

Reprinted 4/85

SENATE FILE 565

BY COMMITTEE ON WAYS AND MEANS
Approved 4-17 (p. 1469)

FILED APR 17 1985

Passed Senate, Date 4-25-85 (p. 1673) Passed House, Date 5-3-85 (A2261)

Vote: Ayes 26 Nays 23 Vote: Ayes 51 Nays 45

Approved May 30, 1985

Motion to reconsider (p. 1680) w/d 4/26/85

A BILL FOR

398,3874
3930,3917

1 An Act relating to taxation for the use of motor vehicles, water
 2 vessels, and mobile homes in the state by increasing the rate
 3 of tax on motor fuel and special fuel, by crediting a portion
 4 of the revenue from motor fuel and special fuel taxes to the
 5 RISE fund for use in road and street projects which promote
 6 economic development in the state, by providing for a one
 7 cent per gallon reduction in the excise tax rate on gasohol
 8 contingent upon certain circumstances, by providing an ex-
 9 emption from the use tax for certain vehicles registered under
 10 chapter 326, by exempting from the state use tax the portion
 11 of the purchase price of a mobile home which is not attribu-
 12 table to the cost of the materials used in manufacturing the
 13 mobile home and exempting from the state use tax the gross
 14 receipts from the subsequent sale of a mobile home if the use
 15 tax had been paid on a previous sale, by exempting from the
 16 sales, services and use tax the sale of special fuel for
 17 diesel engines for certain ships, barges and waterborne
 18 vessels, and making penalties applicable.

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

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3874. *Section 312.2*

1 Section 1. Section 312.2, Code 1985, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 16. The treasurer of state, before making
4 the allotments provided for in this section, shall credit
5 monthly to the revitalize Iowa's sound economy fund, created
6 under section 315.2, the revenue accruing to the road use tax
7 fund from the excise tax on special fuel for diesel engines in
8 the amount of two cents per gallon for revenues collected for
9 the period July 1, 1985 through December 31, 1985, and in the
10 amount of three cents per gallon for revenues collected from
11 and after January 1, 1986.

12 Sec. 2. Section 313.3, Code 1985, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 5. There is appropriated from the primary
15 road fund to the revitalize Iowa's sound economy fund, created
16 under section 315.2, an amount equal to the revenue accruing
17 to the primary road fund from the excise tax on motor fuel in
18 the amount of two cents per gallon for revenues collected for
19 the period July 1, 1985 through December 31, 1985, and in the
20 amount of three cents per gallon for revenues collected from
21 and after January 1, 1986.

22 Sec. 3. NEW SECTION. 315.1 DEFINITIONS.

23 As used in this chapter, unless the context otherwise
24 requires:

25 1. "Department" means the state department of
26 transportation.

27 2. "Fund" or "RISE fund" means the revitalize Iowa's sound
28 economy fund.

29 Sec. 4. NEW SECTION. 315.2 REVITALIZE IOWA'S SOUND
30 ECONOMY FUND.

31 A revitalize Iowa's sound economy fund is created, which
32 includes:

33 1. All motor fuel and special fuel excise taxes credited
34 by law to the RISE fund.

35 2. All other funds by law credited to the RISE fund.

1 Sec. 5. NEW SECTION. 315.3 USE OF FUND.

3876 2 1. The fund is appropriated for and shall be used in the
3 establishment, construction and improvement of roads and
4 streets which promote economic development in the state by
5 having any of the following effects:

6 a. Improving highway access to specific development sites,
7 including existing and future industrial locations.

8 b. Improving highway access between urban centers or be-
9 tween urban centers and the interstate road system as defined
10 in section 306.3.

11 c. Improving highway access to economically depressed
12 areas of the state.

13 d. Improving highway access to points of shipment or pro-
14 cessing of agricultural products.

15 e. Improving highway access to trucking terminals and
16 places of embarkation or shipment by other transportation
17 modes.

18 f. Improving highway access to scenic, recreational,
19 historic and cultural sites or other locations identified as
20 tourist attractions.

21 2. The fund is also appropriated and shall be used for the
22 reimbursement to cities or counties of all or part of the in-
23 terest and principal on general obligation bonds issued by
24 cities or counties for the purpose of financing approved road
25 and street projects meeting the requirements of subsection 1.
26 The portion of the payments to be reimbursed from the fund is
27 subject to agreements which shall be entered between the
28 department and the participating cities and counties. The
29 department shall ensure that enough money is available in the
30 fund to make the agreed reimbursements each year before
31 additional projects are authorized.

3895 32 Sec. 6. NEW SECTION. 315.5 ADMINISTRATION OF FUND.

33 Qualifying road and street projects shall be selected by
34 the department for full or partial financing from the fund.
35 Cities and counties may make application for qualifying road

1 and street projects with the department. The proportion of
2 funding shall be determined by the department or, in the case
3 of cooperative projects, by agreement between the department
4 and the city councils of participating cities, or boards of
5 supervisors of participating counties, or other participating
6 public agencies or private parties.

7 Sec. 7. NEW SECTION. 315.6 FUNDING OF PROJECTS.

8 Qualifying projects may be funded as follows:

9 1. Primary road projects may be financed entirely by the
10 fund, or by combining money from the fund with money from the
11 primary road fund, federal aid primary funds received by the
12 state, or money from cities or counties raised through the
13 sale of general obligation bonds of the cities or counties,
14 other city or county revenues, or money from participating
15 private parties.

16 2. Secondary road projects may be funded entirely by the
17 fund or by combining money from the fund with money from the
18 county's portion of road use tax funds, federal aid secondary
19 funds, other county revenues, or money raised through the sale
20 of general obligation bonds of the county, or money from
21 participating private parties.

22 3. City street projects may be funded entirely by the
23 fund, or by combining money from the fund with money from the
24 city's portion of road use tax funds, federal aid urban system
25 funds, other municipal revenues, or money raised through the
26 sale of general obligation bonds of the city, or money from
27 participating private parties.

28 Sec. 8. NEW SECTION. 315.7 MONTHLY CERTIFICATION OF
29 FUNDS.

30 The account of the fund shall be kept by the state comp-
31 troller and the treasurer of state and shall show the amount
32 of the fund including all credits to the fund and
33 disbursements. The state comptroller shall report monthly to
34 the department an account of the fund including all credits
35 and disbursements. Upon certification by the department in

1 accordance with rules adopted by the state comptroller, the
2 state comptroller shall issue warrants for disbursements from
3 the fund.

4 Sec. 9. NEW SECTION. 315.8 ACCOUNTS AND RECORDS
5 REQUIRED.

6 The department shall keep accounts in relation to the
7 allocation of moneys to the fund including all amounts
8 credited to the fund and all amounts of duly and finally
9 approved vouchers for claims chargeable to the fund. The
10 department shall also keep accounts in relation to agreements
11 with cities and counties for the reimbursement of interest and
12 principal costs for general obligation bonds of cities or
13 counties issued for the purpose of financing road or street
14 projects approved under this chapter.

15 Sec. 10. NEW SECTION. 315.9 PROJECT DEVELOPMENT.

16 The department is responsible for the development of
17 qualifying projects under this chapter in the same manner as
18 prescribed for primary road system improvements under chapter
19 313, including surveys, plans, specifications, bids,
20 contracts, supervision and inspection. The department may
21 delegate responsibility for project development to another
22 participating governmental unit.

23 Sec. 11. NEW SECTION. 315.10 RULES.

24 The department shall adopt rules pursuant to chapter 17A as
25 necessary for the administration of this chapter.

26 Sec. 12. Section 324.3, unnumbered paragraph 1, Code 1985,
27 is amended to read as follows:

3813 28 For the privilege of operating motor vehicles in this state
29 an excise tax of ~~thirteen~~ fifteen cents per gallon for the
30 period beginning September July 1, 1981 1985 and ending
31 December 31, 1985, and sixteen cents per gallon beginning
32 January 1, 1986, is imposed upon the use of all motor fuel
33 used for any purpose except motor fuel containing at least ten
34 percent alcohol distilled from agricultural products grown in
35 the United States for the period beginning July 1, 1978 and

1 ending June 30, 1986 and except as otherwise provided in this
2 division.

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3 PARAGRAPH DIVIDED. The tax shall be paid in the first
4 instance by the distributor upon the invoiced gallonage of all
5 motor fuel received by the distributor in this state, within
6 the meaning of the word "received" as defined in this
7 division, less the deductions authorized. Thereafter, except
8 as otherwise provided, the per gallon amount of the tax shall
9 be added to the selling price of every gallon of such motor
10 fuel sold in this state and shall be collected from the
11 purchaser so that the ultimate consumer bears the burden of
12 the tax; ~~provided that.~~ However, the tax shall not be imposed
13 or collected under this division with respect to the
14 following:

15 Sec. 13. Section 324.3, unnumbered paragraph 3, Code 1985,
16 is amended to read as follows:

38 17 For the privilege of operating motor vehicles in this state
18 an excise tax of ~~six cents per gallon for the period beginning~~
19 ~~September 17, 1981 and ending April 30, 1982, an excise tax of~~
20 ~~eight cents per gallon for the period beginning May 17, 1982~~
21 ~~and ending June 30, 1983, an excise tax of ten cents per~~
22 ~~gallon for the period beginning July 17, 1983 and ending June~~
23 ~~30, 1984, an excise tax of eleven cents per gallon for the~~
24 ~~period beginning July 17, 1984 and ending June 30, 1985, an~~
25 ~~excise tax of twelve~~ fourteen cents per gallon beginning July
26 1, 1985 and ending December 31, 1985, and fifteen cents per
39/27 gallon beginning January 1, 1986 and ending June 30, 1986, is
3975 28 imposed upon the use of gasohol used for any purpose except as
29 otherwise provided in this division.

3874 30 Sec. 14. Section 324.3, Code 1985, is amended by adding
31 the following new unnumbered paragraph:

32 NEW UNNUMBERED PARAGRAPH. If producers of fuel alcohol
33 notify the department of revenue in writing that improvements
34 made to property in this state used exclusively for the
35 production of fuel alcohol made from corn have increased the

1 value of the property as of January 1 of the current
2 assessment year forty million dollars or more, the excise tax
3 on gasohol shall be one cent per gallon less than the excise
4 tax on motor fuel. Increases in value of property shall be
5 based upon improvements made to property after January 1,
6 1985, and may be cumulative from more than one producer. The
7 producers shall notify the department of revenue by May 1 and
8 upon verification of the increased value the director of
9 revenue shall cause an advisory notice to be published in June
10 in the Iowa administrative bulletin and in a newspaper of
11 general circulation in this state, stating the rate of tax on
12 gasohol to be in effect on or after July 1 of that year, as
13 established by this paragraph. The publication of the rate of
14 tax by the director of revenue is exempt from the Iowa
15 administrative procedure Act. The one cent reduction in the
16 excise tax on gasohol, once initiated, shall remain in effect
17 through June 30, 1992.

18 Sec. 15. Section 324.34, unnumbered paragraph 1, Code
19 1985, is amended to read as follows:

20 For the privilege of operating motor vehicles in this
21 state, there is ~~levied and~~ imposed an excise tax on the use,
22 ~~(as defined herein)~~ in section 324.33, of special fuel in any
23 a motor vehicle. The rate of tax rate on special (diesel
24 engine) fuel for diesel engines is thirteen and one-half cents
25 per gallon beginning September 1, 1981 and fifteen seventeen
26 and one-half cents per gallon for the period beginning July 1,
27 1982 1985 and ending December 31, 1985, and is eighteen and
28 one-half cents per gallon beginning January 1, 1986. On all
29 other special fuel the per gallon rate is the same as the
30 motor fuel tax.

31 PARAGRAPH DIVIDED. The tax, with respect to all special
32 fuel delivered by a special fuel dealer for use in this state
33 as defined by section 324.33, shall attach at the time of the
34 delivery and shall be collected by the dealer from the special
35 fuel user and paid over to the department of revenue as

1 provided in this chapter. The tax, with respect to special
2 fuel acquired by a special fuel user in any manner other than
3 by delivery by a special fuel dealer into a fuel supply tank
4 of a motor vehicle or delivery into a motor vehicle special
5 fuel holding tank by a special fuel dealer or distributor,
6 ~~shall attach~~ attaches at the time of the use, (as herein
7 defined) in section 324.33, of the fuel and shall be paid over
8 to the department of revenue by the user as provided in this
9 chapter.

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10 Sec. 16. Section 422.45, Code 1985, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 22. The gross receipts from the sales of
13 special fuel for diesel engines consumed or used in the
14 operation of ships, barges, or waterborne vessels which are
15 used primarily in or for the transportation of property or
16 cargo, or the conveyance of persons for hire on rivers
17 bordering on the state if the fuel is delivered by the seller
18 to the purchaser's barge, ship, or waterborne vessel while it
19 is afloat upon such a river.

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20 Sec. 17. Section 423.1, Code 1985, is amended by adding
21 the following new subsection:

22 NEW SUBSECTION. 14. "Mobile home" means mobile home as
23 defined in section 321.1, subsection 68, paragraph "a".

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24 Sec. 18. Section 423.4, Code 1985, is amended by adding
25 the following new subsections:

26 NEW SUBSECTION. 10. Vehicles registered under chapter 326
27 and used substantially in interstate commerce, section 423.5
28 notwithstanding. For purposes of this subsection,
29 "substantially in interstate commerce" means that a minimum of
30 twenty-five percent of the miles operated by the vehicle
31 accrues in states other than Iowa. This subsection applies
32 only to vehicles which are registered for a gross weight of
33 thirteen tons or more.

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34 NEW SUBSECTION. 11. Mobile homes the use of which has
35 previously been subject to the tax imposed under this chapter

1 and for which that tax has been paid.

2 NEW SUBSECTION. 12. Mobile homes to the extent of the
3 portion of the purchase price of the mobile home which is not
4 attributable to the cost of the tangible personal property
5 used in the processing of the mobile home. For purposes of
6 this exemption, the portion of the purchase price which is not
7 attributable to the cost of the tangible personal property
8 used in the processing of the mobile home is forty percent.

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9 EXPLANATION

10 This bill creates the "revitalize Iowa's sound economy"
11 (RISE) fund which is appropriated for use in the
12 establishment, construction and improvement of roads and
13 streets which promote economic development in the state. The
14 bill increases the applicable excise taxes on motor fuel and
15 special fuel by two cents per gallon on July 1, 1985, and by
16 an additional cent per gallon on January 1, 1986. The moneys
17 accruing from these excise tax increases on special fuel for
18 diesel engines is deposited in the RISE fund. Forty-five
19 percent of a fraction of the excise taxes on gasohol, motor
20 fuel and special fuel other than special fuel for diesel
21 engines is appropriated from the primary road fund to the RISE
22 fund.

23 Road and street projects are selected by the state
24 department of transportation for full or partial financing
25 from the RISE fund. Cities and counties may make application
26 for qualifying road and street projects with the department.
27 For cooperative projects an agreement between the department
28 and participating cities and counties shall set the proportion
29 of funding. The agreement may provide reimbursement to
30 participating cities and counties for interest and principal
31 on general obligation bonds issued by the cities and counties
32 for financing the approved road and street projects.

33 The bill also provides for a one cent reduction in the
34 excise tax on gasohol. The reduction occurs if producers of
35 fuel alcohol notify the department of revenue that improve-

1 ments to property in this state used exclusively for the
2 production of fuel alcohol made from corn have increased the
3 value of the property \$40 million or more after January 1,
4 1985. The excise tax reduction, once initiated, remains in
5 effect through June 30, 1992.

6 The bill exempts from the use tax vehicles registered under
7 chapter 326 for a gross weight of thirteen tons or more and
8 which are used substantially in interstate commerce. To
9 qualify for the exemption the vehicle must be operated with a
10 minimum of 25 percent of its mileage outside of Iowa.

11 The bill exempts from the state use tax 40 percent of the
12 purchase price of a mobile home and also exempts the mobile
13 home from the subsequent imposition of the use tax if any
14 owner of the mobile home has previously paid the use tax.

15 The bill exempts from the sales, services and use tax the
16 sale of special fuel for diesel engines used by ships, barges
17 and waterborne vessels which are primarily used for commercial
18 purposes on rivers bordering the state if the fuel is
19 delivered to the vessels while they are afloat on the river.

20 The bill creates and internally cites new sections 315.1
21 through 315.10.

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SENATE



43--APRIL 25 1985

STATE OF IOWA

Req. by Sen. Readinger

LSB No. 2839S

Staff ID: CEN

FISCAL NOTE**SENATE FILE 565**

In compliance with a written request received April 17, 1985, a fiscal note for SENATE FILE 565 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 565 increases the applicable excise taxes on motor and diesel fuels. The tax on motor fuel shall increase from \$.13 to \$.15 per gallon beginning July 1, 1985; and increase to \$.16 per gallon beginning January 1, 1986. The tax on gasohol shall increase from \$.12 to \$.14 per gallon beginning July 1, 1985; and increase to \$.15 per gallon for the period beginning January 1, 1986 and ending June 30, 1986. If the producers of fuel alcohol notify the Department of Revenue by May 1, 1986 that improvements to property used exclusively for the production of fuel alcohol have increased the property values by \$40 million or more from the 1985 property values the excise tax on gasohol shall continue to be \$.01 per gallon less than the excise tax on motor fuel, for FY 1987 through FY 1992. The tax on special fuel for diesel engines shall increase from \$.155 to \$.175 per gallon beginning July 1, 1985; and increase to \$.185 per gallon beginning January 1, 1986.

The revenues accruing from the excise tax increases on special fuel for diesel engines shall be deposited in the REVITALIZE IOWA'S SOUND ECONOMY (RISE) FUND; created in this act. The revenues accruing from the excise tax increases on motor fuels shall be credited to the Road Use Tax Fund and then allocated on a formula basis. Forty-five percent, (45%), of the revenues shall be allocated to the Primary Road Fund and appropriated to the RISE fund. For FY 1986, the RISE fund shall receive 45% of the revenues accruing from the \$.02 motor fuel tax increase on July 1, 1985 and the \$.01 motor fuel tax increase on January 1, 1986. For FY 1987, the RISE fund shall receive 45% of revenues based upon a \$.16 tax upon both gasoline and gasohol.

Twenty-eight percent (28%), of the revenue shall be allocated to the Secondary Road Fund. Nine percent (9%), of the revenue shall be allocated to the Farm-to-Market Road Fund. Eighteen percent (18%), of the revenue shall be allocated to the Street Construction Fund.

The RISE fund is created to assist in the construction and improvement of roads and streets which promote economic development and in the reimbursement to cities or counties of bonds issued by cities or counties used in financing road/streets projects that promote economic development. The Department of Transportation shall be responsible for: approving projects, determining the level of funding, and coordinating project development.

The bill exempts from the sales, services, and use tax the sales of special fuel for diesel engines used by ships, barges, or waterborne vessels involved in transporting property or cargo.

The bill exempts from the use tax vehicles registered under Chapter 326 with a gross weight of 13 tons or more that are used in interstate commerce (25% or more of the vehicle mileage is accrued outside of the state).

The bill exempts from the state use tax 40% of the purchase price of a mobile home and also exempts the mobile home from future imposition of the applicable use tax if any owner of the mobile home had previously paid the use tax.

ASSUMPTIONS:

- 1) Motor and special fuels consumption can be estimated for FY1986 and FY1987.
- 2) The revenue effects of the vehicle use tax exemption and the mobile home use tax exemption can be estimated for FY1986 and FY1987.
- 3) The revenue effects of the river diesel fuel sales tax exemption can not be estimated

SENATE 44--APRIL 25, 1985

STATE OF IOWA

FISCAL NOTE
SF 565 cont.

LSB No. 2839S
Staff ID. CFN

for FY1986 or FY1987.

4) The excise tax on gasohol shall be one cent less than the tax on gasoline for FY 1986 and FY 1987.

FISCAL EFFECT: The fiscal effect is as follows:

1) REVENUE GENERATED FROM FUEL EXCISE TAX INCREASES

A) FY 1986 motor fuel tax revenues (gasoline, gasohol)

	gasoline tax	gasohol tax	estimated total motor fuel tax revenue
Proposed law	\$.15	.14	\$ 197,000,000
Current law	\$.13	.12	164,500,000
Increase			<u>32,500,000</u>

B) FY 1986 special fuel tax revenues (diesel)

	diesel tax	estimated total diesel fuel tax revenue
Proposed law	\$.175	\$ 54,000,000
Current law	\$.155	46,500,000
Increase		<u>7,500,000</u>

C) FY 1987 motor fuel tax revenues (gasoline, gasohol)

	gasoline tax	gasohol tax	estimated total motor fuel tax revenue
Proposed law	\$.16	.15	\$ 186,400,000
Current law	\$.13	.13	154,800,000
Increase			<u>31,600,000</u>

D) FY 1987 special fuel tax revenues (diesel)

	diesel tax	estimated total diesel fuel tax revenue
Proposed law	\$.185	\$ 54,500,000
Current law	\$.155	45,600,000
Increase		<u>8,900,000</u>

Total fuel tax revenue increase

FY1986	\$ 40,000,000
FY1987	\$ 40,500,000

2) ALLOCATION OF NET REVENUES FOR FY86 and FY87

For FY 1986, the revenues resulting from the motor fuel tax increase shall be deposited in the Road Use Tax Fund. The revenue is allocated by formula to: the Primary Road Fund (45%) (with the revenue appropriated to the RISE fund), funding for county roads (37%), and funding for city roads (18%). However, due to the expected loss of revenue resulting from the vehicle and mobile home use tax exemptions, the Primary Road Fund, funding for county roads, and funding for city roads shall be reduced by the amount of the two exemptions. For

FISCAL NOTE

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Staff ID. CEN

SF 565 cont.

FY 1987, revenues are based upon a \$.16 gallon tax upon gasoline and gasohol. The revenue is allocated by formula to: the Primary Road Fund (45%) (with the revenue appropriated to the RISL fund), funding for county roads (37%), and funding for city roads (18%). The loss of revenue resulting from the vehicle and mobile home use tax exemptions and the \$.01 per gallon gasohol tax exemption shall reduce the Primary Road Fund, funding for county roads, and funding for city roads by the amount of the three exemptions.

