Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 820
"Highway Grade Crossing Safety Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 327G.15
State or federal law(s) implemented by the rulemaking: Iowa Code sections 327G.15 and 327G.19

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 30, 2025 11 to 11:30 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 788 229 945#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Transportation no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Ames, Iowa 50010
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Purpose and Summary

Chapter 820 is intended to comply with Iowa Code section 327G.15, governing the processing of claims to the Highway Grade Crossing Safety Fund. This proposed chapter defines the eligibility for operating railroads to receive funds and provides an explanation of the reimbursement process, billing, and proration of claims to the Highway Grade Crossing Safety Fund. The Department adopts by reference, with date certain, the 2025 Revision of the American Railway Engineering and Maintenance-of-Way Association (AREMA) Communications and Signals Manual. This manual defines an AAR Signal Unit value. This value is assigned to the component parts of an active warning device and is used to determine the number of eligible units for each railroad to submit for reimbursement to the Highway Grade Crossing Safety Fund. These proposed rules ensure uniformity and consistency for the administration of the funds.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

In compliance with statute, the Department bears the cost of the rules to establish guidance for processing claims to the Highway Grade Crossing Safety Fund.

- **Classes of persons that will benefit from the proposed rulemaking:**

Operating railroads that have eligible crossing signal devices will benefit from these proposed rules that define the reimbursement process that assists with signal maintenance costs from the Highway Grade Crossing Safety Fund.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

This proposed chapter allows operating railroads with qualifying signal devices to submit a claim to the Department for reimbursement from the Highway Grade Crossing Safety Fund. The reimbursement requests are processed annually until funds are fully expended. These proposed rules create consistent standards on which operating railroads are eligible to claim money from the fund and provides uniform reimbursement to the operating railroads.

- **Qualitative description of impact:**

These proposed rules result in a positive qualitative impact by building a partnership with operating railroads to assist in the maintenance costs of highway-railroad grade crossing signal devices that meet the program eligibility and enhance the overall safety of the roadway system.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

There are minimal costs to the Department to process the reimbursement requests.

- **Anticipated effect on State revenues:**

There is no anticipated impact on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The benefit of these proposed rules is demonstrated annually by the volume of applications for reimbursement the Department receives. The claims received annually exceed the Department's ability to reimburse the participants at 75 percent of the maximum maintenance costs per claim. The Department must provide a reduced amount instead that depends on the number of claims and money available in the fund. Participation in the fund offsets annual maintenance costs of active warning devices ordered and agreed to be installed on or after July 1, 1973.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Department determined there are no less costly or less intrusive methods to achieve the purpose of the chapter.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Department did not consider alternatives.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed chapter has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 820 and adopt the following **new** chapter in lieu thereof:

CHAPTER 820
HIGHWAY GRADE CROSSING SAFETY FUND

761—820.1(327G) General.

820.1(1) *Purpose.* This chapter establishes requirements for use of the safety fund to reimburse railroads for a portion of the maintenance costs associated with active warning devices.

820.1(2) *Definitions.*

"AAR signal unit" means the relative maintenance difficulty value assigned to component parts of an active warning device. Units and interpretations are designated by the 2025 Revision of the American Railway Engineering and Maintenance-of-Way Association (AREMA) Communications and Signals Manual, Volume 1, Section 1 (1.3.2) [Recommend Table of Signal and Interlocking Units and Interpretations]. The AREMA publication may be ordered from the website www.arema.org. A member of the public with questions about specific content in the AREMA may contact the department's modal transportation bureau.

"Active warning devices" means traffic control devices activated by the approach or presence of a train, such as flashing light signals, flashing light signals with cantilever assemblies, and flashing light signals with automatic gate arms, all of which actively warn motorists of a train.

"Maintenance costs of active warning devices" means costs incurred by a railroad associated with the repair or replacement of obsolete, worn out, damaged or missing component parts of an active warning device. Maintenance costs include repair or replacement of damaged, vandalized or stolen component parts only for that amount that exceeds the amount recovered from the liable party or the liable party's insurer.

"Safety fund" means the highway grade crossing safety fund established in Iowa Code section 327G.19 and administered by the department.

820.1(3) *Information and submissions.* For information or submissions on this chapter, contact Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or call 515.239.1108. Submissions may be electronically filed with the safety fund program manager.

761—820.2(327G) Eligibility and reimbursement.

820.2(1) *Eligible costs of warning devices.* The safety fund provides moneys for the annual maintenance costs of active warning devices ordered or agreed to be installed on or after July 1, 1973, as stated in the individual order or agreement.

a. Orders or agreements that provide for revision of the maximum amount that can be expended from the safety fund by reason of amendment to Iowa Code section 327G.15 are binding. These orders and agreements were amended to read: The fund's participation for calendar years preceding 1977 will be equal to that of the railroad but limited to a maximum of $450 for any one year, for any one crossing; and for calendar year 1977 and subsequent years, the fund may participate in an amount of up to 75 percent of annual maintenance costs of active warning devices based upon a cost for each eligible AAR signal unit.

b. Orders or agreements issued on or after March 8, 1978, provide that the safety fund may be used to participate in an amount of up to 75 percent of the annual maintenance costs of active warning devices based upon a cost for each eligible AAR signal unit.

c. Participation in annual maintenance costs is on a reimbursement basis.

820.2(2) *Reimbursement.*

a. Reimbursement to a railroad for its active warning devices that are eligible for reimbursement under this rule equals the number of AAR signal units for that railroad's eligible active warning devices times the average annual maintenance cost per AAR signal unit times the percentage of participation.

(1) Each railroad is to tabulate the number of AAR signal units for each eligible warning device and furnish this tabulation to the department. The department will review the railroads' tabulations for conformance with AAR guidelines.

(2) Each year, the department will compute an average annual maintenance cost per AAR signal unit. This unit cost is to be used by all railroads for billing purposes.

(3) The percentage of participation will not exceed 75 percent.

b. Before April 15 of each year, each railroad is to submit one billing to the department covering maintenance costs for the preceding calendar year for all eligible warning devices. Prior to reimbursement, the department may audit the billings to determine conformity of the billings with the orders or agreements. Reimbursement to a railroad may be denied if the railroad fails to submit its billing before April 15.

c. If, in any year, the balance of the safety fund is inadequate to fully reimburse all railroads, the department will reimburse each railroad on a pro-rata basis.

d. If a warning device has been in operation for less than one calendar year, the maintenance costs will be prorated from the date the device was placed in operation to the end of that calendar year.

These rules are intended to implement Iowa Code sections 327G.15 and 327G.19.