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HOUSE FILE 491

Ways and Means *Do pass 4/22*

By COMMITTEE ON TRANSPORTATION

(Formerly Study Bill 200-C)

Passed House, Date 5-5-77 (p. 1945) Passed Senate, Date \_\_\_\_\_

Vote: Ayes 59 Nays 33 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to transportation providing for an expression  
 2 of the legislative intent concerning diagonal roads,  
 3 lowering the freeway-expressway system total mileage, pro-  
 4 viding for functional reclassification of roads in the  
 5 state, development of a quadrennial needs study, inclusion  
 6 of the area school roads and bridges in the park and  
 7 institution road maintenance allocation and providing for  
 8 a quadrennial need study of park and institution roads and  
 9 bridges, changing the allocation formula from the road use  
 10 tax fund to provide forty-five percent to the primary road  
 11 fund, twenty-eight percent to the secondary road fund,  
 12 nine percent to the farm-to-market road fund, and eighteen  
 13 percent to the cities, providing for definitional changes  
 14 of certain roads, requiring certain annual reports by  
 15 cities, raising the motor fuel and special fuel tax to ten  
 16 cents per gallon and the diesel engine special fuel tax to  
 17 eleven and one-half cents per gallon, eliminating the one-  
 18 half of one cent of motor fuel and other special fuel tax  
 19 to the primary road fund, providing appropriations, and  
 20 repealing certain sections.

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

22  
23  
24  
25

1 Section 1. Chapter three hundred six (306), Code 1977,  
2 is amended by adding the following new section:

3 NEW SECTION. It is declared to be the policy of the state  
4 of Iowa that relocation of primary highways through cultivated  
5 land shall be avoided to the maximum extent possible. Whenever  
6 the volume of traffic for which the road is designed or other  
7 conditions require such relocation, diagonal routes shall  
8 be avoided wherever possible.

9 It is further declared that improvement of two-lane roads  
10 shall utilize the existing right-of-way unless alignment or  
11 other conditions make changes imperative, and when any two-  
12 lane road is expanded to a four-lane road, the normal procedure  
13 would be that the additional right-of-way would be contiguous  
14 to the existing right-of-way unless relocated for compelling  
15 reasons. This policy shall not apply to any highway project  
16 for which the corridor has been approved by the state  
17 department of transportation and which corridor has been  
18 finalized by the effective date of this Act.

19 Sec. 2. Section three hundred six point one (306.1),  
20 subsection two (2), paragraph a, Code 1977, is amended to  
21 read as follows:

22 a. The freeway-expressway system shall consist of those  
23 roads connecting and serving the major urban and regional  
24 areas of the state with high volume, long-distance traffic  
25 movements, and generally connecting with like roads of adjacent  
26 states. The national system of interstate and defense highways  
27 shall be a part of the freeway-expressway system. The freeway-  
28 expressway system, including the national interstate and  
29 defense highway mileage, shall not exceed ~~three~~ two thousand  
30 six hundred sixty miles.

31 Sec. 3. Section three hundred six point six (306.6),  
32 subsection two (2), unnumbered paragraph two (2), Code 1977,  
33 is amended to read as follows:

34 It shall be the responsibility of the state functional  
35 classification review board to hear any and all appeals from

1 classification boards or board members, relative to disputes  
2 arising out of the functional classification of any segment  
3 of highway or street. It shall also be the responsibility  
4 of the board to establish the necessary guidelines, procedures,  
5 and the time limits to be followed in transferring jurisdiction  
6 in accordance with section three hundred six point eight  
7 (306.8), of the Code. The state functional classification  
8 review board shall have the authority and the responsibility  
9 to make final administrative determinations based on sound  
10 functional classification principles for all disputes relative  
11 to functional classification including those disputes relative  
12 to the transfer of jurisdictions. The review board shall  
13 also serve, when requested jointly by state and local  
14 jurisdictions, as an advisory committee for review and  
15 adjustment of construction and maintenance guidelines used  
16 in updating road and street needs studies.

17 Sec. 4. Section three hundred six point eight (306.8),  
18 Code 1977, is amended to read as follows:

19 306.8 TRANSFER OF JURISDICTION. When a change of  
20 jurisdiction occurs as a result of the classification or  
21 reclassification of a road or street, the unit of government  
22 having jurisdiction shall, prior to such change of  
23 jurisdiction, either place the road or street and any  
24 structures thereon on the road in good repair sufficient-for  
25 the-traffic-thereon or provide for the transfer of money to  
26 the appropriate jurisdiction sufficient for the repairs to  
27 the road or street and any structures on the road.

28 Transfers of the jurisdiction and control of roads and  
29 streets may take place if agreements are entered into between  
30 the jurisdictions of government involved in the transfer of  
31 such roads and streets.

32 Sec. 5. Section three hundred seven A (307A), Code 1977,  
33 is amended by adding the following new subsection:

34 NEW SUBSECTION. For the four year period beginning July  
35 1, 1979, and for each subsequent four year period, prepare,

1 adopt and cause to be published the results of a study of  
2 all roads and streets in the state. The study shall be so  
3 designed to investigate present deficiencies and future twenty-  
4 year maintenance and construction needs of the roads and the  
5 ability of each applicable authority to meet the needs for  
6 the planning, construction, repair and maintenance of roads  
7 within their jurisdiction. The commission shall have the  
8 authority to gather information necessary to complete this  
9 study and shall be furnished such assistance from any state  
10 agency as necessary to prepare, update and publish a report  
11 to be referred to as the "quadrennial need study" for the  
12 purposes of this chapter and chapter three hundred twelve  
13 (312) of the Code. This subsection shall not preclude the  
14 commission from updating the quadrennial need study when  
15 necessary to reflect changes in road and street needs in the  
16 state.

17 Sec. 6. Section three hundred seven A point two (307A.2),  
18 subsection eleven (11), Code 1977, is amended to read as  
19 follows:

20 11. Construct, reconstruct, improve and maintain state  
21 institutional roads and state park roads as defined in section  
22 306.3 and bridges on such roads, and the roads and bridges  
23 located on area school property as defined in chapter two  
24 hundred eighty A (280A) of the Code upon the request of the  
25 state board, department or commission which has jurisdiction  
26 over such roads. This shall be done in such manner as may  
27 be agreed upon by the commission and the state board,  
28 department or commission which has jurisdiction. The  
29 commission may contract with any county or municipality for  
30 the construction, reconstruction, improvement or maintenance  
31 of such roads and bridges. Any state park road which is an  
32 extension of either a primary or secondary highway which both  
33 enters and exits from a state park at separate points shall  
34 be constructed, reconstructed, improved and maintained as  
35 provided in section 306.4. Funds allocated from the road

1 use tax fund for the purposes of this subsection shall be  
2 apportioned in the ratio that the needs of the state  
3 institution roads and bridges, park roads and bridges or area  
4 school roads and bridges bear to the total needs of these  
5 facilities based upon the most recent quadrennial park and  
6 institution need study. The commission shall conduct a study  
7 of the road and bridge facilities in state parks, state  
8 institutions and on area school property. The study shall  
9 evaluate the construction and maintenance needs and projected  
10 needs based upon estimated growth for each type of facility  
11 to provide a quadrennially updated standard upon which to  
12 allocate funds appropriated for the purposes of this subsec-  
13 tion.

14 Sec. 7. Section three hundred twelve point two (312.2),  
15 Code 1977, is amended to read as follows:

16 312.2 ALLOCATIONS FROM FUND. The treasurer of the state  
17 shall, on the first day of each month, credit all road use  
18 tax funds which have ~~come-into-his-hands~~ been received by  
19 the treasurer, to the primary road fund, the secondary road  
20 fund of the counties, the farm-to-market road fund, and the  
21 street construction fund of cities in the following manner  
22 and amounts:

23 1. To the primary road fund, ~~forty-seven~~ forty-five  
24 percent.

25 2. To the secondary road fund of the counties, ~~twenty-~~  
26 nine twenty-eight percent.

27 3. To the farm-to-market road fund, ~~nine~~ nine percent.

28 4. To the street construction fund of the cities, ~~fifteen~~  
29 eighteen percent.

30 5. The treasurer of state shall before making the above  
31 allotments credit annually to the highway grade crossing  
32 safety fund the sum of five hundred thousand dollars, credit  
33 annually from the road use tax fund the sum of five hundred  
34 thousand dollars to the highway railroad grade crossing surface  
35 repair fund, credit annually to the primary road fund the

1 sum of ~~one-million-four-hundred-thousand~~ two million dollars  
2 for carrying out subsection 42 11 of section 307A.2, ~~the last~~  
3 ~~paragraph of~~ section 313.4, subsection two (2), of the Code  
4 and section 307A.5, and credit annually to the primary road  
5 fund the sum of five hundred thousand dollars to be used for  
6 paying expenses incurred by the state department of  
7 transportation other than expenses incurred for extensions  
8 of primary roads in cities. All unobligated funds provided  
9 by this subsection, except those funds credited to the highway  
10 grade crossing safety fund, shall at the end of each year  
11 revert to the road use tax fund. Funds in the highway grade  
12 crossing safety fund shall not revert to the road use tax  
13 fund except to the extent they exceed five hundred thousand  
14 dollars at the end of any biennium.

15 ~~6.---The-treasurer-of-state-shall-before-making-the-above~~  
16 ~~allotments-credit-annually-to-the-primary-road-fund-the-sum~~  
17 ~~of-two-million-five-hundred-thousand-dollars-or-an-amount~~  
18 ~~equal-to-one-ninth-of-the-federal-allotment-whichever-is-the~~  
19 ~~smaller,--said-sum-to-be-used-for-matching-the-federal-allotment~~  
20 ~~to-the-state-of-Iowa-for-the-use-of-the-interstate-and-national~~  
21 ~~defense-highways-in-the-state-of-Iowa.~~

22 7 6. The treasurer of state shall before making the allot-  
23 ments provided for in this section credit monthly to the  
24 division of motor vehicle registration of the state department  
25 of transportation funds sufficient in amount to pay the costs  
26 of purchasing supplies and materials and for the cost of  
27 prison labor used in manufacturing motor vehicle registration  
28 plates, decalcomania emblems, and validation stickers at the  
29 prison industries.

30 Sec. 8. Section three hundred twelve point three (312.3),  
31 subsection one (1), Code 1977, is amended to read as follows:

32 1. Apportion among the counties in the ratio that the  
33 needs of the secondary roads of each county bear to the total  
34 needs of the secondary roads of the state ~~for-the-twenty-year~~  
35 ~~improvement-program-developed-by-the-automotive-safety~~

1 ~~foundation-and-filed-with-the-Iowa-highway-study-committee~~  
2 ~~created-by-chapter-426,-Acts-of-the-Fifty-eight-General~~  
3 ~~Assembly~~ as shown in the latest quadrennial need study report  
4 developed by the state department of transportation, and which  
5 is on record at the department, sixty percent of the allocation  
6 from road use tax funds which he-has is credited to the  
7 secondary road fund of the counties, and apportion among the  
8 counties in the ratio that the area of such county bears to  
9 the total area of the state, forty percent of the allocation  
10 from road use tax funds which he-has is credited to the  
11 secondary road fund of the counties. However, for each fiscal  
12 year in the period beginning July 1, 1977, and ending June  
13 30, 1981, each county shall not receive less than the total  
14 amount the county received from the secondary road fund for  
15 the fiscal year beginning July 1, 1975. For each fiscal year  
16 in the period beginning July 1, 1977, and ending June 30,  
17 1981, if a county is entitled to receive an allocation from  
18 the secondary road fund based on area and the latest  
19 quadrennial need study greater than that amount received from  
20 the secondary road fund for the fiscal year beginning July  
21 1, 1975, the county shall be entitled to a pro rata allocation  
22 of the funds in the secondary road fund in excess of that  
23 amount in the secondary road fund for the fiscal year beginning  
24 July 1, 1975.

25     Sec. 9. Section three hundred twelve point five (312.5),  
26 unnumbered paragraph three (3), Code 1977, is amended to read  
27 as follows:

28     Need allotment farm-to-market road funds shall be allotted  
29 among the counties in the ratio that the needs of the farm-  
30 to-market roads in each county bear to the total needs of  
31 the farm-to-market roads in the state ~~for-the-twenty-year~~  
32 ~~program-developed-by-the-automotive-safety-foundation-and~~  
33 ~~filed-with-the-Iowa-highway-study-committee-eretated-by-chapter~~  
34 ~~426,-Acts-of-the-Fifty-eighth-General-Assembly~~ as shown in  
35 the latest quadrennial need study report developed by the

1 state department of transportation, and which is on record  
2 at the department. However, for each fiscal year in the  
3 period beginning July 1, 1977, and ending June 30, 1981, each  
4 county shall not receive less than the total amount the county  
5 received from the farm-to-market road fund for the fiscal  
6 year beginning July 1, 1975. For each fiscal year in the  
7 period beginning July 1, 1977, and ending June 30, 1981, if  
8 a county is entitled to receive an allocation from the farm-  
9 to-market road fund based on area and the latest quadrennial  
10 need study greater than that amount received from the farm-  
11 to-market road fund for the fiscal year beginning July 1,  
12 1975, the county shall be entitled to a pro rata allocation  
13 of the funds in the farm-to-market road fund in excess of  
14 that amount in the farm-to-market road fund for the fiscal  
15 year beginning July 1, 1975.

16 Sec. 10. Section three hundred twelve point eleven  
17 (312.11), Code 1977, is amended to read as follows:

18 312.11 ACCOUNTS OF EXPENDITURES--PERCENTAGE-REQUIRED-ON  
19 ~~ARTERIAL-STREETS~~. Each city shall keep accounts showing the  
20 amount spent on street construction and reconstruction ~~on~~  
21 ~~arterial-streets~~ on extensions of rural systems, municipal  
22 arterial and municipal collector systems as classified pursuant  
23 to section three hundred six point six (306.6) of the Code  
24 and the amount spent on street construction and reconstruction  
25 on ~~local-streets~~ municipal service systems. Such amounts  
26 spent on ~~arterial-streets~~ extensions of rural systems,  
27 municipal arterial, and municipal collector systems and such  
28 amounts spent on ~~local-streets~~ municipal service systems shall  
29 be shown on the annual street report required by section  
30 312.14.

31 ~~Of-the-total-street-construction-and-reconstruction~~  
32 ~~expenditures-made-each-year-from-road-use-tax-funds-by-each~~  
33 ~~city,at-least-seventy-five-percent-shall-be-spent-on-the~~  
34 ~~arterial-streets-of-such-city---However,if-any-city-council~~  
35 ~~by-resolution-declares-that-the-seventy-five-percent-is-not~~

1 ~~needed-on-its-arterial-streets,-then-it-may-be-used-on-any~~  
2 ~~other-streets-in-the-city.~~

3 Sec. 11. Section three hundred twelve point twelve  
4 (312.12), Code 1977, is amended to read as follows:

5 312.12 PROGRAMS SUBMITTED. Cities which receive ~~allotments~~  
6 ~~of~~ funds from road use tax funds and which have a population  
7 of at least five thousand shall prepare ~~and-submit-annually~~  
8 ~~by-June-40-in-each-year-to-the-department-for-examination~~  
9 ~~and-review,-a,~~ adopt and submit to the department on or before  
10 December first of each year a comprehensive program of street  
11 construction and reconstruction on-both-the-arterial-street  
12 system-and-the-local-street-system-of-such-city-for-a-period  
13 of-three-years-subsequent-to-the-year-in-which-the-program  
14 is-submitted. Such program shall be prepared for a period  
15 of five fiscal years subsequent to the fiscal year in which  
16 the program is submitted, based upon the construction funds  
17 estimated to be available for each fiscal year. At the close  
18 of each fiscal year, as a part of the five-year plan, the  
19 city shall include a statement of the progress made toward  
20 the completion of each project contained in the approved  
21 program. Such cities which have a population of less than  
22 five thousand and greater than one thousand shall prepare  
23 and submit annually by ~~June-40~~ December thirty-first of each  
24 year to the department for examination and review, a program  
25 of proposed street construction and reconstruction for its  
26 ~~arterial-streets-and-local~~ total system of streets for the  
27 ensuing fiscal year. Nothing in this section shall prohibit  
28 a city of less than five thousand from adopting by resolution  
29 a comprehensive five-year plan.

30 Sec. 12. Section three hundred twelve point fifteen  
31 (312.15), Code 1977, is amended to read as follows:

32 312.15 WHEN FUNDS NOT ALLOCATED. ~~No-funds~~ Funds shall  
33 not be allocated to any city until such city shall have  
34 complied with the provisions of sections ~~342.42-and~~ three  
35 hundred twelve point eleven (312.11), three hundred twelve

1 point twelve (312.12) and 312.14, of the Code.

2 The department shall notify the treasurer of state if any  
3 city fails to comply with the provisions of sections ~~342-40~~  
4 to three hundred twelve point eleven (312.11), three hundred  
5 twelve point twelve (312.12) and 312.14, of the Code.

6 Sec. 13. Section three hundred thirteen point two (313.2),  
7 unnumbered paragraphs six (6), seven (7), and eight (8), Code  
8 1977, are amended to read as follows:

9 Reasonable maintenance and surveillance of rest area sites  
10 and buildings located thereon shall be provided by regular  
11 maintenance employees of the department under the district  
12 maintenance engineer in the district where the rest areas  
13 are located within the limits of appropriations provided for  
14 such purpose.

15 ~~No transfer of jurisdiction and control of any road or~~  
16 ~~street as required by this Act shall be effective until the~~  
17 ~~enactment of legislation which allocates the road use tax~~  
18 ~~fund in a manner different from the law existing on January~~  
19 ~~17, 1974, and in a manner which compensates state, county and~~  
20 ~~municipal jurisdictions for additional highway, road or street~~  
21 ~~needs acquired by such transfer as determined by the~~  
22 ~~department.~~

23 ~~Notwithstanding the foregoing provision of this section,~~  
24 ~~transfers in jurisdiction and control of roads and streets~~  
25 ~~may take place if agreements are entered into by the~~  
26 ~~jurisdictional divisions of government involved in the transfer~~  
27 ~~of such roads and streets.~~

28 Sec. 14. Section three hundred thirteen point four (313.4),  
29 subsection two (2), Code 1977, is amended to read as follows:

30 2. Such fund is also appropriated and shall be used for  
31 the construction, reconstruction, improvement and maintenance  
32 of state institutional roads and state park roads and bridges  
33 on such roads and roads and bridges on area school property  
34 as provided in subsection ~~42~~ eleven (11) of section 307A.2  
35 of the Code, for restoration of secondary roads used as primary

1 road detours and for compensation of counties for such use,  
2 for restoration of municipal streets so used and for  
3 compensation of cities for such use, and for the payments  
4 required in section 307A.5.

5 Sec. 15. Section three hundred twenty-four point three  
6 (324.3), Code 1977, is amended to read as follows:

7 324.3 LEVY OF EXCISE TAX--EXEMPTIONS--CREDITS. For the  
8 privilege of operating motor vehicles in this state an excise  
9 tax of ~~seven~~ ten cents a gallon is hereby imposed upon the  
10 use of all motor fuel used for any purpose except as otherwise  
11 provided in this division. The tax shall be paid in the first  
12 instance by the distributor upon the invoiced gallonage of  
13 all motor fuel received by him in this state, within the  
14 meaning of the word "received" as defined in this division,  
15 less the deductions hereinafter authorized. Thereafter,  
16 except as otherwise provided, the per gallon amount of such  
17 tax shall be added to the selling price of each and every  
18 gallon of such motor fuel sold in this state and collected  
19 from the purchaser to the end that the ultimate consumer shall  
20 bear the burden of such tax; provided, however, that no tax  
21 shall be imposed or collected under this division with respect  
22 to the following:

23 1. Motor fuel sold for export or exported from this state  
24 to any other state, territory, or foreign country.

25 2. Motor fuel sold to the United States or any agency  
26 or instrumentality thereof.

27 3. Motor fuel sold to any post exchange or other  
28 concessionaire on any federal reservation within this state;  
29 but the tax on motor fuel so sold, to the extent permitted  
30 by federal law, shall be collected by the post exchange or  
31 concessionaire, reported and paid the department of revenue.

32 4. Motor fuel sold to the state of Iowa or any of its  
33 agencies, but this exemption shall not apply to political  
34 subdivisions of this state.

35 Sec. 16. Section three hundred twenty-four point thirty-

1 four (324.34), unnumbered paragraph one (1), Code 1977, is  
2 amended to read as follows:

3 For the privilege of operating motor vehicles in this  
4 state, there is hereby levied and imposed an excise tax on  
5 the use (as defined herein) of special fuel in any motor  
6 vehicle. The rate of tax on special (diesel engine) fuel  
7 shall be eight eleven and one-half cents per gallon. On all  
8 other special fuel the per gallon rate shall be the same as  
9 the motor fuel tax. The tax, with respect to all special  
10 fuel delivered by a special fuel dealer for use in this state  
11 as defined by section 324.33, shall attach at the time of  
12 the delivery and shall be collected by the dealer from the  
13 special fuel user and shall be paid over to the department  
14 of revenue as hereinafter provided. The tax, with respect  
15 to special fuel acquired by a special fuel user in any manner  
16 other than by delivery by a special fuel dealer into a fuel  
17 supply tank of a motor vehicle, shall attach at the time of  
18 the use (as herein defined) of the fuel and shall be paid  
19 over to the department of revenue by the user as hereinafter  
20 provided.

21 Sec. 17. Section three hundred twenty-four point seventy-  
22 nine (324.79), unnumbered paragraphs one (1) and two (2),  
23 Code 1977, are amended to read as follows:

24 The net proceeds of ~~seven-and-one-half-cents-per-gallon~~  
25 the excise tax on the diesel special fuel and six-and-one-  
26 half-cents-per-gallon the excise tax on motor fuel and other  
27 special fuel, and penalties collected under the provision  
28 of this chapter, shall be credited to the road use tax fund.

29 ~~The-net-proceeds-of-one-half-cent-per-gallon-excise-tax~~  
30 ~~on-diesel-special-fuel-and-one-half-cent-per-gallon-excise~~  
31 ~~tax-on-motor-fuel-and-other-special-fuel-collected-under-the~~  
32 ~~provisions-of-this-chapter-shall-be-credited-by-the-treasurer~~  
33 ~~of-state-to-the-primary-road-fund.~~

34 Sec. 18. Section three hundred twenty-seven G point twenty-  
35 nine (327G.29), Code 1977, is amended to read as follows:

1 327G.29 GRADE CROSSING SURFACE REPAIR FUND. There is  
2 established a highway railroad grade crossing surface repair  
3 fund in the office of the treasurer of state. The department  
4 may credit to this fund:

5 1. Moneys appropriated to the department from the general  
6 fund of the state.

7 2. Moneys appropriated to the department from the road  
8 use tax fund or the primary road.

9 3. Available federal funds.

10 4. Moneys acquired by the department from any gift, grant,  
11 or contributions from any source.

12 ~~The total amount of funds, except funds acquired pursuant~~  
13 ~~to subsections 3 and 4, which shall be credited to the highway~~  
14 ~~railroad grade crossing surface fund shall not exceed two~~  
15 ~~hundred fifty thousand dollars in any one year~~ Notwithstanding  
16 the provisions of section eight point thirty-three (8.33)  
17 of the Code unencumbered funds remaining in the highway  
18 railroad grade crossing surface repair fund at the close of  
19 each fiscal year ending on June thirtieth shall revert to  
20 the road use tax fund.

21 Sec. 19. It is the intent of the general assembly that  
22 upon the effective date of this Act the functional  
23 reclassification of roads shall be implemented as provided  
24 by law.

25 Sec. 20. For the period beginning July 1, 1977 through  
26 June 30, 1979, road use tax funds shall be allocated to the  
27 secondary road fund, under the provisions of section three  
28 hundred twelve point three (312.3), of the Code, and to the  
29 farm-to-market road fund, under the provisions of section  
30 three hundred twelve point five (312.5), of the Code, based  
31 upon the most recent study by the state department of  
32 transportation of the twenty-year construction and maintenance  
33 needs of all secondary, farm-to-market and local secondary  
34 roads in the state.

35 Sec. 21. Sections three hundred twelve point nine (312.9)

1 and three hundred twelve point ten (312.10), three hundred  
2 thirteen point fifty-eight (313.58) and chapter three hundred  
3 eighteen (318), Code 1977, are repealed.

4 EXPLANATION

5 The bill provides for a three cents per gallon increase  
6 in tax on motor fuel and special fuel, and a three and one-  
7 half cents per gallon increase on diesel engine special fuel.  
8 The bill also recommends the implementation of functional  
9 reclassification of roads and provides for the allocation  
10 of the road use tax funds of 45 percent to the primary road  
11 fund, 37 percent to the secondary and farm-to-market road  
12 fund, and 18 percent to the street construction fund. The  
13 current \$2.5 million matching fund appropriated from the road  
14 use tax fund for use in matching federal funds is eliminated  
15 as an allocation from the road use tax fund. The bill also  
16 includes the distribution of secondary and farm-to-market  
17 funds on the basis of the 1974 needs study with at least  
18 quadrennial updates. The provisions for allocation based  
19 upon updated needs shall become effective July 1, 1977. This  
20 bill lowers the maximum number of miles in the freeway-  
21 expressway system from 3,000 miles to 2,660 miles.