The net effects of the fuel tax increases are as follows:

	<u>FY 1986</u>
RISE	\$22,100,000
\$ 7,500,000..diesel tax revenue	
14,600,000..45% of gas tax revenue	
Primary Road Fund	(1,690,000)
(1,013,000)..45% of revenue loss	
due to vehicle use	
tax exemption	
(677,000)..45% of revenue loss	
due to mobile home	
use tax exemption	
Funding for County Roads	10,611,000
12,000,000..37% of gas tax revenue	
(832,000)..37% of revenue loss	
due to vehicle use	
tax exemption	
(557,000)..37% of revenue loss	
due to mobile home	
use tax exemption	
Funding for City Roads	<u>5,224,000</u>
5,900,000..18% of gas tax revenue	
(405,000)..18% of revenue loss	
due to vehicle use	
tax exemption	
(271,000)..18% of revenue loss	
due to mobile home	
use tax exemption	
 NET FY1986 TOTAL	 \$36,245,000

FISCAL NOTE

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Staff ID. GEN

SF 565 cont.

Fiscal Year 1987

RISE	\$25,000,000
\$ 8,900,000..diesel tax revenue	
16,100,000..45% of gas tax revenue based upon \$.16 tax on gas, gasohol	
Primary Road Fund	(3,580,000)
(1,013,000)..45% of revenue loss due to vehicle use tax exemption	
(677,000)..45% of revenue loss due to mobile home use tax exemption	
(1,890,000)..45% of revenue loss due to \$.01 tax gasohol exemption	
Funding for County Roads	10,357,000
13,300,000..37% of gas tax revenue based upon \$.16 tax on gas, gasohol	
(832,000)..37% of revenue loss due to vehicle use tax exemption	
(557,000)..37% of revenue loss due to mobile home use tax exemption	
(1,554,000)..37% of revenue loss due to \$.01 tax gasohol exemption	
Funding for City Roads	<u>4,968,000</u>
6,400,000..18% of gas tax revenue based upon \$.16 tax on gas, gasohol	
(405,000)..18% of revenue loss due to vehicle use tax exemption	
(271,000)..18% of revenue loss due to mobile home use tax exemption	
(756,000)..18% of revenue loss due to \$.01 tax gasohol exemption	
NET FY1987 TOTAL	\$36,745,000
Source: Department of Transportation Department of Revenue	

(LSB 2839S-GEN)

Dennis C. Krouty
 Fiscal Director

Legislative Fiscal Bureau

Date: 4/23/85

-3874

SENATE FILE 565

1 Amend Senate File 565 as follows:

A 2 1. By striking page 1, line 1 through page 4,
3 line 25.

B 4 2. By striking page 5, line 30 through page 6,
5 line 17.

C 6 3. Page 6, line 25, by striking the word
7 "seventeen" and inserting the following: "sixteen".

8 4. Page 6, by striking lines 27 and 28 and
9 inserting the following: "1982 1985 and ending
10 December 31, 1985, is seventeen and one-half cents per
11 gallon for the period beginning January 1, 1986 and
12 ending December 31, 1986, and is eighteen and one-half
13 cents per gallon beginning January 1, 1987. On all".

B 14 5. Page 7, by striking lines 20 through 23.

15 6. Page 7, line 25, by striking the word
16 "subsections" and inserting the following:
17 "subsection".

18 7. By striking page 7, line 34 through page 8,
19 line 8.

392 20 8. Title page, lines 1 and 2, by striking the
21 words "vehicles, water vessels, and mobile homes" and
22 inserting the following: "vehicles and water
23 vessels".

A 24 9. Title page, lines 3 through 6, by striking the
25 words "by crediting a portion of the revenue from
26 motor fuel and special fuel taxes to the RISE fund for
27 use in road and street projects which promote economic
28 development in the state,".

B 29 10. Title page, lines 6 through 8, by striking
30 the words "by providing for a one cent per gallon
31 reduction in the excise tax rate on gasohol contingent
32 upon certain circumstances,".

B 33 11. Title page, lines 10 through 15, by striking
34 the words "by exempting from the state use tax the
35 portion of the purchase price of a mobile home which
36 is not attributable to the cost of the materials used
37 in manufacturing the mobile home and exempting from
38 the state use tax the gross receipts from the
39 subsequent sale of a mobile home if the use tax had
40 been paid on a previous sale,".

41 12. Renumber sections as necessary.

1 Amend Senate File 565 as follows:
2 1. Page 4, lines 28 and 29, by striking the words
3 "For the privilege of operating motor vehicles in this
4 state an" and inserting the following: "For-the
5 ~~privilege-of-operating-motor-vehicles-in-this-state-an~~
6 An".
7 2. Page 5, lines 17 and 18, by striking the words
8 "For the privilege of operating motor vehicles in this
9 state an" and inserting the following: "For-the
10 ~~privilege-of-operating-motor-vehicles-in-this-state-an~~
11 An".
12 3. Page 6, lines 20 and 21, by striking the words
13 "For the privilege of operating motor vehicles in this
14 state, there" and inserting the words "For-the
15 ~~privilege-of-operating-motor-vehicles-in-this-state,~~
16 ~~there~~ There".

S-3813 Filed April 18, 1985

By BROWN

w/d 4/23 (p. 1589)

1 Amend Senate File 565 as follows:

2 1. Page 4, by inserting before line 26 the
3 following:

4 "Sec. ____ . Section 324.2, Code 1985, is amended by
5 adding the following new subsections:

6 NEW SUBSECTION. 8. "Composite index" means a
7 calendar year's annual composite index listed in price
8 trends for federal-aid highway construction as
9 published by the office of engineering, federal-aid
10 division, federal highway administration.

11 NEW SUBSECTION. 9. "Fuel consumption" means the
12 total taxable gallons of motor fuel reported by the
13 department of revenue, whether taxed at full or
14 partial tax rates.

15 NEW SUBSECTION. 10. "Base year" means calendar
16 year 1984.

17 NEW SUBSECTION. 11. "Fuel tax adjustment factor"
18 for a calendar year means the ratio of the composite
19 index for the calendar year to the composite index for
20 the base year multiplied by the ratio of the fuel
21 consumption for the base year to the fuel consumption
22 for the calendar year."

2. Page 5, by inserting after line 2 the
following:

23 24 25 "For the fiscal year beginning July 1, 1986, and
26 ending June 30, 1987, and each fiscal year thereafter
27 the department of revenue shall calculate the motor
28 fuel tax rate for the fiscal year. The calculated
29 motor fuel tax rate for a fiscal year shall be the
30 motor fuel tax rate in effect on July 1, 1985, multi-
31 plied by the fuel tax adjustment factor for the
32 calendar year ending six months prior to the
33 applicable fiscal year, with the result rounded to the
34 nearest one-tenth cent per gallon. However, the motor
35 fuel tax rate shall not be less than the motor fuel
36 tax rate in effect on July 1, 1985 and shall not
37 increase or decrease by more than three cents per
38 gallon from one fiscal year to the next. The
39 department of revenue shall calculate the next
40 applicable motor fuel tax rate by April 1 and cause it
41 to be published in the Iowa administrative code and
42 two newspapers of general circulation. The calculated
43 tax rate shall be submitted to the general assembly by
44 April 1. The general assembly may by joint resolution
45 modify the calculated tax rate within forty-five
46 calendar days of its submission. The calculated tax
47 rate with modifications, if any, shall be the motor
Fuel tax rate effective July 1."

3. Page 6, by inserting after line 30 the
50 following:

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3929 1 "For the fiscal year beginning July 1, 1986, and
2 ending June 30, 1987, and each fiscal year thereafter
3 the department of revenue shall calculate the tax rate
4 on special fuel for diesel engines for the fiscal
5 year. The calculated tax rate on this special fuel
6 for a fiscal year shall be the tax rate on special
7 fuel for diesel engines in effect on July 1, 1985,
8 multiplied by the fuel tax adjustment factor, as
9 defined in section 324.2, subsection 11, for the
10 calendar year ending six months prior to the
11 applicable fiscal year, with the result rounded to the
12 nearest one-tenth cent per gallon. However, the tax
13 rate on special fuel for diesel engines shall not be
14 less than the tax rate on this special fuel in effect
15 on July 1, 1985 and shall not increase or decrease by
16 more than three cents per gallon from one fiscal year
17 to the next. The department of revenue shall
18 calculate the next applicable tax rate on special fuel
19 for diesel engines by April 1 and cause it to be
20 published in the Iowa administrative code and two
21 newspapers of general circulation. The calculated tax
22 rate shall be submitted to the general assembly by
23 April 1. The general assembly may by joint resolution
24 modify the calculated tax rate within forty-five
25 calendar days of its submission. The calculated tax
26 rate with modifications, if any, shall be the tax rate
27 on special fuel for diesel engines effective July 1."

S-3878 Filed April 19, 1985

By RODGERS, DRAKE, WELSH & BROWN

Law 4/23/85 (f. 1599)

1 Amend Senate File 565 as follows:

2 1. Page 6, by inserting before line 18 the
3 following:

4 "Sec. . NEW SECTION. 324.3A REDUCED RATE OF
5 TAX FOR CERTAIN DEALERS.

6 Notwithstanding the rate of tax imposed under
7 section 324.3, the excise tax on motor fuel delivered
8 to a qualified dealer is reduced as provided in this
9 section.

10 1. The excise tax on motor fuel delivered to a
11 qualified dealer located not more than eight miles
12 from the border of a state contiguous to Iowa which
13 has in effect a motor fuel tax which makes the Iowa
14 motor fuel tax uncompetitive is reduced to be six
15 cents per gallon in excess of the motor fuel tax in
16 effect for the contiguous state.

17 2. The excise tax on motor fuel delivered to a
18 qualified dealer located more than eight miles but not
19 more than sixteen miles from the border of a state
20 contiguous to Iowa which has in effect a motor fuel
21 tax which makes the Iowa motor fuel tax uncompetitive
22 is reduced to be seven cents per gallon in excess of
23 the motor fuel tax in effect for the contiguous state.

24 3. The excise tax on motor fuel delivered to a
25 qualified dealer located more than sixteen miles but
26 not more than twenty-four miles from the border of a
27 state contiguous to Iowa which has in effect a motor
28 fuel tax which makes the Iowa motor fuel tax
29 uncompetitive is reduced to be eight cents per gallon
30 in excess of the motor fuel tax in effect for the
31 contiguous state.

32 As used in this section, a "qualified dealer" means
33 a dealer located within the distances provided under
34 subsections 1 through 3 measured by the shortest
35 distance from the border of the contiguous state. If
36 a qualified dealer is located within the corporate
37 limits of a city, all dealers within the corporate
38 limits of the city are qualified dealers.

39 As used in this section, a "motor fuel tax in
40 effect for the contiguous state" means the total
41 excise, sales or use taxes in effect in the contiguous
42 state on the sale of motor fuel expressed in cents per
43 gallon. The department of revenue shall adopt rules
44 pursuant to chapter 17A establishing the methodology
45 for ascertaining the motor fuel tax in effect for
46 contiguous states. As used in this section, a
47 contiguous state has a "motor fuel tax which makes the
48 Iowa motor fuel tax uncompetitive" if the excise tax
49 on motor fuel under section 324.3 exceeds the motor
50 fuel tax in effect for the contiguous state by more

1 than six cents per gallon.

2 If more than one contiguous state has in effect a
3 motor fuel tax which makes the Iowa motor fuel tax
4 uncompetitive, the excise tax for a qualified dealer
5 located not more than twenty-four miles from the
6 borders of two such contiguous states is the excise
7 tax under the application of subsections 1 through 3
8 which results in the lowest excise tax to the
9 qualified dealer.

10 A qualified dealer shall be allowed a credit by the
11 distributor for the amount of the reduction in motor
12 fuel tax allowed and a qualified dealer, before
13 receiving the credit, shall be registered by the
14 department of revenue. The department of revenue
15 shall adopt rules pursuant to chapter 17A for
16 registering dealers and accounting for credits by
17 distributors.

18 This section only applies to qualified dealers who
19 would experience a reduction in the excise tax on
20 motor fuel through its application."

21 2. Page 7, by inserting after line 9 the
22 following:

23 "Sec. ____ . NEW SECTION. 324.34A REDUCED RATE OF
24 TAX FOR CERTAIN DEALERS.

25 Notwithstanding the rate of tax imposed under
26 section 324.34, the excise tax on special fuel for
27 diesel engines delivered to a qualified dealer is
28 reduced as provided in this section.

29 1. The excise tax on special fuel for diesel
30 engines delivered to a qualified dealer located not
31 more than eight miles from the border of a state
32 contiguous to Iowa which has in effect a tax on
33 special fuel for diesel engines which makes the Iowa
34 excise tax on special fuel for diesel engines
35 uncompetitive is reduced to be eight and one-half
36 cents per gallon in excess of the tax on special fuel
37 for diesel engines in effect for the contiguous state.

38 2. The excise tax on special fuel for diesel
39 engines delivered to a qualified dealer located more
40 than eight miles but not more than sixteen miles from
41 the border of a state contiguous to Iowa which has in
42 effect a tax on special fuel for diesel engines which
43 makes the Iowa excise tax on special fuel for diesel
44 engines uncompetitive is reduced to be nine and one-
45 half cents per gallon in excess of the tax on special
46 fuel for diesel engines in effect for the contiguous
47 state.

48 3. The excise tax on special fuel delivered to a
49 qualified dealer located more than sixteen miles but
50 not more than twenty-four miles from the border of a

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1 state contiguous to Iowa which has in effect a tax on
2 special fuel for diesel engines which makes the Iowa
3 excise tax on special fuel for diesel engines
4 uncompetitive is reduced to be ten and one-half cents
5 per gallon in excess of the tax on special fuel for
6 diesel engines in effect for the contiguous state.

7 As used in this section, a "qualified dealer" means
8 a dealer located within the distances provided under
9 subsections 1 through 3 measured by the shortest
10 distance from the border of the contiguous state. If
11 a qualified dealer is located within the corporate
12 limits of a city, all dealers within the corporate
13 limits of the city are qualified dealers.

14 As used in this section, a "tax on special fuel for
15 diesel engines in effect for the contiguous state"
16 means the total excise, sales or use taxes in effect
17 in the contiguous state on the sale of special fuel
18 for diesel engines expressed in cents per gallon.

19 The department of revenue shall adopt rules pursuant
20 to chapter 17A establishing the methodology for
21 ascertaining the tax on special fuel for diesel
22 engines in effect for contiguous states. As used in
23 this section, a contiguous state has a "tax on special
24 fuel for diesel engines which makes the Iowa excise
25 tax on special fuel for diesel engines uncompetitive"
26 if the excise tax on special fuel for diesel engines
27 under section 324.34 exceeds the tax on special fuel
28 for diesel engines in effect for the contiguous state
29 by more than eight and one-half cents per gallon.

30 If more than one contiguous state has in effect a
31 tax on special fuel for diesel engines which makes the
32 Iowa excise tax on special fuel for diesel engines
33 uncompetitive, the excise tax for a qualified dealer
34 located not more than twenty-four miles from the
35 borders of two such contiguous states is the excise
36 tax under the application of subsections 1 through 3
37 which results in the lowest excise tax to the
38 qualified dealer.

39 A qualified dealer shall be allowed a credit by the
40 distributor for the amount of the reduction in excise
41 tax on special fuel for diesel engines allowed and a
42 qualified dealer, before receiving the credit, shall
43 be registered by the department of revenue. The
44 department of revenue shall adopt rules pursuant to
45 chapter 17A for registering dealers and accounting for
46 credits by distributors.

47 This section only applies to qualified dealers who
48 would experience a reduction in the excise tax on
49 special fuel for diesel engines through its
50 application."

page 4

1 3. Renumber sections as necessary.

S-3895

SENATE FILE 565

1 Amend Senate File 565 as follows:

2 1. Page 2, line 2, by striking the word "The" and
3 inserting the words "Except as provided in subsection
4 3, the".

5 2. Page 2, by inserting after line 31 the
6 following:

7 "3. The treasurer of state shall transfer annually
8 to the public transit assistance fund created under
9 section 601J.6 from the RISE fund the sum of three
10 million dollars."

S-3895 Filed April 19, 1985

By MANN

Placed o/s 4/23 (p. 1587)

1 Amend Senate File 565 as follows:

2 1. Page 4, by inserting before line 26 the
3 following:

4 "Sec. ____ . Section 321.1, subsection 71, Code
5 1985, is amended to read as follows:

6 71. A "special truck" means a motor truck or truck
7 tractor not used for hire with a gross weight
8 registration of six through ~~twenty~~ thirty-two tons
9 used by a person engaged in farming to transport
10 commodities produced only by the owner, or to
11 transport commodities purchased by the owner for use
12 in the owner's own farming operation or occasional use
13 for charitable purposes. ~~"Special-truck"-also-means-a~~
14 truck-tractor-which-is-modified-by-removal-of-a-fifth
15 wheel-and-carries-the-full-load-on-the-motor-truck-and
16 which-by-reason-of-its-conversion-becomes-a-motor
17 truck. However, a special truck does not include a
18 truck tractor which is driven on the highways more
19 than seventy-five hundred miles in a year.

20 Sec. ____ . Section 321.121, Code 1985, is amended
21 to read as follows:

22 321.121 SPECIAL TRUCKS FOR FARM USE.

23 The registration fee for a special truck ~~shall be~~
24 is eighty dollars for a gross weight of six tons, one
25 hundred dollars for a gross weight of seven tons, one
26 hundred twenty dollars for a gross weight of eight
27 tons, and in addition, fifteen dollars for each ton
28 over eight tons and not exceeding eighteen tons. The
29 registration fee for a special truck with a gross
30 weight registration exceeding eighteen tons but not
31 exceeding nineteen tons ~~shall be~~ is three hundred
32 twenty-five dollars and for a gross weight
33 registration exceeding nineteen tons but not exceeding
34 twenty tons the registration fee ~~shall be~~ is three
35 hundred seventy-five dollars and, in addition, twenty-
36 five dollars for each ton over twenty tons and not
37 exceeding thirty-two tons. Any A person convicted of
38 using a truck motor vehicle registered as a special
39 truck for any purpose other than permitted by section
40 321.1, subsection 71, shall, in addition to any other
41 penalty imposed by law, be required to pay regular
42 motor-truck registration fees upon-such-truck for the
43 motor vehicle. The owner of a truck tractor which is
44 registered as a special truck shall maintain a log
45 book of the vehicle's highway mileage and such other
46 information as required by rules adopted by the
47 department pursuant to chapter 17A.

Sec. ____ . Section 321.122, subsection 1,
unnumbered paragraph 1, Code 1985, is amended to read
as follows:

SENATE 25
APRIL 23, 1985

S-3917 page 2

1 ~~The~~ Except for special trucks, the annual
2 registration fee for truck tractors, road tractors,
3 and motor trucks, ~~except special trucks, shall be~~ is
4 based on the combined gross weight of the vehicle or
5 combination of vehicles. ~~At~~ The motor trucks, truck
6 tractors, or road tractors shall be registered for a
7 gross weight equal to or in excess of the unladen
8 weight of the vehicle or combination of vehicles. The
9 annual registration fee for ~~such the~~ vehicles or
10 combination of vehicles ~~shall be~~ is:"
11 2. Title page, line 1, by inserting after the
12 word "to" the words "use and".
13 3. Title page, line 18, by inserting before the
14 word "and" the following: "by allowing certain truck
15 tractors to be registered as special trucks,".

S-3917 Filed April 22, 1985 By JENSEN, PRIEBE & RODGERS
Bul not germane 4/23/85 (p. 1588)

S-3912

SENATE FILE 565

1 Amend Senate File 565 as follows:
2 1. Page 5, line 27, by striking the figure "1986"
3 and inserting the figures "1986 1992".

S-3912 Filed April 22, 1985 By RODGERS
Adopted 4/23/85 (p. 1589)
Motion to reconsider (p. 161) w/d 4/25

1 Amend Senate File 565 as follows:

2 1. Page 4, by inserting before line 26 the
3 following:

4 "Sec. _____. Section 312.2, Code 1985, is amended by
5 adding the following new subsection:

393 6 NEW SUBSECTION. 16. The treasurer of state,
7 before making the allotments provided for in this
8 section, shall credit annually to the economic
9 development emergency fund created under section
10 315A.2 from the road use tax fund the sum of two
11 million dollars for the fiscal year beginning July 1,
12 1985, and the sum of three million dollars for each
13 fiscal year thereafter.

14 Sec. _____. NEW SECTION. 315.1 DEFINITIONS.

15 As used in this chapter, unless the context
16 otherwise requires:

17 1. "Department" means the state department of
18 transportation.

19 2. "Fund" means the economic development emergency
20 fund created under section 315A.2.

21 Sec. _____. NEW SECTION. 315.2 ECONOMIC
22 DEVELOPMENT EMERGENCY FUND.

23 The economic development emergency fund is created.
24 The fund is appropriated for and shall be used in the
25 establishment, construction and improvement of roads
26 and streets which promote economic development in the
27 state. The fund may be used to match funds for road
28 construction projects under 1985 Iowa Acts, House File
29 225, section 301, subsection 2, or may be used for
30 projects having any of the following effects:

31 1. Improving highway access to specific
32 development sites, including existing and future
33 industrial locations.

34 2. Improving highway access between urban centers
35 or between urban centers and the interstate road
36 system as defined in section 306.3.

37 3. Improving highway access to economically
38 depressed areas of the state.

39 4. Improving highway access to points of shipment
40 or processing of products.

41 5. Improving highway access to trucking terminals
42 and places of embarkation or shipment by other
43 transportation modes.

44 6. Improving highway access to scenic,
45 recreational, historic and cultural sites or other
46 locations identified as tourist attractions.

