of the state including vehicles used by an urban transit company operated by a municipality, regional transit system, and self-propelling vehicles used neither for the conveyance of persons for hire, pleasure, or business nor for the transportation of freight other than those used by an urban transit company operated by a municipality, regional transit system, and all fire trucks, providing they are not owned and operated for a pecuniary profit, are exempted from the payment of the fees imposed by this chapter, except as provided for urban transit companies in subsection 2, but are not exempt from the penalties provided in this chapter. The department shall furnish, on application, free of charge, distinguishing plates for vehicles thus exempted, which plates except plates on Iowa highway safety patrol vehicles shall bear the word "official," and the department shall keep a separate record. Registration plates issued for Iowa highway safety patrol vehicles, except unmarked patrol vehicles, shall bear two red stars on a yellow background, one before and one following the registration number on the plate which registration number

shall be the officer's badge number. Registration plates issued for a county sheriff's patrol vehicles shall display one seven pointed gold star on a green background followed by the letter "S" and the call number of the vehicle. However, the director of general services or the director of transportation may order the issuance of regular registration plates for any exempted vehicle used by peace officers in the enforcement of the law and persons enforcing chapter 204 and other laws relating to controlled substances. For purposes of sale of exempted vehicles, the exempted governmental body, upon the sale of the exempted vehicle, may issue for in-transit purposes a pasteboard card bearing the words "Vehicle in Transit," the name of the official body from which the vehicle was purchased, together with the date of the purchase plainly marked in at least one-inch letters, and other information which may be required by the department. The in-transit card shall be valid for use only within forty-eight hours after the purchase date as indicated on the bill of sale which shall be carried by the driver.

Sec. 2. Section 321.19, subsection 2, unnumbered paragraph 2, Code Supplement 1983, is amended to read as follows:

Any person, firm, corporation, or company operating an urban transit system shall pay to the county treasurer annually as a registration fee for each bus, car, or vehicle used in the transportation of passengers, five dollars, which shall be paid into the city general fund. Any urban transit company operated by a municipality is not required to pay such registration fees. The ~~motor-vehicle~~ department, in accordance with subsection 1, shall furnish distinguishing plates for vehicles used by urban transit companies operated by a municipality. No other provision of law providing for the payment of taxes, registration, or license fees for vehicles shall be applicable to any bus, car, or vehicle for the transportation of passengers owned and operated by any urban transit company.

Sec. 3. Section 321.19, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 3. "Regional transit system" means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing services that are open and public on a shared ride basis shall not be construed to be a regional transit system.

Sec. 4. Section 321.22, Code 1983, is amended to read as follows:

321.22 URBAN AND REGIONAL TRANSIT EQUIPMENT PLATES.

1. An urban transit company or system having a franchise to operate in any city and any regional transit system may make application to the ~~motor-vehicle~~ department, upon forms furnished by the department, for a certificate containing a distinguishing number and for one or more pairs of transit bus plates to be attached to the front and rear of buses owned or operated by the ~~urban~~ transit company or system.

2. The department shall issue to the applicant a certificate, or certificates, containing, but not limited to, the applicant's name and address, the distinguishing number assigned to the applicant, and such other information deemed necessary by the department for proper identification of the buses.

3. The department shall issue ~~urban~~ transit bus (license) plates as applied for, which shall have imprinted thereon the words "Urban Transit Bus" and the distinguishing number assigned to the applicant. The department shall issue the certificates and plates without fee.

4. Every ~~urban~~ transit bus plate issued ~~hereunder~~ shall expire at midnight on ~~the-thirtieth-day-of~~ June 30 of each

year, and new plates or validation stickers for the ensuing year may be obtained upon proper application.

Sec. 5. Section 324.3, subsection 4, Code Supplement 1983, is amended to read as follows:

4. Motor fuel used in the operation of an Iowa urban transit system or regional transit system. Any fuel sold to an Iowa urban transit system or regional transit system which is used for any purpose other than as specified in section 324.57, ~~subsections~~ subsections 9 and 11, shall is not be exempt from the tax.

Sec. 6. Section 324.35, unnumbered paragraphs 3 and 4, Code 1983, are amended to read as follows:

No tax is imposed under this division on special fuel used in the operation of an Iowa urban transit system or regional transit system, except that any special fuel sold to an Iowa urban transit system or regional transit system, which is used for any purpose other than as specified in section 324.57, ~~subsections~~ subsections 9 and 11, shall is not be exempt from the tax.

A tax shall not be imposed under this division and ~~the provisions of~~ sections 324.34, 324.36, and 324.38 shall ~~not~~ not be applicable if special fuel is sold to the state, any of its agencies, an Iowa urban transit system, regional transit system, or any political subdivision of the state when the special fuel is delivered into storage tanks, regardless of size, and all of the special fuel is used for public purposes.

Sec. 7. Section 324.57, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 11. "Regional transit system" means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be

consolidated into one existing or new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing services that are open and public on a shared ride basis shall not be construed to be a regional transit system.

Sec. 8. Section 325.1, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 10. "Regional transit system" means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing services that are open and public on a shared ride basis shall not be construed to be a regional transit system.

Sec. 9. Section 325.6, subsection 3, Code 1983, is amended to read as follows:

3. A meter-carrier regional transit system providing primarily passenger service for elderly, handicapped and other transportation of disadvantaged persons ~~shall be as defined in section 601J.1~~ is exempt from certification requirements of this section if it satisfies each of the following requirements:

- a. The meter-carrier regional transit system is not a corporation organized for profit under the laws of Iowa or any other state or the meter-carrier regional transit system is a governmental organization.
- b. The meter-carrier regional transit system receives any operating funds from federal, state or local government sources.

c. The meter-carrier regional transit system does not duplicate a transportation service provided by a meter-carrier regional transit system issued a certificate of convenience and necessity.

Each meter-carrier regional transit system exempt under ~~the provisions of~~ this subsection shall ~~obtain a permit from the department, which shall be nontransferable.~~ Such carriers shall comply with all safety, insurance and other rules of the department pertaining to a publicly funded transit system.

-----  
CHARLES P. MILLER  
President Pro Tempore of the  
Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2342, Seventieth General Assembly.

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K. MARIE THAYER  
Secretary of the Senate

Approved May 11, 1984

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TERRY E. BRANSTAD  
Governor