22 This bill requires a city with a population in excess of  
23 five thousand to prepare and adopt and annually update a five-  
24 year construction plan for its road system to be submitted  
25 to the state department of transportation for approval. The  
26 bill exempts cities of less than one thousand from the  
27 requirement of an annual road construction plan.

28 This bill expresses the intent of the general assembly  
29 to restrict construction of diagonal roads. This bill  
30 appropriates \$500,000 to the highway railroad grade crossing  
31 surface repair fund, and \$2,000,000 for park, institution  
32 and area school road and bridge construction. This bill  
33 allows for transfer of the jurisdiction of roads from one  
34 authority to another pursuant to rules adopted by the state  
35 department of transportation.

- 1 Amend House File 491 as follows:  
 2 1. Page 10, by inserting after line 4 the following:  
 3 "Sec. \_\_\_\_\_. Section three hundred fourteen point  
 4 twelve (314.12), Code 1977, is amended to read as follows:  
 5 314.12 BORROW PITS--TOPSOIL PRESERVED. In the award  
 6 of contracts for the construction, reconstruction, im-  
 7 provement, repair or maintenance of any highway, the  
 8 agency having charge of awarding such contracts shall  
 9 require that when fill dirt, soil or other materials  
 10 are to be removed from borrow pits for use in the  
 11 project, adequate provision shall be made by agreement  
 12 with the landowner for the restoration of the borrow  
 13 pit area, ~~either by removal and replacement of a minimum~~  
 14 of eight inches of topsoil, or-by however, if the land  
 15 is not primarily used for agricultural purposes the  
 16 agreement may provide for the fertilizing, mulching,  
 17 reseeding or other appropriate measures to provide  
 18 vegetative cover or prevent erosion in lieu of topsoil  
 19 replacement."  
 20 2. Renumber the sections to conform with this  
 21 amendment.  
 22 3. Amend the title, line 15, by inserting after the  
 23 word "cities," the words "providing for the replacement  
 24 of topsoil on highway construction borrow pits,".

H-4005 FILED, RULED OUT OF BY HOWELL of Floyd  
 ORDER; MOVED TO SUSPEND RULES  
 TO CONSIDER; LOST (p. 1932)  
 MAY 5, 1977

## HOUSE FILE 491

H-4010

- 1 Amend House File 491.  
 2 1. Page thirteen by inserting after line 3  
 3 the following:  
 4 Sec. \_\_\_\_\_. It is the intent of the General Assembly  
 5 that the State department of transportation, in  
 6 cooperation with the standing committee on ways and  
 7 means and the standing committee on transportation of  
 8 the general assembly, study methods of reflecting  
 9 local revenue efforts for maintenance, repair and  
 10 construction of roads in the distribution of the  
 11 secondary road fund, the farm-to-market road fund  
 12 and the street construction fund of the cities.  
 13 The findings of this study shall be presented to  
 14 the Sixty-seventh General Assembly prior to  
 15 February 1, 1978.  
 16 It is the further intent of the General Assembly  
 17 that upon approval by the Iowa General Assembly, of  
 18 those findings, the findings will be incorporated into  
 19 the distribution of the secondary road fund, the  
 20 farm-to-market road fund and the street construction  
 21 fund of the cities.

H-4010 FILED, ADOPTED BY NORLAND of Worth  
 MAY 5, 1977 (p. 1938)

## HOUSE FILE 491

H-4024

- 1 Amend House File 491 as follows:  
 2 1. Page 1, by striking line 18 and inserting  
 3 in lieu thereof the words "finalized by May 5, 1977."

H-4024 FILED *Adopted* BY HUSAK of Tama  
 MAY 5, 1977 *5/5 (1941)* RINAS of Linn

HOUSE FILE 491

H-4026

1 Amend House File 491 as follows:

2 1. Page 10, by inserting after line 34, the  
3 following:

4 "Sec. \_\_\_\_ . Section three hundred twenty-four  
5 point three (324.3), Code 1977, is amended  
6 by adding the following new subsection:

7 5. Motor fuel sold to non-profit, non-public  
8 schools or school districts for those vehicles  
9 used to transport students and faculty to and  
10 from authorized school activities and functions."

11 2. Page 11, by inserting after line 20, the  
12 following:

13 "Sec. \_\_\_\_ . Section three hundred twenty-four  
14 point thirty five (324.35), Code 1977, is amended  
15 by adding the following new unnumbered paragraph:

16 No tax is imposed by this division on special  
17 fuel used by non-profit, non-public schools or  
18 school districts to transport the students or  
19 faculty to and from authorized school activities  
20 and functions."

H-4026 FILED-*not german* BY DIELEMAN of Marion  
MAY 5, 1977 5/5 (1944)

HOUSE FILE 491

H-3991

1 Amend House File 491 as follows:

2 1. Page 10, line 9, by striking the word  
3 "ten" and inserting in lieu thereof the words  
4 "eight and one-half".

5 2. Page 11, line 7, by striking the words  
6 "eleven and one-half" and inserting in lieu  
7 thereof the word "ten".

H-3991 FILED-*Wickham* BY WYCKOFF of Benton  
MAY 5, 1977 5/5 (1940) HANSEN of O'Brien  
HARVEY of Scott  
HULLINGER of Decatur

HOUSE FILE 491

H-4027

1 Amend amendment H-4026 to House File 491 as  
2 follows:

3 1. Page 1, line 9, by striking the words  
4 "and faculty".

5 2. Page 1, line 18, by striking the word "or".

6 3. Page 1, line 19, by striking the word  
7 "faculty".

H-4027 FILED-*Adopted* BY JUNKER of Woodbury  
MAY 5, 1977 5/5 (1944)

HOUSE FILE 491

H-4028

1 Amend House File 491 as follows:

2 1. Amend the title, line 19, by inserting  
3 after the word "fund," the words "authorizing the  
4 Department of Transportation to conduct a study,".

H-4028 FILED, ADOPTED BY RINAS of Linn  
MAY 5, 1977 *by unanimous*  
*consent* 5/5 (1945)

H-4004

Amend House File 491 as follows:

1. Page 13, by inserting after after line 3  
the following:

3  
4 "Sec. \_\_\_\_\_. The section of this Act amending  
5 section three hundred twenty-four point thirty-  
6 four (324.34), unnumbered paragraph one (1), Code  
7 1977, shall become effective the day the maximum  
8 length limitation for movement of vehicles, imposed  
9 under section three hundred twenty-one point four  
10 hundred fifty-seven (321.457), subsection six (6),  
11 of the Code, and combinations of vehicles on the  
12 highways of the state is extended to a length  
13 equal to but not exceeding sixty-five feet."

H-4004 FILED, RULED NOT  
GERMANE; MOVED TO SUSPEND  
RULES TO CONSIDER, LOST  
MAY 5, 1977 (p. 1931)

BY BENNETT of Ida  
JUNKER of Woodbury  
BRANSTAD of Winnebago  
SCHEELHAASE of Woodbury  
DANKER of Pottawattamie  
SHCNEKLOTH of Scott  
HULLINGER of Decatur  
STROMER of Hancock  
GILSON of Guthrie  
CONLON of Muscatine  
HINKHOUSE of Cedar  
HOFFMANN of Muscatine  
MILLER of Calhoun  
HANSEN of O'Brien  
PERKINS of Greene  
DUNTON of Keokuk  
MIDDLESWART of Warren  
PELLETT of Cass  
WELDEN of Hardin  
DIELEMAN of Marion  
LONERGAN of Boone  
BAKER of Buena Vista  
HUSAK of Tama  
WYCKOFF of Benton  
BYERLY of Polk  
CHIODO of Polk  
EVANS of Grundy  
SMALLEY of Polk  
STEPHENS of Plymouth  
DAGGETT of Adams  
WELLS of Linn  
MILLER of Buchanan  
HALVORSON of Clayton  
PAVICH of Pottawattamie  
BINNEBOESE of Cherokee

HOUSE FILE 491

H-4003

- 1 Amend House File 491 as follows:
- 2 1. Page 3, line 22, by inserting after the
- 3 word "roads," the words "roads located on state
- 4 fair grounds as defined in chapter one hundred
- 5 seventy three (173) of the Code".
- 6 2. Page 4, line 8, by inserting after the
- 7 word "institutions" the words ", state fair grounds".
- 8 3. Title page, line 6, by inserting after the
- 9 word "school" the words "and state fair grounds".

H-4003 FILED, ADOPTED BY PERKINS of Greene  
MAY 5, 1977 (p. 1926)

EVANS of Grundy  
HULLINGER of Decatur  
MILLER of Buchanan  
CRABB of Crawford  
WYCKOFF of Benton  
GILSON of Guthrie  
HUSAK of Tama  
LAGESCHULTE of Bremer  
STROMER of Hancock  
SHIMANEK of Jones  
SCHROEDER of Pottawatt  
BRANSTAD of Winnebago  
BENNETT of Ida  
SCHNEKLOTH of Scott  
HINKHOUSE of Cedar  
TOFTE of Winneshiek  
PELTON of Clinton  
WOODS of Polk  
DEN HERDER of Sioux  
HARVEY of Scott  
MILLER of Calhoun  
HANSEN of O'Brien  
DAGGETT of Adams  
KOOGLER of Mahaska  
HALVORSON of Clayton  
BAKER of Buena Vista  
SCHEELHAASE of Woodbury  
MIDDLESWART of Warren  
MENKE of O'Brien  
DAVITT of Warren  
DANKER of Pottawattamie  
HOWELL of Floyd  
RINAS of Linn  
ANDERSON of Jasper  
BYERLY of Polk  
CONNORS of Polk

HOUSE FILE 491

H-4006

- 1 Amend House File 491 as follows:
- 2 1. Page 10, by striking line 35.
- 3 2. Page 11, by striking lines 1-20.

H-4006 FILED - *Lost* BY HORN of Linn  
MAY 5, 1977 *5/5 (1941)*

1 Amend House File 491 as follows:

2 1. Page 10, by striking lines 5 through 34 and  
3 inserting in lieu thereof the following:

4 "Section 15. Section three hundred twenty-four  
5 point three (324.3), Code 1977, is amended to read  
6 as follows:

7 324.3 LEVY OF EXCISE TAX--EXEMPTIONS--CREDITS.

8 For the privilege of operating motor vehicles in this  
9 state an excise tax of seven ten cents a gallon is  
10 hereby imposed upon the use of all motor fuel used  
11 for any purpose except as otherwise provided in this  
12 division. The tax shall be paid in the first in-  
13 stance by the distributor upon the invoiced gallonage  
14 of all motor fuel received by him in this state, within  
15 the meaning of the word "received" as defined in this  
16 division, less the deductions hereinafter authorized.  
17 Thereafter, except as otherwise provided, the per gallon  
18 amount of such tax shall be added to the selling price  
19 of each and every gallon of such motor fuel sold in  
20 this state and collected from the purchaser to the  
21 end that the ultimate consumer shall bear the burden  
22 of such tax; provided, however, that no tax shall be  
23 imposed or collected under this division with respect  
24 to the following:

25 1. Motor fuel sold for export or exported from  
26 this state to any other state, territory, or foreign  
27 country.

28 2. Motor fuel sold to the United States or any  
29 agency or instrumentality thereof.

30 3. Motor fuel sold to any post exchange or other  
31 concessionaire on any federal reservation within this  
32 state; but the tax on motor fuel so sold to the  
33 extent permitted by federal law, shall be collected  
34 by the post exchange or concessionaire, reported and  
35 paid the department of revenue.

36 4. Motor fuel sold to the state of Iowa or any of  
37 its agencies; ~~but this exemption shall not apply to~~ or  
38 to any political subdivisions of this state."

39 2. Page 11, by inserting after line 20 the  
40 following:

41 "Sec. \_\_\_\_ . Section three hundred twenty-four point  
42 thirty-five (324.35), Code 1977, is amended to read  
43 as follows:

44 324.35 EXEMPTIONS. No tax is imposed under this  
45 division on special fuel used by the United States  
46 or any of its agencies or instrumentalities, but the  
47 tax on special fuel used or delivered into fuel supply  
48 tanks of motor vehicles by any post exchange or  
49 concessionaire on any federal reservation in this state,  
50 to the extent permitted by federal law, shall be collected

H-4000

Page 2

1 by the post exchange or concessionaire and paid to  
2 the department of revenue.

3 No tax is imposed under this division on  
4 special fuel used by the state of Iowa or any of  
5 its agencies; ~~but this exemption shall not apply~~  
6 ~~to or used by~~ political subdivisions of this state."

7 3. Renumber the sections and correct internal  
8 references as necessary in conformance with this  
9 amendment.

10 4. Amend the title, line 19, by inserting after  
11 the word "fund," the words "providing an exemption  
12 from fuel taxes for political subdivisions,".

H-4000 FILED, ADOPTED BY ANDERSON of Jasper  
MAY 5, 1977 (p. 1934) DYRLAND of Clayton  
CUSACK of Scott  
PONCY of Wapello  
KOOGLER of Mahaska  
HOWELL of Floyd  
DIELEMAN of Marion  
BINA of Scott  
SVOBODA of Iowa  
NORLAND of Worth  
PAVICH of Pottawattamie  
DUNTON of Keokuk  
KREWSON of Polk  
HUSAK of Tama  
GENTLEMAN of Polk  
HARVEY of Scott  
WYCKOFF of Benton  
SPEAR of Lee  
AVENSON of Fayette  
GILSON of Guthrie  
HULLINGER of Decatur  
MILLER of Buchanan  
PERKINS of Greene

HOUSE FILE 491

H-3994

Amend House File 491 as follows:

1  
2 1. Page 13, line 1, by inserting after (312.10)  
A 3 the following: "; three hundred nine point seventy-  
4 nine (309.79)".

5  
B 6 2. Page 13, line 2, by inserting after (313.58)  
7 the following: ", three hundred nine point eighty-  
three (309.83)".

H-3994 FILED; A-WITHDRAWN BY HULLINGER of Decatur  
B-ADOPTED (p. 1937)  
MAY 5, 1977

HOUSE FILE 491

H-3984

- 1 Amend House File 491 as follows:  
2 1. Page 4, by inserting after line 24 the  
3 following:  
4 "The department of transportation shall allocate  
5 the necessary funds to complete highway 520 as soon  
6 as possible."

H-3984 FILED - *Not germane* BY GARRISON of Black Hawk  
MAY 4, 1977 *5/5 (1928)* MILLER of Buchanan  
WULFF of Black Hawk  
WYCKOFF of Benton  
BRANDT of Black Hawk  
O'HALLORAN of Black Hawk  
TAUKE of Dubuque  
GILLOON of Dubuque  
DYRLAND of Clayton  
JOCHUM of Dubuque

HOUSE FILE 491

H-3986

- 1 Amend House File 491, as follows:  
2 1. Page 3, line 2, by inserting after the word  
3 "streets" the words "and all bikeway and potential  
4 bikeway facilities".  
5 2. Page 3, line 7, by inserting after the word  
6 "jurisdiction" the words "and the study shall investi-  
7 gate the utility and feasibility of the constructions  
8 of bikeways in the state as an alternative or supple-  
9 ment to road construction and maintenance programs".  
10 3. Page 3, line 15, by inserting after the word  
11 "street" the words "and bikeway facility".  
12 4. Page 5, by inserting after line 29 the  
13 following:  
14 "Funds allocated to the primary road fund, the  
15 secondary road fund, the farm-to-market road fund, and  
16 to the streets construction fund of the cities, may be  
17 used to study, purchase right-of-way, construct and  
18 maintain bikeways which include shared facilities for  
19 motor vehicles and bicycles, pathways on a street or  
20 highway separated from a roadway by an open space or  
21 barrier, or separate pathways on public land. The  
22 jurisdiction receiving funds may expend such funds to  
23 prepare, print and distribute maps of the streets  
24 within the jurisdiction showing preferred routes to be  
25 used by bicyclists on the streets for which such funds  
26 are appropriated."

H-3986 FILED - *Not germane* BY HINES of Story  
MAY 4, 1977 *5/5 (1924)* LIPSKY of Linn

HOUSE FILE 491

H-3980

- 1 Amend the title to House File 491 as follows:
- 2 1. By striking from lines 15 and 16 the words
- 3 "to ten cents per gallon".
- 4 2. By striking from lines 16 and 17 the words
- 5 "to eleven and one-half cents per gallon."

H-3980 FILED - *Withdrawn* BY HULLINGER of Decatur  
MAY 4, 1977 *5/5 (1945)*

HOUSE FILE 491

H-3988

- 1 Amend House File 491 as follows:
- 2 1. Page 12, by striking lines 31 through 34 and
- 3 inserting in lieu thereof the following: "upon the
- 4 two needs studies available to the state department
- 5 of transportation as follows:
- 6 a. Fifty percent of the needs allocation shall
- 7 be based upon the most recent study by the state
- 8 department of transportation of the twenty-year
- 9 construction and maintenance needs of all secondary,
- 10 farm-to-market and local secondary roads in the state,
- 11 and
- 12 b. Fifty percent of the needs allocation shall
- 13 be based upon the twenty-year improvement program
- 14 developed by the automotive safety foundation and
- 15 filed with the Iowa highway study committee created
- 16 by chapter four hundred twenty-six (426), Acts of
- 17 the Fifty-eighth General Assembly."

H-3988 FILED - *Last 5/5*  
MAY 4, 1977 *(p. 1936)*

BY NORLAND of Worth  
HANSEN of O'Brien  
DEN HERDER of Sioux  
WOODS of Polk  
STROMER of Hancock  
CLARK of Cerro Gordo  
BRANSTAD of Winnebago  
CONLON of Muscatine  
BAKER of Buena Vista  
MIDDLESWART of Warren  
SCHEELHAASE of Woodbury

- 1 Amend amendment H- 3951 to House File 491 as  
 2 follows:  
 3 1. Page 1, line 9 by adding after the word  
 4 "landowners" the words "sufficient for their own use,".  
 5 2. Page 1, by striking lines 11 through 48.  
 6 3. Page 3, by striking lines 19 through 26.  
 7 4. Page 3, by striking lines 30, 31, and 32  
 8 and inserting in lieu thereof the following:  
 9 "roads, and for".

H-3977 FILED - *Out of order* BY WELDEN of Hardin  
 MAY 4, 1977 *5/7 (1921)* VARLEY of Adair

## HOUSE FILE 491

H-3983

- 1 Amend House File 491 as follows:  
 2 1. Page 1, line 5, by striking the words "to  
 3 the maximum extent possible".  
 4 2. Page 1, line 8, by striking the words  
 5 "wherever possible".  
 6 3. Page 1, lines 10 and 11, by striking the  
 7 words "unless alignment or other conditions make  
 8 changes imperative".  
 9 4. Page 1, by striking line 13 and inserting  
 10 in lieu thereof the following: "shall be that the  
 11 additional right-of-way shall be contiguous".  
 12 5. Page 1, lines 14 and 15, by striking the  
 13 words "unless relocated for compelling reasons".  
 14 6. Page 1, by inserting after line 18 the  
 15 following:  
 16 "Any exceptions to the declared policy of this  
 17 section shall be granted only upon the approval of  
 18 the General Assembly by adoption of a concurrent  
 19 resolution."  
 20 7. Page 4, line 24, by inserting after the  
 21 period the following: "However, the treasurer of  
 22 the state shall not make any allotment under this  
 23 subsection unless the provisions of section one (1)  
 24 of this Act are complied with by the department of  
 25 transportation."

H-3983 FILED - *Lost 5/5*  
 MAY 4, 1977 *(1923)*

BY PELTON of Clinton  
 WYCKOFF of Benton  
 HUSAK of Tama  
 BAKER of Buena Vista  
 HORN of Linn  
 HULLINGER of Decatur  
 BRANSTAD of Winnebago  
 OXLEY of Linn  
 DANKER of Pottawattamie  
 GILSON of Guthrie  
 EVANS of Grundy  
 CLARK of Lee  
 MILLER of Calhoun  
 SVOBODA of Iowa  
 STEPHENS of Plymouth  
 LINDEEN of Henry

HOUSE FILE 491

H-3969

- 1 Amend House File 491 as follows:  
2 1. Page 10, by striking lines 33 and 34 and  
3 inserting in lieu thereof the following: "agencies,  
4 ~~but this exemption shall not apply to~~ or to any  
5 political subdivisions of this state."  
6 2. Page 11, by inserting after line 20 the  
7 following:  
8 "Sec. \_\_\_\_\_. Section three hundred twenty-four point  
9 thirty-five (324.35), Code 1977, is amended to read  
10 as follows:  
11 324.35 EXEMPTIONS. No tax is imposed under this  
12 division on special fuel used by the United States  
13 or any of its agencies or instrumentalities, but the  
14 tax on special fuel used or delivered into fuel supply  
15 tanks of motor vehicles by any post exchange or  
16 concessionaire on any federal reservation in this  
17 state, to the extent permitted by federal law, shall  
18 be collected by the post exchange or concessionaire  
19 and paid to the department of revenue.  
20 No tax is imposed under this division on special  
21 fuel used by the state of Iowa or any of its agencies,  
22 ~~but this exemption shall not apply to~~ or used by  
23 political subdivisions of this state."  
24 3. Renumber the sections and correct internal  
25 references as necessary in conformance with this  
26 amendment.  
27 4. Amend the title, line 19, by inserting after  
28 the word "fund," the words "providing an exemption  
29 from fuel taxes for political subdivisions,".

H-3969 FILED BY ANDERSON of Jasper  
MAY 4, 1977 DYRLAND of Clayton  
*Out of order* RINAS of Linn  
*with adoption* CUSACK of Scott  
*of 4000 5/5 (1934)* PONCY of Wapello  
KOOGLER of Mahaska  
HOWELL of Floyd  
KRAUSE of Kossuth  
DIELEMAN of Marion  
BINA of Scott  
SVOBODA of Iowa  
DOYLE of Woodbury  
PAVICH of Pottawattamie  
GRIFFEE of Chickasaw  
NORLAND of Worth  
MILLER of Buchanan  
PERKINS of Greene  
HUSAK of Tama  
WYCKOFF of Benton  
SPEAR of Lee  
AVENSON of Fayette  
GILSON of Guthrie  
HULLINGER of Decatur  
DUNTON of Keokuk

Amend House File 491 as follows:

1. Page 1, line 2, by striking the word "section" and inserting in lieu thereof the word "sections".

2. Page 1, by inserting after line 18 the following:

"NEW SECTION. MAINTENANCE OF LAND ACCESS ROADS.

Roads classified and properly designated as land access roads shall be maintained by the adjoining landowners and not by the jurisdiction having control over the road.

NEW SECTION. ABANDONED RIGHT-OF-WAY REHABILITATION FUND. There is hereby created a fund which shall be known as the abandoned right-of-way rehabilitation fund and shall consist of funds allocated from the road use tax fund.

NEW SECTION. USE OF ABANDONED RIGHT-OF-WAY REHABILITATION FUND. Funds allocated to the abandoned right-of-way rehabilitation fund shall be used to pay a part of the cost incurred in reshaping road rights-of-way which have been vacated and closed pursuant to the provisions of this chapter such that the resulting terrain configuration would be suitable for return to agricultural productivity. The board of supervisors of any county may make written application to the department on behalf of the affected property owner for rehabilitation assistance at any time following the publishing of a notice of a proposed vacating or closing as required in section three hundred six point twelve (306.12) of the Code. Rehabilitation assistance shall be limited to a reimbursement of seventy percent of the total actual rehabilitation cost with at least thirty percent to be provided by the affected property owner. The board of supervisors of the county in which the property is located shall provide the department with certification of the actual rehabilitation cost incurred by the property owner in returning the vacated right-of-way to agricultural productivity. Upon receiving said certification, and upon reaching a decision on the amount, if any, to be reimbursed from the abandoned right-of-way rehabilitation fund, the department shall direct the treasurer of state to pay the amount from the funds available in the abandoned right-of-way rehabilitation fund. Provided, however, that no funds shall be distributed until after a final order to vacate and close the road has been entered and the land has been returned to agricultural productivity.