47 Sec. _____. NEW SECTION. 315.3 ADMINISTRATION OF
48 FUND.

49 The department is responsible for the development
50 of qualifying projects under this chapter. Qualifying

S-3918 page 2

1 road and street projects shall be selected by the
2 department for full or partial financing from the
3 fund. Cities and counties may make application for
4 qualifying road and street projects with the depart-
5 ment. The proportion of funding shall be determined
6 by the department or, in the case of cooperative
7 projects, by agreement between the department and the
8 city councils of participating cities, or boards of
9 supervisors of participating counties, or other
10 participating public agencies or private parties.

11 Sec. ____ . NEW SECTION. 315.4 MONTHLY

12 CERTIFICATION OF FUNDS.

13 The account of the fund shall be kept by the state
14 comptroller and the treasurer of state and shall show
15 the amount of the fund including all credits to the
16 fund and disbursements. The state comptroller shall
17 report monthly to the department an account of the
18 fund including all credits and disbursements. Upon
19 certification by the department in accordance with
20 rules adopted by the state comptroller, the state
21 comptroller shall issue warrants for disbursements
22 from the fund.

23 Sec. ____ . NEW SECTION. 315.5 ACCOUNTS AND
24 RECORDS REQUIRED.

25 The department shall keep accounts in relation to
26 the allocation of moneys to the fund including all
27 amounts credited to the fund and all amounts of duly
28 and finally approved vouchers for claims chargeable to
29 the fund.

30 Sec. ____ . NEW SECTION. 315.6 RULES.

31 The department shall adopt rules pursuant to
32 chapter 17A as necessary for the administration of
33 this chapter."

34 2. Page 7, by inserting after line 9 the
35 following:

36 "Sec. ____ . Section 324.34, unnumbered paragraph 8,
37 Code 1985, is amended to read as follows:

38 For natural gas used as a special fuel the rate of
39 tax that is equivalent to the motor fuel tax shall be
40 ~~ten-and-one-half~~ thirteen cents per hundred cubic feet
41 adjusted to a base temperature of sixty degrees
42 Fahrenheit and a pressure of fourteen and seventy-
43 three hundredths pounds per square inch absolute. The
44 tax on natural gas shall attach at the time of
45 delivery into equipment for compressing the gas for
46 subsequent delivery into the fuel supply tank of a
47 motor vehicle and shall be paid over to the department
48 of revenue by the person operating the compressing
49 equipment under the applicable provisions for users or
50 dealers. Natural gas used as a special fuel shall be

3918 page 3

1 delivered into compressing equipment through sealed
2 meters certified for accuracy by the department of
3 agriculture."

4 3. Page 7, by inserting after line 33 the
5 following:

6 "Sec. ____ . 1985 Iowa Acts, House File 225, section
7 301, subsection 2, unnumbered paragraph 4, is amended
8 to read as follows:

9 The commission shall take applications from state,
10 city, or county government entities for road
11 construction projects. The commission shall
12 prioritize the projects and determine which projects
13 shall be funded. However, the approval of the
14 department of transportation is necessary for
15 planning, design, construction and maintenance and
16 other activities as provided in section 307.24. The
17 commission shall make the final selection of which
18 projects will be funded. Matching funds on a dollar-
19 for-dollar basis for each project funded shall be
20 required. The source of the matching funds shall be
21 determined by the type of project. Thus a match from
22 the primary road fund is required for a project
23 involving a primary road. However, the match may be
24 provided from the economic development emergency fund
25 established under section 315.2. The department of
26 transportation does not have the right to reject a
27 project for which a match of primary road funds is
28 required. If the department of transportation
29 disapproves of a project for which a match of primary
30 road funds is required, the reasons shall be supplied
31 to the applicant and commission. But the commission
32 may still approve such project, and once approved,
33 matching funds are to be provided."

34 4. Title page, line 3, by inserting after the
35 words "special fuel," the words "by crediting moneys
36 from the road use tax fund to the economic development
37 emergency fund for use in road or street projects
38 which promote economic development in the state,".

39 5. Renumber sections as necessary.

S-3918 Filed April 22, 1985

By DRAKE, PALMER, WELSH, NYSTROM
& READINGER

Adopted 4/23/85 (p. 1589)

motion to reconsider lost (p. 1601)

1 Amend Senate File 565 as follows:

2 1. Page 4, by inserting before line 26 the
3 following:

4 "Sec. ____ . Section 321.1, subsection 71, Code
5 1985, is amended to read as follows:

6 71. A "special truck" means a motor truck or truck
7 tractor not used for hire with a gross weight
8 registration of six through twenty tons used by a
9 person engaged in farming to transport commodities
10 produced only by the owner, or to transport
11 commodities purchased by the owner for use in the
12 owner's own farming operation or occasional use for
13 charitable purposes. ~~"Special-truck"-also-means-a~~
14 ~~truck-tractor-which-is-modified-by-removal-of-a-fifth~~
15 ~~wheel-and-carries-the-full-load-on-the-motor-truck-and~~
16 ~~which-by-reason-of-its-conversion-becomes-a-motor~~
17 ~~truck.~~

18 Sec. 2. Section 321.121, Code 1985, is amended to
19 read as follows:

20 321.121 SPECIAL TRUCKS FOR FARM USE.

21 The registration fee for a special truck ~~shall-be~~
22 ~~is~~ eighty dollars for a gross weight of six tons, one
23 ~~hundred~~ hundred dollars for a gross weight of seven tons, one
24 ~~hundred~~ hundred twenty dollars for a gross weight of eight
25 tons, and in addition, fifteen dollars for each ton
26 over eight tons and not exceeding eighteen tons. The
27 registration fee for a special truck with a gross
28 weight registration exceeding eighteen tons but not
29 exceeding nineteen tons ~~shall-be~~ is three hundred
30 twenty-five dollars and for a gross weight
31 registration exceeding nineteen tons but not exceeding
32 twenty tons the registration fee ~~shall-be~~ is three
33 hundred seventy-five dollars. ~~Any~~ A person convicted
34 of using a truck motor vehicle registered as a special
35 truck for any purpose other than permitted by section
36 321.1, subsection 71, shall, in addition to any other
37 penalty imposed by law, be required to pay regular
38 ~~motor-truck~~ registration fees ~~upon-such-truck~~ for the
39 motor vehicle.

40 Sec. 3. Section 321.122, subsection 1, unnumbered
41 paragraph 1, Code 1985, is amended to read as follows:

42 ~~The~~ Except for special trucks, the annual
43 registration fee for truck tractors, road tractors,
44 and motor trucks, ~~except-special-trucks,~~ ~~shall-be~~ is
45 based on the combined gross weight of the vehicle or
46 combination of vehicles. ~~All~~ The motor trucks, truck
47 tractors, or road tractors shall be registered for a
48 gross weight equal to or in excess of the unladen
49 weight of the vehicle or combination of vehicles. The
50 annual registration fee for such the vehicles or

1 combination of vehicles shall-be is:".

2 2. Title page, line 1, by inserting after the
3 word "to" the following: "the use and".

4 3. Title page, line 8, by inserting before the
5 word "by" the following: "by allowing certain truck
6 tractors to be registered as special trucks,".

7 4. Renumber sections as necessary.

S-3930 Filed April 23, 1985

By PRIEBE & DRAKE

Revised not german 4/23/85 (p. 1599)

S-3923

SENATE FILE 565

1 Amend the amendment S-3874 to Senate File 565 as
2 follows:

3 1. Page 1, by inserting after line 19, the
4 following:

5 "____. Page 8, by inserting after line 8, the
6 following:

7 "Sec. _____. The treasurer of state shall transfer
8 annually to the public transit assistance fund
9 created under 601J.6 from the road use tax fund the
10 sum of three million dollars."

S-3923 Filed April 23, 1985

By MANN

Placed o/o 4/23 (p. 1588)

S-3927

SENATE FILE 565

1 Amend Senate File 565 as follows:

2 1. Page 8, by inserting after line 8 the
3 following:

4 "Sec. _____. Section 18 is retroactive to July 1,
5 1980."

6 2. Amend the title, line 18, by striking the word
7 "applicable." and inserting the following:
8 "applicable and making certain provisions
9 retroactive."

10 3. Renumber sections and correct internal
11 references as necessary in accordance with this
12 amendment.

S-3927 Filed April 23, 1985

By HESTER

Lost 4/23 (p. 1598)

S-3928

SENATE FILE 565

1 Amend Senate File 565 as follows:

2 1. Page 8, by inserting after line 8, the
3 following:

4 "Sec. _____. The treasurer of state shall transfer
5 annually to the public transit assistance fund created
6 under 601J.6 from the road use tax fund the sum of
7 three million dollars."

S-3928 Filed April 23, 1985

By MANN

Not german 4/23 (p. 1598)

- 1 Amend Senate File 565 as follows:
 2 1. Page 5, line 28, by inserting after the word
 3 "gasohol" the following: "which contains at least ten
 4 percent alcohol distilled in this state by a distiller
 5 whose annual production of alcohol does not exceed
 6 thirty million gallons and which is".

S-3975 Filed April 24, 1985

By WELSH & BRUNER

w/d 4/25 (p.1672)

S-3979

SENATE FILE 565

- 1 Amend Senate File 565 as follows:
 2 1. Page 7, by inserting after line 9 the
 3 following:
 4 "Sec. ____ . Section 324.38, Code 1985, is amended
 5 by adding the following new subsection immediately
 6 following subsection 4 and renumbering succeeding
 7 subsections:
 8 NEW SUBSECTION. 5. CREDIT. A special fuel dealer
 9 and distributor shall receive a credit on the monthly
 10 or quarterly tax return of one-half cent per gallon on
 11 the first one hundred thousand gallons on the excise
 12 tax imposed under this division on the use of special
 13 fuel for diesel engines to cover the distributor's
 14 expenses and losses in collection, accounting for and
 15 paying over the excise tax on special fuel for diesel
 16 engines."
 17 2. Renumber sections as necessary.

S-3979 Filed April 24, 1985

By HOLDEN

Adopted 4/25/85 (p.1672)

S-4015

SENATE FILE 565

- 1 Amend Senate File 565 as follows:
 2 1. Page 8, by inserting after line 8 the
 3 following:
 4 "Sec. ____ . Moneys appropriated by the general
 5 assembly from the road use tax fund to the general
 6 fund of the state to fund the Iowa highway safety
 7 patrol shall be reduced in the fiscal year beginning
 8 July 1, 1986 and ending June 30, 1987 and each
 9 succeeding fiscal year in an amount equal to one
 10 fourth of the amount transferred in the fiscal year
 11 beginning July 1, 1985 and ending June 30, 1986. In
 12 the fiscal year beginning July 1, 1989 and ending June
 13 30, 1990, no funds shall be transferred from the road
 14 use tax fund to the general fund of the state to fund
 15 the Iowa highway safety patrol."
 16 2. Renumber sections as necessary.

S-4015 Filed April 25, 1985

By HALL

w/d 4/25 (p.1672)

- 1 Amend the amendment S-3878 to Senate File 565 as
 2 follows:
 3 1. Page 1, line 44, by striking the word "may"
 4 and inserting the following: "shall".
 5 2. Page 1, line 45, by striking the word "modify"
 6 and inserting the following: "approve, modify or
 7 disapprove".
 8 3. Page 2, line 23, by striking the word "may"
 9 and inserting the following: "shall".
 10 4. Page 2, line 24, by striking the word "modify"
 11 and inserting the following: "approve, modify or
 12 disapprove".

S-3929 Filed April 23, 1985

By GRONSTAL

(Adopted 4/23/85 (p. 1599))

S-3935

SENATE FILE 565

- 1 Amend the amendment S-3930 to Senate File 565 as
 2 follows:
 3 1. Page 1, line 32, by striking the word "twenty"
 4 and inserting in lieu thereof the words "twenty
 5 thirty-two".

S-3935 Filed April 23, 1985

By JENSEN

(Adopted 4/23 (p. 1599))

S-3938

SENATE FILE 565

- 1 Amend the amendment S-3918 to Senate File 565 as
 2 follows:
 3 1. Page 1, line 10, by striking the word "two"
 4 and inserting the following: "five".
 5 2. Page 1, line 12, by striking the word "three"
 6 and inserting the following: "six".
 7 3. Page 3, by inserting after line 33, the
 8 following:
 9 " . Page 8, by inserting after line 8, the
 10 following:
 11 "Sec. . The treasurer of state shall transfer
 12 annually to the public transit assistance fund
 13 created under 601J.6 from the road use tax fund the
 14 sum of three million dollars.""

S-3938 Filed April 23, 1985

By MANN

(Placed o/o 4/23 (p. 1601))

SENATE FILE 565

BY COMMITTEE ON WAYS AND MEANS

(AS AMENDED AND PASSED BY THE SENATE APRIL 25, 1985)

Re Passed Senate, Date 5-4-85 (p. 1995) Passed House, Date 5-3-85 (p. 2261)

Vote: Ayes 27 Nays 20 Vote: Ayes 51 Nays 45

Approved May 30, 1985

A BILL FOR

413 1 An Act relating to taxation for the use of motor vehicles, water
 2 vessels, and mobile homes in the state by increasing the rate
 3 of tax on motor fuel and special fuel, by crediting moneys from
 4 the road use tax fund to the economic development emergency
 5 fund for use in road or street projects which promote economic
 6 development in the state, by providing an exemption from the use
 7 tax for certain vehicles registered under chapter 326, by exempt-
 8 ing from the state use tax the portion of the purchase price of
 9 a mobile home which is not attributable to the cost of the
 10 materials used in manufacturing the mobile home and exempting
 11 from the state use tax the gross receipts from the subsequent
 12 sale of a mobile home if the use tax had been paid on a pre-
 13 vious sale, by exempting from the sales, services and use tax
 14 the sale of special fuel for diesel engines for certain ships,
 15 barges and waterborne vessels, and making penalties applicable.

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

SENATE FILE 565

H-4098

- 1 Amend Senate File 565 as amended, passed, and
- 2 reprinted by the Senate as follows:
- 3 1. By striking page 1, line 1 through page 3,
- 4 line 3.
- 5 2. By striking page 10, line 15 through page 11,
- 6 line 4.
- 7 3. Title page, lines 3 through 6, by striking the
- 8 words "by crediting moneys from the road use tax fund
- 9 to the economic development emergency fund for use in
- 10 road or street projects which promote economic
- 11 development in the state,".

H-4098 FILED APRIL 29, 1985 BY HARBOR of Mills

4/25 5/3 (p. 2257)

* 1 Section 1. Section 312.2, Code 1985, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 16. The treasurer of state, before making
4 the allotments provided for in this section, shall credit
5 annually to the economic development emergency fund created
6 under section 315A.2 from the road use tax fund the sum of two
7 million dollars for the fiscal year beginning July 1, 1985,
8 and the sum of three million dollars for each fiscal year
9 thereafter.

10 Sec. 2. NEW SECTION. 315.1 DEFINITIONS.

11 As used in this chapter, unless the context otherwise
12 requires:

13 1. "Department" means the state department of
14 transportation.

15 2. "Fund" means the economic development emergency fund
16 created under section 315A.2.

17 Sec. 3. NEW SECTION. 315.2 ECONOMIC DEVELOPMENT
18 EMERGENCY FUND.

19 The economic development emergency fund is created. The
20 fund is appropriated for and shall be used in the
21 establishment, construction and improvement of roads and
22 streets which promote economic development in the state. The
23 fund may be used to match funds for road construction projects
24 under 1985 Iowa Acts, House File 225, section 301, subsection
25 2, or may be used for projects having any of the following
26 effects:

27 1. Improving highway access to specific development sites,
28 including existing and future industrial locations.

29 2. Improving highway access between urban centers or
30 between urban centers and the interstate road system as
31 defined in section 306.3.

32 3. Improving highway access to economically depressed
33 areas of the state.

34 4. Improving highway access to points of shipment or
35 processing of products.

1 5. Improving highway access to trucking terminals and
2 places of embarkation or shipment by other transportation
3 modes.

4 6. Improving highway access to scenic, recreational,
5 historic and cultural sites or other locations identified as
6 tourist attractions.

7 Sec. 4. NEW SECTION. 315.3 ADMINISTRATION OF FUND.

8 The department is responsible for the development of
9 qualifying projects under this chapter. Qualifying road and
10 street projects shall be selected by the department for full
11 or partial financing from the fund. Cities and counties may
12 make application for qualifying road and street projects with
13 the department. The proportion of funding shall be determined
14 by the department or, in the case of cooperative projects, by
15 agreement between the department and the city councils of
16 participating cities, or boards of supervisors of
17 participating counties, or other participating public agencies
18 or private parties.

19 Sec. 5. NEW SECTION. 315.4 MONTHLY CERTIFICATION OF
20 FUNDS.

21 The account of the fund shall be kept by the state
22 comptroller and the treasurer of state and shall show the
23 amount of the fund including all credits to the fund and
24 disbursements. The state comptroller shall report monthly to
25 the department an account of the fund including all credits
26 and disbursements. Upon certification by the department in
27 accordance with rules adopted by the state comptroller, the
28 state comptroller shall issue warrants for disbursements from
29 the fund.

30 Sec. 6. NEW SECTION. 315.5 ACCOUNTS AND RECORDS
31 REQUIRED.

32 The department shall keep accounts in relation to the
33 allocation of moneys to the fund including all amounts
34 credited to the fund and all amounts of duly and finally
35 approved vouchers for claims chargeable to the fund.

1 Sec. 7. NEW SECTION. 315.6 RULES.

2 The department shall adopt rules pursuant to chapter 17A as
3 necessary for the administration of this chapter.

4 Sec. 8. Section 324.3, unnumbered paragraph 1, Code 1985,
5 is amended to read as follows:

6 For the privilege of operating motor vehicles in this state
7 an excise tax of ~~thirteen~~ fifteen cents per gallon for the
8 period beginning September July 1, 1981 1985 and ending
9 December 31, 1985, and sixteen cents per gallon beginning
10 January 1, 1986, is imposed upon the use of all motor fuel
11 used for any purpose except motor fuel containing at least ten
12 percent alcohol distilled from agricultural products grown in
13 the United States for the period beginning July 1, 1978 and
413 14 ending June 30, 1986 and except as otherwise provided in this
15 division.

16 PARAGRAPH DIVIDED. The tax shall be paid in the first
17 instance by the distributor upon the invoiced gallonage of all
18 motor fuel received by the distributor in this state, within
19 the meaning of the word "received" as defined in this
20 division, less the deductions authorized. Thereafter, except
21 as otherwise provided, the per gallon amount of the tax shall
22 be added to the selling price of every gallon of such motor
23 fuel sold in this state and shall be collected from the
24 purchaser so that the ultimate consumer bears the burden of
25 the tax; ~~provided that.~~ However, the tax shall not be imposed
26 or collected under this division with respect to the
27 following:

28 Sec. 9. Section 324.3, unnumbered paragraph 3, Code 1985,
29 is amended to read as follows:

30 For the privilege of operating motor vehicles in this state
31 an excise tax of ~~six-cents-per-gallon-for-the-period-beginning~~
32 ~~September-17-1981-and-ending-April-30-1982-an-excise-tax-of~~
33 ~~eight-cents-per-gallon-for-the-period-beginning-May-17-1982~~
34 ~~and-ending-June-30-1983-an-excise-tax-of-ten-cents-per~~
35 ~~gallon-for-the-period-beginning-July-1-1983-and-ending-June~~

1 ~~307-1984, an excise tax of eleven cents per gallon for the~~
2 ~~period beginning July 1, 1984 and ending June 30, 1985, an~~
3 ~~excise tax of twelve fourteen cents per gallon beginning July~~
4 ~~1, 1985 and ending December 31, 1985, and fifteen cents per~~
5 ~~gallon beginning January 1, 1986 and ending June 30, 1986~~
6 ~~1992, is imposed upon the use of gasohol used for any purpose~~
7 ~~except as otherwise provided in this division.~~

* 8 Sec. 10. NEW SECTION. 324.3A REDUCED RATE OF TAX FOR
9 CERTAIN DEALERS.

10 Notwithstanding the rate of tax imposed under section
11 324.3, the excise tax on motor fuel delivered to a qualified
12 dealer is reduced as provided in this section.

13 1. The excise tax on motor fuel delivered to a qualified
14 dealer located not more than eight miles from the border of a
15 state contiguous to Iowa which has in effect a motor fuel tax
16 which makes the Iowa motor fuel tax uncompetitive is reduced
17 to be six cents per gallon in excess of the motor fuel tax in
18 effect for the contiguous state.

19 2. The excise tax on motor fuel delivered to a qualified
20 dealer located more than eight miles but not more than sixteen
21 miles from the border of a state contiguous to Iowa which has
22 in effect a motor fuel tax which makes the Iowa motor fuel tax
23 uncompetitive is reduced to be seven cents per gallon in
24 excess of the motor fuel tax in effect for the contiguous
25 state.

26 3. The excise tax on motor fuel delivered to a qualified
27 dealer located more than sixteen miles but not more than
28 twenty-four miles from the border of a state contiguous to
29 Iowa which has in effect a motor fuel tax which makes the Iowa
30 motor fuel tax uncompetitive is reduced to be eight cents per
31 gallon in excess of the motor fuel tax in effect for the
32 contiguous state.

33 As used in this section, a "qualified dealer" means a
34 dealer located within the distances provided under subsections
35 1 through 3 measured by the shortest distance from the border

1 of the contiguous state. If a qualified dealer is located
2 within the corporate limits of a city, all dealers within the
3 corporate limits of the city are qualified dealers.

4 As used in this section, a "motor fuel tax in effect for
5 the contiguous state" means the total excise, sales or use
6 taxes in effect in the contiguous state on the sale of motor
7 fuel expressed in cents per gallon. The department of revenue
8 shall adopt rules pursuant to chapter 17A establishing the
9 methodology for ascertaining the motor fuel tax in effect for
10 contiguous states. As used in this section, a contiguous
11 state has a "motor fuel tax which makes the Iowa motor fuel
12 tax uncompetitive" if the excise tax on motor fuel under
13 section 324.3 exceeds the motor fuel tax in effect for the
14 contiguous state by more than six cents per gallon.

