

THOMAS J. VILSACK GOVERNOR

SALLY J. PEDERSON LT. GOVERNOR

May 23, 2003

The Honorable Chester Culver Secretary of State State Capitol Building L O C A L

Dear Mr. Secretary:

I hereby transmit:

Senate File 451, an Act providing for the jurisdiction and funding of roads by transferring funding for and jurisdiction of certain primary and farm-to-market roads, modifying the procedure for classification of area service "C" roads, and establishing a street construction fund distribution advisory committee, and making appropriations.

The above Senate File is hereby approved this date.

Sincerely,

Thomas J. Vilsack

Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





SENATE FILE 451

## AN ACT

PROVIDING FOR THE JURISDICTION AND FUNDING OF ROADS BY
TRANSFERRING FUNDING FOR AND JURISDICTION OF CERTAIN
PRIMARY AND FARM-TO-MARKET ROADS, MODIFYING THE PROCEDURE
FOR CLASSIFICATION OF AREA SERVICE "C" ROADS, AND
ESTABLISHING A STREET CONSTRUCTION FUND DISTRIBUTION
ADVISORY COMMITTEE, AND MAKING APPROPRIATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 306.3, subsection 5, Code 2003, is amended to read as follows:

- 5. "Municipal street system" means those streets within municipalities that are not primary roads or secondary roads.
- Sec. 2. Section 306.4, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. a. Effective July 1, 2004, jurisdiction and control over a farm-to-market extension or road transferred pursuant to section 306.8A within a city with a population of less than five hundred shall be vested in the county board of supervisors of the respective county.

b. If the population of a city drops below five hundred after July 1, 2004, as determined by the latest available federal census or special census, jurisdiction and control over a farm-to-market extension located within the city shall

be vested in the county board of supervisors of the respective county effective July 1 following census certification by the secretary of state.

- c. If the population of a city from which jurisdiction and control over a road has been transferred pursuant to paragraph "a" or "b" exceeds seven hundred fifty, as determined by the latest available federal census or special census, such jurisdiction and control shall be transferred back to the city effective July 1 following census certification by the secretary of state.
- Sec. 3. <u>NEW SECTION</u>. 306.8A TRANSFER OF ROADS IDENTIFIED IN REPORT.
- 1. The department shall maintain on file the transfer of jurisdiction report compiled by the ad hoc road use tax fund committee. Such report identifies primary roads for transfer to local jurisdictions.
- 2. The jurisdiction and control of only those primary roads identified in the transfer of jurisdiction report that are also classified by the department as local service roads shall be transferred from the state to the appropriate county or city effective July 1, 2003. Such transfers are not subject to the terms and conditions provided in section 306.8.
- Sec. 4. Section 307.22, subsection 7, Code 2003, is amended to read as follows:
- 7. Annually recalculate the construction and maintenance needs of roads under the jurisdiction of each county to take into account the needs of a road whose jurisdiction has been transferred from the department to a county or from a county to the department during the previous year. Prior to the fiscal year beginning July 1, 2013, the annual recalculation shall not include those roads transferred to a county pursuant to section 306.8A. The recalculation shall be reported by January 1 of the year following the transfer and shall take effect the following July 1 for the purposes of allocating moneys under sections 312.3 and 312.5.
- Sec. 5. Section 309.57, unnumbered paragraph 3, Code 2003, is amended to read as follows:

Roads may only be classified as area service "C" by ordinance or resolution upon-petition-signed-by-all-landowners adjoining-the-road. The ordinance or resolution shall specify the level of maintenance effort and the persons who will have access rights to the road. The county shall only allow access

to the road to the owner, lessee, or person in lawful possession of any adjoining land, or the agent or employee of the owner, lessee, or person in lawful possession, or to any peace officer, magistrate, or public employee whose duty it is to supervise the use or perform maintenance of the road. Access to the road shall be restricted by means of a gate or other barrier.