Sec. \_\_\_\_ . Section three hundred six point one (306.1), subsection one (1), Code 1977, is amended

1 by adding the following new paragraph:  
2 NEW PARAGRAPH. m. The land access system."  
3 3. Page 1, by inserting after line 30 the follow-  
4 ing:  
5 "Sec. \_\_\_\_\_. Section three hundred six point one  
6 (306.1), subsection two (2), paragraph f, Code 1977,  
7 is amended by striking the paragraph and inserting  
8 in lieu thereof the following:  
9 f. The area service system shall consist of those  
10 roads providing principal access to farmsteads or  
11 to residential, commercial or industrially developed  
12 land in rural areas and all other public roads outside  
13 of municipalities not otherwise classified.  
14 Sec. \_\_\_\_\_. Section three hundred six point one  
15 (306.1), subsection two (2), Code 1977, is amended  
16 by adding the following new paragraph:  
17 NEW PARAGRAPH. m. The land access system shall  
18 consist of those roads providing secondary access  
19 to farmsteads and to lands primarily served by vehicles  
20 other than passenger cars and commercial vehicles.  
21 Roads within this classification may be closed to  
22 general public use through the installation and mainte-  
23 nance of appropriate signs at all entry points by  
24 the unit of government having jurisdiction and control  
25 over such roads. Roads within this classification  
26 may be altered, vacated or closed as provided in this  
27 chapter. A landowner may petition the county board  
28 of supervisors to alter, vacate or close a road based  
29 on the grounds of mutual benefit to both parties.  
30 Sec. \_\_\_\_\_. Section three hundred six point three  
31 (306.3), subsection four (4), Code 1977, is amended  
32 to read as follows:  
33 4. "Secondary roads" or "secondary road system"  
34 means those roads, outside the boundaries of munici-  
35 palities, classified as trunk, trunk collector and,  
36 area service and land access under section 306.1.  
37 Sec. \_\_\_\_\_. Section three hundred six point three  
38 (306.3), subsection six (6), Code 1977, is amended  
39 to read as follows:  
40 6. "Local secondary roads" or "local secondary  
41 road system" means those secondary roads which are  
42 classified as area service and land access under  
43 section 306.1.  
44 Sec. \_\_\_\_\_. Section three hundred six point three  
45 (306.3), Code 1977, is amended by adding the following  
46 new subsections:  
47 NEW SUBSECTION. 12. "Principal access" means  
48 the only motor vehicle access to a farmstead or to  
49 residential, commercial, or industrial property in  
50 rural areas, or, in the case of multiple accesses,

HOUSE FILE 491

H-3925

- 1 Amend House File 491 as follows:
- 2 1. Page 1, by striking lines 15 through
- 3 18 and inserting in lieu thereof the word
- 4 "reasons."

H-3925 FILED - *Lost 5/5* BY WYCKOFF of Benton  
MAY 2, 1977 (*p. 1924*) MILLER of Buchanan  
HUSAK of Tama

HOUSE FILE 491

H-3945

- 1 Amend House File 491 as follows:
- 2 1. Amend the title page by striking lines
- 3 15 through 17 and inserting in lieu thereof the
- 4 following: "cities, raising the motor fuel and
- 5 special fuel tax, eliminating the one-".

H-3945 FILED - *Lost 5/5* BY WYCKOFF of Benton  
MAY 3, 1977 (*p. 1939*)

HOUSE FILE 491

H-3829

- 1 Amend House File 491 as follows:
- 2 1. Page 4, lines 25 and 26, by striking the words
- 3 "~~twenty-nine~~ twenty-eight" and inserting in lieu
- 4 thereof the word "twenty-nine".
- 5 2. Page 4, line 29, by striking the word "eighteen"
- 6 and inserting in lieu thereof the word "seventeen".
- 7 3. Page 10, by striking lines 5 through 34.
- 8 4. Amend the title, line 11, by striking the word
- 9 "twenty-eight" and inserting in lieu thereof the word
- 10 "twenty-nine".
- 11 5. Amend the title, line 12, by striking the word
- 12 "eighteen" and inserting in lieu thereof the word
- 13 "seventeen".
- 14 6. Renumber the sections and correct internal
- 15 references in conformance with this amendment.

H-3829 FILED - *Withdrawn* BY HORN of Linn  
APRIL 28, 1977 *5/5 (1929)*

H-3951

Page 3

1 the road which in the judgment of the county functional  
 2 classification board provides the most beneficial  
 3 overall traffic service to the public in total.

4 NEW SUBSECTION. 13. "Secondary access" means  
 5 those roads which provide duplicate access in addition  
 6 to the access provided by the principal access road  
 7 serving a given farmstead, residence, commercial,  
 8 or industrial property in rural areas.

9 Sec. \_\_\_\_ . Section three hundred six point four  
 10 (306.4), subsection two (2), Code 1977, is amended  
 11 to read as follows:

12 2. Jurisdiction and control over the secondary  
 13 roads shall be vested in the county board of super-  
 14 visors of the respective counties provided that the  
 15 county board shall not be responsible for maintenance  
 16 of those roads classified as land access roads under  
 17 section three hundred six point one (306.1) of the  
 18 Code."

19 4. Page 5, by inserting after line 29 the follow-  
 20 ing:

21 "7. The treasurer of state, before making the  
 22 allotments provided for in this section, shall credit  
 23 annually to the abandoned right-of-way rehabilitation  
 24 fund the sum of one million dollars. All unobligated  
 25 funds at the end of each year shall revert to the  
 26 road use tax fund."

27 5. Amend the title, line 1, by inserting after  
 28 the word "for" the words "definitions of land access  
 29 roads, principal access roads and secondary access  
 30 roads, the creation of an abandoned right-of-way  
 31 rehabilitation fund and appropriating one million  
 32 dollars to the fund, and for".

33 6. Renumber sections and correct internal refer-  
 34 ences as necessary in conformance with this amendment.

H-3951 FILED - *No german* BY MILLER of Buchanan  
 MAY 3, 1977 *5/5/77 (1921)* RINAS of Linn  
 KRAUSE of Kossuth  
 WYCKOFF of Benton

H-3923

Amend House File 491 as follows:

1. Page 4, line 35, by striking the word "annually" and inserting in lieu thereof the words "annually monthly".
2. Page 5, by striking lines 1, 2 and 3 and inserting in lieu thereof the following: "sum-of-one million-four-hundred-thousand dollars yielded from an allotment of sixty-five hundredths of one percent of all road use tax funds for the express purpose of carrying out subsection 12 11 of section 307A.2, the last-paragraph-of section 313.4, subsection two (2), of the Code".
3. Page 5, by inserting after line 29 the following section:  
 "Sec. \_\_\_\_ . Section three hundred twelve point four (312.4), Code 1977, is amended by adding the following new subsection:  
 NEW SUBSECTION. The amount of the road use tax fund which has been credited to carry out the provisions of section three hundred seven A point two (307A.2), subsection eleven (11), section three hundred thirteen point four (313.4), subsection two (2), and section three hundred seven A point five (307A.5) of the Code."
4. By numbering and renumbering sections as necessary.

923 FILED - *Adopted 5/5* BY HARBOR of Mills  
 2, 1977 (*p. 1931*)

HOUSE FILE 491

H-3924

Amend House File 491 as follows:

1. Page 4, lines 25 and 26, by striking the words "twenty-nine twenty-eight" and inserting in lieu thereof the word "twenty-nine".
2. Page 4, line 29, by striking the word "eighteen" and inserting in lieu thereof the word "seventeen".
3. Page 10, by striking lines 5 through 34.
4. Amend the title, line 11, by striking the word "twenty-eight" and inserting in lieu thereof the word "twenty-nine".
5. Amend the title, line 12, by striking the word "eighteen" and inserting in lieu thereof the word "seventeen".
6. Amend the title by striking lines 15 and 16 and inserting in lieu thereof the following: "cities, raising the diesel engine special fuel tax to".
7. Renumber the sections and correct internal references in conformance with this amendment.

H-3924 FILED *A. Withdrawn* BY HORN of Linn  
 MAY 2, 1977 *B. Lost 5/5*  
 (*p. 1930*)

HOUSE FILE 491

H-3867

- 1 Amend House File 491 as follows:  
2 1. Page 10, line 9, by striking the word "ten"  
3 and inserting in lieu thereof the word "nine".  
4 2. Page 11, line 7, by striking the words "eleven  
5 and one-half" and inserting in lieu thereof the word  
6 "ten".  
7 3. Page 12, by inserting after line 34 the  
8 following:  
9 "Sec. \_\_\_\_\_. It is the intent of the general assembly  
10 that the state department of transportation shall  
11 evaluate the needs for increased revenue to meet the  
12 costs of road construction and repair of the state  
13 highways and streets. Prior to February 1, 1979,  
14 the state department of transportation shall submit  
15 to the general assembly, for consideration during  
16 the 1979 Session of the Sixty-eighth General Assembly,  
17 a recommendation of whether to raise the fuel tax  
18 on motor fuel, diesel special fuel and other special  
19 fuel an additional one cent per gallon."

H-3867 FILED - *Withdrawn* BY SPENCER of Clay  
APRIL 28, 1977 *5/5 (1940)*

HOUSE FILE 491

H-3868

- 1 Amend House File 491 as follows:  
2 1. Page 4, by inserting after line 13 the follow-  
3 ing:  
4 "Sec. \_\_\_\_\_. Chapter three hundred twelve (312),  
5 Code 1977, is amended by adding the following new  
6 section:  
7 NEW SECTION. USE OF INCREASED FUEL TAX. For the  
8 fiscal year beginning July 1, 1977 and ending June  
9 30, 1978, and each subsequent fiscal year, thirty  
10 percent of the motor fuel, diesel special fuel and  
11 other special fuel tax allocated to the primary road  
12 fund, secondary road fund, farm-to-market road fund  
13 and to the street construction fund of the cities  
14 shall be used exclusively for repair, maintenance  
15 and resurfacing of existing street or highway rights-  
16 of-way.  
17 2. Renumber the sections and correct internal  
18 references as necessary in conformance with this  
19 amendment.

H-3868 FILED - *Last 5/5* BY SPENCER of Clay  
APRIL 28, 1977 *(p. 1927)*

HOUSE FILE 491

H-3888

- 1 Amend House File 491 as follows:  
2 1. Page 12, line 8, by inserting after the  
3 word "road" the word "fund".

H-3888 FILED - *Adopted 5/5* BY KRAUSE of Kossuth  
APRIL 29, 1977 *(p. 1935)* RINAS of Linn

H-3778

1 Amend House File 491 as follows:

2 1. Page 1, line 2, by striking the word "section"  
3 and inserting in lieu thereof the word "sections".

4 2. Page 1, by inserting after line 18 the follow-  
5 ing:

6 "NEW SECTION. MAINTENANCE OF LAND ACCESS ROADS.  
7 Roads classified and properly designated as land  
8 access roads shall be maintained by the adjoining  
9 landowners and not by the jurisdiction having control  
10 over the road.

11 NEW SECTION. ABANDONED RIGHT-OF-WAY REHABILITATION  
12 FUND. There is hereby created a fund which shall  
13 be known as the abandoned right-of-way rehabilitation  
14 fund and shall consist of funds allocated from the  
15 road use tax fund.

16 NEW SECTION. USE OF ABANDONED RIGHT-OF-WAY  
17 REHABILITATION FUND. Funds allocated to the abandoned  
18 right-of-way rehabilitation fund shall be used to  
19 pay for a part of the cost incurred to return to  
20 agricultural productivity the right-of-way which has  
21 been vacated and closed pursuant to the provisions  
22 of this chapter. The board of supervisors of any  
23 county may make written application to the department  
24 on behalf of the affected property owner for  
25 rehabilitation assistance at any time following the  
26 publishing of a notice of a proposed vacating or  
27 closing as required in section three hundred six point  
28 twelve (306.12) of the Code. Rehabilitation assistance  
29 shall be limited to a reimbursement of seventy percent  
30 of the total actual rehabilitation cost with at least  
31 thirty percent to be provided by the affected property  
32 owner. The board of supervisors of the county in  
33 which the property is located shall provide the  
34 department with certification of the actual  
35 rehabilitation cost incurred by the property owner  
36 in returning the vacated right-of-way to agricultural  
37 productivity. Upon receiving said certification,  
38 and upon reaching a decision on the amount, if any,  
39 to be reimbursed from the abandoned right-of-way  
40 rehabilitation fund, the department shall direct the  
41 treasurer of state to pay the amount from the funds  
42 available in the abandoned right-of-way rehabilitation  
43 fund. Provided, however, that no funds shall be  
44 distributed until after a final order to vacate and  
45 close the road has been entered and the land has been  
46 returned to agricultural productivity.

47 Sec. \_\_\_\_ . Section three hundred six point one  
48 (306.1), subsection one (1), Code 1977, is amended  
49 by adding the following new paragraph:

50 NEW PARAGRAPH. m. The land access system."

H-3778

Page 2

1 3. Page 1, by inserting after line 30 the follow-  
2 ing:

3 "Sec. \_\_\_\_\_. Section three hundred six point one  
4 (306.1), subsection two (2), paragraph f, Code 1977,  
5 is amended by striking the paragraph and inserting  
6 in lieu thereof the following:

7 f. The area service system shall consist of those  
8 roads providing principal access to farmsteads or  
9 to residential, commercial or industrially developed  
10 land in rural areas and all other public roads outside  
11 of municipalities not otherwise classified.

12 Sec. \_\_\_\_\_. Section three hundred six point one  
13 (306.1), subsection two (2), Code 1977, is amended  
14 by adding the following new paragraph:

15 NEW PARAGRAPH. m. The land access system shall  
16 consist of those roads providing secondary access  
17 to farmsteads and to lands primarily served by vehicles  
18 other than passenger cars and commercial vehicles.  
19 Roads within this classification may be closed to  
20 general public use through the installation and mainte-  
21 nance of appropriate signs at all entry points by  
22 the unit of government having jurisdiction and control  
23 over such roads.

24 Sec. \_\_\_\_\_. Section three hundred six point three  
25 (306.3), subsection four (4), Code 1977, is amended  
26 to read as follows:

27 4. "Secondary roads" or "secondary road system"  
28 means those roads, outside the boundaries of municipi-  
29 palities, classified as trunk, trunk collector and,  
30 area service and land access under section 306.1.

31 Sec. \_\_\_\_\_. Section three hundred six point three  
32 (306.3), subsection six (6), Code 1977, is amended  
33 to read as follows:

34 6. "Local secondary roads" or "local secondary  
35 road system" means those secondary roads which are  
36 classified as area service and land access under  
37 section 306.1."

38 4. Page 5, by inserting after line 29 the follow-  
39 ing:

40 "7. The treasurer of state, before making the  
41 allotments provided for in this section, shall credit  
42 annually to the abandoned right-of-way rehabilitation  
43 fund the sum of one million dollars. All unobligated  
44 funds at the end of each year shall revert to the  
45 road use tax fund."

46 5. Renumber sections and correct internal refer-  
47 ences as necessary in conformance with this amendment.

H-3778 FILED - *Withdrawn 5/5* BY MILLER of Buchanan  
APRIL 26, 1977 (*p. 1918*) RINAS of Linn  
KRAUSE of Kossuth

HOUSE FILE 491

H-3743

- 1 Amend House File 491 as follows:  
2 1. Page 10, by striking lines 32 through 34  
3 and inserting in lieu thereof the following:  
4 "4. Motor fuel sold to the state of Iowa or  
5 any of its agencies, ~~but this exemption shall~~  
6 ~~not apply to political subdivisions of this~~  
7 ~~state.~~  
8 5. Motor fuel sold to area education agencies,  
9 merged area schools, or public school districts,  
10 but to no other political subdivision.

H-3743 FILED *Out of order* BY SCHNEKLOTH of Scott  
APRIL 25, 1977 *will adoption*  
*of 4000 5/5 (p 1934)*

FISCAL NOTE  
HOUSE FILE 491

Date Prepared May 5, 1977

Requested by Representative Brunow

Prepared in regard to H.F. 491, Amendment H-3925. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

This amendment has no identifiable fiscal impact other than the fact that it would require a considerable amount of DOT staff time and associated expenses for conducting new hearings, developing new environmental impact statements and other required procedures if a new alignment study is required on those corridors which are already approved by the DOT Commission.

Source: Department of Transportation

FILED

GERRY D. RANKIN

MAY 5, 1977

LEGISLATIVE FISCAL BUREAU

FISCAL NOTE  
HOUSE FILE 491

Date Prepared May 5, 1977

Requested by Representative Brunow

Prepared in regard to H.F. 491, Amendment H-3923. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

This amendment would change the way of providing money to the state parks, institutions, and area community schools. The park and institutional funding is presently accommodated by a \$1.4 million amount taken off the top of the Road Use Tax Fund. This proposed amendment would change this in such a way that the money for this use would be a percentage of the Road Use Tax Fund. If the sixty-five hundredths of one percent had been used in fiscal 1976 in place of the \$1.4 million, this would have provided total funding for this purpose of \$1.7 million. If this sixty-five hundredths of one percent amount were used under the provisions of House File 491, it would produce \$2.2 million for state park, institution, and area school roads and streets. This would cause state, county and city funds to be reduced by the following amounts: state, \$90,000; Counties, \$74,000; and Cities, \$36,000.

Source: Department of Transportation

FILED

GERRY D. RANKIN

MAY 5, 1977

LEGISLATIVE FISCAL BUREAU

FISCAL NOTE

HOUSE FILE 491

Date Prepared April 27, 1977

Requested by Representative Schnekloth

Prepared in regard to H.F. 491, Amendment H-3743, An Act relating to transportation providing for an expression of the legislative intent concerning diagonal roads, lowering the freeway-expressway system total mileage, providing for functional reclassification of roads in the state, development of a quadrennial needs study, inclusion of the area school roads and bridges in the park and institution road maintenance allocation and providing for a quadrennial need study of park and institution roads and bridges, changing the allocation formula from the road use tax fund to provide forty-five percent to the primary road fund, twenty-eight percent to the secondary road fund, nine percent to the farm-to-market road fund, and eighteen percent to the cities, providing for definitional changes of certain roads, requiring certain annual reports by cities, raising the motor fuel and special fuel tax to ten cents per gallon and the diesel engine special fuel tax to eleven and one-half cents per gallon, eliminating the one-half of one cent of motor fuel and other special fuel tax to the primary road fund, providing appropriations, and repealing certain sections. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

Amendment H-3743 exempts fuels used by school districts of the state from the motor fuel and special fuel taxes.

The estimate made on this proposal is based on data obtained from the Department of Public Instruction and relates to miles traveled in the 1975-1976 school year. Based on this information, it is estimated that the annual revenue loss to the road use tax fund from this proposal would be approximately \$1.2 million. However, if these fuels were exempted from the motor fuel and special fuel taxes, retail sales tax would then become applicable to sales of the exempt fuel. It is estimated that increase in sales tax revenues resulting from such taxation would be about \$150,000 to \$200,000.

Source: Department of Revenue

FILED

APRIL 29, 1977

GERRY D. RANKIN

LEGISLATIVE FISCAL BUREAU

HOUSE FILE 491  
FISCAL NOTE

DATE: APRIL 6, 1978  
REQUESTED BY SENATOR NORMAN RODGERS

In compliance with a written request received April 5, 1978, there is hereby submitted a Fiscal Note for House File 491, S-5491 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

Amendment S-5491 increases motor fuel tax one cent per gallon effective July 1, 1978 and an additional one cent effective January 1, 1979. It also increases diesel fuel two and one-half cents per gallon effective July 1, 1978 and an additional one cent per gallon July 1, 1979. The distribution would be as follows:

(\$ in millions)

July 1, 1978:  
+1¢/Gal. Gas and 2½¢/Gal. Diesel Tax Increase (\$21.1 Million)

Jurisdiction	Off-the-top	Distribution	Total	True %	Gain or Loss Over FY'77
State	\$15.2	\$132.8	\$148.0	46.5%	\$- 3.4
County	0.6	111.7	112.3	35.3%	+ 6.1
City	0.6	57.4	58.0 <sup>3/</sup>	18.2%	+15.8
Total	\$16.4	\$301.9	\$318.3 <sup>3/</sup>	100.0%	\$+18.5

January 1, 1979:  
+1¢/Gal. Gas and 0¢/Gal. Diesel Tax Increase (\$15.1 Million)

Jurisdiction	Off-the-top	Distribution	Total	True %	Gain or Loss Over FY'77
State	\$15.2	\$139.5	\$154.7	46.4%	\$+ 3.3
County	0.6	117.3	117.9	35.4%	+11.7
City	0.6	60.2	60.8 <sup>3/</sup>	18.2%	+18.6
Total	\$16.4	\$317.0	\$333.4 <sup>3/</sup>	100.0%	\$+33.6

July 1, 1979:  
0¢/Gal. Gas and +1¢/Gal. Diesel Tax Increase (\$2.4 Million)

Jurisdiction	Off-the-top	Distribution	Total	True %	Gain or Loss Over FY'77
State	\$15.2	\$140.5	\$155.7	46.4%	\$+ 4.3
County	0.6	118.2	118.8	35.4%	+12.6
City	0.6	60.7	61.3 <sup>3/</sup>	18.2%	+19.1
Total	\$16.4	\$319.4	\$335.8 <sup>3/</sup>	100.0%	\$+36.0

<sup>3/</sup> Total revenues have been reduced to reflect city, county and school fuel tax exemptions.

SOURCE: DEPARTMENT OF TRANSPORTATION

FILED  
APRIL 24, 1978

DENNIS C. PROUTY  
LEGISLATIVE FISCAL BUREAU

DATE: APRIL 25, 1978  
 REQUESTED BY: SENATOR READINGER

In compliance with a written request received April 25, 19 78, there is hereby submitted a Fiscal Note for H.F. 491, Amend. S-5638 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

Amendment S-5638 to House File 491:

(\$ in Millions)

Jurisdiction	July 1, 1978				Gain or Loss Over FY'77
	Off-the-top	Distribution	Total	True %	
+1½¢/Gal. Gas and 2¢/Gal. Diesel Tax Increase(\$27.4 Million)					
State	\$16.7	\$138.0	\$154.7	47.7%	\$+ 3.3
County	0.6	113.5	114.1	35.1%	+ 7.9
City	0.6	55.2	55.8 <sup>3/</sup>	17.2%	+13.6
Total	\$17.9	\$306.7	\$324.6 <sup>3/</sup>	100.0%	\$+24.8

3/ Total revenues have been reduced by \$3.2 Million to reflect city, county, and school fuel tax exemptions.

Jurisdiction	July 1, 1979				Gain or Loss Over FY'77
	Off-the-top	Distribution	Total	True %	
+1½¢/Gal. Gas and 1½¢/Gal. Diesel Tax Increase(\$26.3 Million)					
State	\$16.9	\$149.8	\$166.7	47.5%	\$+15.3
County	0.6	123.1	123.7	35.3%	+17.5
City	0.6	59.9	60.5 <sup>4/</sup>	17.2%	+18.3
Total	\$18.1	\$332.8	\$350.9 <sup>4/</sup>	100.0%	\$+51.1

4/ Total revenues have been reduced by \$3.7 Million to reflect city, county, and school fuel tax exemptions.

SOURCE: DEPARTMENT OF TRANSPORTATION

FILED  
 APRIL 26, 1978

BY GERRY RANKIN  
 LEGISLATIVE FISCAL BUREAU

HOUSE FILE 491  
FISCAL NOTEDate: April 25, 1978  
Requested by: Senator Rodgers

In compliance with a written request received April 24, 19 78, there is hereby submitted a Fiscal Note for H.F.491, Amend. S-5499 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

Amendment S-5499 to Amendment S-5491 to House File 491:

(\$ in millions)

July 1, 1978					Gain or Loss Over FY'77
+1¢/Gal. Gas and 1½¢/Gal. Diesel Tax Increase(\$18.7 Million)					
Jurisdiction	Off-the-top	Distribution	Total	True %	
State	\$16.7	\$131.1	\$147.8	46.8%	- 3.6
County	0.6	110.3	110.9	35.1%	+ 4.7
City	0.6	56.6	57.2	18.1%	+15.0
Total	\$17.9	\$298.0	\$315.9 <sup>1/</sup>	100.0%	+16.1

<sup>1/</sup> \$3.1 Million Fuel Tax Exemption to Cities and Counties

July 1, 1979					Gain or Loss Over FY'77
+1¢/Gal. Gas and 1¢/Gal. Diesel Tax Increase(\$17.5 Million)					
Jurisdiction	Off-the-top	Distribution	Total	True %	
State	\$16.8	\$138.8	\$155.6	46.7%	+ 4.2
County	0.6	116.7	117.3	35.2%	+11.1
City	0.6	59.9	60.5	18.1%	+18.3
Total	\$18.0	\$315.4	\$333.4 <sup>2/</sup>	100.0%	+33.6

<sup>2/</sup> \$3.4 Million Fuel Tax Exemption to Cities and Counties

July 1, 1980					Gain or Loss Over FY'77
+1¢/Gal. Gas and 1¢/Gal. Diesel Tax Increase(\$17.5 Million)					
Jurisdiction	Off-the-top	Distribution	Total	True %	
State	\$16.9	\$146.4	\$163.3	46.5%	+11.9
County	0.6	123.2	123.8	35.3%	+17.6
City	0.6	63.2	63.8	18.2%	+21.6
Total	\$18.1	\$332.8	\$350.9 <sup>3/</sup>	100.0%	+51.1

<sup>3/</sup> \$3.7 Million Fuel Tax Exemption to Cities and Counties

SOURCE: DEPARTMENT OF TRANSPORTATION

FILED  
APRIL 25, 1978GERRY RANKIN, FISCAL DIRECTOR  
LEGISLATIVE FISCAL BUREAU

Sen. Trapp. 5/11 Do Pass per 3548 5/13 (p. 1531)  
" Ways Means 5/13 Pass per 5491 4/4 (p. 753)

HOUSE FILE 491

HOUSE FILE 491

5/77

HOUSE FILE 491

By COMMITTEE ON TRANSPORTATION  
(Formerly Study Bill 200-C)

Transportation  
Robinson, Chairperson  
Gallagher  
Glenn  
Shaff  
Tieden

Ways and Means  
Van Gilst, Chairperson  
Shaff  
E. Hill  
Redmond  
Readinger

Passed House, Date 5-2-78 (p. 2151) Passed Senate, Date 4-25-78 (p. 1011)

Vote: Ayes 57 Nays 34 Vote: Ayes 26 Nays 21

Approved June 27, 1978

*Motion to amend 4-26 (1044) w.d. 5-1 (1132)*

### A BILL FOR

1 An Act relating to transportation providing for an expression  
 2 of the legislative intent concerning diagonal roads,  
 3 lowering the freeway-expressway system total mileage, pro-  
 4 viding for functional reclassification of roads in the  
 5 state, development of a quadrennial needs study, inclusion  
 6 of the area school and state fair grounds roads and bridges  
 7 in the park and institution road maintenance allocation and  
 8 providing for a quadrennial need study of park and  
 9 institution roads and bridges, changing the allocation formula  
 10 from the road use tax fund to provide forty-five percent to the  
 11 primary road fund, twenty-eight percent to the secondary  
 12 road fund, nine percent to the farm-to-market road fund, and  
 13 eighteen percent to the cities, providing for definitional  
 14 changes of certain roads, requiring certain annual reports  
 15 by cities, raising the motor fuel and special fuel tax to  
 16 ten cents per gallon and the diesel engine special fuel  
 17 tax to eleven and one-half cents per gallon, eliminating the  
 18 one-half of one cent of motor fuel and other special fuel tax  
 19 to the primary road fund, providing an exemption from fuel  
 20 taxes for political subdivisions, authorizing the Department  
 21 of Transportation to conduct a study, providing  
 22 appropriations, and repealing certain sections.