15 If more than one contiguous state has in effect a motor
16 fuel tax which makes the Iowa motor fuel tax uncompetitive,
17 the excise tax for a qualified dealer located not more than
18 twenty-four miles from the borders of two such contiguous
19 states is the excise tax under the application of subsections
20 1 through 3 which results in the lowest excise tax to the
21 qualified dealer.

22 A qualified dealer shall be allowed a credit by the
23 distributor for the amount of the reduction in motor fuel tax
24 allowed and a qualified dealer, before receiving the credit,
25 shall be registered by the department of revenue. The
26 department of revenue shall adopt rules pursuant to chapter
27 17A for registering dealers and accounting for credits by
28 distributors.

29 This section only applies to qualified dealers who would
30 experience a reduction in the excise tax on motor fuel through
31 its application.

32 Sec. 11. Section 324.34, unnumbered paragraph 1, Code
33 1985, is amended to read as follows:

34 For the privilege of operating motor vehicles in this
35 state, there is ~~levied~~ and imposed an excise tax on the use,

1 (as defined herein) in section 324.33, of special fuel in any
2 a motor vehicle. The rate-of tax rate on special (diesel
3 engine) fuel for diesel engines is thirteen-and-one-half-cents
4 per-gallon-beginning-September-17-1981-and-fifteen sixteen and
5 one-half cents per gallon for the period beginning July 1,
6 1982 1985 and ending December 31, 1985, is seventeen and one-
7 half cents per gallon for the period beginning January 1, 1986
8 and ending December 31, 1986, and is eighteen and one-half
9 cents per gallon beginning January 1, 1987. On all other
10 special fuel the per gallon rate is the same as the motor fuel
11 tax.

12 PARAGRAPH DIVIDED. The tax, with respect to all special
13 fuel delivered by a special fuel dealer for use in this state
14 as defined by section 324.33, shall attach at the time of the
15 delivery and shall be collected by the dealer from the special
16 fuel user and paid over to the department of revenue as
17 provided in this chapter. The tax, with respect to special
18 fuel acquired by a special fuel user in any manner other than
19 by delivery by a special fuel dealer into a fuel supply tank
20 of a motor vehicle or delivery into a motor vehicle special
21 fuel holding tank by a special fuel dealer or distributor,
22 ~~shall-attach~~ attaches at the time of the use, (as herein
23 defined) in section 324.33, of the fuel and shall be paid over
24 to the department of revenue by the user as provided in this
25 chapter.

26 Sec. 12. Section 324.34, unnumbered paragraph 8, Code
27 1985, is amended to read as follows:

28 For natural gas used as a special fuel the rate of tax that
29 is equivalent to the motor fuel tax shall be ten-and-one-half
30 thirteen cents per hundred cubic feet adjusted to a base
31 temperature of sixty degrees Fahrenheit and a pressure of
32 fourteen and seventy-three hundredths pounds per square inch
33 absolute. The tax on natural gas shall attach at the time of
34 delivery into equipment for compressing the gas for subsequent
35 delivery into the fuel supply tank of a motor vehicle and

1 shall be paid over to the department of revenue by the person
2 operating the compressing equipment under the applicable
3 provisions for users or dealers. Natural gas used as a
4 special fuel shall be delivered into compressing equipment
5 through sealed meters certified for accuracy by the department
6 of agriculture.

7 Sec. 13. NEW SECTION. 324.34A REDUCED RATE OF TAX FOR
8 CERTAIN DEALERS.

9 Notwithstanding the rate of tax imposed under section
10 324.34, the excise tax on special fuel for diesel engines
11 delivered to a qualified dealer is reduced as provided in this
12 section.

13 1. The excise tax on special fuel for diesel engines
14 delivered to a qualified dealer located not more than eight
15 miles from the border of a state contiguous to Iowa which has
16 in effect a tax on special fuel for diesel engines which makes
17 the Iowa excise tax on special fuel for diesel engines
18 uncompetitive is reduced to be eight and one-half cents per
19 gallon in excess of the tax on special fuel for diesel engines
20 in effect for the contiguous state.

21 2. The excise tax on special fuel for diesel engines
22 delivered to a qualified dealer located more than eight miles
23 but not more than sixteen miles from the border of a state
24 contiguous to Iowa which has in effect a tax on special fuel
25 for diesel engines which makes the Iowa excise tax on special
26 fuel for diesel engines uncompetitive is reduced to be nine
27 and one-half cents per gallon in excess of the tax on special
28 fuel for diesel engines in effect for the contiguous state.

29 3. The excise tax on special fuel delivered to a qualified
30 dealer located more than sixteen miles but not more than
31 twenty-four miles from the border of a state contiguous to
32 Iowa which has in effect a tax on special fuel for diesel
33 engines which makes the Iowa excise tax on special fuel for
34 diesel engines uncompetitive is reduced to be ten and one-half
35 cents per gallon in excess of the tax on special fuel for

1 diesel engines in effect for the contiguous state.

2 As used in this section, a "qualified dealer" means a
3 dealer located within the distances provided under subsections
4 1 through 3 measured by the shortest distance from the border
5 of the contiguous state. If a qualified dealer is located
6 within the corporate limits of a city, all dealers within the
7 corporate limits of the city are qualified dealers.

8 As used in this section, a "tax on special fuel for diesel
9 engines in effect for the contiguous state" means the total
10 excise, sales or use taxes in effect in the contiguous state
11 on the sale of special fuel for diesel engines expressed in
12 cents per gallon. The department of revenue shall adopt rules
13 pursuant to chapter 17A establishing the methodology for
14 ascertaining the tax on special fuel for diesel engines in
15 effect for contiguous states. As used in this section, a
16 contiguous state has a "tax on special fuel for diesel engines
17 which makes the Iowa excise tax on special fuel for diesel
18 engines uncompetitive" if the excise tax on special fuel for
19 diesel engines under section 324.34 exceeds the tax on special
20 fuel for diesel engines in effect for the contiguous state by
21 more than eight and one-half cents per gallon.

22 If more than one contiguous state has in effect a tax on
23 special fuel for diesel engines which makes the Iowa excise
24 tax on special fuel for diesel engines uncompetitive, the
25 excise tax for a qualified dealer located not more than
26 twenty-four miles from the borders of two such contiguous
27 states is the excise tax under the application of subsections
28 1 through 3 which results in the lowest excise tax to the
29 qualified dealer.

30 A qualified dealer shall be allowed a credit by the
31 distributor for the amount of the reduction in excise tax on
32 special fuel for diesel engines allowed and a qualified
33 dealer, before receiving the credit, shall be registered by
34 the department of revenue. The department of revenue shall
35 adopt rules pursuant to chapter 17A for registering dealers

1 and accounting for credits by distributors.

2 This section only applies to qualified dealers who would
3 experience a reduction in the excise tax on special fuel for
4 diesel engines through its application.

5 Sec. 14. Section 324.38, Code 1985, is amended by adding
6 the following new subsection immediately following subsection
7 4 and renumbering succeeding subsections:

8 NEW SUBSECTION. 5. CREDIT. A special fuel dealer and
9 distributor shall receive a credit on the monthly or quarterly
10 tax return of one-half cent per gallon on the first one
11 hundred thousand gallons on the excise tax imposed under this
12 division on the use of special fuel for diesel engines to
13 cover the distributor's expenses and losses in collection,
14 accounting for and paying over the excise tax on special fuel
15 for diesel engines.

16 Sec. 15. Section 422.45, Code 1985, is amended by adding
17 the following new subsection:

18 NEW SUBSECTION. 22. The gross receipts from the sales of
19 special fuel for diesel engines consumed or used in the
20 operation of ships, barges, or waterborne vessels which are
21 used primarily in or for the transportation of property or
22 cargo, or the conveyance of persons for hire on rivers
23 bordering on the state if the fuel is delivered by the seller
24 to the purchaser's barge, ship, or waterborne vessel while it
25 is afloat upon such a river.

26 Sec. 16. Section 423.1, Code 1985, is amended by adding
27 the following new subsection:

28 NEW SUBSECTION. 14. "Mobile home" means mobile home as
29 defined in section 321.1, subsection 68, paragraph "a".

30 Sec. 17. Section 423.4, Code 1985, is amended by adding
31 the following new subsections:

32 NEW SUBSECTION. 10. Vehicles registered under chapter 326
33 and used substantially in interstate commerce, section 423.5
34 notwithstanding. For purposes of this subsection,
35 "substantially in interstate commerce" means that a minimum of

1 twenty-five percent of the miles operated by the vehicle
2 accrues in states other than Iowa. This subsection applies
3 only to vehicles which are registered for a gross weight of
4 thirteen tons or more.

5 NEW SUBSECTION. 11. Mobile homes the use of which has
6 previously been subject to the tax imposed under this chapter
7 and for which that tax has been paid.

8 NEW SUBSECTION. 12. Mobile homes to the extent of the
9 portion of the purchase price of the mobile home which is not
10 attributable to the cost of the tangible personal property
11 used in the processing of the mobile home. For purposes of
12 this exemption, the portion of the purchase price which is not
13 attributable to the cost of the tangible personal property
14 used in the processing of the mobile home is forty percent.

15 Sec. 18. 1985 Iowa Acts, House File 225, section 301,
16 subsection 2, unnumbered paragraph 4, is amended to read as
17 follows:

18 The commission shall take applications from state, city, or
19 county government entities for road construction projects.
20 The commission shall prioritize the projects and determine
21 which projects shall be funded. However, the approval of the
22 department of transportation is necessary for planning,
23 design, construction and maintenance and other activities as
24 provided in section 307.24. The commission shall make the
25 final selection of which projects will be funded. Matching
26 funds on a dollar-for-dollar basis for each project funded
27 shall be required. The source of the matching funds shall be
28 determined by the type of project. Thus a match from the
29 primary road fund is required for a project involving a
30 primary road. However, the match may be provided from the
31 economic development emergency fund established under section
32 315.2. The department of transportation does not have the
33 right to reject a project for which a match of primary road
34 funds is required. If the department of transportation
35 disapproves of a project for which a match of primary road

1 funds is required, the reasons shall be supplied to the
2 applicant and commission. But the commission may still
3 approve such project, and once approved, matching funds are to
4 be provided.

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SENATE FILE 565

H-4117

1 Amend Senate File 565 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 5, by inserting after line 31 the
4 following:

5 "Sec. ____ . NEW SECTION. 324.3B REDUCED RATE OF
6 TAX FOR CERTAIN DEALERS DUE TO GRAIN RAIL
7 TRANSPORTATION COSTS.

8 Notwithstanding the rate of tax imposed under
9 section 324.3, the excise tax on motor fuel delivered
10 to a qualified dealer is reduced as provided in this
11 section.

12 As used in this section the "base rail
13 transportation rate" is the lowest rail transportation
14 rate for transporting a bushel of grain from a
15 railroad terminal in Iowa to Chicago railroad
16 terminals.

17 The state department of transportation shall
18 delineate zones throughout the state representing
19 areas which experience rail transportation rates for
20 transporting a bushel of grain from Iowa railroad
21 terminals to Chicago railroad terminals in excess of
22 the base rail transportation rate. The zones shall
23 represent two cents per bushel increments of cost over
24 the base rail transportation rate. A map representing
25 the zones so delineated shall be published in the Iowa
26 administrative bulletin by July 1, 1985, and a copy
27 shall be sent to the department of revenue. The map
28 shall be updated annually.

29 The excise tax on motor fuel delivered to a
30 qualified dealer shall be reduced by one cent per
31 gallon for each two cents per bushel increment of cost
32 for transporting grain from Iowa railroad terminals to
33 Chicago railroad terminals in excess of the base rail
34 transportation rate as reflected by the zones
35 delineated by the state department of transportation.

36 As used in this section, a "qualified dealer" means
37 a dealer who has been registered by the department of
38 revenue as being located in one of the transportation
39 zones which entitles a dealer to a reduction in the
40 amount of excise tax imposed as provided under this
41 section. The department of revenue shall adopt rules
42 pursuant to chapter 17A for registering dealers and
43 accounting for credits by distributors.

44 The excise tax rate for a dealer who qualifies for
45 a reduction under application of both this section and
46 section 324.3A shall be the lower of the two tax
47 rates. The excise tax rate under application of this
48 section shall not be less than zero."

49 2. Page 9, by inserting after line 4 the
50 following:

H-4117

Page Two

1 "Sec. ____ . NEW SECTION. 324.34B REDUCED RATE OF
2 TAX FOR CERTAIN DEALERS DUE TO GRAIN RAIL
3 TRANSPORTATION COSTS.

4 Notwithstanding the rate of tax imposed under
5 section 324.34, the excise tax on special fuel for
6 diesel engines delivered to a qualified dealer is
7 reduced as provided in this section.

8 As used in this section the "base rail
9 transportation rate" is the lowest rail transportation
10 rate for transporting a bushel of grain from a
11 railroad terminal in Iowa to Chicago railroad
12 terminals.

13 The state department of transportation shall
14 delineate zones throughout the state representing
15 areas which experience rail transportation rates for
16 transporting a bushel of grain from Iowa railroad
17 terminals to Chicago railroad terminals in excess of
18 the base rail transportation rate. The zones shall
19 represent two cents per bushel increments of cost over
20 the base rail transportation rate. A map representing
21 the zones so delineated shall be published in the Iowa
22 administrative bulletin by July 1, 1985, and a copy
23 shall be sent to the department of revenue. The map
24 shall be updated annually.

25 The excise tax on special fuel for diesel engines
26 delivered to a qualified dealer shall be reduced by
27 one cent per gallon for each two cents per bushel
28 increment of cost for transporting grain from Iowa
29 railroad terminals to Chicago railroad terminals in
30 excess of the base rail transportation rate as
31 reflected by the zones delineated by the state
32 department of transportation.

33 As used in this section, a "qualified dealer" means
34 a dealer who has been registered by the department of
35 revenue as being located in one of the transportation
36 zones which entitles a dealer to a reduction in the
37 amount of excise tax imposed as provided under this
38 section. The department of revenue shall adopt rules
39 pursuant to chapter 17A for registering dealers and
40 accounting for credits by distributors.

41 The excise tax rate for a dealer who qualifies for
42 a reduction under application of both this section and
43 section 324.34A shall be the lower of the two tax
44 rates. The excise tax rate under application of this
45 section shall not be less than zero."

46 3. Renumber sections as necessary.

H-4117 FILED APRIL 29, 1985 BY HARBOR of Mills

H/D 5/3 (p. 2259)

SENATE FILE 565
AS AMENDED BY H-4131
FISCAL NOTE

REQUESTED BY REPRESENTATIVE FEY

In compliance with a written request received April 29, 1985, a fiscal note for Senate File 565 as amended by H-4131 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 565 as amended by H-4131 increases the applicable excise taxes on motor and diesel fuels. The tax on gasoline shall increase from \$.13 to \$.15 per gallon beginning July 1, 1985; and increase to \$.16 per gallon beginning January 1, 1986. The tax on gasohol shall increase from \$.12 to \$.14 per gallon beginning July 1, 1985; and increase to \$.15 per gallon for the period beginning January 1, 1986 and ending June 30, 1992.

The tax on special fuel for diesel engines shall increase from \$.155 to \$.165 per gallon beginning July 1, 1985; increase from \$.165 to \$.175 per gallon beginning January 1, 1986; increase from \$.175 to \$.185 beginning July 1, 1986; and increase from \$.185 to \$.195 beginning January 1, 1987.

Two thirds (.6667) of the revenue accrued from the increase of fuel taxes on motor fuel and special fuel for diesel engines shall be deposited in the REVITALIZE IOWA'S SOUND ECONOMY (RISE) FUND; created in this act. The remaining one third (.3333) of the revenue accruing from the tax increases shall be deposited in the Road Use Tax Fund and allocated by formula. One fortieth of revenues accruing from the vehicle use tax shall be credited to the Public Transit Assistance Fund.

The RISE fund is created to assist in the construction and improvement of roads and streets which promote economic development and in the reimbursement to cities or counties of bonds issued by cities or counties used in financing road/streets projects that promote economic development. The revenues credited to the RISE fund shall be allocated on a formula basis. Fifty percent, (50%), of the revenues shall be credited to the Primary Road Fund. Twenty-five percent, (25%), shall be credited for the construction of county roads. Twenty-five percent, (25%), shall be credited for the construction of city roads. The Department of Transportation shall approve all RISE projects. Approved projects may be financed entirely with RISE funds or with a combination of RISE funds, federal road funds, local road funds, and/or other state funds.

The bill exempts from the use tax vehicles registered under Chapter 326 with a gross weight of 13 tons or more that are used in interstate commerce (25% or more of the vehicle mileage is accrued outside of the state).

The bill exempts from the state use tax 40% of the purchase price of a mobile home and also exempts the mobile home from future imposition of the applicable use tax if any owner of the mobile home had previously paid the use tax.

The bill provides for trucks and truck tractors to be registered as special trucks. Special trucks are defined as a motor truck with a gross weight of 6 to 32 tons used to transport the owner's farm commodities; excluding truck tractors which are driven on the highways more than 7500 miles in a year.

The bill exempts from the sales, services, and use tax the sales of special fuel for diesel engines used by ships, barges, or waterborne vessels involved in transporting property or cargo.

Page Two, Fiscal Note, Senate File 565 (H-4131)

ASSUMPTIONS:

- 1) Motor and special fuels consumption can be estimated for FY1986 and FY1987.
- 2) The revenue effects of the vehicle use tax exemption and the mobile home use tax exemption can be estimated for FY1986 and FY1987.
- 3) The revenue effects of the river diesel fuel sales tax exemption can not be estimated for FY1986 or FY1987.
- 4) The excise tax on gasohol shall be one cent less than the tax on gasoline for FY 1986 and FY 1987.
- 5) 648 trucks with a weight class of 21 tons through 32 tons would be registered as special trucks in FY 1986 and FY 1987.
- 6) 474 trucks tractors with a weight class of 6 to 32 tons would be registered as special trucks in FY 1986 and FY 1987.

FISCAL EFFECT: The fiscal effect is as follows:

1) REVENUE GENERATED FROM FUEL EXCISE TAX INCREASES

A) Expected increases in motor fuel tax revenues (gasoline, gasohol)

	7/1/85 tax	1/1/86 tax	FY 1986 estimated motor fuel tax revenue increase	FY 1987 estimated motor fuel tax revenue increase
gasoline	\$.15	.16	\$ 21,100,000	\$ 23,200,000
gasohol	\$.14	.15	<u>11,400,000</u>	<u>8,400,000</u>
Increase			32,500,000	31,600,000

B) Expected increases in special fuel tax revenues (diesel)

	7/1/85 tax	1/1/86 tax	7/1/86 tax	1/1/87 tax	FY 1986 estimated motor fuel tax revenue increase	FY 1987 estimated motor fuel tax revenue increase
Diesel	.165	.175	.185	.195	<u>4,500,000</u>	<u>10,500,000</u>

C) TOTAL FUEL
REVENUE
INCREASE

	37,000,000	42,100,000
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2) ALLOCATION OF NET REVENUES FOR FY86 and FY87

The net effects of the fuel tax increases for FY 1986 are as follows:

RISE		
..2/3 of 37,000,000	\$24,670,000	
Primary Road Fund		
..50% X 24,670,000		12,340,000
County Roads		
..25% X 24,670,000		6,165,000
City Roads		
..25% X 24,670,000		6,165,000
ROAD USE TAX FUND		
..1/3 of 37,000,000	12,333,000	
..(2,250,000) truck use tax exemption		
..(1,505,000) mobile home use tax exemption		
..(2,410,000) funds for Public Transit		
..(359,000) special truck revenue loss	5,806,000	
Primary Road Fund		
..45% X 5,806,000		2,613,000
County Roads		
..37% X 5,806,000		2,148,000
City Roads		
..18% X 5,806,000		<u>1,045,000</u>
NET FY 1986 TOTAL		30,476,000

The net effects of the fuel tax increases for FY 1987 are as follows:

RISE		
..2/3 X 42,100,000	28,070,000	
Primary Road Fund		
..50% X 28,070,000		14,035,000
County Roads		
..25% X 28,070,000		7,017,500
City Roads		
..25% X 28,070,000		7,017,500

Page Four, Fiscal Note, Senate File 565 (H-4131)

ROAD USE TAX FUND

..1/3 X 42,100,000	14,040,000
..(2,250,000) truck use tax exemption	
..(1,505,000) mobile home use tax exemption	
..(2,410,000) funds for Public Transit	
.. (359,000) special truck revenue loss	7,516,000
 Primary Road Fund	
..45% X 7,516,000	3,382,000
County Roads	
..37% X 7,516,000	2,781,000
City Roads	
..18% X 7,516,000	<u>1,353,000</u>
 NET FY 1987 TOTAL	 35,586,000

Sources: Dept. of Revenue
Dept. of Transportation

(LSB 2839S.3, CEN)

FILED APRIL 30, 1985

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 565

H-4131

1 Amend Senate File 565 as amended, passed, and
2 reprinted by the Senate as follows:

3 1. By striking page 1, line 1 through page 3,
4 line 3, and inserting the following:

5 "Sec. ____ . Section 312.2, Code 1985, is amended by
6 adding the following new subsections:

7 NEW SUBSECTION. 16. The treasurer of state,
8 before making the allotments provided for in this
9 section, shall credit monthly from the road use tax
10 fund to the revitalize Iowa's sound economy fund,
11 created under section 315.2, the revenue accruing to
12 the road use tax fund in the amount equal to two
13 thirds of the revenues collected under each of the
14 following:

15 a. From the excise tax on motor fuel and special
16 fuel imposed under the tax rate of section 324.3:

17 (1) For the period July 1, 1985, through December
18 31, 1985, the amount of excise tax collected from two
19 cents per gallon.

20 (2) From and after January 1, 1986, the amount of
21 excise tax collected from three cents per gallon.

