

### CHAPTER 315

#### REVITALIZE IOWA'S SOUND ECONOMY (RISE) FUND

Referred to in [§307.26](#)

|        |  |        |                                      |
|--------|--|--------|--------------------------------------|
| 315.1  | Definitions.                                 | 315.6  | Funding of projects.                 |
| 315.2  | Revitalize Iowa’s sound economy (RISE) fund. | 315.7  | Accounting and disbursements.        |
|        |  | 315.8  | Accounts and records required.       |
| 315.3  | Use of fund.                                 | 315.9  | Project development.                 |
| 315.4  | Allocation of fund.                          | 315.10 | Rules.                               |
| 315.4A | Restrictions on use.                         | 315.11 | Additional factors and requirements. |
| 315.5  | Administration of fund.                      |        |                                      |

#### 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.

[85 Acts, ch 231, §2](#)

#### 315.2 Revitalize Iowa’s sound economy (RISE) 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.

[85 Acts, ch 231, §3](#)

Referred to in [§312.2](#)

#### 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](#).

3. a. If the state transportation commission receives and files a letter from the director of transportation certifying that federal funding is not forthcoming due to the failure of the United States Congress to pass and the president of the United States to approve legislation providing long-term federal transportation funding to the state of Iowa, the commission may authorize the temporary transfer of funds from the RISE fund to the primary road fund. Transferred funds shall be repaid to the RISE fund within three months of transfer.

b. If the state transportation commission receives and files a letter from the director of transportation certifying that the cash flow funding of the department may be inadequate to meet anticipated road construction costs, the commission may authorize the temporary transfer of funds from the RISE fund to the primary road fund. Funds transferred under this paragraph shall be repaid to the RISE fund within six months of transfer.

c. The commission shall manage the RISE fund to ensure that funds will be available to meet contract obligations on approved RISE projects.

[85 Acts, ch 231, §4](#); [88 Acts, ch 1019, §10](#); [98 Acts, ch 1001, §1, 2](#); [2001 Acts, ch 180, §6](#)

Referred to in [§315.5](#)

#### **315.4 Allocation of fund.**

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

a. Four-sevenths for deposit in the primary road fund for the use of the department on primary road projects as follows:

(1) Fifty percent for highways that support the production or transport of renewable fuels, including primary highways that connect biofuel facilities to highways in the commercial and industrial highway network.

(2) Fifty percent for highways that have been designated by the state transportation commission as access Iowa highways pursuant to [2005 Iowa Acts, ch. 178, §41](#).\*

b. One-seventh for the use of counties on secondary road projects, including secondary roads that connect biofuel facilities to highways in the commercial and industrial highway network.

c. Two-sevenths for the use of cities on city street projects.

2. Commencing June 30, 1990, all uncommitted moneys in the RISE fund on June 30 of each year which are allocated under [this section](#) for the use of counties on secondary road projects shall be credited to the secondary road fund.

[85 Acts, ch 231, §5](#); [89 Acts, ch 293, §16](#); [92 Acts, ch 1238, §30](#); [2007 Acts, ch 200, §7](#); [2014 Acts, ch 1026, §143](#)

Referred to in [§315.4A, 315.6](#)

\*2005 Iowa Acts, ch 178, §41 is repealed July 1, 2025; [2015 Acts, ch 2, §11](#)

#### **315.4A Restrictions on use.**

Moneys allocated pursuant to [section 315.4, subsection 1](#), paragraph “b”, and [section 315.4, subsection 2](#), shall not be used for debt service or to otherwise pay principal and interest on bonds, loans, or other indebtedness issued or incurred on or after February 25, 2015, including refunding, reissuance, or other refinancing of such indebtedness, or refunding, reissuance, or other refinancing of indebtedness issued or incurred prior to February 25, 2015, if the term for repayment of the indebtedness as financed or refinanced would exceed the useful life of the asset being constructed, reconstructed, improved, repaired, equipped, or maintained.

[2015 Acts, ch 2, §2, 14](#)

Referred to in [§331.443A](#)

#### **315.5 Administration of fund.**

Qualifying road and street projects shall be selected by the state transportation commission 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, the impact of the proposed project on the economy of the area affected, and the factors and requirements in [section 315.11](#). 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.

[85 Acts, ch 231, §6](#); [86 Acts, ch 1245, §1934](#); [88 Acts, ch 1257, §2](#)

Referred to in [§315.11](#)

#### **315.6 Funding of projects.**

1. Qualifying projects may be funded as follows:

a. Primary road and state park 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, 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.

b. Secondary road, state park road, and county conservation parkway 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, money raised through the sale of general obligation bonds of the county, or money from participating private parties.

c. City street and state park road 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, money raised through the sale of general obligation bonds of the city, or money from participating private parties.

2. 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 1](#), paragraph "b" or "c", toward qualifying primary road, state park road, and county conservation parkway projects.

[85 Acts, ch 231, §7; 87 Acts, ch 172, §1](#)

#### **315.7 Accounting and disbursements.**

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

[85 Acts, ch 231, §8; 2003 Acts, ch 145, §286; 2021 Acts, ch 51, §4](#)

#### **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](#).

[85 Acts, ch 231, §9](#)

#### **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.

[85 Acts, ch 231, §10](#)

#### **315.10 Rules.**

The department shall adopt rules pursuant to [chapter 17A](#) as necessary for the administration of [this chapter](#).

[85 Acts, ch 231, §11](#)

#### **315.11 Additional factors and requirements.**

In addition to other effects and factors to be considered under [section 315.5](#), for applications submitted after July 1, 1988, the following factors and requirements shall be considered or applied:

1. The impact of the proposed project on other businesses in competition with the business being considered for assistance. The department shall make a good faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for assistance. The department shall make a good faith effort to determine the probability that the proposed financial assistance will displace employees of the existing

businesses. In determining the impact on businesses in competition with the business being considered for assistance, jobs created as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created.

2. The economic impact to the state of the proposed project. In measuring the economic impact the department shall award more points for the following:

- a. A business with a greater percentage of sales out-of-state or of import substitution.
- b. A business with a higher proportion of in-state suppliers.
- c. A project which would provide greater diversification of the state economy.
- d. A business with fewer in-state competitors.
- e. A potential for future job growth.
- f. A project which is not a retail operation.

3. The quality of jobs to be provided. Jobs that have a higher wage scale, have a lower turnover rate, are full-time, or are career-type positions are considered higher in quality. Businesses that have wage scales substantially below that of existing Iowa businesses in that area should be rated as providing the lowest quality of jobs and should therefore be given the lowest ranking for providing such assistance.

4. If the business has a record of violations of the law over a period of time that tends to show a consistent pattern, the business shall be given the lowest ranking for providing assistance. The department shall make a good faith effort to compile this information.

5. If a business has, within three years of application for assistance, acquired or merged with an Iowa corporation or company, the business shall make a good faith effort to hire the workers of the merged or acquired company.

6. To be eligible for assistance a business shall provide for a preference for hiring residents of the state or the economic development area, except for out-of-state employees offered a transfer to Iowa or the economic development area.

7. All known required environmental permits must be granted and regulations met before moneys are released.

[88 Acts, ch 1257, §3](#); [2009 Acts, ch 82, §16](#)

Referred to in [§315.5](#)