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

24  
25

S.F. \_\_\_\_\_

H.F. \_\_\_\_\_

491

*5638 study all*

1 Section 1. Chapter three hundred six (306), Code  
2 1977, is amended by adding the following new section:

3 NEW SECTION. It is declared to be the policy of  
4 the state of Iowa that relocation of primary highways through  
5 cultivated land shall be avoided to the maximum extent  
6 possible. Whenever the volume of traffic for which the road  
7 is designed or other conditions require such relocation,  
8 diagonal routes shall be avoided wherever possible.

9 It is further declared that improvement of two-lane  
10 roads shall utilize the existing right-of-way unless alignment  
11 or other conditions make changes imperative, and when any  
12 two-lane road is expanded to a four-lane road, the normal  
13 procedure would be that the additional right-of-way would  
14 be contiguous to the existing right-of-way unless relocated  
15 for compelling reasons. This policy shall not apply to any  
16 highway project for which the corridor has been approved by  
17 the state department of transportation and which corridor  
18 has been finalized by May 5, 1977.

19 Sec. 2. Section three hundred six point one (306.1),  
20 subsection two (2), paragraph a, Code 1977, is amended to  
21 read as follows:

22 a. The freeway-expressway system shall consist of  
23 those roads connecting and serving the major urban and regional  
24 areas of the state with high volume, long-distance traffic  
25 movements, and generally connecting with like roads of adjacent  
26 states. The national system of interstate and defense highways  
27 shall be a part of the freeway-expressway system. The freeway-  
28 expressway system, including the national interstate and  
29 defense highway mileage, shall not exceed three two thousand  
30 six hundred sixty miles.

31 Sec. 3. Section three hundred six point six (306.6),  
32 subsection two (2), unnumbered paragraph two (2), Code 1977,  
33 is amended to read as follows:

34 It shall be the responsibility of the state functional  
35 classification review board to hear any and all appeals from

1 classification boards or board members, relative to disputes  
2 arising out of the functional classification of any segment  
3 of highway or street. It shall also be the responsibility  
4 of the board to establish the necessary guidelines, procedures,  
5 and the time limits to be followed in transferring jurisdiction  
6 in accordance with section three hundred six point eight  
7 (306.8), of the Code. The state functional classification  
8 review board shall have the authority and the responsibility  
9 to make final administrative determinations based on sound  
10 functional classification principles for all disputes relative  
11 to functional classification including those disputes relative  
12 to the transfer of jurisdictions. The review board shall  
13 also serve, when requested jointly by state and local  
14 jurisdictions, as an advisory committee for review and  
15 adjustment of construction and maintenance guidelines used  
16 in updating road and street needs studies.

17 Sec. 4. Section three hundred six point eight  
18 (306.8), Code 1977, is amended to read as follows:

19 306.8 TRANSFER OF JURISDICTION. When a change of  
20 jurisdiction occurs as a result of the classification or  
21 reclassification of a road or street, the unit of government  
22 having jurisdiction shall, prior to such change of  
23 jurisdiction, either place the road or street and any  
24 structures thereon on the road in good repair sufficient-for  
25 the-traffic-thereon or provide for the transfer of money to  
26 the appropriate jurisdiction sufficient for the repairs to  
27 the road or street and any structures on the road.

28 Transfers of the jurisdiction and control of roads  
29 and streets may take place if agreements are entered into  
30 between the jurisdictions of government involved in the  
31 transfer of such roads and streets.

32 Sec. 5. Section three hundred seven A (307A), Code  
33 1977, is amended by adding the following new subsection:

34 NEW SUBSECTION. For the four year period beginning  
35 July 1, 1979, and for each subsequent four year period,

1 prepare, adopt and cause to be published the results of a  
2 study of all roads and streets in the state. The study shall  
3 be so designed to investigate present deficiencies and future  
4 twenty-year maintenance and construction needs of the roads  
5 and the ability of each applicable authority to meet the needs  
6 for the planning, construction, repair and maintenance of  
7 roads within their jurisdiction. The commission shall have  
8 the authority to gather information necessary to complete  
9 this study and shall be furnished such assistance from any  
10 state agency as necessary to prepare, update and publish a  
11 report to be referred to as the "quadrennial need study" for  
12 the purposes of this chapter and chapter three hundred twelve  
13 (312) of the Code. This subsection shall not preclude the  
14 commission from updating the quadrennial need study when  
15 necessary to reflect changes in road and street needs in the  
16 state.

17 Sec. 6. Section three hundred seven A point two  
18 (307A.2), subsection eleven (11), Code 1977, is amended to  
19 read as follows:

20 11. Construct, reconstruct, improve and maintain  
21 state institutional roads and state park roads as defined  
22 in section 306.3 and bridges on such roads, roads located  
23 on state fair grounds as defined in chapter one hundred  
24 seventy-three (173) of the Code and the roads and bridges  
25 located on area school property as defined in chapter two  
26 hundred eighty A (280A) of the Code upon the request of the  
27 state board, department or commission which has jurisdiction  
28 over such roads. This shall be done in such manner as may  
29 be agreed upon by the commission and the state board,  
30 department or commission which has jurisdiction. The  
31 commission may contract with any county or municipality for  
32 the construction, reconstruction, improvement or maintenance  
33 of such roads and bridges. Any state park road which is an  
34 extension of either a primary or secondary highway which both  
35 enters and exits from a state park at separate points shall

1 be constructed, reconstructed, improved and maintained as  
2 provided in section 306.4. Funds allocated from the road  
3 use tax fund for the purposes of this subsection shall be  
4 apportioned in the ratio that the needs of the state  
5 institution roads and bridges, park roads and bridges or area  
6 school roads and bridges bear to the total needs of these  
7 facilities based upon the most recent quadrennial park and  
8 institution need study. The commission shall conduct a study  
9 of the road and bridge facilities in state parks, state  
10 institutions, state fair grounds and on area school property.  
11 The study shall evaluate the construction and maintenance  
12 needs and projected needs based upon estimated growth for  
13 each type of facility to provide a quadrennially updated  
14 standard upon which to allocate funds appropriated for the  
15 purposes of this subsection.

16 Sec. 7. Section three hundred twelve point two  
17 (312.2), Code 1977, is amended to read as follows:

18 312.2 ALLOCATIONS FROM FUND. The treasurer of the  
19 state shall, on the first day of each month, credit all road  
20 use tax funds which have ~~come-into-his-hands~~ been received  
21 by the treasurer, to the primary road fund, the secondary  
22 road fund of the counties, the farm-to-market road fund, and  
23 the street construction fund of cities in the following manner  
24 and amounts:

5491-25 1. To the primary road fund, ~~forty-seven~~ forty-five  
26 percent.

27 2. To the secondary road fund of the counties,  
28 ~~twenty-nine~~ twenty-eight percent.

29 3. To the farm-to-market road fund, ~~nine~~ nine  
30 percent.

31 4. To the street construction fund of the cities,  
5491-32 ~~fifteen~~ eighteen percent.

33 5. The treasurer of state shall before making the  
34 above allotments credit annually to the highway grade crossing  
35 safety fund the sum of five hundred thousand dollars, credit

1 annually from the road use tax fund the sum of five hundred  
2 thousand dollars to the highway railroad grade crossing surface  
3 repair fund, credit annually monthly to the primary road fund  
4 the ~~sum-of-one-million-four-hundred-thousand~~ dollars yielded  
5 from an allotment of sixty-five hundredths of one percent  
6 of all road use tax funds for the express purpose of carrying  
7 out subsection ~~12~~ eleven (11) of section 307A.2, the last  
8 paragraph of section 313.4, subsection two (2), of the Code  
9 and section 307A.5, and credit annually to the primary road  
10 fund the sum of five hundred thousand dollars to be used for  
11 paying expenses incurred by the state department of  
12 transportation other than expenses incurred for extensions  
13 of primary roads in cities. All unobligated funds provided  
14 by this subsection, except those funds credited to the highway  
15 grade crossing safety fund, shall at the end of each year  
16 revert to the road use tax fund. Funds in the highway grade  
17 crossing safety fund shall not revert to the road use tax  
18 fund except to the extent they exceed five hundred thousand  
19 dollars at the end of any biennium.

20 ~~6.--The-treasurer-of-state-shall-before-making-the~~  
21 ~~above-allotments-credit-annually-to-the-primary-road-fund~~  
22 ~~the-sum-of-two-million-five-hundred-thousand-dollars-or-an~~  
23 ~~amount-equal-to-one-ninth-of-the-federal-allotment-whichever~~  
24 ~~is-the-smaller, said-sum-to-be-used-for-matching-the-federal~~  
25 ~~allotment-to-the-state-of-Iowa-for-the-use-of-the-interstate~~  
26 ~~and-national-defense-highways-in-the-state-of-Iowa.~~

27 7 6. The treasurer of state shall before making  
28 the allotments provided for in this section credit monthly  
29 to the division of motor vehicle registration of the state  
30 department of transportation funds sufficient in amount to  
31 pay the costs of purchasing supplies and materials and for  
32 the cost of prison labor used in manufacturing motor vehicle  
33 registration plates, decalcomania emblems, and validation  
34 stickers at the prison industries.

35 Sec. 8. Section three hundred twelve point four

1 (312.4), Code 1977, is amended by adding the following new  
2 subsection:

3 NEW SUBSECTION. The amount of the road use tax fund  
4 which has been credited to carry out the provisions of section  
5 three hundred seven A point two (307A.2), subsection eleven  
6 (11), section three hundred thirteen point four (313.4),  
7 subsection two (2), and section three hundred seven A point  
8 five (307A.5) of the Code.

9 Sec. 9. Section three hundred twelve point three  
5516-10 (312.3), subsection one (1), Code 1977, is amended to read  
11 as follows:

12 1. Apportion among the counties in the ratio that  
13 the needs of the secondary roads of each county bear to the  
14 total needs of the secondary roads of the state ~~for-the-twenty-~~  
15 ~~year-improvement-program-developed-by-the-automotive-safety~~  
16 ~~foundation-and-filed-with-the-Iowa-highway-study-committee~~  
17 ~~created-by-chapter-426,-Acts-of-the-Fifty-eight-General~~  
18 Assembly as shown in the latest quadrennial need study report  
19 developed by the state department of transportation, and which  
20 is on record at the department, sixty percent of the allocation  
21 from road use tax funds which ~~he-has~~ is credited to the  
22 secondary road fund of the counties, and apportion among the  
23 counties in the ratio that the area of such county bears to  
24 the total area of the state, forty percent of the allocation  
25 from road use tax funds which ~~he-has~~ is credited to the  
26 secondary road fund of the counties. However, for each fiscal  
5491-27 year in the period beginning July 1, 1977, and ending June  
28 30, 1981, each county shall not receive less than the total  
5491-29 amount the county received from the secondary road fund for  
30 the fiscal year beginning July 1, 1975. For each fiscal year  
5491-31 in the period beginning July 1, 1977, and ending June 30,  
32 1981, if a county is entitled to receive an allocation from  
5491-33 the secondary road fund based on area and the latest  
34 quadrennial need study greater than that amount received from  
5491-35 the secondary road fund for the fiscal year beginning July

1 1, 1975, the county shall be entitled to a pro rata allocation  
2 of the funds in the secondary road fund in excess of that  
3 amount in the secondary road fund for the fiscal year beginning  
4 July 1, 1975.

5 Sec. 10. Section three hundred twelve point five  
6 (312.5), unnumbered paragraph three (3), Code 1977, is amended  
7 to read as follows:

8 Need allotment farm-to-market road funds shall be  
9 allotted among the counties in the ratio that the needs of  
10 the farm-to-market roads in each county bear to the total  
11 needs of the farm-to-market roads in the state ~~for the twenty-~~  
12 ~~year-program-developed-by-the-automotive-safety-foundation~~  
13 ~~and-filed-with-the-Iowa-highway-study-committee-eretated-by~~  
14 ~~chapter-4267,-Acts-of-the-Fifty-eighth-General-Assembly~~ as  
15 shown in the latest quadrennial need study report developed  
16 by the state department of transportation, and which is on  
17 record at the department. However, for each fiscal year in  
18 the period beginning July 1, 1977, and ending June 30, 1981,  
19 each county shall not receive less than the total amount the  
20 county received from the farm-to-market road fund for the  
21 fiscal year beginning July 1, 1975. For each fiscal year  
22 in the period beginning July 1, 1977, and ending June 30,  
23 1981, if a county is entitled to receive an allocation from  
24 the farm-to-market road fund based on area and the latest  
25 quadrennial need study greater than that amount received from  
26 the farm-to-market road fund for the fiscal year beginning  
27 July 1, 1975, the county shall be entitled to a pro rata  
28 allocation of the funds in the farm-to-market road fund in  
29 excess of that amount in the farm-to-market road fund for  
30 the fiscal year beginning July 1, 1975.

31 Sec. 11. Section three hundred twelve point eleven  
32 (312.11), Code 1977, is amended to read as follows:  
33 312.11 ACCOUNTS OF EXPENDITURES--PERCENTAGE-REQUIRED  
34 ON-ARTERIAL-STREETS. Each city shall keep accounts showing  
35 the amount spent on street construction and reconstruction

1 ~~on-arterial-streets~~ on extensions of rural systems, municipal  
2 arterial and municipal collector systems as classified pursuant  
3 to section three hundred six point six (306.6) of the Code  
4 and the amount spent on street construction and reconstruction  
5 on ~~local-streets~~ municipal service systems. Such amounts  
6 spent on ~~arterial-streets~~ extensions of rural systems,  
7 municipal arterial, and municipal collector systems and such  
8 amounts spent on ~~local-streets~~ municipal service systems shall  
9 be shown on the annual street report required by section  
10 312.14.

11 ~~Of the total street construction and reconstruction~~  
12 ~~expenditures made each year from road use tax funds by each~~  
13 ~~city, at least seventy-five percent shall be spent on the~~  
14 ~~arterial streets of such city. -- However, if any city council~~  
15 ~~by resolution declares that the seventy-five percent is not~~  
16 ~~needed on its arterial streets, then it may be used on any~~  
17 ~~other streets in the city.~~

18 Sec. 12. Section three hundred twelve point twelve  
19 (312.12), Code 1977, is amended to read as follows:

20 312.12 PROGRAMS SUBMITTED. Cities which receive  
21 ~~allotments of~~ funds from road use tax funds and which have  
22 a population of at least five thousand shall prepare and  
23 ~~submit annually by June 10 in each year to the department~~  
24 ~~for examination and review, a,~~ adopt and submit to the  
25 department on or before December first of each year a  
26 comprehensive program of street construction and reconstruction  
27 ~~on both the arterial street system and the local street system~~  
28 ~~of such city for a period of three years subsequent to the~~  
29 ~~year in which the program is submitted.~~ Such program shall  
30 be prepared for a period of five fiscal years subsequent to  
31 the fiscal year in which the program is submitted, based upon  
32 the construction funds estimated to be available for each  
33 fiscal year. At the close of each fiscal year, as a part  
34 of the five-year plan, the city shall include a statement  
35 of the progress made toward the completion of each project

1 contained in the approved program. Such cities which have  
2 a population of less than five thousand and greater than one  
3 thousand shall prepare and submit annually by ~~June-10~~ December  
4 thirty-first of each year to the department for examination  
5 and review, a program of proposed street construction and  
6 reconstruction for its ~~arterial-streets-and-local~~ total system  
7 of streets for the ensuing fiscal year. Nothing in this  
8 section shall prohibit a city of less than five thousand from  
9 adopting by resolution a comprehensive five-year plan.

10 Sec. 13. Section three hundred twelve point fifteen  
11 (312.15), Code 1977, is amended to read as follows:

12 312.15 WHEN FUNDS NOT ALLOCATED. ~~No-funds~~ Funds  
13 shall not be allocated to any city until such city shall have  
14 complied with the provisions of sections ~~312.12-and~~ three  
15 hundred twelve point eleven (312.11), three hundred twelve  
16 point twelve (312.12) and 312.14, of the Code.

17 The department shall notify the treasurer of state  
18 if any city fails to comply with the provisions of sections  
19 ~~312.10-to~~ three hundred twelve point eleven (312.11), three  
20 hundred twelve point twelve (312.12) and 312.14, of the Code.

21 Sec. 14. Section three hundred thirteen point two  
22 (313.2), unnumbered paragraphs six (6), seven (7), and eight  
23 (8), Code 1977, are amended to read as follows:

24 Reasonable maintenance and surveillance of rest area  
25 sites and buildings located thereon shall be provided by  
26 regular maintenance employees of the department under the  
27 district maintenance engineer in the district where the rest  
28 areas are located within the limits of appropriations provided  
29 for such purpose.

30 ~~No-transfer-of-jurisdiction-and-control-of-any-road~~  
31 ~~or-street-as-required-by-this-Act-shall-be-effective-until~~  
32 ~~the-enactment-of-legislation-which-allocates-the-road-use~~  
33 ~~tax-fund-in-a-manner-different-from-the-law-existing-on-January~~  
34 ~~17-1974,-and-in-a-manner-which-compensates-state,-county-and~~  
35 ~~municipal-jurisdictions-for-additional-highway,-road-or-street~~

1 needs-acquired-by-such-transfer-as-determined-by-the  
2 department-

3 Notwithstanding-the-foregoing-provision-of-this  
4 section,transfers-in-jurisdiction-and-control-of-roads-and  
5 streets-may-take-place-if-agreements-are-entered-into-by-the  
6 jurisdictional-divisions-of-government-involved-in-the-transfer  
7 of-such-roads-and-streets-

8 Sec. 15. Section three hundred thirteen point four  
9 (313.4), subsection two (2), Code 1977, is amended to read  
10 as follows:

11 2. Such fund is also appropriated and shall be used  
12 for the construction, reconstruction, improvement and  
13 maintenance of state institutional roads and state park roads  
14 and bridges on such roads and roads and bridges on area school  
15 property as provided in subsection ~~12~~ eleven (11) of section  
16 307A.2 of the Code, for restoration of secondary roads used  
17 as primary road detours and for compensation of counties for  
18 such use, for restoration of municipal streets so used and  
19 for compensation of cities for such use, and for the payments  
20 required in section 307A.5.

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21 Sec. 16. Section three hundred twenty-four point  
22 three (324.3), Code 1977, is amended to read as follows:

23 324.3 LEVY OF EXCISE TAX--EXEMPTIONS--CREDITS.

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24 For the privilege of operating motor vehicles in this state  
25 an excise tax of ~~seven~~ ten cents a gallon is hereby imposed  
26 upon the use of all motor fuel used for any purpose except  
27 as otherwise provided in this division. The tax shall be  
28 paid in the first instance by the distributor upon the invoiced  
29 gallage of all motor fuel received by him in this state,  
30 within the meaning of the word "received" as defined in this  
31 division, less the deductions hereinafter authorized.

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32 Thereafter, except as otherwise provided, the per gallon  
33 amount of such tax shall be added to the selling price of  
34 each and every gallon of such motor fuel sold in this state  
35 and collected from the purchaser to the end that the ultimate

1 consumer shall bear the burden of such tax; provided, however,  
2 that no tax shall be imposed or collected under this division  
3 with respect to the following:

4 1. Motor fuel sold for export or exported from this  
5 state to any other state, territory, or foreign country.

6 2. Motor fuel sold to the United States or any  
7 agency or instrumentality thereof.

8 3. Motor fuel sold to any post exchange or other  
9 concessionaire on any federal reservation within this state;  
10 but the tax on motor fuel so sold to the extent permitted  
11 by federal law, shall be collected by the post exchange or  
12 concessionaire, reported and paid the department of revenue.

13 4. Motor fuel sold to the state of Iowa or any of  
14 its agencies~~7-but-this-exemption-shall-not-apply-to~~ or to  
15 any political subdivisions of this state.

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16 Sec. 17. Section three hundred twenty-four point  
17 thirty-four (324.34), unnumbered paragraph one (1), Code 1977,  
18 is amended to read as follows:

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19 For the privilege of operating motor vehicles in  
20 this state, there is hereby levied and imposed an excise tax  
21 on the use (as defined herein) of special fuel in any motor  
22 vehicle. The rate of tax on special (diesel engine) fuel

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23 shall be eight eleven and one-half cents per gallon. On all  
24 other special fuel the per gallon rate shall be the same as  
25 the motor fuel tax. The tax, with respect to all special  
26 fuel delivered by a special fuel dealer for use in this state  
27 as defined by section 324.33, shall attach at the time of  
28 the delivery and shall be collected by the dealer from the  
29 special fuel user and shall be paid over to the department  
30 of revenue as hereinafter provided. The tax, with respect  
31 to special fuel acquired by a special fuel user in any manner  
32 other than by delivery by a special fuel dealer into a fuel  
33 supply tank of a motor vehicle, shall attach at the time of  
34 the use (as herein defined) of the fuel and shall be paid  
35 over to the department of revenue by the user as hereinafter

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1 provided.

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2 Sec. 18. Section three hundred twenty-four point  
3 thirty-five (324.35), Code 1977, is amended to read as follows:

4 324.35 EXEMPTIONS. No tax is imposed under this  
5 division on special fuel used by the United States or any  
6 of its agencies or instrumentalities, but the tax on special  
7 fuel used or delivered into fuel supply tanks of motor vehicles  
8 by any post exchange or concessionaire on any federal  
9 reservation in this state, to the extent permitted by federal  
10 law, shall be collected by the post exchange or concessionaire  
11 and paid to the department of revenue.

12 No tax is imposed under this division on special  
13 fuel used by the state of Iowa or any of its agencies, but  
14 this exemption shall not apply to or used by political  
15 subdivisions of this state.

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16 Sec. 19. Section three hundred twenty-four point  
17 seventy-nine (324.79), unnumbered paragraphs one (1) and two  
18 (2), Code 1977, are amended to read as follows:

19 The net proceeds of seven-and-one-half-cents-per  
20 gallon the excise tax on the diesel special fuel and six-and  
21 onehalf-cents-per-gallon the excise tax on motor fuel and  
22 other special fuel, and penalties collected under the provision  
23 of this chapter, shall be credited to the road use tax fund.

24 The net proceeds of one-half-cent-per-gallon excise  
25 tax on diesel special fuel and one-half-cent-per-gallon excise  
26 tax on motor fuel and other special fuel collected under the  
27 provisions of this chapter shall be credited by the treasurer  
28 of state to the primary road fund.

29 Sec. 20. Section three hundred twenty-seven G point  
30 twenty-nine (327G.29), Code 1977, is amended to read as  
31 follows:

32 327G.29 GRADE CROSSING SURFACE REPAIR FUND. There  
33 is established a highway railroad grade crossing surface  
34 repair fund in the office of the treasurer of state. The  
35 department may credit to this fund:

1 1. Moneys appropriated to the department from the  
2 general fund of the state.

3 2. Moneys appropriated to the department from the  
4 road use tax fund or the primary road fund.

5 3. Available federal funds.

6 4. Moneys acquired by the department from any gift,  
7 grant, or contributions from any source.

8 ~~The total amount of funds, except funds acquired~~  
9 ~~purasant to subsections 3 and 4, which shall be credited to~~  
10 ~~the highway railroad grade crossing surface fund shall not~~  
11 ~~exceed two hundred fifty thousand dollars in any one year~~  
12 Notwithstanding the provisions of section eight point thirty-  
13 three (8.33) of the Code unencumbered funds remaining in the  
14 highway railroad grade crossing surface repair fund at the  
15 close of each fiscal year ending on June thirtieth shall  
16 revert to the road use tax fund.

17 Sec. 21. It is the intent of the general assembly  
18 that upon the effective date of this Act the functional  
19 reclassification of roads shall be implemented as provided  
20 by law.