22 b. From the excise tax on special fuel for diesel
23 engines:

24 (1) For the period July 1, 1985, through December
25 31, 1985, the amount of excise tax collected from one
26 cent per gallon.

27 (2) For the period January 1, 1986, through June
28 30, 1986, the amount of excise tax collected from two
29 cents per gallon.

30 (3) For the period July 1, 1986, through December
31 31, 1986, the amount of excise tax collected from
32 three cents per gallon.

33 (4) From and after January 1, 1987, the amount of
34 excise tax collected from four cents per gallon.

35 NEW SUBSECTION. 17. The treasurer of state,
36 before making the allotments provided for in this
37 section, shall credit monthly from the road use tax
38 fund to the public transit assistance fund, created
39 under section 601J.6, an amount equal to one fortieth
40 of the revenue credited to the road use tax fund under
41 section 423.24.

42 Sec. ____ . NEW SECTION. 315.1 DEFINITIONS.

43 As used in this chapter, unless the context
44 otherwise requires:

45 1. "Department" means the state department of
46 transportation.

47 2. "Fund" or "RISE fund" means the revitalize
48 Iowa's sound economy fund.

49 Sec. ____ . NEW SECTION. 315.2 REVITALIZE IOWA'S
50 SOUND ECONOMY FUND.

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Page Two

1 A revitalize Iowa's sound economy fund is created,
2 which includes:
3 1. All motor fuel and special fuel excise taxes
4 credited by law to the RISE fund.
5 2. All other funds by law credited to the RISE
6 fund.
7 Sec. ____ . NEW SECTION. 315.3 USE OF FUND.
8 1. The fund is appropriated for and shall be used
9 in the establishment, construction, improvement and
10 maintenance of roads and streets which promote
11 economic development in the state by having any of the
12 following effects:
13 a. Improving or maintaining highway access to
14 specific development sites, including existing and
15 future industrial locations.
16 b. Improving or maintaining highway access between
17 urban centers or between urban centers and the
18 interstate road system as defined in section 306.3.
19 c. Improving or maintaining highway access to
20 economically depressed areas of the state.
21 d. Improving or maintaining highway access to
22 points of shipment or processing of products.
23 e. Improving or maintaining highway access to
24 trucking terminals and places of embarkation or
25 shipment by other transportation modes.
26 f. Improving or maintaining highway access to
27 scenic, recreational, historic and cultural sites or
28 other locations identified as tourist attractions.
29 2. The fund is also appropriated and shall be used
30 for the reimbursement or payment to cities or counties
31 of all or part of the interest and principal on
32 general obligation bonds or revenue bonds issued by
33 cities or counties for the purpose of financing
34 approved road and street projects meeting the
35 requirements of subsection 1.
36 Sec. ____ . NEW SECTION. 315.4 ALLOCATION OF FUND.
37 Moneys credited to the RISE fund shall be allocated
38 as follows:
39 1. Fifty percent for the use of the department on
40 primary road projects.
41 2. Twenty-five percent for the use of counties on
42 secondary road projects.
43 3. Twenty-five percent for the use of cities on
44 city street projects.
45 Sec. ____ . NEW SECTION. 315.5 ADMINISTRATION OF
46 FUND.
47 Qualifying road and street projects shall be
48 selected by the department for full or partial
49 financing from the fund after consultation with
50 organizations representing interests of counties and

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1 cities. Counties and cities may make application for
2 qualifying road and street projects with the depart-
3 ment. In ranking applications for funds, the
4 department shall, in addition to effects listed in
5 section 315.3, subsection 1, consider the proportion
6 of political subdivision matching funds to be
7 provided, if any, the proportion of private
8 contributions to be provided, if any, the total number
9 of jobs to be created, the level of need, and the
10 impact of the proposed project on the economy of the
11 area affected. The proportion of funding shall be
12 determined by the department or, in the case of
13 cooperative projects, by agreement between the
14 department and the city councils of participating
15 cities, or boards of supervisors of participating
16 counties, or other participating public agencies or
17 private parties.

18 Sec. ____ . NEW SECTION. 315.6 FUNDING OF
19 PROJECTS.

20 Qualifying projects may be funded as follows:

21 1. Primary road projects may be financed entirely
22 by the fund, or by combining money from the fund with
23 money from the primary road fund, federal aid primary
24 funds received by the state, or money from cities or
25 counties raised through the sale of general obligation
26 bonds or revenue bonds of the cities or counties,
27 other city or county revenues, or money from
28 participating private parties.

29 2. Secondary road projects may be funded entirely
30 by the fund or by combining money from the fund with
31 money from the county's portion of road use tax funds,
32 federal aid secondary funds, other county revenues, or
33 money raised through the sale of general obligation
34 bonds or revenue bonds of the county, or money from
35 participating private parties.

36 3. City street projects may be funded entirely by
37 the fund, or by combining money from the fund with
38 money from the city's portion of road use tax funds,
39 federal aid urban system funds, other municipal
40 revenues, or money raised through the sale of general
41 obligation bonds or revenue bonds of the city, or
42 money from participating private parties.

43 A county or city may, at its option, apply moneys
44 allocated for use on secondary road or city street
45 projects under section 315.4, subsection 2 or 3,
46 toward qualifying primary road projects.

47 Sec. ____ . NEW SECTION. 315.7 MONTHLY
48 CERTIFICATION OF FUNDS.

49 The account of the fund shall be kept by the state
50 comptroller and the treasurer of state and shall show

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Page Four

A 1 the amount of the fund including all credits to the
2 fund and disbursements. The state comptroller shall
3 report monthly to the department an account of the
4 fund including all credits and disbursements. Upon
5 certification by the department in accordance with
6 rules adopted by the state comptroller, the state
7 comptroller shall issue warrants for disbursements
8 from the fund.

9 Sec. ____ . NEW SECTION. 315.8 ACCOUNTS AND
10 RECORDS REQUIRED.

11 The department shall keep accounts in relation to
12 the allocation of moneys to the fund including all
13 amounts credited to the fund and all amounts of duly
14 and finally approved vouchers for claims chargeable to
15 the fund. The department shall also keep accounts in
16 relation to agreements with counties and cities for
17 the reimbursement of interest and principal costs for
18 general obligation bonds and revenue bonds of counties
19 or cities issued for the purpose of financing road or
20 street projects under this chapter.

21 Sec. ____ . NEW SECTION. 315.9 PROJECT
22 DEVELOPMENT.

23 The department shall be responsible for the
24 development of qualifying projects under this chapter
25 in the same manner as prescribed for primary road
26 system improvements under chapter 313, including
27 surveys, plans, specifications, bids, contracts,
28 supervision and inspection. The department may
29 delegate responsibility for project development to
30 another participating governmental unit.

31 Sec. ____ . NEW SECTION. 315.10 RULES.

32 The department shall adopt rules pursuant to
33 chapter 17A as necessary for the administration of
34 this chapter."

35 2. Page 3, by inserting before line 4 the
36 following:

37 "Sec. ____ . Section 321.1, subsection 71, Code
38 1985, is amended to read as follows:

39 71. A "special truck" means a motor truck or truck
40 tractor not used for hire with a gross weight
41 registration of six through twenty thirty-two tons
42 used by a person engaged in farming to transport
43 commodities produced only by the owner, or to
44 transport commodities purchased by the owner for use
45 in the owner's own farming operation or occasional use
46 for charitable purposes. ~~"Special-truck"-also-means-a~~
47 ~~truck-tractor-which-is-modified-by-removal-of-a-fifth~~
48 ~~wheel-and-carries-the-full-load-on-the-motor-truck-and~~
49 ~~which-by-reason-of-its-conversion-becomes-a-motor~~
50 ~~truck.~~ However, a special truck does not include a

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1 truck tractor which is driven on the highways more
2 than seventy-five hundred miles in a year.

3 Sec. ____ . Section 321.121, Code 1985, is amended
4 to read as follows:

5 321.121 SPECIAL TRUCKS FOR FARM USE.

6 The registration fee for a special truck ~~shall be~~
7 is eighty dollars for a gross weight of six tons, one
8 hundred dollars for a gross weight of seven tons, one
9 hundred twenty dollars for a gross weight of eight
10 tons, and in addition, fifteen dollars for each ton
11 over eight tons and not exceeding eighteen tons. The
12 registration fee for a special truck with a gross
13 weight registration exceeding eighteen tons but not
14 exceeding nineteen tons ~~shall be~~ is three hundred
15 twenty-five dollars and for a gross weight
16 registration exceeding nineteen tons but not exceeding
17 twenty tons the registration fee ~~shall be~~ is three
18 hundred seventy-five dollars and, in addition, twenty-
19 five dollars for each ton over twenty tons and not
20 exceeding thirty-two tons. Any A person convicted of
21 using a truck motor vehicle registered as a special
22 truck for any purpose other than permitted by section
23 321.1, subsection 71, shall, in addition to any other
24 penalty imposed by law, be required to pay regular
25 motor-truck registration fees upon such truck for the
26 motor vehicle. The owner of a truck tractor which is
27 registered as a special truck shall maintain a log
28 book of the vehicle's highway mileage and such other
29 information as required by rules adopted by the
30 department pursuant to chapter 17A.

31 Sec. ____ . Section 321.122, subsection 1,
32 unnumbered paragraph 1, Code 1985, is amended to read
33 as follows:

34 The Except for special trucks, the annual
35 registration fee for truck tractors, road tractors,
36 and motor trucks, ~~except special trucks, shall be~~ is
37 based on the combined gross weight of the vehicle or
38 combination of vehicles. ~~At~~ The motor trucks, truck
39 tractors, or road tractors shall be registered for a
40 gross weight equal to or in excess of the unladen
41 weight of the vehicle or combination of vehicles. The
42 annual registration fee for such the vehicles or
43 combination of vehicles shall be is:".

44 3. Page 3, line 14, by striking the figure "1986"
45 and inserting the figures "1986 1992".

46 4. By striking page 4, line 8 through page 5,
47 line 31.

48 5. Page 6, by striking lines 8 and 9 and
49 inserting the following: "and ending June 30, 1986,
50 is eighteen and one-half cents per gallon for the

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- 1 period beginning July 1, 1986 and ending December 31,
2 1986, and is nineteen and one-half cents per gallon
3 beginning January 1, 1987. On all other".
4 6. By striking page 7, line 7 through page 9,
5 line 4.
6 7. Page 9, by striking lines 5 through 15.
7 8. Page 10, by inserting after line 14 the
8 following:
9 "Sec. ____ . Section 331.461, subsection 1, Code
10 1985, is amended by adding the following new
11 paragraph:
12 NEW PARAGRAPH. g. A road project qualifying for
13 moneys allocated for the use of the county from the
14 RISE fund under chapter 315.
15 Sec. ____ . Section 384.24, subsection 2, Code 1985,
16 is amended by adding the following new paragraph:
17 NEW PARAGRAPH. 1. A street project qualifying for
18 moneys allocated for the use of the city from the RISE
19 fund under chapter 315."
20 9. By striking page 10, line 15 through page 11,
21 line 4.
22 10. Title page, line 1, by inserting after the
23 word "to" the words "the use and".
24 11. Title page, line 4, by striking the words
25 "economic development emergency" and inserting the
26 word "RISE".
27 12. Title page, line 6, by inserting after the
28 word "state," the words "by authorizing counties and
29 cities to issue revenue bonds for approved road and
30 street projects with principal and interest on the
31 bonds payable from moneys allocated under the RISE
32 fund,".
33 13. Title page, line 6, by inserting after the
34 word "state," the words "by crediting moneys from the
35 road use tax fund to the public transit assistance
36 fund,".
37 14. Title page, line 15, by inserting after the
38 word "vessels," the following: "by allowing certain
39 truck tractors to be registered as special trucks, by
40 increasing the allowable gross weight registrations of
41 special trucks,".
42 15. Renumber sections as necessary.

H-4131 FILED APRIL 30, 1985 BY COMMITTEE ON WAYS AND MEANS

A- Adopted as amended, B- Rules not
German, rules suspended, loss
5/3/85 (p. 2257)

ADOPTED

SENATE FILE 565

H-4141

- 1 Amend Senate File 565 as amended, passed, and
- 2 reprinted by the Senate as follows:
- 3 1. Page 4, line 3, by striking the word
- 4 "fourteen" and inserting the word "thirteen".
- 5 2. Page 4, line 4, by inserting after the figure
- 6 "1985," the words "fourteen cents per gallon for the
- 7 period beginning January 1, 1986 and ending June 30,
- 8 1987,".
- 9 3. Page 4, line 5, by striking the words "January
- 10 1, 1986" and inserting the words "July 1, 1987".

BY FOGARTY of Palo Alto
PELLETT of Cass

H-4141 FILED APRIL 30, 1985

Loss 5/3 (p. 2259)

SENATE FILE 565

H-4147

- 1 Amend the Committee amendment, H-4131, to Senate
- 2 File 565 as amended, passed, and reprinted by the
- 3 Senate as follows:
- 4 1. Page 4, line 41, by striking the words "twenty
- 5 thirty-two" and inserting the word "twenty".
- 6 2. Page 5, by striking lines 18 through 20 and
- 7 inserting the following: "hundred seventy-five
- 8 dollars. Any A person convicted of".
- 9 3. Page 6, lines 39 through 41, by striking the
- 10 words "by increasing the allowable gross weight
- 11 registrations of special trucks".

BY SULLIVAN of Van Buren
JAY of Appanoose

H-4147 FILED APRIL 30, 1985

Adopted 5/1/85 (p. 2105)

Motion to reconsider lost (p. 2111)

Placed o/s 5/3 (p. 2257)

SENATE FILE 565

H-4143

- 1 Amend Senate File 565 as amended, passed, and
- 2 reprinted by the Senate as follows:
- 3 1. Page 9, line 32, by striking the figure "326"
- 4 and inserting the figure "326".
- 5 2. By striking page 9, line 33 through page 10,
- 6 line 2, and inserting the following: "section 423.5
- 7 notwithstanding. This subsection applies".

H-4143 FILED APRIL 30, 1985 BY BENNETT of Ida

Loss 5/3 (p. 2259)

SENATE FILE 565

H-4135

- 1 Amend Senate File 565 as amended, passed, and
- 2 reprinted by the Senate as follows:
- 3 1. Page 4, line 3, by striking the word
- 4 "fourteen" and inserting the word "thirteen".
- 5 2. Page 4, line 4, by inserting after the figure
- 6 "1985," the words "fourteen cents per gallon for the
- 7 period beginning January 1, 1986 and ending June 30,
- 8 1989."
- 9 3. Page 4, line 5, by striking the words "January
- 10 1, 1985" and inserting the words "July 1, 1989".

H-4135 FILED APRIL 30, 1985 BY FOGARTY of Palo Alto

SENATE FILE 565

H-4137

- 1 Amend Senate File 565 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 1, line 6, by striking the figure
- 4 "315A.2" and inserting the figure "315.2".
- 5 2. Page 1, line 16, by striking the figure
- 6 "315A.2" and inserting the figure "315.2".

H-4137 FILED APRIL 30, 1985 BY FEY of Scott

Placed o/o 5/3 (p. 2256)

SENATE FILE 565

H-4139

- 1 Amend the Committee amendment, H-4131, to Senate
- 2 File 565 as amended, passed and reprinted by the
- 3 Senate as follows:
- 4 1. Page 2, line 39, by striking the word "Fifty"
- 5 and inserting the word "Forty-five".
- 6 2. Page 2, line 41, by striking the word "Twenty-
- 7 five" and inserting the word "Thirty-seven".
- 8 3. Page 2, line 43, by striking the word "Twenty-
- 9 five" and inserting the word "Eighteen".

BY JAY of Appanoose
HARBOR of Mills
LAGESCHULTE of Bremer
SULLIVAN of Van Buren

H-4139 FILED APRIL 30, 1985

Adopted 4/30/85 (p. 2064)
Reconsidered & lost 5/3 (p. 2256)

SENATE FILE 565

H-4150

- 1 Amend the Committee amendment, H-4131, to Senate
 2 File 565 as amended, passed and reprinted by the
 3 Senate as follows:
 4 1. Page 1, lines 27 and 28, by striking the word
 5 and figure "June 30" and inserting the word and figure
 6 "December 31".
 7 2. Page 1, by striking lines 30 and 31 and
 8 inserting the following:
 9 "(3) From and after January 1, 1987, the amount of
 10 excise tax collected from".
 11 3. Page 1, by striking lines 33 and 34.
 12 4. By striking page 5, line 48 through page 6,
 13 line 3.

BY PAULIN of Plymouth
 JAY of Appanoose
 SULLIVAN of Van Buren
 H-4150 FILED APRIL 30, 1985
 ADOPTED (j. 2062)

COCHRAN of Webster
 McINTEE of Black Hawk
 PLATT of Muscatine
 SWEARINGEN of Keokuk

SENATE FILE 565

H-4148

- 1 Amend the Committee amendment, H-4131, to Senate
 2 File 565 as amended, passed and reprinted by the
 3 Senate as follows:
 4 1. Page 1, by striking lines 3 and 4 and
 5 inserting the following:
 6 " ". Page 1, by inserting after line 9 the
 7 following:".
 8 2. Page 1, line 6, by striking the word
 9 "subsections" and inserting the word "subsection".
 10 3. Page 1, by striking lines 7 through 34.
 11 4. Page 1, line 41, by striking the figure
 12 "423.24." and inserting the figure "423.24."
 13 5. By striking page 1, line 42 through page 4,
 14 line 34.
 15 6. Page 6, by striking lines 7 through 19.
 16 7. Page 6, by striking lines 20 and 21.
 17 8. Page 6, by striking lines 24 through 32.

H-4148 FILED APRIL 30, 1985 BY LAGESCHULTE of Bremer
 LOST (j. 2057)

SENATE FILE 565

H-4146

1 Amend the Committee amendment, H-4131, to Senate
2 File 565 as amended, passed and reprinted by the
3 Senate as follows:

4 1. Page 1, by striking lines 24 through 34 and
5 inserting the following:

6 "(1) For the period July 1, 1985, through December
7 31, 1985, the amount of excise tax collected from one
8 cent per gallon.

A 9 (2) For the period January 1, 1986, through June
10 30, 1986, the amount of excise tax collected from two
11 cents per gallon.

12 (3) From and after July 1, 1986, the amount of
13 excise tax collected from three cents per gallon."

14 2. By striking page 5, line 50 through page 6,
15 line 3, and inserting the following: "and is eighteen
16 and one-half cents per gallon beginning July 1, 1986.

17 On all other."

18 3. Page 6, by inserting after line 6 the
19 following:

20 "____. By striking page 9, line 32 through page
21 10, line 4.

22 _____. Page 10, line 5, by striking the figure "11"
23 and inserting the figure "10".

24 _____. Page 10, line 8, by striking the figure "12"
25 and inserting the figure "11".

B 26 4. Page 6, by inserting before line 37 the
27 following:

28 "____. Title page, lines 6 and 7, by striking the
29 words "by providing an exemption from the use tax for
30 certain vehicles registered under chapter 326,"."

31 5. Renumber as necessary.

H-4146 FILED APRIL 30, 1985 BY OSTERBERG of Linn
DIVISION A - WITHDRAWN, DIVISION B - w/d 5/1/85 (p. 2112)
(p. 2063)

SENATE FILE 565

H-4144

1 Amend the Committee amendment, H-4131, to Senate
2 File 565 as amended, passed and reprinted by the
3 Senate as follows:

4 1. Page 4, by inserting after line 36 the
5 following:

6 ""Sec. _____. Section 321.1, subsection 39, Code
7 1985, is amended to read as follows:

8 39. "Transporter" means every person engaged in
9 the business of delivering vehicles of a type required
10 to be registered hereunder ~~from a manufacturing,~~
11 ~~assembling, or distributing plant to dealers or sales~~
12 ~~agents of a manufacturer~~ and who has authority for
13 delivery as determined by the department."

H-4144 FILED APRIL 30, 1985 BY HARBOR of Mills

WOODS of Polk

Adopted 5/1/85 (p. 2102)
Placed o/o 5/3 (p. 2257)

SENATE FILE 565

H-4152

- 1 Amend Committee amendment H-4131 to Senate File 565
- 2 as follows:
- 3 1. Page 5, by striking lines 46 through 47.
- 4 2. Page 6, by striking lines 4 and 5.
- 5

H-4152 FILED APRIL 30, 1985 BY DAGGETT of Taylor

Lost 5/1/85 (p. 2106)

SENATE FILE 565

H-4153

- 1 Amend the Committee amendment, H-4131, to Senate
- 2 File 565 as amended, passed and reprinted by the
- 3 Senate as follows:
- 4 1. Page 1, line 6, by striking the word
- 5 "subsections" and inserting the word "subsection".
- 6 2. Page 1, by striking lines 35 through 41.
- 7 3. Page 6, by striking lines 33 through 36.

H-4153 FILED APRIL 30, 1985 BY WELDEN of Hardin

LOST (p. 2062)

SENATE FILE 565

H-4156

- 1 Amend the Committee amendment, H-4131, to Senate
- 2 File 565 as amended, passed and reprinted by the
- 3 Senate as follows:
- 4 1. Page 2, line 32, by striking the words "or
- 5 revenue bonds".
- 6 2. Page 3, line 26, by striking the words "or
- 7 revenue bonds".
- 8 3. Page 3, line 34, by striking the words "or
- 9 revenue bonds".
- 10 4. Page 3, line 41, by striking the words "or
- 11 revenue bonds".
- 12 5. Page 4, line 18, by striking the words "and
- 13 revenue bonds".
- 14 6. Page 6, by striking lines 27 through 32.

H-4156 FILED APRIL 30, 1985 BY STROMER Of Hancock

W/R 5/1 (p. 2114)

SENATE FILE 565

H-4159

- 1 Amend the Committee amendment, H-4131, to Senate
- 2 File 565 as amended, passed and reprinted by the
- 3 Senate as follows:
- 4 1. Page 2, line 32, by striking the words "or
- 5 revenue bonds".
- 6 2. Page 3, line 26, by striking the words "or
- 7 revenue bonds".
- 8 3. Page 3, line 34, by striking the words "or
- 9 revenue bonds".
- 10 4. Page 3, line 41, by striking the words "or
- 11 revenue bonds".
- 12 5. Page 4, line 18, by striking the words "and
- 13 revenue bonds".
- 14 6. Page 6, by striking lines 7 through 19.
- 15 7. Page 6, by striking lines 27 through 32.