- Sec. 6. Section 312.3, subsection 2, Code 2003, is amended to read as follows:
- 2. <u>a.</u> Apportion among the cities of the state, in the ratio which the population of each city, as shown by the latest available federal census, bears to the total population of all such cities in the state, the percentage of the road use tax funds which is credited to the street <u>construction</u> fund of the cities, and shall remit to the city clerk of each such city the amount so apportioned to such city. A city may have one special federal census taken each decade, and the population figure thus obtained shall be used in apportioning amounts under this subsection beginning the calendar year following the year in which the special census is certified by the secretary of state.
- b. The apportionment of moneys from the street construction fund of the cities to a city with a farm-to-market extension under county jurisdiction pursuant to section 306.4, shall be reduced in the proportion which the share of mileage of the farm-to-market extension bears to the total mileage of streets within the city. The amount of moneys by which the apportionment to the city is reduced shall be transferred to the secondary road fund of the respective county, to be used only for the maintenance or construction of roads under the county's jurisdiction, and all interest and earnings on the moneys transferred shall remain in the secondary road fund of the county, to be used for the same purposes.
- c. The apportionment of moneys from the transfer of jurisdiction fund pursuant to section 313.4, subsection 6, paragraph "b", subparagraph (1), to a city with a street under county jurisdiction pursuant to section 306.4, subsection 2A, shall be transferred to the secondary road fund of the respective county.
- Sec. 7. <u>NEW SECTION</u>. 312.3D STREET CONSTRUCTION FUND DISTRIBUTION ADVISORY COMMITTEE.

A street construction fund distribution advisory committee is established to consider methodologies for distribution of moneys in the street construction fund of the cities. The committee shall be comprised of representatives appointed by the president of the Iowa section of the American public works association, the president of the Iowa league of cities, and the department. The committee shall recommend to the general assembly by January 1, 2004, for the general assembly's consideration and adoption, one or more alternative methodologies for distribution of moneys in the street construction fund of the cities.

Sec. 8. Section 313.4, Code 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 6. a. A transfer of jurisdiction fund is created in the office of the treasurer of state under the control of the department. For each fiscal year in the period beginning July 1, 2003, and ending June 30, 2013, there is transferred from the primary road fund to the transfer of jurisdiction fund one and seventy-five hundredths percent of the moneys credited to the primary road fund pursuant to section 312.2, subsection 1.

- b. For each fiscal year in the period beginning July 1, 2003, and ending June 30, 2013, there is appropriated the following percentages of the moneys deposited in the transfer of jurisdiction fund for the fiscal year for the following purposes:
- Seventy-five percent of the moneys shall be (1)apportioned among the counties and cities that assume jurisdiction of primary roads pursuant to section 306.8A. Such apportionment shall be made based upon the specific construction needs identified for the specific counties and cities in the transfer of jurisdiction report on file with the department pursuant to section 306.8A. All funds, including any interest or other earnings on the funds, received by a county from the transfer of jurisdiction fund shall be deposited in the secondary road fund of the county to be used only for the maintenance and construction of roads under the county's jurisdiction. All funds received by a city from the transfer of jurisdiction fund shall be used only for the maintenance and construction of roads under the city's jurisdiction.

- (2) Twenty-two and one-half percent of the moneys shall be deposited in the secondary road fund.
- (3) Two and one-half percent of the moneys shall be deposited in the street construction fund of the cities.

NEW SUBSECTION. 7. For the fiscal year beginning July 1, 2013, and ending June 30, 2014, and each subsequent fiscal year, there is transferred the following percentages of the moneys credited to the primary road fund pursuant to section 312.2, subsection 1, to the following funds:

- a. One and five hundred seventy-five thousandths percent to the secondary road fund.
- b. One hundred seventy-five thousandths of one percent to the street construction fund of the cities.

MARY E. KRAMER

President of the Senate

CHRISTOPHÉR C. RANTS Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 451, Eightieth General Assembly.

MICHAEL E. MARSHALL

Secretary of the Senate

Approved May 23 , 2003

THOMAS J. VILSACK

Governor