21 Sec. 22. For the period beginning July 1, 1977  
22 through June 30, 1979, road use tax funds shall be allocated  
23 to the secondary road fund, under the provisions of section  
24 three hundred twelve point three (312.3), of the Code, and  
25 to the farm-to-market road fund, under the provisions of  
26 section three hundred twelve point five (312.5), of the Code,  
27 based upon the most recent study by the state department of  
28 transportation of the twenty-year construction and maintenance  
29 needs of all secondary, farm-to-market and local secondary  
30 roads in the state.

31 Sec. 23. Sections three hundred twelve point nine  
32 (312.9) and three hundred twelve point ten (312.10), three  
33 hundred thirteen point fifty-eight (313.58), three hundred  
34 nine point eighty-three (309.83) and chapter three hundred  
35 eighteen (318), Code 1977, are repealed.

1 Sec. 24. It is the intent of the general assembly  
2 that the state department of transportation, in cooperation  
3 with the standing committee on ways and means and the standing  
4 committee on transportation of the general assembly, study  
5 methods of reflecting local revenue efforts for maintenance,  
6 repair and construction of roads in the distribution of the  
7 secondary road fund, the farm-to-market road fund and the  
8 street construction fund of the cities. The findings of this  
9 study shall be presented to the Sixty-seventh General Assembly  
10 prior to February 1, 1978.

11 It is the further intent of the general assembly  
12 that upon approval by the Iowa general assembly, of those  
13 findings, the findings will be incorporated into the  
14 distribution of the secondary road fund, the farm-to-market  
15 road fund and the street construction fund of the cities.

16 EXPLANATION

17 The bill provides for a three cents per gallon  
18 increase in tax on motor fuel and special fuel, and a three  
19 and one-half cents per gallon increase on diesel engine special  
20 fuel. The bill also recommends the implementation of  
21 functional reclassification of roads and provides for the  
22 allocation of the road use tax funds of 45 percent to the  
23 primary road fund, 37 percent to the secondary and farm-to-  
24 market road fund, and 18 percent to the street construction  
25 fund. The current \$2.5 million matching fund appropriated  
26 from the road use tax fund for use in matching federal funds  
27 is eliminated as an allocation from the road use tax fund.  
28 The bill also includes the distribution of secondary and farm-  
29 to-market funds on the basis of the 1974 needs study with  
30 at least quadrennial updates. The provisions for allocation  
31 based upon updated needs shall become effective July 1, 1977.  
32 This bill lowers the maximum number of miles in the freeway-  
33 expressway system from 3,000 miles to 2,660 miles.  
34 This bill requires a city with a population in excess  
35 of five thousand to prepare and adopt and annually update

1 a five-year construction plan for its road system to be  
2 submitted to the state department of transportation for  
3 approval. The bill exempts cities of less than one thousand  
4 from the requirement of an annual road construction plan.

5 This bill expresses the intent of the general assembly  
6 to restrict construction of diagonal roads. This bill  
7 appropriates \$500,000 to the highway railroad grade crossing  
8 surface repair fund, and \$2,000,000 for park, institution  
9 and area school road and bridge construction. This bill  
10 allows for transfer of the jurisdiction of roads from one  
11 authority to another pursuant to rules adopted by the state  
12 department of transportation.

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Date Prepared May 5, 1977

Requested by Representative Brunow  
 Prepared in regard to H.F. 491, Amendment H-3868. Following  
 is the fiscal effect in dollars of the legislative proposal as  
 required by Joint Rule 16:

Under this proposed amendment, the state, counties and cities would be  
 required to spend 30 percent of the fuel tax revenue they received,  
 exclusively for repair, maintenance, and resurfacing of existing streets  
 and highways. The amounts required to be extended by each of the three  
 jurisdictions would be as follows:

	Required Expenditures Under Amendment H-3868
State	\$26 Million
County	21 Million
City	10 Million

The dollar amounts as shown above are less than the maintenance costs  
 incurred by each of the jurisdictions at this time. Therefore, there would  
 be no difficulty in complying with this amendment but it would entail con-  
 siderable record keeping.

Source: Department of Transportation  
 FILED GERRY D. RANKIN  
 MAY 5, 1977 LEGISLATIVE FISCAL BUREAU

FISCAL NOTE  
 HOUSE FILE 491

Date Prepared May 5, 1977

Requested by Representative Rinas  
 Prepared in regard to H.F. 491, An Act relating to transportation,  
 etc. Following is the fiscal effect in dollars of the legislative  
 proposal as required by Joint Rule 16:

Using FY 1976 revenues as a basis, the following fiscal effects would take  
 place as a result of enacting H.F. 491.

I. Total income to the Road Use Tax Fund would increase by \$53.4 million  
 annually as a result of increasing the gas tax from 7¢ to 10¢ per gallon  
 and increasing the diesel fuel tax from 8¢ to 11½¢ per gallon.

II. The new formula for distribution among jurisdictions (state, counties  
 and cities) and the elimination of various "off-the-top" items would  
 produce the following annual gains and losses:

	Annual Gain or Loss
State	\$+15.3 million
Counties	+23.8 million
Cities	+20.8 million
Other*	- 6.5 million
TOTAL	\$+53.4 million

\*Not related to highway needs such as the manufacture of license plates  
 remains as an "off-the-top" items, but administrative funds necessary for the  
 operation of the Motor Vehicle Division and other Divisions and Offices of  
 Iowa Department of Transportation which provide overall transportation services  
 would be funded through the State's share of the Road Use Tax funds.

Fiscal Note

HF 491

Page 2

III. The State Park and Institutional Road funding which is an "off-the-top" item would be increased from \$1.4 million to \$2.0 million. A portion of this increase is being provided in order to add area school roads to this group of state facilities. There are 16.4 miles of area school roads with an estimated average annual need of \$488,000.

IV. The increased funds to cities would up the per capita amount they received in FY 1976 (\$18.83) to approximately \$28 per capita.

V. The results of increased funding to counties and the impact of the provision which allows no county to increase less than the funds received in FY 1976 is available in the office of the Legislative Fiscal Bureau.

Source: Department of Transportation

FILED

GERRY D. RANKIN

MAY 5, 1977

LEGISLATIVE FISCAL BUREAU

REVISED  
FISCAL NOTE  
HOUSE FILE 491

Date Prepared May 4, 1977

Requested by Representative Schnkeloth

Prepared in regard to H.F. 491, Amendment H-3743. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

Amendment H-3743 exempts fuels used by school districts of the state from the motor fuel and special fuel taxes.

The estimate made on this proposal is based on data obtained from the Department of Public Instruction and relates to miles traveled in the 1975-1976 school year. Based on this information, it is estimated that the annual revenue loss to the road use tax fund from this proposal would be approximately \$1.2 million.

Source: Department of Revenue

FILED

GERRY D. RANKIN

MAY 5, 1977

LEGISLATIVE FISCAL BUREAU

FISCAL NOTE  
HOUSE FILE 491

Date Prepared May 4, 1977

Requested by Representative Anderson

Prepared in regard to H.F. 491, Amendment H-3969. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

This amendment exempts fuel used by political subdivisions of the state from the motor fuel and special fuel taxes.

The estimate made on this amendment includes taxable fuel purchased by counties, cities, towns and schools. Based on this information, it is estimated that the revenue loss to the road use tax fund from this amendment would be approximately \$2.3 million.

Source: Department of Revenue

FILED

GERRY D. RANKIN

MAY 5, 1977

LEGISLATIVE FISCAL BUREAU

FISCAL NOTE  
HOUSE FILE 491

Date Prepared May 4, 1977

Requested by Representative Brunow

Prepared in regard to H.F. 491, Amendment H-3867. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

H-3867 would increase the gasoline tax to 9 cents and the special fuel tax to 10 cents.

The rate changes proposed in this amendment would result in an increase in collections of about \$35.0 million. It is important to note that this estimate is based on the level of consumption of fuel reported on returns filed in fiscal 1976. No attempt has been made to relate the estimated effects to changes in consumption which may have occurred since that time or which could result from the proposed increases.

Source: Department of Revenue

FILED  
MAY 5, 1977

GERRY D. RANKIN  
LEGISLATIVE FISCAL BUREAU

FISCAL NOTE  
HOUSE FILE 491

Date Prepared May 5, 1977

Requested by Representative Brunow

Prepared in regard to H.F. 491, Amendment H-3778. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

This amendment provides a mechanism for assisting in the abandonment of lightly traveled roads. The only fiscal impact is the fact that the bill provides for \$1 million to be appropriated off the top of the road use fund for restoring abandoned roads to agricultural productivity. The resulting benefits from changing the use of existing roads to agricultural purposes is impossible to assess at this point in time.

Source: Department of Revenue

FILED  
MAY 5, 1977

GERRY D. RANKIN  
LEGISLATIVE FISCAL BUREAU

FISCAL NOTE  
HOUSE FILE 491

Date Prepared May 5, 1977

Requested by Representative Brunow

Prepared in regard to H.F. 491, Amendment H-3951. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

This amendment provides a mechanism for assisting in the abandonment of lightly traveled roads. The only fiscal impact is the fact that the bill provides for \$1 million to be appropriated off the top of the road use tax fund for restoring abandoned roads to agricultural productivity. The resulting benefits from changing the use of existing roads to agricultural purposes is impossible to assess at this point in time.

Source: Department of Transportation

FILED  
MAY 5, 1977

GERRY D. RANKIN  
LEGISLATIVE FISCAL BUREAU

FISCAL NOTE  
HOUSE FILE 491

Date Prepared May 5, 1977

Requested by Representative Brunow

Prepared in regard to H.F. 491, Amendment H-3829 and Amendment H-3924. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

These two amendments do essentially the same thing except that in the first amendment the author did not change the title page to conform with his wishes.

The amendments change the proposed distribution in H.F. 491 such that counties would gain one percent and cities would lose one percent. Additionally, the amendment eliminates the 3 cent increase in gasoline and special fuel tax. To illustrate the impact of this amendment, the following table shows the amounts each jurisdiction received in Fiscal 1976, what they theoretically would receive under House File 491, and as a third item what they would theoretically receive as a result of Amendment H-3829 and H-3924.

Actual And Proposed Road Use Tax Distribution  
(\$ in Millions)

Actual FY 1976	H.F. 491		Amendments H-3829 & H-3924	
	Total	Gain or Loss Relative To Actual FY'76	Total	Gain or Loss Relative To Actual FY'76
State	\$136.4	\$+15.3	\$131.3	\$- 5.1
Counties	99.6	+23.8	109.6	+10.0
Cities	39.6	+20.8	49.4	+ 9.8
Other*	8.1	- 6.5	1.6	- 6.5
TOTAL	\$283.7	\$+53.4	\$291.9	\$+ 8.2

\*Not related to highway needs such as the manufacture of license plates, motor vehicle administration, etc.

Source: Department of Transportation

FILED  
MAY 5, 1977

GERRY D. RANKIN  
LEGISLATIVE FISCAL BUREAU

H-6470

1 Amend the Senate amendment, H-6416, to House File  
2 491 as amended, passed and reprinted by the House  
3 as follows:

4 1. Page 13, by inserting after line 36 the follow-  
5 ing:

6 "Sec. \_\_\_\_\_. Section four hundred fifty-five point  
7 one hundred eighteen (455.118), Code 1977, is amended  
8 to read as follows:

9 455.118 BRIDGES. When such levee, ditch, drain,  
10 or change of any natural watercourse crosses a public  
11 highway, necessitating moving or building or rebuilding  
12 any secondary road bridge upon, or ditch or drain  
13 crossing such road, the board of supervisors shall  
14 ~~move, build, or rebuild the same, paying~~ pay the costs  
15 and expenses ~~thereof~~ incurred in moving or building  
16 or rebuilding the same, including construction,  
17 maintenance, repair and improvement costs, from the  
18 secondary road fund.

19 If the bridge or crossing be is upon or across  
20 a primary or interstate road, the ~~work aforesaid shall~~  
21 ~~be done by the~~ state department of transportation  
22 ~~and paid for~~ shall pay the cost incurred in performing  
23 the aforesaid work out of the primary road fund."

24 2. Renumber sections and correct internal  
25 references as are necessary in accordance with this  
26 amendment.

27 3. Amend the title, line 20, by inserting after  
28 the word "subdivisions," the words "for paying the  
29 cost of moving, building or rebuilding certain  
30 facilities at points where a drainage district  
31 improvement crosses a public road,".

H-6470 FILED, RULED NOT BY NORLAND of Worth  
GERMANE; MOVED TO SUSPEND  
RULES, LOST (p. 2150)  
MAY 2, 1978

H-6446

HOUSE FILE 491

1 Amend the Senate amendment, H-6416, to House File  
2 491, as amended, passed and reprinted by the House  
3 as follows:

4 1. Page 9, by inserting after line 37 the  
5 following:

6 "Sec. 16. Chapter three hundred twenty-four (324),  
7 Code 1977, is amended by adding the following new  
8 section:

9 NEW SECTION. ELDERLY TAX CREDIT AND REFUND.

10 1. A person over sixty-five years of age who has  
11 an annual net income for income tax purposes as defined  
12 in section four hundred twenty-two point seven (422.7)  
13 of the Code, of less than ten thousand dollars may  
14 annually apply for a refund for the portion of the  
15 motor fuel and special fuel taxes per gallon paid  
16 in excess of the motor fuel and special fuel tax per  
17 gallon imposed on July 1, 1977 for all such fuel used  
18 for highway purposes. Each such person shall obtain  
19 a refund permit under the provisions of section three  
20 hundred twenty-four point eighteen (324.18) of the  
21 Code, and shall file such supporting information as  
22 required by the department. Notwithstanding the  
23 provisions of section three hundred twenty-four point  
24 seventeen (324.17) of the Code, an application shall  
25 be made only for a period from January first to  
26 December thirty-first of each year. In lieu of a  
27 refund, and upon proper certification as required  
28 by the department, such person may apply for a tax  
29 credit against state income taxes imposed under the  
30 provisions of chapter four hundred twenty-two (422)  
31 of the Code."

32 2. Page 13, by inserting after line 36: the  
33 following:

34 "Sec. \_\_\_\_\_. Section four hundred twenty-two point  
35 eighty-six (422.86), Code 1977, is amended by adding  
36 the following new unnumbered paragraph:

37 NEW UNNUMBERED PARAGRAPH. In lieu of a refund  
38 provided in section sixteen (16) of this Act, each  
39 person eligible for a refund of the tax increase  
40 provided by House File 491, shall be eligible for  
41 a tax credit equal in amount to the refund the person  
42 is otherwise eligible to receive."

43 3. Renumber as necessary in conformance with this  
44 amendment.

H-6446 FILED  
MAY 2, 1978

*Post 5/2  
(p. 2146)*

BY DAVITT of Warren  
AVENSON of Fayette  
PELTON of Clinton

HOUSE FILE 491

H-6468

1 Amend the Senate amendment, H-6416, to House File  
2 491 as amended, passed and reprinted by the House  
3 as follows:  
4 1. Page 9, by inserting after line 37 the follow-  
5 ing:  
6 "Sec. 16. Section three hundred twenty-one point  
7 one hundred thirteen (321.113), Code 1977, is amended  
8 by adding the following new unnumbered paragraph:  
9 NEW UNNUMBERED PARAGRAPH. A motor vehicle used  
10 primarily by a person with a physical handicap which  
11 substantially interferes with normal physical movement  
12 and registered by such person and a motor vehicle  
13 used primarily by a person over sixty-two years of  
14 age and registered by such person shall have the  
15 registration fee otherwise computed under the  
16 provisions of section three hundred twenty-one point  
17 one hundred nine (321.109) of the Code, reduced by  
18 fifty percent if such person had a taxable income  
19 as defined in section four hundred twenty-two point  
20 nine (422.9) of the Code, of less than eight thousand  
21 dollars for the year preceding the year for which  
22 the registration will apply. Application for reduction  
23 shall be made upon forms not exceeding one page in  
24 length provided by the department. The reduction  
25 provided under this paragraph shall be available only  
26 for applications made after January first of the year  
27 for which the registration will apply."  
28 2. By renumbering the sections and cross-references  
29 to conform with this amendment.

H-6468 FILED *For germane* BY PELTON of Clinton  
MAY 2, 1978 *5/2 (p. 2147)*

HOUSE FILE 491

H-6425

- 1 Amend the Senate amendment H-6416, to House File
- 2 491, as amended, passed and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, lines 9 and 10, by striking the words
- 5 "to the maximum extent possible".
- 6 2. Page 1, line 12, by striking the word "avoided"
- 7 and inserting in lieu thereof the word "avoided."
- 8 3. Page 1, by striking line 13.
- 9 4. Page 1, by striking line 16.
- 10 5. Page 1, line 17, by striking the word "imperative".
- 11 6. Page 1, lines 20 and 21, by striking the words
- 12 "unless relocated for compelling reasons".

H-6425 FILED *Last 5/2* BY PELTON of Clinton  
MAY 1, 1978 *(p. 2145)*

HOUSE FILE 491

H-6432

- 1 Amend the Senate amendment, H-6416, to House File
- 2 491 as amended, passed and reprinted by the House
- 3 as follows:
- 4 1. Page 11, lines 39 and 40, by striking the words
- 5 and figures "and shall be eleven and one-half cents
- 6 per gallon beginning July 1, 1979".

H-6432 FILED *Last 5/2* BY SPEAR of Lee  
MAY 1, 1978 *(p. 2149)*

HOUSE FILE 491

H-6433

- 1 Amend the Senate amendment, H-6416, to House File
- 2 491 as amended, passed and reprinted by the House as
- 3 follows:
- 4 1. Page 9, line 44, by striking the numbers "1978,"
- 5 and inserting in lieu thereof the following: "1978".
- 6 2. Page 9, line 45, by striking the words "and
- 7 ten cents per gallon beginning July 1, 1979".

H-6433 FILED *Last 5/2* BY SPEAR of Lee  
MAY 1, 1978 *(p. 2148)*

SENATE AMENDMENT TO  
HOUSE FILE 491

H-6416

1 Amend House File 491 as amended, passed and  
2 reprinted by the House as follows:

3 1. By striking everything after the enacting  
4 clause and inserting in lieu thereof the following:

5 "Section 1. Chapter three hundred six (306), Code  
6 1977, is amended by adding the following new section:

7 NEW SECTION. It is declared to be the policy of  
8 the state of Iowa that relocation of primary highways  
9 through cultivated land shall be avoided to the maximum  
10 extent possible. Whenever the volume of traffic for  
11 which the road is designed or other conditions require  
12 such relocation, diagonal routes shall be avoided  
13 wherever feasible and prudent alternatives exist.

14 It is further declared that improvement of two-  
15 lane roads shall utilize the existing right-of-way  
16 unless alignment or other conditions make changes  
17 imperative, and when any two-lane road is expanded  
18 to a four-lane road, the normal procedure would be  
19 that the additional right-of-way would be contiguous  
20 to the existing right-of-way unless relocated for  
21 compelling reasons. This policy shall not apply to  
22 any highway project for which the corridor has been  
23 approved by the state department of transportation  
24 and which corridor has been finalized by September  
25 1, 1977.

26 Sec. 2. Section three hundred six point one  
27 (306.1), subsection two (2), paragraph a, Code 1977,  
28 is amended to read as follows:

29 a. The freeway-expressway system shall consist  
30 of those roads connecting and serving the major urban  
31 and regional areas of the state with high volume,  
32 long-distance traffic movements, and generally  
33 connecting with like roads of adjacent states. The  
34 national system of interstate and defense highways  
35 shall be a part of the freeway-expressway system.  
36 The freeway-expressway system, including the national  
37 interstate and defense highway mileage, shall not  
38 exceed three two thousand six hundred sixty miles.

39 Sec. 3. Section three hundred six point six  
40 (306.6), subsection two (2), unnumbered paragraph  
41 two (2), Code 1977, is amended to read as follows:

42 It shall be the responsibility of the state  
43 functional classification review board to hear any  
44 and all appeals from classification boards or board  
45 members, relative to disputes arising out of the  
46 functional classification of any segment of highway  
47 or street. It shall also be the responsibility of  
48 the board to establish the necessary guidelines,  
49 procedures, and the time limits to be followed in  
50 transferring jurisdiction in accordance with section

H-6416 1 three hundred six point eight (306.8), of the Code.  
Page 2 2 The state functional classification review board shall  
3 have the authority and the responsibility to make  
4 final administrative determinations based on sound  
5 functional classification principles for all disputes  
6 relative to functional classification including those  
7 disputes relative to the transfer of jurisdictions.

8 The review board shall also serve, when requested  
9 jointly by state and local jurisdictions, as an  
10 advisory committee for review and adjustment of  
11 construction and maintenance guidelines used in  
12 updating road and street needs studies.

13 Sec. 4. Section three hundred six point eight  
14 (306.8), Code 1977, is amended to read as follows:

15 306.8 TRANSFER OF JURISDICTION. When a change  
16 of jurisdiction occurs as a result of the  
17 classification or reclassification of a road or street,  
18 the unit of government having jurisdiction shall,  
19 prior to such change of jurisdiction, either place  
20 the road or street and any structures thereon on the  
21 road in good repair sufficient-for-the-traffic-thereon  
22 or provide for the transfer of money to the appropriate  
23 jurisdiction sufficient for the repairs to the road  
24 or street and any structures on the road.

25 Transfers of the jurisdiction and control of roads  
26 and streets may take place if agreements are entered  
27 into between the jurisdictions of government involved  
28 in the transfer of such roads and streets.

29 Sec. 5. Section three hundred seven A (307A),  
30 Code 1977, is amended by adding the following new  
31 subsection:

32 NEW SUBSECTION. For the four year period beginning  
33 July 1, 1979, and for each subsequent four year period,  
34 prepare, adopt and cause to be published the results  
35 of a study of all roads and streets in the state.  
36 The study shall be so designed to investigate present  
37 deficiencies and future twenty-year maintenance and  
38 construction needs of the roads and the ability of  
39 each applicable authority to meet the needs for the  
40 planning, construction, repair and maintenance of  
41 roads within their jurisdiction. The commission shall  
42 have the authority to gather information necessary  
43 to complete this study and shall be furnished such  
44 assistance from any state agency as necessary to  
45 prepare, update and publish a report to be referred  
46 to as the "quadrennial need study" for the purposes  
47 of this chapter and chapter three hundred twelve (312)  
48 of the Code. This subsection shall not preclude the  
49 commission from updating the quadrennial need study  
50 when necessary to reflect changes in road and street

1 needs in the state.

2 Sec. 6. Section three hundred seven A point two  
3 (307A.2), subsection eleven (11), Code 1977, is amended  
4 to read as follows:

5 11. Construct, reconstruct, improve and maintain  
6 state institutional roads and state park roads as  
7 defined in section 306.3 and bridges on such roads,  
8 roads located on state fair grounds as defined in  
9 chapter one hundred seventy-three (173) of the Code  
10 and the roads and bridges located on area school  
11 property as defined in chapter two hundred eighty  
12 A (280A) of the Code upon the request of the state  
13 board, department or commission which has jurisdiction  
14 over such roads. This shall be done in such manner  
15 as may be agreed upon by the commission and the state  
16 board, department or commission which has jurisdiction.  
17 The commission may contract with any county or  
18 municipality for the construction, reconstruction,  
19 improvement or maintenance of such roads and bridges.  
20 Any state park road which is an extension of either  
21 a primary or secondary highway which both enters and  
22 exits from a state park at separate points shall be  
23 constructed, reconstructed, improved and maintained  
24 as provided in section 306.4. Funds allocated from  
25 the road use tax fund for the purposes of this  
26 subsection shall be apportioned in the ratio that  
27 the needs of the state institution roads and bridges,  
28 park roads and bridges or area school roads and bridges  
29 bear to the total needs of these facilities based  
30 upon the most recent quadrennial park and institution  
31 need study. The commission shall conduct a study  
32 of the road and bridge facilities in state parks,  
33 state institutions, state fair grounds and on area  
34 school property. The study shall evaluate the  
35 construction and maintenance needs and projected needs  
36 based upon estimated growth for each type of facility  
37 to provide a quadrennially updated standard upon which  
38 to allocate funds appropriated for the purposes of  
39 this subsection.

40 Sec. 7. Section three hundred twelve point two  
41 (312.2), Code 1977, is amended to read as follows:  
42 312.2 ALLOCATIONS FROM FUND. The treasurer of  
43 the state shall, on the first day of each month,  
44 credit all road use tax funds which have ~~come-into~~  
45 his-hands been received by the treasurer, to the  
46 primary road fund, the secondary road fund of the  
47 counties, the farm-to-market road fund, and the street  
48 construction fund of cities in the following manner  
49 and amounts:

50 1. To the primary road fund, ~~forty-seven~~ forty-

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Page 4

1 five percent.

2 2. To the secondary road fund of the counties,  
3 ~~twenty-nine~~ twenty-eight percent.

4 3. To the farm-to-market road fund, nine percent.

5 4. To the street construction fund of the cities,  
6 ~~fifteen~~ eighteen percent.