H-4159 FILED APRIL 30, 1985 BY STROMER of Hancock

Adopted 5/1/85 (p. 2114)

SENATE FILE 565

H-4151

1 Amend the Committee amendment, H-4131, to Senate
2 File 565 as amended, passed, and reprinted by the
3 Senate as follows:

4 1. By striking page 1, line 5 through page 4,
5 line 34, and inserting the following:

6 "Sec. ____ . Section 312.2, subsections 1 through
7 4, Code 1985, are amended to read as follows:

8 1. To the primary road fund, ~~forty-five~~ forty-
9 eight percent.

10 2. To the secondary road fund of the counties,
11 ~~twenty-eight~~ twenty-six percent.

12 3. To the farm-to-market road fund, ~~nine~~ five
13 percent.

14 4. To the street construction fund of the cities,
15 ~~eighteen~~ twenty-one percent.

16 Sec. ____ . Section 312.2, Code 1985, is amended by
17 adding the following new subsection:

18 NEW SUBSECTION. 16. The treasurer of state,
19 before making the allotments provided for in this
20 section, shall credit monthly from the road use tax
21 fund to the public transit assistance fund, created
22 under section 601J.6, an amount equal to one fortieth
23 of the revenue credited to the road use tax fund under
24 section 423.24."

25 2. Page 6, by striking lines 7 through 19.

26 3. Page 6, by striking lines 24 through 36 and
27 inserting the following:

28 " ____ . Title page, lines 3 through 6, by striking
29 the words "by crediting moneys from the road use tax
30 fund to the economic development emergency fund for
31 use in road or street projects which promote economic
32 development in the state," and inserting the
33 following: "by changing the allocation of moneys
34 under the road use tax fund formula by crediting
35 moneys from the road use tax fund to the public
36 transit assistance fund,"."

37 4. Renumber as necessary.

BY WOODS of Polk
RUNNING of Linn
RENAUD of Polk
SHERZAN of Polk
PAVICH of Pottawattamie
H-4151 FILED APRIL 30, 1985

CONNORS of Polk
PLATT of Muscatine
HALVORSON of Webster
DIEMER of Black Hawk
VAN CAMP of Scott

Lost 5/1/85 (p. 2116)

SENATE FILE 565

H-4162

- 1 Amend the Committee amendment, H-4131, to Senate
- 2 File 565 as amended, passed and reprinted by the
- 3 Senate as follows:
- 4 1. Page 1, line 12, by inserting after the word
- 5 "to" the following: "sixty-three percent of".
- 6 2. Page 1, line 14, by inserting after the word
- 7 "following" the following: ", and shall credit
- 8 monthly from the road use tax fund to the secondary
- 9 road fund the revenue accruing to the road use tax
- 10 fund in the amount equal to thirty-seven percent of
- 11 two thirds of the revenues collected under each of the
- 12 following".
- 13 3. Page 2, line 30, by striking the words "or
- 14 counties".
- 15 4. Page 2, line 33, by striking the words "or
- 16 counties".
- 17 5. Page 2, line 39, by striking the word "Fifty"
- 18 and inserting the following: "Seventy-one".
- 19 6. Page 2, by striking lines 41 and 42.
- 20 7. Page 2, line 43, by striking the word and
- 21 figure "3. Twenty-five" and inserting the following:
- 22 "2. Twenty-nine".
- 23 8. Page 2, line 50, by striking the words
- 24 "counties and".
- 25 9. Page 3, line 1, by striking the words
- 26 "Counties and cities" and inserting the following:
- 27 "Cities".
- 28 10. Page 3, lines 15 and 16, by striking the
- 29 words "or boards of supervisors of participating
- 30 counties,".
- 31 11. Page 3, lines 24 and 25, by striking the
- 32 words "or counties".
- 33 12. Page 3, line 26, by striking the words "or
- 34 counties".
- 35 13. Page 3, line 27, by striking the words "or
- 36 county".
- 37 14. Page 3, by striking lines 29 through 35.
- 38 15. Page 3, line 36, by striking the figure "3"
- 39 and inserting the following: "2".
- 40 16. Page 3, line 43, by striking the words
- 41 "county or".
- 42 17. Page 3, line 44, by striking the words
- 43 "secondary road or".
- 44 18. Page 3, line 45, by striking the word and
- 45 figure "or 3".
- 46 19. Page 4, line 16, by striking the words
- 47 "counties and".
- 48 20. Page 4, lines 18 and 19, by striking the
- 49 words "counties or".
- 50 21. Page 6, by striking lines 9 through 15 and

H-4162

Page Two

1 inserting the following:
2 "Sec. ____ . Section 384.24, subsection 2, Code
3 1985,".
4 22. Page 6, line 28, by striking the words
5 "counties and".

BY GROTH of Buena Vista
KOENIGS of Mitchell
LAGESCHULTE of Bremer
CARTER of Henry

H-4162 FILED APRIL 30, 1985

H/D 5/3 (p. 2252)

SENATE FILE 565

H-4160

1 Amend the Committee amendment, H-4131, to Senate
2 File 565 as amended, passed and reprinted by the
3 Senate as follows:
4 1. Page 5, by inserting before line 3, the
5 following:
6 "Sec. ____ . Section 321.46, subsection 3,
7 unnumbered paragraph 1, Code 1985, is amended to read
8 as follows:
9 The applicant shall be entitled to a credit for
10 that portion of the registration fee of the vehicle
11 sold, traded, or junked ~~within-the-state~~ which had not
12 expired prior to the transfer of ownership of the
13 vehicle. The registration fee for the new
14 registration for the vehicle acquired shall be reduced
15 by the amount of the credit. The credit shall be
16 computed on the basis of the number of months
17 remaining in the registration year, rounded to the
18 nearest whole dollar. The credit shall be subject to
19 the following limitations:"
20 2. Page 6, by inserting after line 41, the
21 following:
22 " ____ . Title page, line 15, by inserting after the
23 word "vessels," the following: "by including vehicles
24 which are sold, traded, or junked outside the state
25 among those eligible for a credit toward unexpired
26 registration fees,".

H-4160 FILED APRIL 30, 1985 BY VAN CAMP of Scott

*Not german, motion to suspend
rules last 5/1/85 (p. 2106)*

SENATE FILE 565

H-4163

1 Amend the Committee amendment, H-4131 to Senate
2 File 565 as amended, passed, and reprinted by the
3 Senate as follows:
4 1. Page 6, by striking line 6, and inserting the
5 following:
6 "____. Page 9, by striking lines 8 through 15 and
7 inserting the following:
8 "NEW SUBSECTION. 5. CREDIT. A special fuel
9 dealer shall receive a credit on the monthly or
10 quarterly tax return for the excise tax imposed under
11 this division for gallons of special fuel for diesel
12 engines sold by the special fuel dealer for which the
13 special fuel dealer was unable to collect the excise
14 tax from the purchaser due to the purchaser's checks
15 for payment for the special fuel for diesel engines
16 having been returned due to insufficient funds."

H-4163 FILED APRIL 30, 1985 BY BLANSHAN of Greene

W/D 5/1/85 (p. 2118)

SENATE FILE 565

H-4164

1 Amend Senate File 565 as amended, passed and
2 reprinted by the Senate, as follows:
3 1. Page 3, by inserting before line 4 the
4 following:
5 "Sec. ____ . Section 324.2, subsection 7, Code 1985,
6 is amended to read as follows:
7 7. "Gasohol" means motor fuel containing at least
8 ten percent alcohol distilled from agricultural
9 products cereal grains."
10 2. Page 3, line 12, by striking the words
11 "agricultural products" and inserting the following:
12 "agricultural-products cereal grains".

BY VAN CAMP of Scott
WOODS of Polk
PLATT of Muscatine

H-4164 FILED APRIL 30, 1985

Adopted 5/3/85 (p. 2258)

H-4161

1 Amend Senate File 565 as amended, passed and
2 reprinted as follows:

3 1. Page 10, by inserting after line 14 the
4 following:

5 "Sec. ____ . Section 423.7, Code 1985, is amended to
6 read as follows:

7 423.7 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO
8 THE ISSUANCE OF TITLE.

9 The tax imposed upon the use of vehicles subject to
10 registration or subject only to the issuance of a
11 certificate of title shall be paid by the owner of the
12 vehicle to the county treasurer or the state
13 department of transportation from whom the
14 registration receipt or certificate of title is
15 obtained. In the case of a new car as defined in
16 section 321.1, subsection 2, paragraph "c" which uses
17 special fuel for a diesel engine, the owner of the
18 vehicle is entitled to a one-time discount on the tax
19 equal to ten percent of the tax imposed. A

20 registration receipt for a vehicle subject to
21 registration or certificate of title shall not be
22 issued until the tax, less any discount, has been
23 paid. The county treasurer or the state department of
24 transportation shall require every applicant for a
25 registration receipt for a vehicle subject to
26 registration or certificate of title to supply
27 information as the county treasurer or the director
28 deems necessary as to the time of purchase, the
29 purchase price, and other information relative to the
30 purchase of the vehicle. On or before the tenth day
31 of each month the county treasurer or the state
32 department of transportation shall remit to the
33 department the amount of the taxes collected during
34 the preceding month, accompanied by a copy of each
35 registration receipt issued in conjunction with the
36 certificate of title issued for each vehicle."

37 2. Title page, line 7, by inserting after the
38 figure "326," the following: "by allowing a one-time
39 discount on the state use tax imposed on certain new
40 cars,".

H-4161 FILED APRIL 30, 1985 BY ARNOULD of Scott

W/D 5/3 (p. 2260)

SENATE FILE 565

H-4170

1 Amend Senate File 565 as amended, passed and
2 reprinted by the Senate as follows:
3 1. By striking page 9, line 32 through page 10,
4 line 4.
5 2. Page 10, line 5, by striking the figure "11"
6 and inserting the figure "10".
7 3. Page 10, line 8, by striking the figure "12"
8 and inserting the figure "11".
9 4. Title page, lines 6 and 7, by striking the
10 words "by providing an exemption from the use tax for
11 certain vehicles registered under chapter 326,".

H-4170 FILED APRIL 30, 1985 BY OSTERBERG of Linn

Love 5/3 (p. 2260)

SENATE FILE 565

H-4173

1 Amend the Committee amendment, H-4131, to Senate
2 File 565 as amended, passed and reprinted by the
3 Senate as follows:
4 1. Page 4, by inserting after line 36 the
5 following:
6 "Sec. 71. Section 321.1, subsection 43,
7 unnumbered paragraph 2, Code 1985, is amended to read
8 as follows:
9 Subject to the provisions of section 321.179, a
10 farmer or the farmer's hired help shall not be deemed
11 a chauffeur, when operating a truck, which is not a
12 truck tractor, which is owned by the farmer, and used
13 exclusively in connection with the transportation of
14 the farmer's own products or property."
15 2. Page 4, line 37, by striking the word "Sec.
16 ." and inserting the following: "Sec. 72."
17 3. Page 5, line 3, by striking the word "Sec.
18 ." and inserting the following: "Sec. 73."
19 4. Page 5, line 31, by striking the word "Sec.
20 ." and inserting the following: "Sec. 74."
21 5. Page 6, by inserting before line 20, the
22 following:
23 "____. Page 10, by inserting after line 14, the
24 following:
25 "Sec. _____. Sections 71, 72, 73 and 74 of this Act
26 take effect from and after July 1, 1987."
27 6. Page 6, line 42, by inserting after the word
28 "sections" the words "and correct internal references
29 to sections".

H-4173 FILED APRIL 30, 1985 BY BLANSHAN of Greene

A- Adopted 5/1/85 (p. 2163)

B- Lost (2164)

A- Placed 0/0 5/3 (p. 2257)

SENATE FILE 565

H-4193

- 1 Amend the Committee amendment, H-4131, to Senate
- 2 File 565 as amended, passed and reprinted by the
- 3 Senate as follows:
- 4 1. Page 1, line 12, by inserting after the word
- 5 "to" the following: "sixty-three percent of".
- 6 2. Page 1, line 14, by inserting after the word
- 7 "following" the following: ", and shall credit
- 8 monthly from the road use tax fund to the secondary
- 9 road fund the revenue accruing to the road use tax
- 10 fund in the amount equal to thirty-seven percent of
- 11 two thirds of the revenues collected under each of the
- 12 following".
- 13 3. Page 2, line 30, by striking the words "or
- 14 counties".
- 15 4. Page 2, line 33, by striking the words "or
- 16 counties".
- 17 5. Page 2, by striking lines 39 through 44 and
- 18 inserting the following:
- 19 "1. Seventy-one percent for the use of the
- 20 department on primary road projects.
- 21 2. Twenty-nine percent for the use of cities on
- 22 city street projects."
- 23 6. Page 2, line 50, by striking the words
- 24 "counties and".
- 25 7. Page 3, line 1, by striking the words
- 26 "Counties and cities" and inserting the following:
- 27 "Cities".
- 28 8. Page 3, lines 15 and 16, by striking the words
- 29 "or boards of supervisors of participating counties,".
- 30 9. Page 3, lines 24 and 25, by striking the words
- 31 "or counties".
- 32 10. Page 3, line 26, by striking the words "or
- 33 counties".
- 34 11. Page 3, line 27, by striking the words "or
- 35 county".
- 36 12. Page 3, by striking lines 29 through 35.
- 37 13. Page 3, line 36, by striking the figure "3"
- 38 and inserting the following: "2".
- 39 14. Page 3, line 43, by striking the words
- 40 "county or".
- 41 15. Page 3, line 44, by striking the words
- 42 "secondary road or".
- 43 16. Page 3, line 45, by striking the word and
- 44 figure "or 3".
- 45 17. Page 4, line 16, by striking the words
- 46 "counties and".
- 47 18. Page 4, lines 18 and 19, by striking the
- 48 words "counties or".
- 49 19. Page 6, by striking lines 9 through 15 and
- 50 inserting the following:

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Page Two

1 ""Sec. ____ . Section 384.24, subsection 2, Code
2 1985,".
3 20. Page 6, line 28, by striking the words
4 "counties and".

H-4193 FILED MAY 1, 1985

BY GROTH of Buena Vista

Lost 5/3/85 (p. 2254)

SENATE FILE 565

H-4186

1 Amend Senate File 565 as amended, passed, and
2 reprinted by the Senate as follows:
3 1. Page 10, by inserting after line 14 the
4 following:
5 "Sec. ____ . For the fiscal year beginning July 1,
6 1985 and ending June 30, 1986, the treasurer of state,
7 before making the allotments provided for in section
8 312.2, shall credit from the road use tax fund the sum
9 of four hundred thousand dollars to the legislative
10 council to pay the costs of conducting a study
11 pursuant to this section. The legislative council
12 shall employ a consulting firm or person with a
13 background and expertise in transportation to conduct
14 an independent study of the state department of
15 transportation to determine staff requirements,
16 administrative structure, and general efficiency of
17 the department. The study shall include a study of
18 the feasibility of contracting with road contractors
19 for highway maintenance services. However, a
20 consulting firm or person who has worked for the state
21 department of transportation within the last five
22 years shall not be eligible to conduct the study
23 required under this section.
24 The report of the study shall be submitted to the
25 Seventy-first General Assembly not later than January
26 13, 1986."
27 2. Title page, line 15, by inserting after the
28 word "vessels," the words "by providing for a study of
29 the staff requirements, administrative structure, and
30 general efficiency of the state department of
31 transportation,".
32 3. Renumber as necessary.

H-4186 FILED MAY 1, 1985

BY VARN of Johnson

Repealed not german 5/3 (p. 2261)

SENATE FILE 565

H-4191

1 Amend the Committee amendment, H-4131 to Senate
2 File 565 as amended, passed, and reprinted by the
3 Senate as follows:

4 1. Page 6, by striking line 6, and inserting the
5 following:

6 " . Page 9, by striking lines 8 through 15 and
7 inserting the following:

8 "NEW SUBSECTION. 5. CREDIT. A special fuel
9 dealer may receive a credit on the excise tax paid on
10 special fuel for diesel engines sold by the dealer
11 represented by accounts found to be worthless and
12 actually charged off for income tax purposes. The
13 credit applies toward payment of the excise tax on
14 special fuel for diesel engines on a subsequent
15 monthly or quarterly tax return. However, if the
16 accounts are thereafter collected by the dealer, the
17 excise tax shall be paid upon the quantity of special
18 fuel for diesel engines represented by the amount
19 collected.""

H-4191 FILED MAY 1, 1985

BY BLANSHAN of Greene

LOST (J. 2119)

SENATE FILE 565

H-4192

1 Amend the Committee amendment, H-4131, to Senate
2 File 565 as amended, passed, and reprinted by the
3 Senate as follows:

4 1. Page 3, line 11, by inserting after the word
5 "affected." the following: "In selecting qualifying
6 road and street projects, the department shall give
7 special consideration to requests from cities which
8 cannot be served by one hundred two inch wide trucks."

H-4192 FILED MAY 1, 1985

BY DE GROOT of Lyon

PAULIN of Plymouth

Lost (J. 2119)

SENATE FILE 565

H-4184

1 Amend the Committee amendment, H-4131, to Senate
2 File 565 as amended, passed, and reprinted by the
3 Senate as follows:

4 1. Page 5, by inserting after line 43 the
5 following:

6 "Sec. _____. Section 321.473, unnumbered paragraph
7 2, Code 1985, is amended to read as follows:

8 The department may issue annual special permits for
9 the operation of ~~compacted-rubbish~~ compacted-rubbish
10 vehicles and vehicles which transport compacted
11 rubbish from a rubbish collection point to a landfill
12 area, exceeding the ~~weight-limitation~~ provisions of
13 section 321.463, but not exceeding a rear axle gross
14 weight for two-axle vehicles of ~~twenty-two~~ twenty-four
15 thousand pounds ~~for the period commencing July 17, 1978~~
16 ~~and ending June 30, 1986 and twenty thousand pounds~~
17 ~~commencing July 17, 1986 and thereafter,~~ and for tandem
18 axle vehicles or transferable auxiliary axle vehicles
19 not exceeding a gross weight on the rear axles of
20 ~~thirty-six~~ forty thousand pounds. The maximum gross
21 weight of the vehicle shall not exceed sixty thousand
22 pounds. Annual special permits for the operation on
23 secondary roads shall be approved by the county
24 engineer. Annual special permits for a particular
25 vehicle shall not be issued by the department unless
26 prior approval is given by the county engineer of the
27 county in which the vehicle will be operated. Annual
28 special permits for operation on primary roads shall
29 be approved by the state department of transportation.
30 ~~Compacted-rubbish~~ Compacted-rubbish vehicles and
31 vehicles which transport compacted rubbish from a
32 rubbish collection point to a landfill area operated
33 pursuant to an annual special permit shall be operated
34 only over routes designated by the local authority.
35 Annual special permits for a particular vehicle shall
36 not be issued by the department unless approved by the
37 local authority responsible for the roads over which
38 the vehicle will be operated. Annual special permits
39 approved by the issuing authority shall be issued upon
40 payment of an annual fee, in addition to other
41 registration fees imposed, of one hundred dollars to
42 be paid to the department for all nongovernmental
43 vehicles. As used in this section, a compacted-
44 rubbish vehicle includes such vehicles utilizing roll-
45 off systems. If a violation occurs relating to the
46 weight limitations imposed under this paragraph, the
47 weight limitations of section 321.463 shall apply to
48 the vehicle and the fine shall be assessed in
49 accordance with that section."

BY HARBOR of Mills
JAY of Appanoose
RENAUD of Polk

In compliance with a written request received May 3, 1985, a fiscal note for **SENATE FILE 565 PASSED HOUSE** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 565 as amended by H-4131 increases the applicable excise taxes on motor and diesel fuels. The tax on gasoline shall increase from \$.13 to \$.15 per gallon beginning July 1, 1985; and increase to \$.16 per gallon beginning January 1, 1986. The tax on gasohol shall increase from \$.12 to \$.14 per gallon beginning July 1, 1985; and increase to \$.15 per gallon for the period beginning January 1, 1986 and ending June 30, 1992.

The tax on special fuel for diesel engines shall increase from \$.155 to \$.165 per gallon beginning July 1, 1985; increase from \$.165 to \$.175 per gallon beginning January 1, 1986; increase from \$.175 to \$.185 beginning July 1, 1986; and increase from \$.185 to \$.195 beginning January 1, 1987.

Two thirds (.6667) of the revenue accrued from the increase of fuel taxes on motor fuel and special fuel for diesel engines shall be deposited in the REVITALIZE IOWA'S SOUND ECONOMY (RISE) FUND; created in this act. The remaining one third (.3333) of the revenue accruing from the tax increases shall be deposited in the Road Use Tax Fund and allocated by formula. One fortieth of revenues accruing from the vehicle use tax shall be credited to the Public Transit Assistance Fund.

The RISE fund is created to assist in the construction and improvement of roads and streets which promote economic development and in the reimbursement to cities or counties of bonds issued by cities or counties used in financing road/streets projects that promote economic development. The revenues credited to the RISE fund shall be allocated on a formula basis. Fifty percent, (50%), of the revenues shall be credited to the Primary Road Fund. Twenty-five percent, (25%), shall be credited for the construction of county roads. Twenty-five percent, (25%), shall be credited for the construction of city roads. The Department of Transportation shall approve all RISE projects. Approved projects may be financed entirely with RISE funds or with a combination of RISE funds, federal road funds, local road funds, and/or other state funds.

The bill exempts from the use tax vehicles registered under Chapter 326 with a gross weight of 13 tons or more that are used in interstate commerce (25% or more of the vehicle mileage is accrued outside of the state).

