



CHESTER J. CULVER  
GOVERNOR

**OFFICE OF THE GOVERNOR**

PATTY JUDGE  
LT. GOVERNOR

May 25, 2007

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

**House File 932**, an Act relating to revenue for the construction and maintenance of roads.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver".

Chester J. Culver  
Governor

CJC:bdj

cc: Secretary of the Senate  
Chief Clerk of the House





HOUSE FILE 932

AN ACT

RELATING TO REVENUE FOR THE CONSTRUCTION AND MAINTENANCE OF  
ROADS.

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

Section 1. NEW SECTION. 312A.1 DEFINITIONS.

As used in this chapter, unless the context otherwise  
requires:

1. "Department" means the state department of  
transportation.

2. "Fund", or "TIME-21 fund", means the transportation  
investment moves the economy in the twenty-first century fund.

Sec. 2. NEW SECTION. 312A.2 TRANSPORTATION INVESTMENT  
MOVES THE ECONOMY IN THE TWENTY-FIRST CENTURY (TIME-21) FUND.

A transportation investment moves the economy in the  
twenty-first century fund is created in the state treasury  
under the control of the department. The fund shall be known  
and referred to as the TIME-21 fund. The fund shall consist  
of any moneys appropriated by the general assembly and any  
revenues credited by law to the TIME-21 fund. Moneys in the  
fund are not subject to section 8.33. Notwithstanding section  
12C.7, subsection 2, interest or earnings on moneys deposited  
in the fund shall be credited to the fund.

Sec. 3. NEW SECTION. 312A.3 ALLOCATION AND USE OF FUNDS.

Moneys in the TIME-21 fund shall be credited and used as  
follows:

1. Sixty percent for deposit in the primary road fund to  
be used exclusively for highway maintenance and construction,  
including purchase of right-of-way but not including project  
planning and design. The following projects are eligible for

funding under this subsection and shall have funding priority in the order listed:

a. Completion of projects on highways designated as access Iowa highways pursuant to 2005 Iowa Acts, chapter 178, section 41.

b. Projects on highways in the commercial and industrial highway network that are included in the department's five-year plan, or in the long-range plan, for the primary road system. Priority shall be given to projects in areas of the state that have existing biodiesel, ethanol, or other biorefinery plants.

c. Projects on interstate highways.

2. Twenty percent for deposit in the secondary road fund, for apportionment according to the methodology adopted pursuant to section 312.3C, to be used by counties for construction and maintenance projects on secondary road bridges and on highways in the farm-to-market road system. At least ten percent of the moneys allocated to a county under this subsection shall be used for bridge construction, repair, and maintenance, with priority given to projects that aid and support economic development and job creation.

3. Twenty percent for deposit in the street construction fund of the cities, apportioned on the basis of population in the manner provided in section 312.3, to be used to sustain and improve the municipal street system.

Sec. 4. NEW SECTION. 312A.4 FUTURE REPEAL.

This chapter is repealed June 30, 2028.

Sec. 5. NEW SECTION. 307.31 PERIODIC REVIEW OF REVENUES -- EVALUATION OF ALTERNATIVE FUNDING SOURCES.

1. The department shall periodically review the current revenue levels of the road use tax fund and the sufficiency of those revenues for the projected construction and maintenance needs of city, county, and state governments in the future. The department shall submit a written report to the general assembly regarding its findings by December 31 every five years, beginning in 2011. The report may include recommendations concerning funding levels needed to support the future mobility and accessibility for users of Iowa's public road system.

2. The department shall evaluate alternative funding sources for road maintenance and construction and report to the general assembly at least every five years on the advantages and disadvantages and the viability of alternative funding mechanisms. The department's evaluation of alternative funding sources may be included in the report submitted to the general assembly under subsection 1.

Sec. 6. Section 312.2, subsections 12 and 13, Code 2007, are amended to read as follows:

12. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the revitalize Iowa's sound economy fund, created under section 315.2, the revenue accruing to the road use tax fund in the amount equal to the revenues collected under each of the following:

a. From the excise tax on motor fuel and special fuel imposed under the tax rate of section 452A.3 except aviation gasoline, the amount of excise tax collected from one and ~~eleven-twentieths~~ three-fourths cents per gallon.

b. From the excise tax on special fuel for diesel engines, the amount of excise tax collected from one and ~~eleven-twentieths~~ three-fourths cents per gallon.

13. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the secondary road fund the revenue accruing to the road use tax fund in the amount equal to the revenues collected under each of the following:

a. From the excise tax on motor fuel and special fuel imposed under the tax rate of section 452A.3, except aviation gasoline, the amount of excise tax collected from ~~nine-twentieths~~ one-fourth cent per gallon.

b. From the excise tax on special fuel for diesel engines, the amount of excise tax collected from ~~nine-twentieths~~ one-fourth cent per gallon.

Sec. 7. Section 315.4, Code 2007, is amended to read as follows:

315.4 ALLOCATION OF FUND.

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

1. ~~Twenty-thirty-firsts~~ Four-sevenths for deposit in the primary road fund for the use of the department on primary road projects ~~exclusively-for-highways-which-are-identified-under-section-307A-2-as-being-part-of-the-network-of-commercial-and-industrial-highways-~~ as follows:

a. 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.

b. Fifty percent for highways that have been designated by the state transportation commission as access Iowa highways pursuant to 2005 Iowa Acts, chapter 178, section 41.

2. ~~One-thirty-first~~ 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.

3. ~~Ten-thirty-firsts~~ Two-sevenths for the use of cities on city street projects.

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.

Sec. 8. TIME-21 REVENUE COMMITTEE.

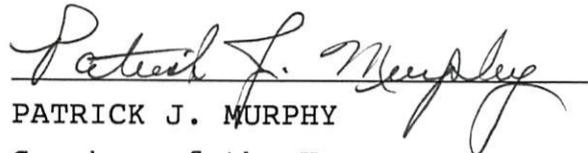
1. The legislative council shall establish a study committee for the 2007 legislative interim to address the revenue needs of the TIME-21 fund created in this Act. The membership of the committee shall consist of eight members of the general assembly as follows:

a. Four members of the senate, two appointed by the majority leader of the senate and two appointed by the minority leader of the senate.

b. Four members of the house of representatives, two appointed by the speaker of the house and two appointed by the minority leader of the house.

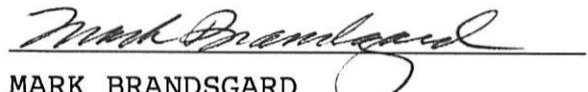
2. The committee may consider the revenue options proposed in the 2006 report prepared by the state department of transportation entitled "study of Iowa's current road use tax funds (RUTF) and future road maintenance and construction needs", as well as any other revenue options and related issues. The committee shall report its findings and

recommendations, including a proposal for funding the TIME-21 fund, to the general assembly by January 15, 2008.

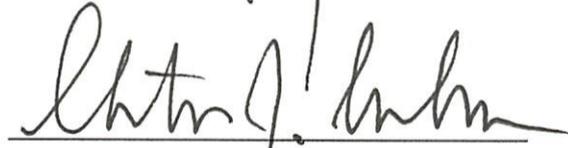
  
PATRICK J. MURPHY  
Speaker of the House

  
JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 932, Eighty-second General Assembly.

  
MARK BRANDSGARD  
Chief Clerk of the House

Approved May 25<sup>th</sup>, 2007

  
CHESTER J. CULVER  
Governor