7 5. The treasurer of state shall before making  
8 the above allotments credit annually to the highway  
9 grade crossing safety fund the sum of five hundred  
10 thousand dollars, credit annually from the road use  
11 tax fund the sum of five hundred thousand dollars  
12 to the highway railroad grade crossing surface repair  
13 fund, credit annually monthly to the primary road  
14 fund the sum of one million four hundred thousand  
15 dollars yielded from an allotment of sixty-five  
16 hundredths of one percent of all road use tax funds  
17 for the express purpose of carrying out subsection  
18 11 eleven (11) of section 307A.2, the last paragraph  
19 of section 313.4, subsection two (2), of the Code  
20 and section 307A.5, and credit annually to the primary  
21 road fund the sum of five hundred thousand dollars  
22 to be used for paying expenses incurred by the state  
23 department of transportation other than expenses  
24 incurred for extensions of primary roads in cities.  
25 All unobligated funds provided by this subsection,  
26 except those funds credited to the highway grade  
27 crossing safety fund, shall at the end of each year  
28 revert to the road use tax fund. Funds in the highway  
29 grade crossing safety fund shall not revert to the  
30 road use tax fund except to the extent they exceed  
31 five hundred thousand dollars at the end of any  
32 biennium.

33 ~~6.---The treasurer of state shall before making~~  
34 ~~the above allotments credit annually to the primary~~  
35 ~~road fund the sum of two million five hundred thousand~~  
36 ~~dollars or an amount equal to one ninth of the federal~~  
37 ~~allotment whichever is the smaller, said sum to be~~  
38 ~~used for matching the federal allotment to the state~~  
39 ~~of Iowa for the use of the interstate and national~~  
40 ~~defense highways in the state of Iowa.~~

41 7 6. The treasurer of state shall before making  
42 the allotments provided for in this section credit  
43 monthly to the division of motor vehicle registration  
44 of the state department of transportation funds  
45 sufficient in amount to pay the costs of purchasing  
46 supplies and materials and for the cost of prison  
47 labor used in manufacturing motor vehicle registration  
48 plates, decalcomania emblems, and validation stickers  
49 at the prison industries.

50 7. The treasurer of state, before making the

1 allotments provided in this section, shall credit  
2 annually to the primary road fund from the road use  
3 tax fund the sum of seven million one hundred thousand  
4 dollars.

5 8. Beginning July 1, 1981, and each subsequent  
6 year, the treasurer of state, before making any  
7 allotments to counties under the provisions of this  
8 section, shall reduce the allotment to any county  
9 for the secondary road fund by an amount by which  
10 the total funds that the county raised during the  
11 prior calendar year under the provisions of section  
12 three hundred nine point eight (309.8), subsections  
13 one (1), three (3), and four (4), of the Code are  
14 less than seventy-five percent of the maximum funds  
15 that the county could have raised in the prior calendar  
16 year under the provisions of section three hundred  
17 nine point seven (309.7) of the Code. Funds remaining  
18 in the secondary road fund of the counties due to  
19 a reduction of allocations to counties for failure  
20 to maintain a minimum local tax effort shall be  
21 reallocated to counties that are not reduced under  
22 the provisions of this subsection pursuant to the  
23 allocation provisions of section three hundred twelve  
24 point three (312.3), subsection one (1), of the Code,  
25 based upon the needs and area of the county. Infor-  
26 mation necessary to make allocations under this sub-  
27 section shall be provided by the state department  
28 of transportation or the state comptroller upon request  
29 by the treasurer of state.

30 9. The treasurer of state, before making the  
31 allotments provided for in this section, shall credit  
32 annually to the Iowa Department of Soil Conservation  
33 five hundred thousand (500,000) dollars from the road  
34 use tax funds. The Department of Soil Conservation,  
35 in cooperation with the Department of Transportation  
36 and the Iowa Conservation Commission shall expend  
37 such funds, for the lease or other use of land intended  
38 for the planting or maintenance of wind erosion control  
39 barriers designed to reduce wind erosion interfering  
40 with the maintenance of highways in the state or the  
41 safe operation of vehicles thereon.

42 Sec. 8. Section three hundred twelve point four  
43 (312.4), Code 1977, is amended by adding the following  
44 new subsection:

45 NEW SUBSECTION. The amount of the road use tax  
46 fund which has been credited to carry out the  
47 provisions of section three hundred seven A point  
48 two (307A.2), subsection eleven (11), section three  
49 hundred thirteen point four (313.4), subsection two  
50 (2), and section three hundred seven A point five

1 (307A.5) of the Code.

2 Sec. 9. Section three hundred twelve point three  
3 (312.3), subsections one (1) and two (2), Code 1977,  
4 are amended to read as follows:

5 1. Apportion among the counties in the ratio that  
6 the needs of the secondary roads of each county bear  
7 to the total needs of the secondary roads of the state  
8 for the twenty-year improvement program developed  
9 by the automotive safety foundation and filed with  
10 the Iowa highway study committee created by chapter  
11 426, Acts of the Fifty-eighth General Assembly through  
12 the period ending June 30, 1979, and for each year  
13 beginning July 1, 1979, based upon the total needs  
14 of secondary roads of the state as shown in the latest  
15 quadrennial need study report developed by the state  
16 department of transportation, and which is on record  
17 at the department, sixty percent of the allocation  
18 from road use tax funds which he-has is credited to  
19 the secondary road fund of the counties, and apportion  
20 among the counties in the ratio that the area of such  
21 county bears to the total area of the state, forty  
22 percent of the allocation from road use tax funds  
23 which he-has is credited to the secondary road fund  
24 of the counties. However, for a hold harmless period  
25 each county shall be guaranteed a base year amount.  
26 The amount in the secondary road fund of the counties  
27 in each fiscal year during the hold harmless period  
28 in excess of the sum of the base period amounts  
29 allocated to all counties shall be distributed  
30 proportionally based on the relative needs and area  
31 factors to only those counties entitled to receive  
32 more than the base year amount.

33 For the purposes of this subsection:

34 a. "Hold harmless period" means the fiscal years  
35 beginning July 1, 1979 and ending June 30, 1983.

36 b. "Base year amount" means the amount of the  
37 secondary road fund of the counties received by a  
38 county for the fiscal year beginning July 1, 1977.

39 2. Apportion among the cities of the state, in  
40 the ratio which the population of each city, as shown  
41 by the latest available federal census, bears to the  
42 total population of all such cities in the state,  
43 the ~~fifteen-percent~~ percentage of the road use tax  
44 funds which he-has is credited to the street fund  
45 of the cities, and shall remit to the city clerk of  
46 each such city the amount so apportioned to such city.  
47 A city may have one special federal census taken each  
48 decade, and the population figure thus obtained shall  
49 be used in apportioning amounts under this subsection  
50 beginning the calendar year following the year in

Page 7 1 which the special census is certified by the secretary  
2 of state.

3 Sec. 10. Section three hundred twelve point five  
4 (312.5), unnumbered paragraph three (3); Code 1977,  
5 is amended to read as follows:

6 Need allotment farm-to-market road funds shall  
7 be allotted among the counties in the ratio that the  
8 needs of the farm-to-market roads in each county bear  
9 to the total needs of the farm-to-market roads in  
10 the state for the twenty-year program developed by  
11 the automotive safety foundation and filed with the  
12 Iowa highway study committee created by chapter 426,  
13 Acts of the Fifty-eighth General Assembly through  
14 the period ending June 30, 1979, and for each year  
15 beginning July 1, 1979, based upon the total needs  
16 of the farm-to-market roads in the state as shown  
17 in the latest quadrennial need study report developed  
18 by the state department of transportation, and which  
19 is on record at the department. However, for a hold  
20 harmless period each county shall be guaranteed a  
21 base year amount. The amount in the farm-to-market  
22 road fund in each fiscal year during the hold harmless  
23 period in excess of the sum of the base period amounts  
24 allocated to all counties shall be distributed  
25 proportionally based on the relative needs and area  
26 factors to only those counties entitled to receive  
27 more than the base year amount.

28 For the purposes of this section:

29 a. "Hold harmless period" means the fiscal years  
30 beginning July 1, 1979 and ending June 30, 1983.

31 b. "Base year amount" means the amount of the  
32 farm-to-market road fund received by a county for  
33 the fiscal year beginning July 1, 1977.

34 Sec. 11. Section three hundred twelve point eleven  
35 (312.11), Code 1977, is amended to read as follows:

36 312.11 ACCOUNTS OF EXPENDITURES--PERCENTAGE  
37 ~~REQUIRED-ON-ARTERIAL-STREETS~~. Each city shall keep  
38 accounts showing the amount spent on street  
39 construction and reconstruction ~~on-arterial-streets~~  
40 on extensions of rural systems, municipal arterial  
41 and municipal collector systems as classified pursuant  
42 to section three hundred six point six (306.6) of  
43 the Code and the amount spent on street construction  
44 and reconstruction on ~~local-streets~~ municipal service  
45 systems. Such amounts spent on ~~arterial-streets~~  
46 extensions of rural systems, municipal arterial, and  
47 municipal collector systems and such amounts spent  
48 on ~~local-streets~~ municipal service systems shall be  
49 shown on the annual street report required by section  
50 312.14.

1 ~~Of the total street construction and reconstruction~~  
2 ~~expenditures made each year from road use tax funds~~  
3 ~~by each city, at least seventy-five percent shall~~  
4 ~~be spent on the arterial streets of such city.~~  
5 ~~However, if any city council by resolution declares~~  
6 ~~that the seventy-five percent is not needed on its~~  
7 ~~arterial streets, then it may be used on any other~~  
8 ~~streets in the city.~~

9 Sec. 12. Section three hundred twelve point twelve  
10 (312.12), Code 1977, is amended by striking the section  
11 and inserting in lieu thereof the following:

12 312.12 PROGRAMS SUBMITTED. Cities which receive  
13 funds from road use tax funds and which have a  
14 population of at least five thousand shall prepare,  
15 adopt and submit to the department on or before  
16 December first of each year a comprehensive program  
17 of street construction and reconstruction. Such  
18 program shall be prepared for a period of five fiscal  
19 years subsequent to the fiscal year in which the  
20 program is submitted, based upon the construction  
21 funds estimated to be available for each fiscal year.  
22 At the close of each fiscal year, as a part of the  
23 five-year plan, the city shall include a statement  
24 of the progress made toward the completion of each  
25 project contained in the approved program. Such  
26 cities which have a population of less than five  
27 thousand and greater than one thousand shall prepare  
28 and submit annually by December thirty-first of each  
29 year to the department for examination and review,  
30 a program of proposed street construction and  
31 reconstruction for its total system of streets for  
32 the ensuing fiscal year. Nothing in this section  
33 shall prohibit a city of less than five thousand from  
34 adopting by resolution a comprehensive five-year plan.

35 Sec. 13. Section three hundred twelve point fifteen  
36 (312.15), Code 1977, is amended to read as follows:

37 312.15 WHEN FUNDS NOT ALLOCATED. ~~No funds~~ Funds  
38 shall not be allocated to any city until such city  
39 shall have complied with the provisions of sections  
40 312.12 and three hundred twelve point eleven (312.11),  
41 three hundred twelve point twelve (312.12) and 312.14,  
42 of the Code.

43 The department shall notify the treasurer of state  
44 if any city fails to comply with the provisions of  
45 sections 312.10 to three hundred twelve point eleven  
46 (312.11), three hundred twelve point twelve (312.12)  
47 and 312.14, of the Code.

48 Sec. 14. Section three hundred thirteen point  
49 two (313.2), unnumbered paragraphs six (6), seven  
50 (7), and eight (8), Code 1977, are amended to read

1 as follows:

2 Reasonable maintenance and surveillance of rest  
3 area sites and buildings located thereon shall be  
4 provided by regular-maintenance employees of the  
5 department under-the-district-maintenance-engineer  
6 in-the-district-where-the-rest-areas-are-located  
7 within the limits of appropriations provided for such  
8 purpose.

9 ~~No-transfer-of-jurisdiction-and-control-of-any  
10 road-or-street-as-required-by-this-Act-shall-be  
11 effective-until-the-enactment-of-legislation-which  
12 allocates-the-road-use-tax-fund-in-a-manner-different  
13 from-the-law-existing-on-January-1,1974,-and-in-a  
14 manner-which-compensates-state,-county-and-municipal  
15 jurisdictions-for-additional-highway,-road-or-street  
16 needs-acquired-by-such-transfer-as-determined-by-the  
17 department.~~

18 ~~Notwithstanding-the-foregoing-provision-of-this  
19 section,-transfers-in-jurisdiction-and-control-of  
20 roads-and-streets-may-take-place-if-agreements-are  
21 entered-into-by-the-jurisdictional-divisions-of  
22 government-involved-in-the-transfer-of-such-roads  
23 and-streets.~~

24 Sec. 15. Section three hundred thirteen point  
25 four (313.4), subsection two (2), Code 1977, is amended  
26 to read as follows:

27 2. Such fund is also appropriated and shall be  
28 used for the construction, reconstruction, improvement  
29 and maintenance of state institutional roads and state  
30 park roads and bridges on such roads and roads and  
31 bridges on area school property as provided in  
32 subsection ~~12~~ eleven (11) of section 307A.2 of the  
33 Code, for restoration of secondary roads used as  
34 primary road detours and for compensation of counties  
35 for such use, for restoration of municipal streets  
36 so used and for compensation of cities for such use,  
37 and for the payments required in section 307A.5.

38 Sec. 16. Section three hundred twenty-four point  
39 three (324.3), Code 1977, is amended to read as  
40 follows:

41 324.3 LEVY OF EXCISE TAX--EXEMPTIONS--CREDITS.  
42 For the privilege of operating motor vehicles in this  
43 state an excise tax of ~~seven-cents-a-gallon~~ eight  
44 and one-half cents per gallon beginning July 1, 1978,  
45 and ten cents per gallon beginning July 1, 1979 is  
46 hereby imposed upon the use of all motor fuel used  
47 for any purpose except motor fuel containing at least  
48 ten percent alcohol distilled from agricultural  
49 products for the period beginning July 1, 1978 and  
50 ending June 30, 1983 and except as otherwise provided

1 in this division. The tax shall be paid in the first  
2 instance by the distributor upon the invoiced gallonage  
3 of all motor fuel received by ~~him~~ the distributor  
4 in this state, within the meaning of the word  
5 "received" as defined in this division, less the  
6 deductions hereinafter authorized. Thereafter, except  
7 as otherwise provided, the per gallon amount of such  
8 tax shall be added to the selling price of each and  
9 every gallon of such motor fuel sold in this state  
10 and collected from the purchaser to the end that the  
11 ultimate consumer shall bear the burden of such tax;  
12 provided, however, that no tax shall be imposed or  
13 collected under this division with respect to the  
14 following:

15 1. Motor fuel sold for export or exported from  
16 this state to any other state, territory, or foreign  
17 country.

18 2. Motor fuel sold to the United States or any  
19 agency or instrumentality thereof.

20 3. Motor fuel sold to any post exchange or other  
21 concessionaire on any federal reservation within this  
22 state; but the tax on motor fuel so sold, to the  
23 extent permitted by federal law, shall be collected  
24 by the post exchange or concessionaire, reported and  
25 paid the department of revenue.

26 4. Motor fuel sold to the state of Iowa or any  
27 of its agencies, ~~but this exemption shall not apply~~  
28 ~~to~~ or to any political subdivisions of this state.  
29 Each state agency and political subdivision shall  
30 file with the department of revenue prior to January  
31 fifteenth in each year a report of the number of  
32 gallons of motor fuel and special fuel purchased by  
33 the state agency or the political subdivision in the  
34 prior calendar year and a calculation of the amount  
35 of motor fuel and special fuel tax that would have  
36 been required for the previous calendar year if the  
37 state agency or political subdivision had been required  
38 to pay state motor fuel and state special fuel taxes.

39 Sec. 17. Section three hundred twenty-four point  
40 thirty-three (324.33), subsections two (2), three  
41 (3), four (4) and five (5), Code 1977, are amended  
42 to read as follows:

43 2. "Use" means the receipt, delivery or placing  
44 of special fuels by a special fuel user into a supply  
45 fuel tank of a motor vehicle while the vehicle is  
46 in this state or delivered into a motor vehicle special  
47 fuel holding tank.

48 3. "Special fuel dealer" means any person in the  
49 business of handling special fuel who delivers any  
50 part thereof into a fuel supply tank of any motor

1 vehicle or delivers special fuel to a motor vehicle  
2 special fuel holding tank.

3 4. "Special fuel user" means the owner or other  
4 person responsible for the operation of a motor vehicle  
5 at the time special fuel is placed in a fuel supply  
6 tank thereof while the vehicle is in this state or  
7 the owner of a motor vehicle special fuel holding  
8 tank into which special fuel is delivered to be used  
9 for highway use only and upon which special fuel the  
10 special fuel tax is paid upon receipt.

11 5. "Licensed special fuel user" means and includes  
12 any person licensed by the department who dispenses  
13 special fuel, upon which the special fuel tax has  
14 not been previously paid, for highway use from bulk  
15 sources owned and controlled by ~~himself~~ the person  
16 into the fuel supply tank of a motor vehicle or  
17 commercial motor vehicle owned or controlled by ~~himself~~  
18 the person. A licensed special fuel user shall make  
19 bulk purchases of special fuel for highway use only  
20 from a licensed special fuel distributor.

21 Sec. 18. Section three hundred twenty-four point  
22 thirty-three (324.33), Code 1977, is amended by adding  
23 the following new subsection:

24 NEW SUBSECTION. 7. "Motor vehicle special fuel  
25 holding tank" means a tank with a capacity of not  
26 more than five hundred gallons owned by a special  
27 fuel user in which special fuel is contained for use  
28 by the special fuel user only in a motor vehicle for  
29 highway use.

30 Sec. 19. Section three hundred twenty-four point  
31 thirty-four (324.34), unnumbered paragraphs one (1),  
32 two (2) and three (3), Code 1977, is amended to read  
33 as follows:

34 For the privilege of operating motor vehicles in  
35 this state, there is hereby levied and imposed an  
36 excise tax on the use (as defined herein) of special  
37 fuel in any motor vehicle. The rate of tax on special  
38 (diesel engine) fuel shall be ~~eight~~ ten cents per  
39 gallon beginning July 1, 1978, and shall be eleven  
40 and one-half cents per gallon beginning July 1, 1979.  
41 On all other special fuel the per gallon rate shall  
42 be the same as the motor fuel tax. The tax, with  
43 respect to all special fuel delivered by a special  
44 fuel dealer for use in this state as defined by section  
45 324.33, shall attach at the time of the delivery and  
46 shall be collected by the dealer from the special  
47 fuel user and shall be paid over to the department  
48 of revenue as hereinafter provided. The tax, with  
49 respect to special fuel acquired by a special fuel  
50 user in any manner other than by delivery by a special

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1 fuel dealer into a fuel supply tank of a motor vehicle  
2 or delivery into a motor vehicle special fuel holding  
3 tank by a special fuel dealer or distributor, shall  
4 attach at the time of the use (as herein defined)  
5 of the fuel and shall be paid over to the department  
6 of revenue by the user as hereinafter provided.

7 All deliveries by distributors of special fuel  
8 to be used for highway use, except deliveries into  
9 a motor vehicle special fuel holding tank, must be  
10 made into storage connected to a sealed meter pump  
11 as licensed in said section. Special fuel delivered  
12 to a motor vehicle special fuel holding tank of a  
13 special fuel user by a distributor shall be metered  
14 upon delivery and the special fuel tax shall be  
15 collected by the distributor and paid over to the  
16 department of revenue.

17 The department of revenue shall make reasonable  
18 rules and regulations governing the dispensing of  
19 ~~special fuel at-retail-service-stations-and-licensed~~  
20 ~~special-fuel-user-locations-and~~ by distributors,  
21 special fuel dealers and licensed special fuel users.  
22 The department shall require that all pumps located  
23 at said-stations special fuel dealer locations and  
24 licensed special fuel user locations through which  
25 fuel oil can be dispensed, be metered, inspected,  
26 tested for accuracy, sealed and licensed by the state  
27 department of agriculture, and that special fuel  
28 delivered into the fuel supply tank of any motor  
29 vehicle or into a motor vehicle special fuel holding  
30 tank shall be dispensed only through these tested  
31 metered pumps.

32 Sec. 20. Section three hundred twenty-four point  
33 thirty-five (324.35), Code 1977, is amended to read  
34 as follows:

35 324.35 EXEMPTIONS. No tax is imposed under this  
36 division on special fuel used by the United States  
37 or any of its agencies or instrumentalities, but the  
38 tax on special fuel used or delivered into fuel supply  
39 tanks of motor vehicles by any post exchange or  
40 concessionaire on any federal reservation in this  
41 state, to the extent permitted by federal law, shall  
42 be collected by the post exchange or concessionaire  
43 and paid to the department of revenue.

44 No tax is imposed under this division on special  
45 fuel used by the state of Iowa or any of its agencies,  
46 ~~but this exemption shall not apply to~~ or used by  
47 political subdivisions of this state.

48 Sec. 21. Section three hundred twenty-four point  
49 seventy-nine (324.79), unnumbered paragraphs one (1)  
50 and two (2), Code 1977, are amended to read as follows:

1 The net proceeds of ~~seven-and-one-half-cents-per~~  
2 ~~gallon~~ the excise tax on the diesel special fuel and  
3 ~~six-and-one-half-cents-per-gallon~~ the excise tax on  
4 motor fuel and other special fuel, and penalties  
5 collected under the provision of this chapter, shall  
6 be credited to the road use tax fund.

7 ~~The-net-proceeds-of-one-half-cent-per-gallon-excise~~  
8 ~~tax-on-diesel-special-fuel-and-one-half-cent-per~~  
9 ~~gallon-excise-tax-on-motor-fuel-and-other-special~~  
10 ~~fuel-collected-under-the-provisions-of-this-chapter~~  
11 ~~shall-be-credited-by-the-treasurer-of-state-to-the~~  
12 ~~primary-road-fund.~~

13 Sec. 22. Section three hundred twenty-seven G  
14 point twenty-nine (327G.29), Code 1977, is amended  
15 to read as follows:

16 327G.29 GRADE CROSSING SURFACE REPAIR FUND. There  
17 is established a highway railroad grade crossing  
18 surface repair fund in the office of the treasurer  
19 of state. The department may credit to this fund:

20 1. Moneys appropriated to the department from  
21 the general fund of the state.

22 2. Moneys appropriated to the department from  
23 the road use tax fund or the primary road fund.

24 3. Available federal funds.

25 4. Moneys acquired by the department from any  
26 gift, grant, or contributions from any source.

27 ~~The-total-amount-of-funds,-except-funds-acquired~~  
28 ~~pursuant-to-subsections-3-and-4,-which-shall-be~~  
29 ~~credited-to-the-highway-railroad-grade-crossing-surface~~  
30 ~~fund-shall-not-exceed-two-hundred-fifty-thousand~~  
31 ~~dollars-in-any-one-year~~ Notwithstanding the provisions  
32 of section eight point thirty-three (8.33) of the  
33 Code unencumbered funds remaining in the highway  
34 railroad grade crossing surface repair fund at the  
35 close of each fiscal year ending on June thirtieth  
36 shall revert to the road use tax fund.

37 Sec. 23. It is the intent of the general assembly  
38 that effective July 1, 1979 the functional  
39 reclassification of roads shall be implemented as  
40 provided by law.

41 Sec. 24. Sections three hundred twelve point nine  
42 (312.9) and three hundred twelve point ten (312.10),  
43 three hundred thirteen point fifty-eight (313.58),  
44 three hundred nine point eighty-three (309.83) and  
45 chapter three hundred eighteen (318), Code 1977, are  
46 repealed.

47 Sec. 25. It is the intent of the general assembly  
48 that the state department of transportation, in  
49 cooperation with the standing committee on ways and  
50 means and the standing committee on transportation

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1 of the general assembly, study methods of reflecting  
2 local revenue efforts for maintenance, repair and  
3 construction of roads in the distribution of the  
4 secondary road fund of the counties, the farm-to-  
5 market road fund and the street construction fund  
6 of the cities. The findings of this study shall be  
7 presented to the Sixty-eighth General Assembly prior  
8 to February 1, 1979.

9 It is the further intent of the general assembly  
10 that upon approval by the Iowa general assembly, of  
11 those findings, the findings shall be considered in  
12 reassessing the distribution of road use tax fund  
13 allocations among counties within the funds allocated  
14 to the secondary road fund of the counties and in  
15 reassessing the allocations among cities within the  
16 funds allocated to the street construction fund of  
17 the cities for road construction.

18 Sec. 26. Notwithstanding the provisions of chapters  
19 three hundred twenty-five (325), three hundred twenty-  
20 seven (327), three hundred twenty-seven A (327A) and  
21 three hundred twenty-seven D (327D) of the Code, the  
22 transportation regulation board shall approve any  
23 rate increase application filed by a truck operator,  
24 motor carrier or liquid carrier to compensate for  
25 increased costs which result from the increase in  
26 motor fuel and special fuel taxes as provided in this  
27 Act."

28 2. Renumber as necessary in conformance with this  
29 amendment.