The bill exempts from the state use tax 40% of the purchase price of a mobile home and also exempts the mobile home from future imposition of the applicable use tax if any owner of the mobile home had previously paid the use tax.

The bill exempts from the sales, services, and use tax the sales of special fuel for diesel engines used by ships, barges, or waterborne vessels involved in transporting property or cargo.

The fuel tax on natural gas used as a special fuel shall be taxed at \$.13 per hundred cubic feet.

ASSUMPTIONS:

- 1) Motor and special fuels consumption can be estimated for FY1986 and FY1987.
- 2) The revenue effects of the vehicle use tax exemption and the mobile home use tax exemption can be estimated for FY1986 and FY1987.
- 3) The revenue effects of the river diesel fuel sales tax exemption can not be estimated for FY1986 or FY1987.
- 4) The excise tax on gasohol shall be one cent less than the tax on gasoline for FY 1986 and FY 1987.
- 5) The fiscal effects of the fuel tax on natural gas can not be estimated.

FISCAL EFFECT: The fiscal effect is as follows:

1) REVENUE GENERATED FROM FUEL EXCISE TAX INCREASES

A) Expected increases in motor fuel tax revenues (gasoline, gasohol)

	7/1/85 tax	1/1/86 tax	FY 1986 estimated motor fuel tax revenue increase	FY 1987 estimated motor fuel tax revenue increase
gasoline	\$.15	.16	\$ 21,100,000	\$ 23,200,000
gasohol	\$.14	.15	<u>11,400,000</u>	<u>8,400,000</u>
Increase			32,500,000	31,600,000

B) Expected increases in special fuel tax revenues (diesel)

	7/1/85 tax	1/1/86 tax	1/1/87 tax		
Diesel	.165	.175	.185	<u>4,500,000</u>	<u>7,500,000</u>

C) TOTAL FUEL REVENUE INCREASE

	37,000,000	39,100,000
--	------------	------------

2) ALLOCATION OF NET REVENUES FOR FY86 and FY87

The net effects of the fuel tax increases for FY 1986 are as follows:

RISE		
..2/3 of 37,000,000	\$24,670,000	
Primary Road Fund		
..50% X 24,670,000		12,340,000
County Roads		
..25% X 24,670,000		6,165,000
City Roads		
..25% X 24,670,000		6,165,000
ROAD USE TAX FUND		
..1/3 of 37,000,000	12,333,000	
..(2,250,000) truck use tax exemption		
..(1,505,000) mobile home use tax exemption		
..(2,410,000) funds for Public Transit	6,168,000	
Primary Road Fund		
..45% X 6,168,000		2,776,000
County Roads		
..37% X 6,168,000		2,282,000
City Roads		
..18% X 6,168,000		<u>1,110,000</u>
NET FY 1986 TOTAL		30,838,000

The net effects of the fuel tax increases for FY 1987 are as follows:

RISE		
..2/3 X 39,100,000	26,067,000	
Primary Road Fund		
..50% X 26,067,000		13,034,000
County Roads		
..25% X 26,067,000		6,517,000
City Roads		
..25% X 26,067,000		6,517,000

STATE OF IOWA
FISCAL NOTE

ROAD USE TAX FUND		
..1/3 X 39,100,000	13,033,000	
..(2,250,000) truck use tax exemption		
..(1,505,000) mobile home use tax exemption		
..(2,410,000) funds for Public Transit	6,868,000	
Primary Road Fund		
..45% X 6,868,000		3,091,000
County Roads		
..37% X 6,868,000		2,541,000
City Roads		
..18% X 6,868,000		<u>1,236,000</u>
NET FY 1987 TOTAL		32,935,000

Sources: Dept. of Revenue
Dept. of Transportation

(LSB 2839S.4, CEN)


Fiscal Director
Legislative Fiscal Bureau
Date: 5/4/85

HOUSE AMENDMENT TO
SENATE FILE 565

1 Amend Senate File 565 as amended, passed, and
2 reprinted by the Senate as follows:

3 1. By striking page 1, line 1 through page 3,
4 line 3, and inserting the following:

5 "Sec. ____ . Section 312.2, Code 1985, is amended by
6 adding the following new subsections:

7 NEW SUBSECTION. 16. The treasurer of state,
8 before making the allotments provided for in this
9 section, shall credit monthly from the road use tax
10 fund to the revitalize Iowa's sound economy fund,
11 created under section 315.2, the revenue accruing to
12 the road use tax fund in the amount equal to two
13 thirds of the revenues collected under each of the
14 following:

15 a. From the excise tax on motor fuel and special
16 fuel imposed under the tax rate of section 324.3:

17 (1) For the period July 1, 1985, through December
18 31, 1985, the amount of excise tax collected from two
19 cents per gallon.

20 (2) From and after January 1, 1986, the amount of
21 excise tax collected from three cents per gallon.

b. From the excise tax on special fuel for diesel
engines:

24 (1) For the period July 1, 1985, through December
25 31, 1985, the amount of excise tax collected from one
26 cent per gallon.

27 (2) For the period January 1, 1986, through
28 December 31, 1986, the amount of excise tax collected
29 from two cents per gallon.

30 (3) From and after January 1, 1987, the amount of
31 excise tax collected from three cents per gallon.

32 NEW SUBSECTION. 17. The treasurer of state,
33 before making the allotments provided for in this
34 section, shall credit monthly from the road use tax
35 fund to the public transit assistance fund, created
36 under section 601J.6, an amount equal to one fortieth
37 of the revenue credited to the road use tax fund under
38 section 423.24.

39 Sec. ____ . NEW SECTION. 315.1 DEFINITIONS.

40 As used in this chapter, unless the context
41 otherwise requires:

42 1. "Department" means the state department of
43 transportation.

44 2. "Fund" or "RISE fund" means the revitalize
45 Iowa's sound economy fund.

46 Sec. ____ . NEW SECTION. 315.2 REVITALIZE IOWA'S
SOUND ECONOMY FUND.

A revitalize Iowa's sound economy fund is created,
49 which includes:

50 1. All motor fuel and special fuel excise taxes

S-4235 page 2

1 credited by law to the RISE fund.

2 2. All other funds by law credited to the RISE
3 fund.

4 Sec. ____ . NEW SECTION. 315.3 USE OF FUND.

5 1. The fund ~~is~~ appropriated ~~for~~ and shall be used
6 in the establishment, construction, improvement and
7 maintenance of roads and streets which promote
8 economic development in the state by having any of the
9 following effects:

10 a. Improving or maintaining highway access to
11 specific development sites, including existing and
12 future industrial locations.

13 b. Improving or maintaining highway access between
14 urban centers or between urban centers and the
15 interstate road system as defined in section 306.3.

16 c. Improving or maintaining highway access to
17 economically depressed areas of the state.

18 d. Improving or maintaining highway access to
19 points of shipment or processing of products.

20 e. Improving or maintaining highway access to
21 trucking terminals and places of embarkation or
22 shipment by other transportation modes.

23 f. Improving or maintaining highway access to
24 scenic, recreational, historic and cultural sites or
25 other locations identified as tourist attractions.

26 2. The fund is also appropriated and shall be used
27 for the reimbursement or payment to cities or counties
28 of all or part of the interest and principal on
29 general obligation bonds issued by cities or counties
30 for the purpose of financing approved road and street
31 projects meeting the requirements of subsection 1.

32 Sec. ____ . NEW SECTION. 315.4 ALLOCATION OF FUND.

33 Moneys credited to the RISE fund shall be allocated
34 as follows:

35 1. Fifty percent for the use of the department on
36 primary road projects.

37 2. Twenty-five percent for the use of counties on
38 secondary road projects.

39 3. Twenty-five percent for the use of cities on
40 city street projects.

41 Sec. ____ . NEW SECTION. 315.5 ADMINISTRATION OF
42 FUND.

43 Qualifying road and street projects shall be
44 selected by the department for full or partial
45 financing from the fund after consultation with
46 organizations representing interests of counties and
47 cities. Counties and cities may make application for
48 qualifying road and street projects with the depart-
49 ment. In ranking applications for funds, the
50 department shall, in addition to effects listed in

S-4235 page 3

1 section 315.3, subsection 1, consider the proportion
2 of political subdivision matching funds to be
3 provided, if any, the proportion of private
4 contributions to be provided, if any, the total number
5 of jobs to be created, the level of need, and the
6 impact of the proposed project on the economy of the
7 area affected. The proportion of funding shall be
8 determined by the department or, in the case of
9 cooperative projects, by agreement between the
10 department and the city councils of participating
11 cities, or boards of supervisors of participating
12 counties, or other participating public agencies or
13 private parties.

14 Sec. ____ . NEW SECTION. 315.6 FUNDING OF
15 PROJECTS.

16 Qualifying projects may be funded as follows:

17 1. Primary road projects may be financed entirely
18 by the fund, or by combining money from the fund with
19 money from the primary road fund, federal aid primary
20 funds received by the state, or money from cities or
21 counties raised through the sale of general obligation
22 bonds of the cities or counties, other city or county
23 revenues, or money from participating private parties.

24 2. Secondary road projects may be funded entirely
25 by the fund or by combining money from the fund with
26 money from the county's portion of road use tax funds,
27 federal aid secondary funds, other county revenues, or
28 money raised through the sale of general obligation
29 bonds of the county, or money from participating
30 private parties.

31 3. City street projects may be funded entirely by
32 the fund, or by combining money from the fund with
33 money from the city's portion of road use tax funds,
34 federal aid urban system funds, other municipal
35 revenues, or money raised through the sale of general
36 obligation bonds of the city, or money from
37 participating private parties.

38 A county or city may, at its option, apply moneys
39 allocated for use on secondary road or city street
40 projects under section 315.4, subsection 2 or 3,
41 toward qualifying primary road projects.

42 Sec. ____ . NEW SECTION. 315.7 MONTHLY
43 CERTIFICATION OF FUNDS.

44 The account of the fund shall be kept by the state
45 comptroller and the treasurer of state and shall show
46 the amount of the fund including all credits to the
47 fund and disbursements. The state comptroller shall
48 report monthly to the department an account of the
49 fund including all credits and disbursements. Upon
50 certification by the department in accordance with

S-4235 page 4

1 rules adopted by the state comptroller, the state
2 comptroller shall issue warrants for disbursements
3 from the fund.

4 Sec. ____ . NEW SECTION. 315.8 ACCOUNTS AND
5 RECORDS REQUIRED.

6 The department shall keep accounts in relation to
7 the allocation of moneys to the fund including all
8 amounts credited to the fund and all amounts of duly
9 and finally approved vouchers for claims chargeable to
10 the fund. The department shall also keep accounts in
11 relation to agreements with counties and cities for
12 the reimbursement of interest and principal costs for
13 general obligation bonds of counties or cities issued
14 for the purpose of financing road or street projects
15 under this chapter.

16 Sec. ____ . NEW SECTION. 315.9 PROJECT
17 DEVELOPMENT.

18 The department shall be responsible for the
19 development of qualifying projects under this chapter
20 in the same manner as prescribed for primary road
21 system improvements under chapter 313, including
22 surveys, plans, specifications, bids, contracts,
23 supervision and inspection. The department may
24 delegate responsibility for project development to
25 another participating governmental unit.

26 Sec. ____ . NEW SECTION. 315.10 RULES.

27 The department shall adopt rules pursuant to
28 chapter 17A as necessary for the administration of
29 this chapter."

30 2. Page 3, by inserting before line 4 the
31 following:

32 "Sec. ____ . Section 324.2, subsection 7, Code 1985,
33 is amended to read as follows:

34 7. "Gasohol" means motor fuel containing at least
35 ten percent alcohol distilled from agricultural
36 ~~products~~ cereal grains."

37 3. Page 3, line 12, by striking the words
38 "agricultural products" and inserting the following:
39 "~~agricultural-products~~ cereal grains".

40 4. Page 3, line 14, by striking the figure "1986"
41 and inserting the figures "~~1986~~ 1992".

42 5. By striking page 4, line 8 through page 5,
43 line 31.

44 6. By striking page 7, line 7 through page 9,
45 line 4.

46 7. Page 9, by striking lines 5 through 15.

47 8. By striking page 10, line 15 through page 11,
48 line 4.

49 9. Title page, line 1, by inserting after the
50 word "to" the words "the use and".

235 page 5

- 1 10. Title page, line 4, by striking the words
- 2 "economic development emergency" and inserting the
- 3 word "RISE".
- 4 11. Title page, line 6, by inserting after the
- 5 word "state," the words "by crediting moneys from the
- 6 road use tax fund to the public transit assistance
- 7 fund,".
- 8 12. Title page, line 15, by inserting after the
- 9 word "vessels," the following: "by allowing certain
- 10 truck tractors to be registered as special trucks," .
- 11 13. By renumbering, relettering, or redesignating
- 12 and correcting internal references as necessary.

S-4235 Filed May 3, 1985

RECEIVED FROM THE HOUSE

Senate concurred 5/4/85 (p. 1995)

S-4251

SENATE FILE 565

1 Amend the House amendment, S-4235, to Senate File
2 565 as amended, passed, and reprinted by the Senate as
3 follows:
4 1. Page 4, by inserting before line 47 the
5 following:
6 "____. Page 10, by inserting after line 14 the
7 following:
8 "Sec. _____. Section 312.2, subsection 16, and
9 chapter 315, created under this Act, are repealed
10 effective January 1, 1987."

S-4251 Filed May 4, 1985

By HUTCHINS

W/D 5/4 (p. 1995)

S-4247

SENATE FILE 565

1 Amend the House amendment, S-4235 to Senate File
2 565 as amended, passed, and reprinted by the Senate as
3 follows:

4 1. Page 1, by inserting after line 4 the
5 following:

6 "Sec. _____. Section 312.2, subsections 1 through
7 4, Code 1985, are amended to read as follows:

8 1. To the primary road fund, ~~forty-five~~ fifty
9 percent.

10 2. To the secondary road fund of the counties,
11 ~~twenty-eight~~ nineteen percent.

12 3. To the farm-to-market road fund, ~~nine~~ six
13 percent.

14 4. To the street construction fund of the cities,
15 ~~eighteen~~ twenty-five percent.""

16 2. Page 5, by inserting after line 3 the
17 following:

18 "_____. Title page, line 3, by inserting after the
19 word "fuel," the following: "by changing the
20 allocation of moneys under the road use tax fund
21 formula,"."

S-4247 Filed May 4, 1985

By GENTLEMAN

Lost 5-4 (j. 1994)

SENATE FILE 565

S-4248

1 Amend the House amendment, S-4235, to Senate File
2 565 as amended, passed, and reprinted by the Senate as
3 follows:

4 1. Page 4, by striking lines 40 and 41 and
5 inserting the following:

6 "_____. Page 4, lines 5 and 6, by striking the
7 figures "~~1986~~ 1992," and inserting the figure
8 "1986,"."

S-4248 Filed May 4, 1985

By DRAKE

W/D (j. 1995)

SENATE FILE 565

S-4249

1 Amend the amendment S-4235 to Senate File 565 as
2 amended, passed and reprinted by the Senate as
3 follows:

4 1. Page 2, by striking lines 32 through 40.

S-4249 Filed May 4, 1985

By GRATIAS

Lost 5-4 (j. 1994)

1 Amend the House amendment, S-4235, to Senate File
2 565 as amended, passed and reprinted by the Senate as
3 follows:
4 1. Page 1, line 12, by inserting after the word
5 "to" the following: "sixty-three percent of".
6 2. Page 1, line 14, by inserting after the word
7 "following" the following: ", and shall credit
8 monthly from the road use tax fund to the secondary
9 road fund the revenue accruing to the road use tax
10 fund in the amount equal to thirty-seven percent of
11 two thirds of the revenues collected under each of the
12 following".
13 3. Page 2, line 27, by striking the words "or
14 counties".
15 4. Page 2, line 29, by striking the words "or
16 counties".
17 5. Page 2, by striking lines 35 through 40 and
18 inserting the following:
19 "1. Seventy-one percent for the use of the
20 department on primary road projects.
21 2. Twenty-nine percent for the use of cities on
22 city street projects."
23 6. Page 2, line 46, by striking the words
24 "counties and".
25 7. Page 2, line 47, by striking the words
26 "Counties and cities" and inserting the following:
27 "Cities".
28 8. Page 3, lines 11 and 12, by striking the words
29 "or boards of supervisors of participating counties,".
30 9. Page 3, lines 20 and 21, by striking the words
31 "or counties".
32 10. Page 3, line 22, by striking the words "or
33 counties, other city or county" and inserting the
34 following: ", other city".
35 11. Page 3, by striking lines 24 through 30.
36 12. Page 3, line 31, by striking the figure "3"
37 and inserting the figure "2".
38 13. Page 3, line 38, by striking the words
39 "county or".
40 14. Page 3, line 39, by striking the words
41 "secondary road or".
42 15. Page 3, line 40, by striking the word and
43 figure "or 3".
44 16. Page 4, line 11, by striking the words
45 "counties and".
46 17. Page 4, line 13, by striking the words
47 "counties or".

S-4255

SENATE FILE 565

1 Amend the House amendment S-4235 to Senate File 565
2 as amended, passed and reprinted by the Senate as
3 follows:

4 1. Page 4, by striking lines 42 through 45.

S-4255 Filed May 4, 1985

By BOSWELL

Jose 5-4 (p. 1795)

SSB 372
Way + Means

WAYS & MEANS. Readinger. Chair, Soorholtz, Bruner, Rodgers and Palmer

New
SF 565

SENATE FILE _____

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to taxation for the use of motor vehicles in
 2 the state by increasing the rate of tax on motor fuel and
 3 special fuel, by crediting a portion of the revenue from
 4 motor fuel and special fuel taxes to the RISE fund for use
 5 in road and street projects which promote economic devel-
 6 opment in the state, by providing for a one cent per gallon
 7 reduction in the excise tax rate on gasohol contingent upon
 8 certain circumstances, and by providing an exemption from
 9 the use tax for certain vehicles registered under chapter
 10 326 and making penalties applicable.

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

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1 Section 1. Section 312.2, Code 1985, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 16. The treasurer of state, before making
4 the allotments provided for in this section, shall credit
5 monthly to the revitalize Iowa's sound economy fund, created
6 under section 315.2, the revenue accruing to the road use tax
7 fund from the excise tax on special fuel for diesel engines in
8 the amount of two cents per gallon for revenues collected for
9 the period July 1, 1985 through December 31, 1985, and in the
10 amount of three cents per gallon for revenues collected from
11 and after January 1, 1986.

12 Sec. 2. Section 313.3, Code 1985, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 5. There is appropriated from the primary
15 road fund to the revitalize Iowa's sound economy fund, created
16 under section 315.2, an amount equal to forty-five percent of
17 the revenue accruing from a fraction of the excise taxes on
18 gasohol, motor fuel and special fuel other than special fuel
19 for diesel engines, with the fraction computed as follows:

20 a. Two-fifteenths for revenues collected for the period
21 July 1, 1985 through December 31, 1985.

22 b. Three-sixteenths for revenues collected from and after
23 January 1, 1986.

24 Sec. 3. NEW SECTION. 315.1 DEFINITIONS.

25 As used in this chapter, unless the context otherwise
26 requires:

27 1. "Department" means the state department of
28 transportation.

29 2. "Fund" or "RISE fund" means the revitalize Iowa's sound
30 economy fund.

31 Sec. 4. NEW SECTION. 315.2 REVITALIZE IOWA'S SOUND
32 ECONOMY FUND.

33 A revitalize Iowa's sound economy fund is created, which
34 includes:

35 1. All motor fuel and special fuel excise taxes credited

1 by law to the RISE fund.

2 2. All other funds by law credited to the RISE fund.

3 Sec. 5. NEW SECTION. 315.3 USE OF FUND.

4 1. The fund is appropriated for and shall be used in the
5 establishment, construction and improvement of roads and
6 streets which promote economic development in the state by
7 having any of the following effects:

8 a. Improving highway access to specific development sites,
9 including existing and future industrial locations.

10 b. Improving highway access between urban centers or be-
11 tween urban centers and the interstate road system as defined
12 in section 306.2.

13 c. Improving highway access to economically depressed
14 areas of the state.

15 d. Improving highway access to points of shipment or pro-
16 cessing of agricultural products.

17 e. Improving highway access to trucking terminals and
18 places of embarkation or shipment by other transportation
19 modes.

20 f. Improving highway access to scenic, recreational,
21 historic and cultural sites or other locations identified as
22 tourist attractions.

23 2. The fund is also appropriated and shall be used for the
24 reimbursement to cities or counties of all or part of the in-
25 terest and principal on general obligation bonds issued by
26 cities or counties for the purpose of financing approved road
27 and street projects meeting the requirements of subsection 1.
28 The portion of the payments to be reimbursed from the fund is
29 subject to agreements which shall be entered between the
30 department and the participating cities and counties. The
31 department shall ensure that enough money is available in the
32 fund to make the agreed reimbursements each year before
33 additional projects are authorized.

34 Sec. 6. NEW SECTION. 315.5 ADMINISTRATION OF FUND.

35 Qualifying road and street projects shall be selected by

1 the department for full or partial financing from the fund.
2 Cities and counties may make application for qualifying road
3 and street projects with the department. The proportion of
4 funding shall be determined by the department or, in the case
5 of cooperative projects, by agreement between the department
6 and the city councils of participating cities, or boards of
7 supervisors of participating counties, or other participating
8 public agencies or private parties.

9 Sec. 7. NEW SECTION. 315.6 FUNDING OF PROJECTS.

10 Qualifying projects may be funded as follows:

11 1. Primary road projects may be financed entirely by the
12 fund, or by combining money from the fund with money from the
13 primary road fund, federal aid primary funds received by the
14 state, or money from cities or counties raised through the
15 sale of general obligation bonds of the cities or counties,
16 other city or county revenues, or money from participating
17 private parties.

18 2. Secondary road projects may be funded entirely by the
19 fund or by combining money from the fund with money from the
20 county's portion of road use tax funds, federal aid secondary
21 funds, other county revenues, or money raised through the sale
22 of general obligation bonds of the county, or money from
23 participating private parties.

