



Fiscal Note

Fiscal Services Division



[SF 378](#) – Undivided Rural Highways, Speed Limit (LSB1416SV.1)
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Fiscal Note Version – As amended by House amendment [S-5153](#)

Description

[Senate File 378](#) as amended by House amendment [S-5153](#) increases the default speed limit to 60 miles per hour (mph) for all vehicular traffic, and authorizes the agency that exercises jurisdiction over a highway for which the speed limit is increased to attach nonpermanent overlays or stickers approved by the Department of Transportation (DOT) to existing speed limit signs to display the new speed limit until the speed limit sign is permanently replaced.

The Bill as amended increases the upper speed limit range for applicable violations under Iowa Code section [321.210](#), Iowa Code section [321.210C](#), and Iowa Code section [516B.3](#) to include highways with a speed limit of 60 mph.

Background

Under current law, the default speed limit for all vehicular traffic is 55 mph, unless otherwise provided. Construction and maintenance of the primary road system, under the DOT, are funded by the Primary Road Fund (PRF). Construction and maintenance of secondary roads are funded by counties. This funding is provided for through a variety of federal, State, and local revenue.

Under current law, the DOT is prohibited from considering the first two excessive speed violations (within a 12-month period) of 10 mph or less on a highway with a speed limit between 34 mph and 56 mph for purposes of suspending a driver's license (Iowa Code section 321.210) or while a person is operating a motor vehicle during a probationary period (Iowa Code section 321.210C).

Assumptions

- The DOT will temporarily replace speed limit signs with an overlaying material before fully replacing speed limit signs. The timeline to permanently replace each sign is unknown.
- There are an estimated 1,794 55-mph speed limit signs that will each cost an estimated \$75 to overlay and an estimated \$171 to be replaced under the jurisdiction of the DOT.
- The DOT would review highways to ensure that they are geometrically designed to accommodate increased speed.
- Under the jurisdiction of counties, there are an estimated 3,465 55-mph speed limit signs across the State that will cost an estimated \$111 each to replace.

Fiscal Impact

Senate File 378 as amended is estimated to have a one-time cost of \$825,000, as shown in **Figure 1**. Of this amount, \$518,000 will occur in FY 2027. Any costs incurred by the DOT will be paid from the PRF. Any costs for county sign replacement will be paid by individual counties from the Secondary Road Fund.

Figure 1 — Implementation Costs of SF 378

Expenditure	FY 2027	FY 2028
DOT Temporary Overlay	\$ 135,000	\$ 0
DOT Sign Replacement	0	307,000
County Sign Replacement	383,000	0
Total Cost	\$ 518,000	\$ 307,000

Sources

Department of Transportation
Iowa County Engineers Association
Legislative Services Agency

/s/ Jennifer Acton

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