H-6416 FILED  
RECEIVED FROM SENATE  
MAY 1, 1978

*Have concurred 5/2 (p. 2152)*

## HOUSE FILE 491

S-5664

- 1 Amend the Van Gilst et al. amendment, S-5638, to  
 2 House File 491 as amended, passed and reprinted by the  
 3 House as follows:
- 4 1. Page 10, line 14, by striking the words "the  
 5 state of Iowa or any" and inserting in lieu thereof  
 6 the words "~~the-state-of-Iowa-or-any~~ any school  
 7 district in the state of Iowa.".
  - 8 2. Page 10, line 15, by striking the words "of  
 9 its agencies" and inserting in lieu thereof the words  
 10 "~~of-its-agencies~~".
  - 11 3. Page 10, by striking lines 16 and 17  
 12 and inserting in lieu thereof the following: "~~to~~  
 13 ~~political-subdivisions-of-this-state.~~ Each school  
 14 district shall".
  - 15 4. Page 10, by striking line 21 and inserting in  
 16 lieu thereof the following: "the school district in the".
  - 17 5. Page 10, by striking line 25 and inserting  
 18 in lieu thereof the following: "school district had  
 19 been required".

S-5664 FILED & WITHDRAWN (p. 1007)  
 APRIL 25, 1978

BY JOHN SCOTT  
 NORMAN G. RODGERS

## HOUSE FILE 491

S-5665

- 1 Amend the amendment, S-5638, to House File 491  
 2 as amended, passed and reprinted by the House as  
 3 follows:
- 4 1. Page 3, line 50, by striking the word "forty-  
 5 "".
  - 6 2. Page 4, line 1, by striking the word "five"  
 7 and inserting in lieu thereof the word "forty-four".
  - 8 3. Page 4, line 6, by striking the word "eighteen"  
 9 and inserting in lieu thereof the word "nineteen".
  - 10 4. Page 5, line 3, by striking the words "seven  
 11 million one" and inserting in lieu thereof the words  
 12 "five million four".
  - 13 5. Page 9, by striking lines 32 and 33 and insert-  
 14 ing in lieu thereof the following: "cents per gallon  
 15 beginning July 1, 1978, and nine cents per gallon  
 16 beginning January 1, 1979, is".
  - 17 6. Page 11, by striking lines 26 through 28 and  
 18 inserting in lieu thereof the following: "(diesel  
 19 engine) fuel shall be eight ten and one-half cents  
 20 per gallon beginning July 1, 1978 and eleven and one-  
 21 half cents per gallon beginning July 1, 1979."

S-5665 FILED & LOST (p. 1007)  
 APRIL 25, 1978

BY BEPL E. PRIEBE  
 GEORGE R. KINLEY  
 EPED NOLTING  
 JAMES V. GALLAGHER  
 ALVIN V. MILLER  
 JOAN ORR

S-5666

1 Amend the amendment S-5639 to House File 491 as  
 2 amended, passed and reprinted by the House as follows:  
 3 1. Page 3, by inserting after line 39 the follow-

4 ing new section:

5 "Sec. \_\_\_\_ Chapter three hundred twelve (312),  
 6 Code 1977, is amended by adding the following new  
 7 section:

8 NEW SECTION. BRIDGE CONSTRUCTION FUND.

9 1. There is hereby created a fund to be known as  
 10 the "bridge construction fund".

11 2. Funds in the bridge construction fund are  
 12 hereby appropriated and shall be used for the construc-  
 13 tion, reconstruction, maintenance and repair of bridges.

14 3. The bridge construction fund shall be admin-  
 15 istered by the department of transportation, which  
 16 shall keep an accurate record of the receipts and  
 17 disbursements in a manner similar to the record main-  
 18 tained for the primary road fund under the provisions  
 19 of chapter three hundred thirteen (313) of the Code.

20 4. The department shall evaluate the bridge  
 21 requirements of the state and shall establish priorities  
 22 for the expenditure of funds from the bridge construc-  
 23 tion fund for the construction, reconstruction, repair  
 24 and maintenance of bridges.

25 5. The department shall select bridge projects,  
 26 establish plans for the project in cooperation with  
 27 the public officials in the jurisdiction in which the  
 28 project will be performed, and allocate to the appro-  
 29 priate jurisdiction an amount necessary to complete  
 30 the bridge project or match other funds available for  
 31 the bridge project. Funds allocated from the bridge  
 32 construction fund shall be used only for the bridge  
 33 project for which the funds were allocated pursuant  
 34 to plans approved by the department of transportation.

35 6. Notwithstanding other provisions of the Code,  
 36 funds allocated to the bridge construction fund shall  
 37 not revert at the end of the fiscal year in which the  
 38 funds were allocated.

39 7. Such information as necessary shall be  
 40 provided by the department and the jurisdictions  
 41 receiving allocations from the bridge construction  
 42 fund to the treasurer of state and the state comptroller  
 43 upon request."

44 2. Page 5, by inserting after line 29 the follow-  
 45 ing:

46 " \_\_\_\_ . The treasurer of state, for a period beginning  
 47 July 1, 1978 and ending June 30, 1988, before making the  
 48 allotments provided for in this section, shall credit  
 49 annually to the bridge construction fund the amount of five  
 50 million dollars from the road use tax funds. The Department

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1 of transportation shall expend such funds as provided  
 2 in this section. These funds shall be in addition to  
 3 any funds presently used for the construction, recon-  
 4 struction, repair and maintenance of bridges."

S-5666 FILED

APRIL 25, 1978

FILED OUT OF ORDER (p. 10/10)

BY NORMAN G. RODGERS

C. W. HUTCHINS

JOHN SCOTT

S-5562

1 Amend the amendment S-5638 to House File 491 as  
2 amended, passed and reprinted by the House as follows:

3 1. Page 3, by inserting after line 39 the follow-  
4 ing new section:

5 "Sec. \_\_\_\_ Chapter three hundred twelve (312),  
6 Code 1977, is amended by adding the following new  
7 section:

8 NEW SECTION. BRIDGE CONSTRUCTION FUND.

9 1. There is hereby created a fund to be known as  
10 the "bridge construction fund".

11 2. Funds in the bridge construction fund are  
12 hereby appropriated and shall be used for the construc-  
13 tion, reconstruction, maintenance and repair of bridges.

14 3. The bridge construction fund shall be admin-  
15 istered by the department of transportation, which  
16 shall keep an accurate record of the receipts and  
17 disbursements in a manner similar to the record main-  
18 tained for the primary road fund under the provisions  
19 of chapter three hundred thirteen (313) of the Code.

20 4. The department shall evaluate the bridge  
21 requirements of the state and shall establish priorities  
22 for the expenditure of funds from the bridge construc-  
23 tion fund for the construction, reconstruction, repair  
24 and maintenance of bridges.

25 5. The department shall select bridge projects,  
26 establish plans for the project in cooperation with  
27 the public officials in the jurisdiction in which the  
28 project will be performed, and allocate to the appro-  
29 priate jurisdiction an amount necessary to complete  
30 the bridge project or match other funds available for  
31 the bridge project. Funds allocated from the bridge  
32 construction fund shall be used only for the bridge  
33 project for which the funds were allocated pursuant  
34 to plans approved by the department of transportation.

35 6. Notwithstanding other provisions of the Code,  
36 funds allocated to the bridge construction fund shall  
37 not revert at the end of the fiscal year in which the  
38 funds were allocated.

39 7. Such information as necessary shall be  
40 provided by the department and the jurisdictions  
41 receiving allocations from the bridge construction  
42 fund to the treasurer of state and the state comptroller  
43 upon request."

44 2. Page 5, by inserting after line 29 the follow-  
45 ing:

46 " \_\_\_\_ . For the period beginning July 1, 1978 and  
47 ending June 30, 1988 the treasurer of state shall reduce  
48 the off-the-top allocation by the sum of five million  
49 dollars and shall on July first of each year credit  
50 the amount to the bridge construction fund."

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1 3. Renumber and correct internal references  
2 in conformance with this amendment.

3

S-5562 FILED &amp; LOST (A 1009)

BY NORMAN RODGERS

C. W. HITCHINS

HOUSE FILE 491

3-5661

1 Amend the Van Gilst et al. amendment, S-5638, to  
 2 House File 491 as amended, passed and reprinted by the  
 3 House as follows:  
 4 1. Page 5, by inserting after the line 29 the  
 5 following new subsection:  
 6 "\_\_\_\_\_. The treasurer of state, before making the  
 7 allotments provided for in this section, shall credit  
 8 annually to the Iowa Development Commission twenty-five  
 9 thousand (25,000) dollars from the road use tax funds.  
 10 The Iowa Development Commission shall use these funds  
 11 to maintain current data on the feasibility of motor  
 12 fuel containing at least ten percent alcohol distilled  
 13 from agricultural products, to provide research into  
 14 problems relating to means of distribution of such  
 15 products and to aid communities working on the develop-  
 16 ment of pilot projects provided for in the 1977 Federal  
 17 Farm Act."

S-5661 FILED  
APRIL 25, 1978

BY C. W. HUTCHINS

RULED OUT OF ORDER (p. 1005)

HOUSE FILE 491

3-5660

1 Amend the Van Gilst Amendment S-5638, to House  
 2 File 491 as amended, passed and reprinted by the House  
 3 as follows:  
 4 1. Page 14, by inserting after line 15 the  
 5 following:  
 6 "Sec. \_\_\_\_\_. The section of this Act amending  
 7 section three hundred twenty-four point thirty-  
 8 four (324.34), unnumbered paragraph one (1), Code  
 9 1977, shall become effective the day the maximum  
 10 length limitation for movement of vehicles, imposed  
 11 under section three hundred twenty-one point four  
 12 hundred fifty-seven (321.457), subsection six (6),  
 13 of the Code, and combinations of vehicles on the  
 14 highways of the state is extended to a length  
 15 equal to but not exceeding sixty-five feet."

S-5660 FILED,  
APRIL 25, 1978

BY E. KEVIN KELLY

RULED OUT OF ORDER (p. 1008)

S-5655

1 Amend the Senate amendment, S-5638, to House File  
2 491 as amended, passed and reprinted by the House  
3 as follows:

4 1. Page 9, by inserting after line 25 the fol-  
5 lowing:

6 "Sec. \_\_\_\_ Chapter three hundred twenty-four  
7 (324), DIVISION I, Code 1977, as amended by Acts of  
8 the Sixty-seventh General Assembly, 1977 Session,  
9 chapters one hundred six (106) and one hundred seven  
10 (107), is amended by adding the following new section:

11 NEW SECTION. CALCULATION OF MOTOR FUEL TAX. The  
12 department of revenue shall calculate for the calendar  
13 year beginning January 1, 1979 and semiannually for  
14 each subsequent calendar year the motor fuel excise  
15 tax as a cents per gallon figure and notify each  
16 licensee of the rate to be effective for the following  
17 rate period. The motor fuel excise tax shall be  
18 calculated and notice given licensees as follows:

19 1. Prior to December 15, 1978, the director of  
20 revenue shall calculate the average wholesale cost  
21 per gallon of motor fuel distributed in the state  
22 based upon a statistically representative sampling  
23 of the wholesale cost per gallon of motor fuel in  
24 the state for the most recent preceding three-month  
25 period as indicated on the monthly reports required  
26 to be filed by distributors. The director of revenue  
27 shall calculate the cents per gallon tax for motor  
28 fuel for the calendar year beginning January 1, 1979,  
29 to be eighteen percent of the average wholesale cost  
30 per gallon of motor fuel.

31 2. Prior to December fifteenth in each year  
32 subsequent to calendar year beginning January 1, 1978,  
33 the director of revenue shall recompute the motor  
34 fuel tax as a cents per gallon figure of not less  
35 than ten cents per gallon by multiplying the average  
36 wholesale cost per gallon of motor fuel based upon  
37 a statistically representative sampling of the  
38 wholesale cost per gallon of motor fuel in the state  
39 for the most recent preceding three-month period as  
40 indicated on the monthly reports required to be filed  
41 by distributors by eighteen percent. The tax so com-  
42 puted shall be rounded to the next highest tenth of  
43 a cent.

44 3. The motor vehicle fuel tax computed under this  
45 section shall not increase or decrease from one rate  
46 period to the next more than one percent of the average  
47 wholesale cost per gallon of motor fuel. The director  
48 of revenue shall notify each licensee at least fifteen  
49 days prior to the beginning of each rate period of  
50 the excise tax on motor fuel to be effective for the

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1 calendar year beginning January 1, 1979 and for each  
2 rate period beginning on January first for each  
3 subsequent calendar year."  
4 2. By striking page 9, line 30 through page 10,  
5 line 2 and inserting in lieu thereof the following:  
6 "For the privilege of operating motor vehicles  
7 in this state an excise tax ~~of seven~~ computed by the  
8 director of revenue in cents per gallon but not less  
9 than ten cents a gallon is hereby imposed upon the  
10 use of all motor fuel used for any purpose except  
11 as otherwise provided in this division. The tax shall  
12 be paid in the first instance by the distributor upon  
13 the invoiced gallonage of all motor fuel received  
14 by him or her in this state, within the meaning of the word  
15 "received" as defined in this division, less the  
16 deductions hereinafter authorized. Thereafter, except  
17 as otherwise provided, the per gallon amount of such  
18 tax shall be added to the selling price of each and  
19 every gallon of such motor fuel sold in this state  
20 and collected from the purchaser to the end that the  
21 ultimate consumer shall bear the burden of such tax;  
22 provided, however, that no tax shall be imposed or  
23 collected under this division with respect to the  
24 following:"

25 3. Page 10, by inserting after line 26 the  
26 following:

27 "Sec. \_\_\_\_ Chapter three hundred twenty-four  
28 (324), DIVISION two (II), Code 1977, as amended by  
29 Acts of the Sixty-seventh General Assembly, 1977  
30 Session, chapter one hundred six (106), is amended  
31 by adding the following new section:

32 NEW SECTION. CALCULATION OF SPECIAL FUEL TAX.  
33 The department of revenue shall calculate for the  
34 calendar year beginning January 1, 1979 and  
35 semiannually for each subsequent calendar year the  
36 diesel engine special fuel excise tax as a cents per  
37 gallon figure and notify each licensee of the rate  
38 to be effective for the following rate period. The  
39 special fuel excise tax shall be calculated and notice  
40 given licensees as follows:

41 1. Prior to December 15, 1978, the director of  
42 revenue shall calculate the average wholesale cost  
43 per gallon of diesel engine special fuel distributed  
44 in the state based upon a statistically representative  
45 sampling of the wholesale cost per gallon of diesel  
46 engine special fuel in the state for the most recent  
47 preceding three-month period as indicated on the  
48 monthly reports required to be filed by dealers and  
49 users. The director of revenue shall calculate the  
50 cents per gallon tax for diesel engine special fuel

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Page 3

1 for the calendar year beginning January 1, 1979, to  
2 be twenty percent of the average cost per gallon of  
3 diesel engine special fuel.

4 2. Prior to December fifteenth in each year  
5 subsequent to calendar year beginning January 1, 1979,  
6 the director of revenue shall recompute the special  
7 fuel tax as a cents per gallon figure of not less  
8 than ten and one-half cents per gallon for diesel  
9 engine special fuel by multiplying the average  
10 wholesale cost per gallon of diesel engine special  
11 fuel based upon a statistically representative sampling  
12 of the wholesale cost per gallon of diesel engine  
13 special fuel for the most recent preceding three-month  
14 period as indicated on the monthly reports required  
15 to be filed by users and dealers by twenty percent.  
16 The tax so computed shall be rounded to the next  
17 highest tenth of a cent per gallon.

18 3. The diesel engine special fuel tax computed  
19 under this section shall not increase or decrease  
20 from one rate period to the next more than one and  
21 one-tenths percent of the average wholesale cost of  
22 diesel engine special fuel. The director of revenue  
23 shall notify each licensee at least fifteen days prior  
24 to the beginning of each rate period of the excise  
25 tax on diesel engine special fuel to be effective  
26 for the calendar year beginning January 1, 1979 and  
27 each rate period beginning on January first for each  
28 subsequent calendar year."

29 4. Page 11, by striking lines 22 through 30 and  
30 inserting in lieu thereof the following:

31 "For the privilege of operating motor vehicles  
32 in this state, there is hereby levied and imposed  
33 an excise tax on the use (as defined herein) of special  
34 fuel in any motor vehicle. The rate of tax on special  
35 (diesel engine) fuel shall be eight computed by the  
36 director of revenue in cents per gallon but not less  
37 than ten and one-half cents per gallon. On all other  
38 special fuel the per gallon rate shall be the same  
39 as the motor fuel tax but not less than ten cents  
40 per gallon. The tax, with".

41 5. Page 12, by inserting after line 35 the  
42 following:

43 "Sec. \_\_\_\_ . Section three hundred twenty-four point  
44 fifty-four (324.54), unnumbered paragraph four (4),  
45 Code 1977, as amended by Acts of the Sixty-seventh  
46 General Assembly, 1977 Session, chapter one hundred  
47 seven (107), section one (1), is amended to read as  
48 follows:

49 "To determine the amount of fuel taxes due under  
50 this division and to prevent the evasion thereof,

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Page 4

1 the director shall require a quarterly report on forms  
 2 prescribed by the director which shall require  
 3 reporting of the cost per gallon of motor fuel and  
 4 diesel engine special fuel. It shall be filed not  
 5 later than the last day of the month following the  
 6 quarter reported, and each quarter thereafter. These  
 7 reports shall be required of all persons who have  
 8 been issued a permit under this division and shall  
 9 cover actual operation and fuel consumption in Iowa  
 10 on the basis of the permit holder's average consumption  
 11 of fuel in Iowa, determined by the total miles traveled  
 12 and the total fuel purchased and consumed for high-  
 13 way use by the permittee's commercial motor vehicles  
 14 in his or her entire operation in all states to  
 15 establish an overall miles per gallon ratio, which  
 16 ratio shall be used to compute the gallons used for  
 17 the miles traveled in Iowa."  
 18 6. Renumber the sections and correct internal  
 19 references as necessary in conformance with this  
 20 amendment.

S-5655 FILED & LOST (p. 1006)  
APRIL 25, 1978

BY E. KEVIN KELLY

HOUSE FILE 491

S-5654

1 Amend the Senate amendment, S-5638, to House File  
 2 491 as amended, passed and reprinted by the house  
 3 as follows:  
 4 1. Page 8, by striking lines 42 through 44 and  
 5 inserting in lieu thereof the words "provided by  
 6 regular-maintenance employees of the department under  
 7 the-district-maintenance-engineer-in-the-district  
 8 where-the-rest-areas-are-located".

S-5654 FILED & ADOPTED (p. 1005)  
APRIL 25, 1978

BY RICHARD F. DRAKE  
ROBERT M. CARR

HOUSE FILE 491

S-5651

1 Amend the Van Gilst, et. al. amendment, S-5638,  
2 to House File 491, as passed and reprinted by the  
3 House, as follows:

Div 4 1. Page 1., by striking line 13 and inserting  
A 5 in lieu thereof the following:

6 "wherever feasible and prudent alternatives exist."

Div 7 2. Page 1., by striking lines 22 through 25  
B 8 and inserting in lieu thereof the following:

9 "any highway project when a substantial commitment  
10 has been made to the construction of such project."

S-5651 FILED

BY ROLF V. CRAFT

APRIL 25, 1978

DIVISION A - ADOPTED (p. 1004)

DIVISION B - WITHDRAWN

HOUSE FILE 491

S-5652

1 Amend the Senate Amendment S-5638 to House File  
2 491 as amended, passed and reprinted by the House as  
3 follows:

Div 4 1. Page 9, lines 35 through 38, by striking the  
A 5 words: "motor fuel containing at least ten percent  
6 alcohol distilled from agricultural products for the  
7 period beginning July 1, 1978 and ending June 30, 1983".

8 2. Page 10, line 16, by adding after the word  
Div 9 "state." the following: "It shall be the duty of the  
10 Iowa Department of Agriculture and the Iowa Develop-  
11 ment Commission to conduct feasibility studies and  
12 make recommendations to the General Assembly for the  
13 use of motor fuel containing at least ten percent  
14 alcohol distilled from agricultural products by the  
15 state of Iowa or any of its agencies."

S-5652 FILED, DIV A & B WITH-

BY EDGAR H. HOLDEN

APRIL 25, 1978

(p. 1004) DRAWN

HOUSE FILE 491

S-5657

1 Amend the Van Gilst et al. amendment, S-5638,  
2 to House File 491 as amended, passed and reprinted  
3 by the House as follows:

4 1. Page 9, lines 32 and 33, by striking the  
5 words and figures ", and ten cents per gallon  
6 beginning July 1, 1979".

7 2. Page 11, lines 27 and 28 by striking the  
8 words and figures ", and shall be eleven and one-half  
9 cents per gallon beginning July 1, 1979".

S-5657 FILED & LOST (p. 1007)

BY GENE W. GLENN

APRIL 25, 1978

1. three hundred six point eight (306.8), of the Code.  
2 The state functional classification review board shall  
3 have the authority and the responsibility to make  
4 final administrative determinations based on sound  
5 functional classification principles for all disputes  
6 relative to functional classification including those  
7 disputes relative to the transfer of jurisdictions.  
8 The review board shall also serve, when requested  
9 jointly by state and local jurisdictions, as an  
10 advisory committee for review and adjustment of  
11 construction and maintenance guidelines used in  
12 updating road and street needs studies.

13 Sec. 4. Section three hundred six point eight  
14 (306.8), Code 1977, is amended to read as follows:

15 306.8 TRANSFER OF JURISDICTION. When a change  
16 of jurisdiction occurs as a result of the  
17 classification or reclassification of a road or street,  
18 the unit of government having jurisdiction shall,  
19 prior to such change of jurisdiction, either place  
20 the road or street and any structures thereon on the  
21 road in good repair sufficient-fer-the-traffic-thereon  
22 or provide for the transfer of money to the appropriate  
23 jurisdiction sufficient for the repairs to the road  
24 or street and any structures on the road.

25 Transfers of the jurisdiction and control of roads  
26 and streets may take place if agreements are entered  
27 into between the jurisdictions of government involved  
28 in the transfer of such roads and streets.

29 Sec. 5. Section three hundred seven A (307A),  
30 Code 1977, is amended by adding the following new  
31 subsection:

32 NEW SUBSECTION. For the four year period beginning  
33 July 1, 1979, and for each subsequent four year period,  
34 prepare, adopt and cause to be published the results  
35 of a study of all roads and streets in the state.  
36 The study shall be so designed to investigate present  
37 deficiencies and future twenty-year maintenance and  
38 construction needs of the roads and the ability of  
39 each applicable authority to meet the needs for the  
40 planning, construction, repair and maintenance of  
41 roads within their jurisdiction. The commission shall  
42 have the authority to gather information necessary  
43 to complete this study and shall be furnished such  
44 assistance from any state agency as necessary to  
45 prepare, update and publish a report to be referred  
46 to as the "quadrennial need study" for the purposes  
47 of this chapter and chapter three hundred twelve (312)  
48 of the Code. This subsection shall not preclude the  
49 commission from updating the quadrennial need study  
50 when necessary to reflect changes in road and street

1 needs in the state.

2 Sec. 6. Section three hundred seven A point two  
3 (307A.2), subsection eleven (11), Code 1977, is amended  
4 to read as follows:

5 11. Construct, reconstruct, improve and maintain  
6 state institutional roads and state park roads as  
7 defined in section 306.3 and bridges on such roads,  
8 roads located on state fair grounds as defined in  
9 chapter one hundred seventy-three (173) of the Code  
10 and the roads and bridges located on area school  
11 property as defined in chapter two hundred eighty  
12 A (280A) of the Code upon the request of the state  
13 board, department or commission which has jurisdiction  
14 over such roads. This shall be done in such manner  
15 as may be agreed upon by the commission and the state  
16 board, department or commission which has jurisdiction.  
17 The commission may contract with any county or  
18 municipality for the construction, reconstruction,  
19 improvement or maintenance of such roads and bridges.  
20 Any state park road which is an extension of either  
21 a primary or secondary highway which both enters and  
22 exits from a state park at separate points shall be  
23 constructed, reconstructed, improved and maintained  
24 as provided in section 306.4. Funds allocated from  
25 the road use tax fund for the purposes of this  
26 subsection shall be apportioned in the ratio that  
27 the needs of the state institution roads and bridges,  
28 park roads and bridges or area school roads and bridges  
29 bear to the total needs of these facilities based  
30 upon the most recent quadrennial park and institution  
31 need study. The commission shall conduct a study  
32 of the road and bridge facilities in state parks,  
33 state institutions, state fair grounds and on area  
34 school property. The study shall evaluate the  
35 construction and maintenance needs and projected needs  
36 based upon estimated growth for each type of facility  
37 to provide a quadrennially updated standard upon which  
38 to allocate funds appropriated for the purposes of  
39 this subsection.

40 Sec. 7. Section three hundred twelve point two  
41 (312.2), Code 1977, is amended to read as follows:

42 312.2 ALLOCATIONS FROM FUND. The treasurer of  
43 the state shall, on the first day of each month,  
44 credit all road use tax funds which have ~~come-into~~  
45 his-hands been received by the treasurer, to the  
46 primary road fund, the secondary road fund of the  
47 counties, the farm-to-market road fund, and the street  
48 construction fund of cities in the following manner  
49 and amounts:

50 1. To the primary road fund, ~~forty-seven~~ forty-

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5665 - 1 five percent.

2 2. To the secondary road fund of the counties,

3 twenty-nine twenty-eight percent.

4 3. To the farm-to-market road fund, nine percent.

5 4. To the street construction fund of the cities,

5665 - 6 fifteen eighteen percent.