24 3. City street projects may be funded entirely by the
25 fund, or by combining money from the fund with money from the
26 city's portion of road use tax funds, federal aid urban system
27 funds, other municipal revenues, or money raised through the
28 sale of general obligation bonds of the city, or money from
29 participating private parties.

30 Sec. 8. NEW SECTION. 315.7 MONTHLY CERTIFICATION OF
31 FUNDS.

32 The account of the fund shall be kept by the state comp-
33 troller and the treasurer of state and shall show the amount
34 of the fund including all credits to the fund and
35 disbursements. The state comptroller shall report monthly to

1 the department an account of the fund including all credits
2 and disbursements. Upon certification by the department in
3 accordance with rules adopted by the state comptroller, the
4 state comptroller shall issue warrants for disbursements from
5 the fund.

6 Sec. 9. NEW SECTION. 315.8 ACCOUNTS AND RECORDS
7 REQUIRED.

8 The department shall keep accounts in relation to the
9 allocation of moneys to the fund including all amounts
10 credited to the fund and all amounts of duly and finally
11 approved vouchers for claims chargeable to the fund. The
12 department shall also keep accounts in relation to agreements
13 with cities and counties for the reimbursement of interest and
14 principal costs for general obligation bonds of cities or
15 counties issued for the purpose of financing road or street
16 projects approved under this chapter.

17 Sec. 10. NEW SECTION. 315.9 PROJECT DEVELOPMENT.

18 The department is responsible for the development of
19 qualifying projects under this chapter in the same manner as
20 prescribed for primary road system improvements under chapter
21 313, including surveys, plans, specifications, bids,
22 contracts, supervision and inspection. The department may
23 delegate responsibility for project development to another
24 participating governmental unit.

25 Sec. 11. NEW SECTION. 315.10 RULES.

26 The department shall adopt rules pursuant to chapter 17A as
27 necessary for the administration of this chapter.

28 Sec. 12. Section 324.3, unnumbered paragraph 1, Code 1985,
29 is amended to read as follows:

30 For the privilege of operating motor vehicles in this state
31 an excise tax of thirteen fifteen cents per gallon for the
32 period beginning September July 1, ~~1984~~ 1985 and ending
33 December 31, 1985, and sixteen cents per gallon beginning
34 January 1, 1986, is imposed upon the use of all motor fuel
35 used for any purpose except motor fuel containing at least ten

1 percent alcohol distilled from agricultural products grown in
2 the United States for the period beginning July 1, 1978 and
3 ending June 30, 1986 and except as otherwise provided in this
4 division.

5 PARAGRAPH DIVIDED. The tax shall be paid in the first
6 instance by the distributor upon the invoiced gallonage of all
7 motor fuel received by the distributor in this state, within
8 the meaning of the word "received" as defined in this
9 division, less the deductions authorized. Thereafter, except
10 as otherwise provided, the per gallon amount of the tax shall
11 be added to the selling price of every gallon of such motor
12 fuel sold in this state and shall be collected from the
13 purchaser so that the ultimate consumer bears the burden of
14 the tax~~; provided that.~~ However, the tax shall not be imposed
15 or collected under this division with respect to the
16 following:

17 Sec. 13. Section 324.3, unnumbered paragraph 3, Code 1985,
18 is amended to read as follows:

19 For the privilege of operating motor vehicles in this state
20 an excise tax of ~~six cents per gallon for the period beginning~~
21 ~~September 1, 1981 and ending April 30, 1982, an excise tax of~~
22 ~~eight cents per gallon for the period beginning May 1, 1982~~
23 ~~and ending June 30, 1983, an excise tax of ten cents per~~
24 ~~gallon for the period beginning July 1, 1983 and ending June~~
25 ~~30, 1984, an excise tax of eleven cents per gallon for the~~
26 ~~period beginning July 1, 1984 and ending June 30, 1985, an~~
27 ~~excise tax of twelve~~ fourteen cents per gallon beginning July
28 1, 1985 and ending December 31, 1985, and fifteen cents per
29 gallon beginning January 1, 1986 and ending June 30, 1986, is
30 imposed upon the use of gasohol used for any purpose except as
31 otherwise provided in this division.

32 Sec. 14. Section 324.3, Code 1985, is amended by adding
33 the following new unnumbered paragraph:

34 NEW UNNUMBERED PARAGRAPH. If producers of fuel alcohol
35 notify the department of revenue in writing that improvements

1 made to property in this state used exclusively for the
2 production of fuel alcohol made from corn have increased the
3 value of the property as of January 1 of the current
4 assessment year forty million dollars or more, the excise tax
5 on gasohol shall be one cent per gallon less than the excise
6 tax on motor fuel. Increases in value of property shall be
7 based upon improvements made to property after January 1,
8 1985, and may be cumulative from more than one producer. The
9 producers shall notify the department of revenue by May 1 and
10 upon verification of the increased value the director of
11 revenue shall cause an advisory notice to be published in June
12 in the Iowa administrative bulletin and in a newspaper of
13 general circulation in this state, stating the rate of tax on
14 gasohol to be in effect on or after July 1 of that year, as
15 established by this paragraph. The publication of the rate of
16 tax by the director of revenue is exempt from the Iowa
17 administrative procedure Act. The one cent reduction in the
18 excise tax on gasohol, once initiated, shall remain in effect
19 through June 30, 1992.

20 Sec. 15. Section 324.34, unnumbered paragraph 1, Code
21 1985, is amended to read as follows:

22 For the privilege of operating motor vehicles in this
23 state, there is ~~levied-and imposed~~ an excise tax on the use,
24 ~~{as defined herein}~~ in section 324.33, of special fuel in ~~any~~
25 a motor vehicle. The ~~rate-of tax rate~~ on special ~~{diesel~~
26 ~~engine}~~ fuel for diesel engines is ~~thirteen-and-one-half-cents~~
27 ~~per-gallon-beginning-September-17-1981-and-fifteen~~ seventeen
28 and one-half cents per gallon for the period beginning July 1,
29 ~~1982~~ 1985 and ending December 31, 1985, and is eighteen and
30 one-half cents per gallon beginning January 1, 1986. On all
31 other special fuel the per gallon rate is the same as the
32 motor fuel tax.

33 PARAGRAPH DIVIDED. The tax, with respect to all special
34 fuel delivered by a special fuel dealer for use in this state
35 as defined by section 324.33, shall attach at the time of the

1 delivery and shall be collected by the dealer from the special
2 fuel user and paid over to the department of revenue as
3 provided in this chapter. The tax, with respect to special
4 fuel acquired by a special fuel user in any manner other than
5 by delivery by a special fuel dealer into a fuel supply tank
6 of a motor vehicle or delivery into a motor vehicle special
7 fuel holding tank by a special fuel dealer or distributor,
8 ~~shall attach~~ attaches at the time of the use, as herein
9 defined in section 324.33, of the fuel and shall be paid over
10 to the department of revenue by the user as provided in this
11 chapter.

12 Sec. 16. Section 423.4, Code 1985, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 10. Vehicles registered under chapter 326
15 and used substantially in interstate commerce, section 423.5
16 notwithstanding. For purposes of this subsection,
17 "substantially in interstate commerce" means that a minimum of
18 twenty-five percent of the miles operated by the vehicle
19 accrues in states other than Iowa. This subsection applies
20 only to vehicles which are registered for a gross weight of
21 thirteen tons or more.

22 EXPLANATION

23 This bill creates the "revitalize Iowa's sound economy"
24 (RISE) fund which is appropriated for use in the
25 establishment, construction and improvement of roads and
26 streets which promote economic development in the state. The
27 bill increases the applicable excise taxes on motor fuel and
28 special fuel by two cents per gallon on July 1, 1985, and by
29 an additional cent per gallon on January 1, 1986. The moneys
30 accruing from these excise tax increases on special fuel for
31 diesel engines is deposited in the RISE fund. Forty-five
32 percent of a fraction of the excise taxes on gasohol, motor
33 fuel and special fuel other than special fuel for diesel
34 engines is appropriated from the primary road fund to the RISE
35 fund.

1 Road and street projects are selected by the state
2 department of transportation for full or partial financing
3 from the RISE fund. Cities and counties may make application
4 for qualifying road and street projects with the department.
5 For cooperative projects an agreement between the department
6 and participating cities and counties shall set the proportion
7 of funding. The agreement may provide reimbursement to
8 participating cities and counties for interest and principal
9 on general obligation bonds issued by the cities and counties
10 for financing the approved road and street projects.

11 The bill also provides for a one cent reduction in the
12 excise tax on gasohol. The reduction occurs if producers of
13 fuel alcohol notify the department of revenue that improve-
14 ments to property in this state used exclusively for the
15 production of fuel alcohol made from corn have increased the
16 value of the property \$40 million or more after January 1,
17 1985. The excise tax reduction, once initiated, remains in
18 effect through June 30, 1992.

19 The bill exempts from the use tax vehicles registered under
20 chapter 326 for a gross weight of thirteen tons or more and
21 which are used substantially in interstate commerce. To
22 qualify for the exemption the vehicle must be operated with a
23 minimum of 25 percent of its mileage outside of Iowa.

24 The bill creates and internally cites new sections 315.1
25 through 315.10.

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SENATE FILE 565

AN ACT

RELATING TO THE USE AND TAXATION FOR THE USE OF MOTOR VEHICLES, WATER VESSELS, AND MOBILE HOMES IN THE STATE BY INCREASING THE RATE OF TAX ON MOTOR FUEL AND SPECIAL FUEL, BY CREDITING MONEYS FROM THE ROAD USE TAX FUND TO THE RISE FUND, FOR USE IN ROAD OR STREET PROJECTS WHICH PROMOTE ECONOMIC DEVELOPMENT IN THE STATE, BY CREDITING MONEYS FROM THE ROAD USE TAX FUND TO THE PUBLIC TRANSIT ASSISTANCE FUND, BY PROVIDING AN EXEMPTION FROM THE USE TAX FOR CERTAIN VEHICLES REGISTERED UNDER CHAPTER 326, BY EXEMPTING FROM THE STATE USE TAX THE PORTION OF THE PURCHASE PRICE OF A MOBILE HOME WHICH IS NOT ATTRIBUTABLE TO THE COST OF THE MATERIALS USED IN MANUFACTURING THE MOBILE HOME AND EXEMPTING FROM THE STATE USE TAX THE GROSS RECEIPTS FROM THE SUBSEQUENT SALE OF A MOBILE HOME IF THE USE TAX HAD BEEN PAID IN A PREVIOUS SALE, BY EXEMPTING FROM THE SALES, SERVICES AND USE TAX THE SALE OF SPECIAL FUEL FOR DIESEL ENGINES FOR CERTAIN SHIPS, BARGES AND WATERBORNE VESSELS, BY ALLOWING CERTAIN TRUCK TRACTORS TO BE REGISTERED AS SPECIAL TRUCKS, AND MAKING PENALTIES APPLICABLE.

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

Section 1. Section 312.2, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 16. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the revitalize Iowa's sound economy fund, created under section 315.2, the revenue accruing to the road use tax fund in the amount equal to two thirds of the revenues collected under each of the following:

a. From the excise tax on motor fuel and special fuel imposed under the tax rate of section 324.3:

(1) For the period July 1, 1985, through December 31, 1985, the amount of excise tax collected from two cents per gallon.

(2) From and after January 1, 1986, the amount of excise tax collected from three cents per gallon.

b. From the excise tax on special fuel for diesel engines:

(1) For the period July 1, 1985, through December 31, 1985, the amount of excise tax collected from one cent per gallon.

(2) For the period January 1, 1986, through December 31, 1986, the amount of excise tax collected from two cents per gallon.

(3) From and after January 1, 1987, the amount of excise tax collected from three cents per gallon.

NEW SUBSECTION. 17. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the public transit assistance fund, created under section 601J.6, an amount equal to one fortieth of the revenue credited to the road use tax fund under section 423.24.

Sec. 2. NEW SECTION. 315.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Department" means the state department of transportation.

2. "Fund" or "RISE fund" means the revitalize Iowa's sound economy fund.

Sec. 3. NEW SECTION. 315.2 REVITALIZE IOWA'S SOUND ECONOMY FUND.

A revitalize Iowa's sound economy fund is created, which includes:

1. All motor fuel and special fuel excise taxes credited by law to the RISE fund.

2. All other funds by law credited to the RISE fund.

Sec. 4. NEW SECTION. 315.3 USE OF FUND.

1. The fund is appropriated for and shall be used in the establishment, construction, improvement and maintenance of

roads and streets which promote economic development in the state by having any of the following effects:

- a. Improving or maintaining highway access to specific development sites, including existing and future industrial locations.
- b. Improving or maintaining highway access between urban centers or between urban centers and the interstate road system as defined in section 306.3.
- c. Improving or maintaining highway access to economically depressed areas of the state.
- d. Improving or maintaining highway access to points of shipment or processing of products.
- e. Improving or maintaining highway access to trucking terminals and places of embarkation or shipment by other transportation modes.
- f. Improving or maintaining highway access to scenic, recreational, historic and cultural sites or other locations identified as tourist attractions.

2. The fund is also appropriated and shall be used for the reimbursement or payment to cities or counties of all or part of the interest and principal on general obligation bonds issued by cities or counties for the purpose of financing approved road and street projects meeting the requirements of subsection 1.

Sec. 5. NEW SECTION. 315.4 ALLOCATION OF FUND.

Moneys credited to the RISE fund shall be allocated as follows:

1. Fifty percent for the use of the department on primary road projects.
2. Twenty-five percent for the use of counties on secondary road projects.
3. Twenty-five percent for the use of cities on city street projects.

Sec. 6. NEW SECTION. 315.5 ADMINISTRATION OF FUND

Qualifying road and street projects shall be selected by the department for full or partial financing from the fund after consultation with organizations representing interests

of counties and cities. Counties and cities may make application for qualifying road and street projects with the department. In ranking applications for funds, the department shall, in addition to effects listed in section 315.3, subsection 1, consider the proportion of political subdivision matching funds to be provided, if any, the proportion of private contributions to be provided, if any, the total number of jobs to be created, the level of need, and the impact of the proposed project on the economy of the area affected. The proportion of funding shall be determined by the department or, in the case of cooperative projects, by agreement between the department and the city councils of participating cities, or boards of supervisors of participating counties, or other participating public agencies or private parties.

Sec. 7. NEW SECTION. 315.6 FUNDING OF PROJECTS.

Qualifying projects may be funded as follows:

1. Primary road projects may be financed entirely by the fund, or by combining money from the fund with money from the primary road fund, federal aid primary funds received by the state, or money from cities or counties raised through the sale of general obligation bonds of the cities or counties, other city or county revenues, or money from participating private parties.
2. Secondary road projects may be funded entirely by the fund or by combining money from the fund with money from the county's portion of road use tax funds, federal aid secondary funds, other county revenues, or money raised through the sale of general obligation bonds of the county, or money from participating private parties.
3. City street projects may be funded entirely by the fund, or by combining money from the fund with money from the city's portion of road use tax funds, federal aid urban system funds, other municipal revenues, or money raised through the sale of general obligation bonds of the city, or money from participating private parties.

A county or city may, at its option, apply moneys allocated for use on secondary road or city street projects under

section 315.4, subsection 2 or 3, toward qualifying primary road projects.

Sec. 8. NEW SECTION. 315.7 MONTHLY CERTIFICATION OF FUNDS.

The account of the fund shall be kept by the state comptroller and the treasurer of state and shall show the amount of the fund including all credits to the fund and disbursements. The state comptroller shall report monthly to the department an account of the fund including all credits and disbursements. Upon certification by the department in accordance with rules adopted by the state comptroller, the state comptroller shall issue warrants for disbursements from the fund.

Sec. 9. NEW SECTION. 315.8 ACCOUNTS AND RECORDS REQUIRED.

The department shall keep accounts in relation to the allocation of moneys to the fund including all amounts credited to the fund and all amounts of duly and finally approved vouchers for claims chargeable to the fund. The department shall also keep accounts in relation to agreements with counties and cities for the reimbursement of interest and principal costs for general obligation bonds of counties or cities issued for the purpose of financing road or street projects under this chapter.

Sec. 10. NEW SECTION. 315.9 PROJECT DEVELOPMENT.

The department shall be responsible for the development of qualifying projects under this chapter in the same manner as prescribed for primary road system improvements under chapter 313, including surveys, plans, specifications, bids, contracts, supervision and inspection. The department may delegate responsibility for project development to another participating governmental unit.

Sec. 11. NEW SECTION. 315.10 RULES.

The department shall adopt rules pursuant to chapter 17A as necessary for the administration of this chapter.

Sec. 12. Section 324.2, subsection 7, Code 1985, is amended to read as follows:

7. "Gasohol" means motor fuel containing at least ten percent alcohol distilled from agricultural products cereal grains.

Sec. 13. Section 324.3, unnumbered paragraph 1, Code 1985, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of thirteen fifteen cents per gallon for the period beginning September July 1, 1981 1985 and ending December 31, 1985, and sixteen cents per gallon beginning January 1, 1986, is imposed upon the use of all motor fuel used for any purpose except motor fuel containing at least ten percent alcohol distilled from agricultural products cereal grains grown in the United States for the period beginning July 1, 1978 and ending June 30, 1986 1992 and except as otherwise provided in this division.

PARAGRAPH DIVIDED. The tax shall be paid in the first instance by the distributor upon the invoiced gallonage of all motor fuel received by the distributor in this state, within the meaning of the word "received" as defined in this division, less the deductions authorized. Thereafter, except as otherwise provided, the per gallon amount of the tax shall be added to the selling price of every gallon of such motor fuel sold in this state and shall be collected from the purchaser so that the ultimate consumer bears the burden of the tax; provided that. However, the tax shall not be imposed or collected under this division with respect to the following:

Sec. 14. Section 324.3, unnumbered paragraph 3, Code 1985, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of six-cents-per-gallon-for-the-period-beginning September-17-1981-and-ending-April-30,-1982,-an-excise-tax-of eight-cents-per-gallon-for-the-period-beginning-May-1,-1982 and-ending-June-30,-1983,-an-excise-tax-of-ten-cents-per gallon-for-the-period-beginning July-1,-1983-and-ending-June 30,-1984,-an-excise-tax-of-eleven-cents per gallon-for-the period-beginning-July-1,-1984-and-ending-June-30,-1985,-an

~~excise tax of twelve~~ fourteen cents per gallon beginning July 1, 1985 ~~and ending December 31, 1985, and fifteen cents per gallon beginning January 1, 1986 and ending June 30, 1986~~ 1992, is imposed upon the use of gasoline used for any purpose except as otherwise provided in this division.

Sec. 15. Section 324.34, unnumbered paragraph 1, Code 1985, is amended to read as follows:

For the privilege of operating motor vehicles in this state, there is levied and imposed an excise tax on the use, (as defined herein) ~~in section 324.33~~, of special fuel in any a motor vehicle. The rate of tax ~~rate~~ on special (diesel engine) fuel ~~for diesel engines~~ is ~~thirteen and one-half cents per gallon beginning September 1, 1981 and fifteen sixteen and one-half cents per gallon for the period beginning July 1, 1982 1985 and ending December 31, 1985, is seventeen and one-half cents per gallon for the period beginning January 1, 1986 and ending December 31, 1986, and is eighteen and one-half cents per gallon beginning January 1, 1987.~~ On all other special fuel the per gallon rate is the same as the motor fuel tax.

PARAGRAPH DIVIDED. The tax, with respect to all special fuel delivered by a special fuel dealer for use in this state as defined by section 324.33, shall attach at the time of the delivery and shall be collected by the dealer from the special fuel user and paid over to the department of revenue as provided in this chapter. The tax, with respect to special fuel acquired by a special fuel user in any manner other than by delivery by a special fuel dealer into a fuel supply tank of a motor vehicle or delivery into a motor vehicle special fuel holding tank by a special fuel dealer or distributor, ~~shall attach~~ attaches at the time of the use, (as herein defined) ~~in section 324.33~~, of the fuel and shall be paid over to the department of revenue by the user as provided in this chapter.

Sec. 16. Section 324.34, unnumbered paragraph 8, Code 1985, is amended to read as follows:

For natural gas used as a special fuel the rate of tax that is equivalent to the motor fuel tax shall be ~~ten and one-half~~ thirteen cents per hundred cubic feet adjusted to a base temperature of sixty degrees Fahrenheit and a pressure of fourteen and seventy-three hundredths pounds per square inch absolute. The tax on natural gas shall attach at the time of delivery into equipment for compressing the gas for subsequent delivery into the fuel supply tank of a motor vehicle and shall be paid over to the department of revenue by the person operating the compressing equipment under the applicable provisions for users or dealers. Natural gas used as a special fuel shall be delivered into compressing equipment through sealed meters certified for accuracy by the department of agriculture.

Sec. 17. Section 422.45, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 22. The gross receipts from the sales of special fuel for diesel engines consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire on rivers bordering on the state if the fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such a river.

Sec. 18. Section 423.1, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 14. "Mobile home" means mobile home as defined in section 321.1, subsection 68, paragraph "a".

Sec. 19. Section 423.4, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 10. Vehicles registered under chapter 326 and used substantially in interstate commerce, section 423.5 notwithstanding. For purposes of this subsection, "substantially in interstate commerce" means that a minimum of twenty-five percent of the miles operated by the vehicle accrues in states other than Iowa. This subsection applies only to vehicles which are registered for a gross weight of thirteen tons or more.

NEW SUBSECTION. 11. Mobile homes the use of which has previously been subject to the tax imposed under this chapter and for which that tax has been paid.

NEW SUBSECTION. 12. Mobile homes to the extent of the portion of the purchase price of the mobile home which is not attributable to the cost of the tangible personal property used in the processing of the mobile home. For purposes of this exemption, the portion of the purchase price which is not attributable to the cost of the tangible personal property used in the processing of the mobile home is forty percent.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 565, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 30, 1985

TERRY E. BRANSTAD
Governor

S.F. 565