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**SF 2355** – Department of Transportation (DOT) Omnibus Policy Bill (LSB 6219SV)  
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Fiscal Note Version – New

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**Description**

**Senate File 2355** updates several Iowa Code chapters to comply with federal law, reorganizes Iowa Code chapters **307** and **307A**, and includes several other provisions. Changes include the following:

**Division One** adopts the following provisions:

- This Bill prohibits the establishment, operation, or maintenance of a junkyard within 1,000 feet of the nearest edge of any road on the national highway system. This Bill exempts existing junkyards and allows exceptions. This change adopts requirements from Moving Ahead for Progress in the 21st Century Act (MAP-21) for establishing **control of junkyards**.
- Redefines “primary highways” to include all highways on the national highway system and all highways on the federal aid primary system as it existed on June 1, 1991. The change will expand the DOT authority to regulate outdoor advertising along interstates and primary highways. This change adopts requirements of MAP-21 for establishing **control of outdoor advertising**.

**Division Two** adopts several of the following amendments:

- Allows the discharge of a security interest noted on an Iowa vehicle title in statewide computers upon the presentation of a valid certificate of title without the security interest from another jurisdiction.
- Exempts farmers and farm employees from commercial driver’s licenses requirements for covered vehicles. This Bill adopts the definition of farm vehicles as defined in MAP-21.
- Describes new colored lights used as official traffic control signals.
- Extends the number of days to return a certificate of title and claim a refund of the registration fee for aircraft from 10 to 30.
- Requires an annual Road Use Tax Fund efficiency report. Currently, this report is required to be issued quarterly.
- Requires county engineers to report all uncontrolled intersections with speed limits exceeding 55 miles per hour to the DOT.
- Allows the Department to designate third-party examiners for commercial driver’s licenses (CDL) tests that are not community colleges. Currently, only community colleges are designated to conduct CDL tests. This Iowa Code section change is effective on enactment and is repealed five years after the effective date.
- Creates a Commercial Air Service Retention and Expansion Committee within the DOT Office of Aviation, and sets membership requirements. The Committee will develop a plan to retain and expand existing passenger air service in Iowa.

### **Division Three**

- Establishes a two-year special dealer plate for vehicles, owned by the dealer and continuously for sale, that haul a load or tow a trailer. The fee for this plate is \$750.
- Amends disclosure requirements for vehicles sold by motor vehicle dealers to convey if a vehicle has had repairs, replaced parts, or adjustments exceeding 4.0% of the manufacturer's suggested retail price (MSRP). The MSRP replaces a previous method for determining the car's value.
- Exempts the purchase of vehicles loaned to customers by dealerships from the fee for new registration. These vehicles are often loaned when the customer's car is being serviced or repaired.
- Allows licensed motor vehicle dealers to sell used motor trucks with a gross vehicle weight exceeding 26,001 pounds on a consignment basis. The vehicle must be purchased by a corporation or business entity.

### **Background**

The MAP-21 Act expanded the definition of the National Highway System to include new routes. Currently, these routes and advertising along these routes are not under the jurisdiction of the DOT. Similarly, MAP-21 requires states to be responsible for junkyard control along segments recently added to the primary highway system.

### **Assumptions**

Continued noncompliance with MAP-21 will reduce federal funding for highways. The DOT stated that current law may result in a 10.0% reduction in federal funding for failure to control advertising, and a reduction of 7.0% for failure to control junkyards. Current estimates assume unchanged spending from Federal Fiscal Year (FFY) 2014 to FFY 2015.

The DOT states that expanding the definition of the primary highway system will require approval of an additional 250 sign permit applications. The DOT anticipates hiring an additional temporary employee (Transportation Aide) to inventory junkyards on added miles. The impact of allowing an additional 20 days to claim a registration refund for aircraft is unknown, but anticipated to be minimal.

### **Fiscal Impact**

**SF 2355** will maintain current federal funding levels. Without this legislation, the DOT estimates that noncompliance with the control of advertising requirement will reduce federal revenue by \$46.9 million in FFY 2015. Noncompliance with the control of junkyard provisions will reduce federal funding by \$32.8 million in FFY 2015.

Establishing control of outdoor advertising will require the approval of 250 sign permits by the DOT for each year. Sign owners will be required to pay a \$100 application fee and an annual permit renewal fee of \$15. This will increase revenue to the Highway Beautification Fund by \$25,000 in FY 2015 and \$3,750 each year after. The DOT intends to hire a temporary employee that will work approximately 26 weeks at a cost of \$12,400 each fiscal year.

The creation of a new dealer plate will increase revenue to the Road Use Tax Fund by an unknown amount. Exempting vehicles purchased by dealerships to be loaned to customers will reduce revenue to the Road Use Tax Fund by an unknown amount. Requiring the DOT to collect data from county engineers will require staff time, but will not require hiring additional staff.

**Source**

Iowa DOT

/s/ Holly M. Lyons

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April 21, 2014

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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.

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