



Fiscal Note

Fiscal Services Division



[SF 378](#) – Undivided Rural Highways, Speed Limit (LSB1416SV.2)
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Fiscal Note Version – Final Action

Description

[Senate File 378](#) increases the default speed limit to 60 miles per hour (mph) for all vehicular traffic, unless otherwise provided, 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 sign is permanently replaced.

The Bill increases the upper speed limit range for applicable violations under Iowa Code sections [321.210](#) (Suspension), [321.210C](#) (Probation Period), and [516B.3](#) (Minor Traffic Violations Not Considered in Establishing Rates) 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.
- Under the jurisdiction of the State, there are an estimated 1,794 55-mph speed limit signs across the State that will cost an estimated \$75 to overlay and an estimated \$171 to replace under the jurisdiction of the DOT.
- The DOT will use existing FTE positions for both the overlay applications and permanent sign replacements.
- Counties will not use overlays but instead will change out signs.
- Counties will use existing FTE positions to replace the signs.
- 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. County signs are generally smaller than the signs used on state highways.

Fiscal Impact

Senate File 378 is estimated to have a one-time cost of \$825,000 which will occur across two fiscal years, 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. In FY 2028, the cost to the DOT to permanently replace signs is \$307,000, paid from the Primary 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 Service Agency

/s/ Jennifer Acton

June 2, 2026

Doc ID 1604707

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.