7 5. The treasurer of state shall before making  
8 the above allotments credit annually to the highway  
9 grade crossing safety fund the sum of five hundred  
10 thousand dollars, credit annually from the road use  
11 tax fund the sum of five hundred thousand dollars  
12 to the highway railroad grade crossing surface repair  
13 fund, credit annually monthly to the primary road  
14 fund the sum of one million four hundred thousand  
15 dollars yielded from an allotment of sixty-five  
16 hundredths of one percent of all road use tax funds  
17 for the express purpose of carrying out subsection  
18 11 (11) of section 307A.2, the last paragraph  
19 of section 313.4, subsection two (2), of the Code  
20 and section 307A.5, and credit annually to the primary  
21 road fund the sum of five hundred thousand dollars  
22 to be used for paying expenses incurred by the state  
23 department of transportation other than expenses  
24 incurred for extensions of primary roads in cities.  
25 All unobligated funds provided by this subsection,  
26 except those funds credited to the highway grade  
27 crossing safety fund, shall at the end of each year  
28 revert to the road use tax fund. Funds in the highway  
29 grade crossing safety fund shall not revert to the  
30 road use tax fund except to the extent they exceed  
31 five hundred thousand dollars at the end of any  
32 biennium.

33 ~~6. The treasurer of state shall before making~~  
34 ~~the above allotments credit annually to the primary~~  
35 ~~road fund the sum of two million five hundred thousand~~  
36 ~~dollars or an amount equal to one ninth of the federal~~  
37 ~~allotment whichever is the smaller, said sum to be~~  
38 ~~used for matching the federal allotment to the state~~  
39 ~~of Iowa for the use of the interstate and national~~  
40 ~~defense highways in the state of Iowa.~~

41 7 6. The treasurer of state shall before making  
42 the allotments provided for in this section credit  
43 monthly to the division of motor vehicle registration  
44 of the state department of transportation funds  
45 sufficient in amount to pay the costs of purchasing  
46 supplies and materials and for the cost of prison  
47 labor used in manufacturing motor vehicle registration  
48 plates, decalcomania emblems, and validation stickers  
49 at the prison industries.

50 7. The treasurer of state, before making the

1 allotments provided in this section, shall credit  
2 annually to the primary road fund from the road use  
3 tax fund the sum of seven million one hundred thousand  
4 dollars.

5 8. Beginning July 1, 1981, and each subsequent  
6 year, the treasurer of state, before making any  
7 allotments to counties under the provisions of this  
8 section, shall reduce the allotment to any county  
9 for the secondary road fund by an amount by which  
10 the total funds that the county raised during the  
11 prior calendar year under the provisions of section  
12 three hundred nine point eight (309.8), subsections  
13 one (1), three (3), and four (4), of the Code are  
14 less than seventy-five percent of the maximum funds  
15 that the county could have raised in the prior calendar  
16 year under the provisions of section three hundred  
17 nine point seven (309.7) of the Code. Funds remaining  
18 in the secondary road fund of the counties due to  
19 a reduction of allocations to counties for failure  
20 to maintain a minimum local tax effort shall be  
21 reallocated to counties that are not reduced under  
22 the provisions of this subsection pursuant to the  
23 allocation provisions of section three hundred twelve  
24 point three (312.3), subsection one (1), of the Code,  
25 based upon the needs and area of the county. Infor-  
26 mation necessary to make allocations under this sub-  
27 section shall be provided by the state department  
28 of transportation or the state comptroller upon request  
29 by the treasurer of state."

30 Sec. 8. Section three hundred twelve point four  
31 (312.4), Code 1977, is amended by adding the following  
32 new subsection:

33 NEW SUBSECTION. The amount of the road use tax  
34 fund which has been credited to carry out the  
35 provisions of section three hundred seven A point  
36 two (307A.2), subsection eleven (11), section three  
37 hundred thirteen point four (313.4), subsection two  
38 (2), and section three hundred seven A point five  
39 (307A.5) of the Code.

40 Sec. 9. Section three hundred twelve point three  
41 (312.3), subsections one (1) and two (2), Code 1977,  
42 are amended to read as follows:

43 1. Apportion among the counties in the ratio that  
44 the needs of the secondary roads of each county bear  
45 to the total needs of the secondary roads of the state  
46 for the twenty-year improvement program developed  
47 by the automotive safety foundation and filed with  
48 the Iowa highway study committee created by chapter  
49 426, Acts of the Fifty-eighth General Assembly through  
50 the period ending June 30, 1979, and for each year

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1 beginning July 1, 1979, based upon the total needs  
2 of secondary roads of the state as shown in the latest  
3 quadrennial need study report developed by the state  
4 department of transportation, and which is on record  
5 at the department, sixty percent of the allocation  
6 from road use tax funds which he-has is credited to  
7 the secondary road fund of the counties, and apportion  
8 among the counties in the ratio that the area of such  
9 county bears to the total area of the state, forty  
10 percent of the allocation from road use tax funds  
11 which he-has is credited to the secondary road fund  
12 of the counties. However, for a hold harmless period  
13 each county shall be guaranteed a base year amount.  
14 The amount in the secondary road fund of the counties  
15 in each fiscal year during the hold harmless period  
16 in excess of the sum of the base period amounts  
17 allocated to all counties shall be distributed  
18 proportionally based on the relative needs and area  
19 factors to only those counties entitled to receive  
20 more than the base year amount.

21 For the purposes of this subsection:

22 a. "Hold harmless period" means the fiscal years  
23 beginning July 1, 1979 and ending June 30, 1983.

24 b. "Base year amount" means the amount of the  
25 secondary road fund of the counties received by a  
26 county for the fiscal year beginning July 1, 1977.

27 2. Apportion among the cities of the state, in  
28 the ratio which the population of each city, as shown  
29 by the latest available federal census, bears to the  
30 total population of all such cities in the state,  
31 the ~~fifteen-percent~~ percentage of the road use tax  
32 funds which he-has is credited to the street fund  
33 of the cities, and shall remit to the city clerk of  
34 each such city the amount so apportioned to such city.  
35 A city may have one special federal census taken each  
36 decade, and the population figure thus obtained shall  
37 be used in apportioning amounts under this subsection  
38 beginning the calendar year following the year in  
39 which the special census is certified by the secretary  
40 of state.

41 Sec. 10. Section three hundred twelve point five  
42 (312.5), unnumbered paragraph three (3), Code 1977,  
43 is amended to read as follows:

44 Need allotment farm-to-market road funds shall  
45 be allotted among the counties in the ratio that the  
46 needs of the farm-to-market roads in each county bear  
47 to the total needs of the farm-to-market roads in  
48 the state for the twenty-year program developed by  
49 the automotive safety foundation and filed with the  
50 Iowa highway study committee created by chapter 426,

1 Acts of the Fifty-eighth General Assembly through  
2 the period ending June 30, 1979, and for each year  
3 beginning July 1, 1979, based upon the total needs  
4 of the farm-to-market roads in the state as shown  
5 in the latest quadrennial need study report developed  
6 by the state department of transportation, and which  
7 is on record at the department. However, for a hold  
8 harmless period each county shall be guaranteed a  
9 base year amount. The amount in the farm-to-market  
10 road fund in each fiscal year during the hold harmless  
11 period in excess of the sum of the base period amounts  
12 allocated to all counties shall be distributed  
13 proportionally based on the relative needs and area  
14 factors to only those counties entitled to receive  
15 more than the base year amount.

16 For the purposes of this section:

17 a. "Hold harmless period" means the fiscal years  
18 beginning July 1, 1979 and ending June 30, 1983.

19 b. "Base year amount" means the amount of the  
20 farm-to-market road fund received by a county for  
21 the fiscal year beginning July 1, 1977.

22 Sec. 11. Section three hundred twelve point eleven  
23 (312.11), Code 1977, is amended to read as follows:

24 312.11 ACCOUNTS OF EXPENDITURES--PERCENTAGE  
25 REQUIRED-ON-ARTERIAL-STREETS. Each city shall keep  
26 accounts showing the amount spent on street  
27 construction and reconstruction ~~on arterial streets~~  
28 on extensions of rural systems, municipal arterial  
29 and municipal collector systems as classified pursuant  
30 to section three hundred six point six (306.6) of  
31 the Code and the amount spent on street construction  
32 and reconstruction on ~~local streets~~ municipal service  
33 systems. Such amounts spent on ~~arterial streets~~  
34 extensions of rural systems, municipal arterial, and  
35 municipal collector systems and such amounts spent  
36 on ~~local streets~~ municipal service systems shall be  
37 shown on the annual street report required by section  
38 312.14.

39 ~~Of the total street construction and reconstruction~~  
40 ~~expenditures made each year from road use tax funds~~  
41 ~~by each city, at least seventy-five percent shall~~  
42 ~~be spent on the arterial streets of such city.~~  
43 ~~However, if any city council by resolution declares~~  
44 ~~that the seventy-five percent is not needed on its~~  
45 ~~arterial streets, then it may be used on any other~~  
46 ~~streets in the city.~~

47 Sec. 12. Section three hundred twelve point twelve  
48 (312.12), Code 1977, is amended by striking the section  
49 and inserting in lieu thereof the following:

50 312.12 PROGRAMS SUBMITTED. Cities which receive

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1 funds from road use tax funds and which have a  
 2 population of at least five thousand shall prepare,  
 3 adopt and submit to the department on or before  
 4 December first of each year a comprehensive program  
 5 of street construction and reconstruction. Such  
 6 program shall be prepared for a period of five fiscal  
 7 years subsequent to the fiscal year in which the  
 8 program is submitted, based upon the construction  
 9 funds estimated to be available for each fiscal year.  
 10 At the close of each fiscal year, as a part of the  
 11 five-year plan, the city shall include a statement  
 12 of the progress made toward the completion of each  
 13 project contained in the approved program. Such  
 14 cities which have a population of less than five  
 15 thousand and greater than one thousand shall prepare  
 16 and submit annually by December thirty-first of each  
 17 year to the department for examination and review,  
 18 a program of proposed street construction and  
 19 reconstruction for its total system of streets for  
 20 the ensuing fiscal year. Nothing in this section  
 21 shall prohibit a city of less than five thousand from  
 22 adopting by resolution a comprehensive five-year plan.

23 Sec. 13. Section three hundred twelve point fifteen  
 24 (312.15), Code 1977, is amended to read as follows:

25 312.15 WHEN FUNDS NOT ALLOCATED. ~~No-funds~~ Funds  
 26 shall not be allocated to any city until such city  
 27 shall have complied with the provisions of sections  
 28 312.11 and three hundred twelve point eleven (312.11),  
 29 three hundred twelve point twelve (312.12) and 312.14,  
 30 of the Code.

31 The department shall notify the treasurer of state  
 32 if any city fails to comply with the provisions of  
 33 sections 312.11 to three hundred twelve point eleven  
 34 (312.11), three hundred twelve point twelve (312.12)  
 35 and 312.14, of the Code.

36 Sec. 14. Section three hundred thirteen point  
 37 two (313.2), unnumbered paragraphs six (6), seven  
 38 (7), and eight (8), Code 1977, are amended to read  
 39 as follows:

40 Reasonable maintenance and surveillance of rest  
 41 area sites and buildings located thereon shall be  
 42 provided by regular maintenance employees of the  
 43 department under the district maintenance engineer  
 44 in the district where the rest areas are located  
 45 within the limits of appropriations provided for such  
 46 purpose.

47 ~~No-transfer-of-jurisdiction-and-control-of-any~~  
 48 ~~road-or-street-as-required-by-this-act-shall-be~~  
 49 ~~effective-until-the-enactment-of-legislation-which~~  
 50 ~~allocates-the-road-use-tax-fund-in-a-manner-different~~

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1 from the law existing on January 17, 1974, and in a  
 2 manner which compensates state, county and municipal  
 3 jurisdictions for additional highway, road or street  
 4 needs acquired by such transfer as determined by the  
 5 department.

6 Notwithstanding the foregoing provision of this  
 7 section, transfers in jurisdiction and control of  
 8 roads and streets may take place if agreements are  
 9 entered into by the jurisdictional divisions of  
 10 government involved in the transfer of such roads  
 11 and streets.

12 Sec. 15. Section three hundred thirteen point  
 13 four (313.4), subsection two (2), Code 1977, is amended  
 14 to read as follows:

15 2. Such fund is also appropriated and shall be  
 16 used for the construction, reconstruction, improvement  
 17 and maintenance of state institutional roads and state  
 18 park roads and bridges on such roads and roads and  
 19 bridges on area school property as provided in  
 20 subsection ~~ten~~ eleven (11) of section 307A.2 of the  
 21 Code, for restoration of secondary roads used as  
 22 primary road detours and for compensation of counties  
 23 for such use, for restoration of municipal streets  
 24 so used and for compensation of cities for such use,  
 25 and for the payments required in section 307A.5.

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26 Sec. 16. Section three hundred twenty-four point  
 27 three (324.3), Code 1977, is amended to read as  
 28 follows:

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29 324.3 LEVY OF EXCISE TAX--EXEMPTIONS--CREDITS.  
 30 For the privilege of operating motor vehicles in this  
 31 state an excise tax of ~~seven cents a gallon~~ eight  
 32 and one-half cents per gallon beginning July 1, 1978,  
 33 and ten cents per gallon beginning July 1, 1979 is  
 34 hereby imposed upon the use of all motor fuel used  
 35 for any purpose except motor fuel containing at least  
 36 ten percent alcohol distilled from agricultural  
 37 products for the period beginning July 1, 1978 and  
 38 ending June 30, 1983 and except as otherwise provided  
 39 in this division. The tax shall be paid in the first  
 40 instance by the distributor upon the invoiced gallonage  
 41 of all motor fuel received by ~~him~~ the distributor  
 42 in this state, within the meaning of the word  
 43 "received" as defined in this division, less the  
 44 deductions hereinafter authorized. Thereafter, except  
 45 as otherwise provided, the per gallon amount of such  
 46 tax shall be added to the selling price of each and  
 47 every gallon of such motor fuel sold in this state  
 48 and collected from the purchaser to the end that the  
 49 ultimate consumer shall bear the burden of such tax;  
 50 provided, however, that no tax shall be imposed or

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1 collected under this division with respect to the  
2 following:  
3 1. Motor fuel sold for export or exported from  
4 this state to any other state, territory, or foreign  
5 country.  
6 2. Motor fuel sold to the United States or any  
7 agency or instrumentality thereof.  
8 3. Motor fuel sold to any post exchange or other  
9 concessionaire on any federal reservation within this  
10 state; but the tax on motor fuel so sold, to the  
11 extent permitted by federal law, shall be collected  
12 by the post exchange or concessionaire, reported and  
13 paid the department of revenue.

14 4. Motor fuel sold to the state of Iowa or any  
15 of its agencies, ~~but this exemption shall not apply~~  
16 ~~to or to any political subdivisions of this state.~~  
17 Each state agency and political subdivision shall  
18 file with the department of revenue prior to January  
19 fifteenth in each year a report of the number of  
20 gallons of motor fuel and special fuel purchased by  
21 the state agency or the political subdivision in the  
22 prior calendar year and a calculation of the amount  
23 of motor fuel and special fuel tax that would have  
24 been required for the previous calendar year if the  
25 state agency or political subdivision had been required  
26 to pay state motor fuel and state special fuel taxes.

27 Sec. 17. Section three hundred twenty-four point  
28 thirty-three (324.33), subsections two (2), three  
29 (3), four (4) and five (5), Code 1977, are amended  
30 to read as follows:

31 2. "Use" means the receipt, delivery or placing  
32 of special fuels by a special fuel user into a supply  
33 fuel tank of a motor vehicle while the vehicle is  
34 in this state or delivered into a motor vehicle special  
35 fuel holding tank.

36 3. "Special fuel dealer" means any person in the  
37 business of handling special fuel who delivers any  
38 part thereof into a fuel supply tank of any motor  
39 vehicle or delivers special fuel to a motor vehicle  
40 special fuel holding tank.

41 4. "Special fuel user" means the owner or other  
42 person responsible for the operation of a motor vehicle  
43 at the time special fuel is placed in a fuel supply  
44 tank thereof while the vehicle is in this state or  
45 the owner of a motor vehicle special fuel holding  
46 tank into which special fuel is delivered to be used  
47 for highway use only and upon which special fuel the  
48 special fuel tax is paid upon receipt.

49 5. "Licensed special fuel user" means and includes  
50 any person licensed by the department who dispenses

1 special fuel, upon which the special fuel tax has  
2 not been previously paid, for highway use from bulk  
3 sources owned and controlled by himself the person  
4 into the fuel supply tank of a motor vehicle or  
5 commercial motor vehicle owned or controlled by himself  
6 the person. A licensed special fuel user shall make  
7 bulk purchases of special fuel for highway use only  
8 from a licensed special fuel distributor.

9 Sec. 18. Section three hundred twenty-four point  
10 thirty-three (324.33), Code 1977, is amended by adding  
11 the following new subsection:

12 NEW SUBSECTION. 7. "Motor vehicle special fuel  
13 holding tank" means a tank with a capacity of not  
14 more than five hundred gallons owned by a special  
15 fuel user in which special fuel is contained for use  
16 by the special fuel user only in a motor vehicle for  
17 highway use.

5658 18 Sec. 19. Section three hundred twenty-four point  
19 thirty-four (324.34), unnumbered paragraphs one (1),  
20 two (2) and three (3), Code 1977, is amended to read  
21 as follows:

22 For the privilege of operating motor vehicles in  
23 this state, there is hereby levied and imposed an  
24 excise tax on the use (as defined herein) of special  
5655 25 fuel in any motor vehicle. The rate of tax on special  
5665 26 (diesel engine) fuel shall be ~~eight~~ ten cents per  
5657 27 gallon beginning July 1, 1978, and shall be eleven  
28 and one-half cents per gallon beginning July 1, 1979.

29 On all other special fuel the per gallon rate shall  
30 be the same as the motor fuel tax. The tax, with  
31 respect to all special fuel delivered by a special  
32 fuel dealer for use in this state as defined by section  
33 324.33, shall attach at the time of the delivery and  
34 shall be collected by the dealer from the special  
35 fuel user and shall be paid over to the department  
36 of revenue as hereinafter provided. The tax, with  
37 respect to special fuel acquired by a special fuel  
38 user in any manner other than by delivery by a special  
39 fuel dealer into a fuel supply tank of a motor vehicle  
40 or delivery into a motor vehicle special fuel holding  
41 tank by a special fuel dealer or distributor, shall  
42 attach at the time of the use (as herein defined)  
43 of the fuel and shall be paid over to the department  
44 of revenue by the user as hereinafter provided.

45 All deliveries by distributors of special fuel  
46 to be used for highway use, except deliveries into  
47 a motor vehicle special fuel holding tank, must be  
48 made into storage connected to a sealed meter pump  
49 as licensed in said section. Special fuel delivered  
50 to a motor vehicle special fuel holding tank of a

1 special fuel user by a distributor shall be metered  
2 upon delivery and the special fuel tax shall be  
3 collected by the distributor and paid over to the  
4 department of revenue.

5 The department of revenue shall make reasonable  
6 rules and regulations governing the dispensing of  
7 ~~special fuel at retail service stations and licensed~~  
8 ~~special fuel user locations and by distributors,~~  
9 special fuel dealers and licensed special fuel users.  
10 The department shall require that all pumps located  
11 at said stations special fuel dealer locations and  
12 licensed special fuel user locations through which  
13 fuel oil can be dispensed, be metered, inspected,  
14 tested for accuracy, sealed and licensed by the state  
15 department of agriculture, and that special fuel  
16 delivered into the fuel supply tank of any motor  
17 vehicle or into a motor vehicle special fuel holding  
18 tank shall be dispensed only through these tested  
19 metered pumps.

20 Sec. 20. Section three hundred twenty-four point  
21 thirty-five (324.35), Code 1977, is amended to read  
22 as follows:

23 324.35 EXEMPTIONS. No tax is imposed under this  
24 division on special fuel used by the United States  
25 or any of its agencies or instrumentalities, but the  
26 tax on special fuel used or delivered into fuel supply  
27 tanks of motor vehicles by any post exchange or  
28 concessionaire on any federal reservation in this  
29 state, to the extent permitted by federal law, shall  
30 be collected by the post exchange or concessionaire  
31 and paid to the department of revenue.

32 No tax is imposed under this division on special  
33 fuel used by the state of Iowa or any of its agencies,  
34 ~~but this exemption shall not apply to~~ or used by  
35 political subdivisions of this state.

5655  
36 Sec. 21. Section three hundred twenty-four point  
37 seventy-nine (324.79), unnumbered paragraphs one (1)  
38 and two (2), Code 1977, are amended to read as follows:

39 The net proceeds of ~~seven and one-half cents per~~  
40 ~~gallon the~~ excise tax on the diesel special fuel and  
41 ~~six and one-half cents per gallon the~~ excise tax on  
42 motor fuel and other special fuel, and penalties  
43 collected under the provision of this chapter, shall  
44 be credited to the road use tax fund.

45 ~~The net proceeds of one-half cent per gallon excise~~  
46 ~~tax on diesel special fuel and one-half cent per~~  
47 ~~gallon excise tax on motor fuel and other special~~  
48 ~~fuel collected under the provisions of this chapter~~  
49 ~~shall be credited by the treasurer of state to the~~  
50 ~~primary road fund.~~

1     Sec. 22. Section three hundred twenty-seven G  
2 point twenty-nine (327G.29), Code 1977, is amended  
3 to read as follows:

4     327G.29 GRADE CROSSING SURFACE REPAIR FUND. There  
5 is established a highway railroad grade crossing  
6 surface repair fund in the office of the treasurer  
7 of state. The department may credit to this fund:

8     1. Moneys appropriated to the department from  
9 the general fund of the state.

10    2. Moneys appropriated to the department from  
11 the road use tax fund or the primary road fund.

12    3. Available federal funds.

13    4. Moneys acquired by the department from any  
14 gift, grant, or contributions from any source.

15     ~~The total amount of funds, except funds acquired~~  
16 ~~pursuant to subsections 3 and 4, which shall be~~  
17 ~~credited to the highway railroad grade crossing surface~~  
18 ~~fund shall not exceed two hundred fifty thousand~~  
19 ~~dollars in any one year.~~ Notwithstanding the provisions  
20 of section eight point thirty-three (8.33) of the  
21 Code unencumbered funds remaining in the highway  
22 railroad grade crossing surface repair fund at the  
23 close of each fiscal year ending on June thirtieth  
24 shall revert to the road use tax fund.

25     Sec. 23. It is the intent of the general assembly  
26 that effective July 1, 1979 the functional  
27 reclassification of roads shall be implemented as  
28 provided by law.

29     Sec. 24. Sections three hundred twelve point nine  
30 (312.9) and three hundred twelve point ten (312.10),  
31 three hundred thirteen point fifty-eight (313.58),  
32 three hundred nine point eighty-three (309.83) and  
33 chapter three hundred eighteen (318), Code 1977, are  
34 repealed.

35     Sec. 25. It is the intent of the general assembly  
36 that the state department of transportation, in  
37 cooperation with the standing committee on ways and  
38 means and the standing committee on transportation  
39 of the general assembly, study methods of reflecting  
40 local revenue efforts for maintenance, repair and  
41 construction of roads in the distribution of the  
42 secondary road fund of the counties, the farm-to-  
43 market road fund and the street construction fund  
44 of the cities. The findings of this study shall be  
45 presented to the Sixty-eighth General Assembly prior  
46 to February 1, 1979.

47     It is the further intent of the general assembly  
48 that upon approval by the Iowa general assembly, of  
49 those findings, the findings shall be considered in  
50 reassessing the distribution of road use tax fund

1 allocations among counties within the funds allocated  
2 to the secondary road fund of the counties and in  
3 reassessing the allocations among cities within the  
4 funds allocated to the street construction fund of  
5 the cities for road construction.

5676

6 Sec. 26. Notwithstanding the provisions of chapters  
7 three hundred twenty-five (325), three hundred twenty-  
8 seven (327), three hundred twenty-seven A (327A) and  
9 three hundred twenty-seven D (327D) of the Code, the  
10 transportation regulation board shall approve any  
11 rate increase application filed by a truck operator,  
12 motor carrier or liquid carrier to compensate for  
13 increased costs which result from the increase in  
14 motor fuel and special fuel taxes as provided in this  
15 Act."

5660, 5663

16 2. Renumber as necessary in conformance with this  
17 amendment.

S-5638 FILED *Adopted as amended*  
APRIL 24, 1978 *by 5653 & 5654*  
*4/25 (p. 1010)*

BY BASS VAN GILST  
RICHARD F. DRAKE  
BOB CARR  
ROGER J. SHAFF  
MILO MERRITT  
ROLF V. CRAFT  
TOM SLATER  
DAVID READINGER

HOUSE FILE 491

S-5634

1 Amend House File 491 as amended, passed and  
2 reprinted by the House as follows:

3 1. Page 1, by striking line 8, and inserting  
4 in lieu thereof the words "diagonal routes shall  
5 be avoided wherever feasible and prudent alternatives  
6 exist."

7 2. Page 1, by striking lines 16 through 18  
8 and inserting in lieu thereof the words "highway  
9 project when a substantial commitment has been made  
10 to the construction of such project."

S-5634 FILED *Out of order 4/25*  
APRIL 24, 1978 *(p. 1011)*

BY ROLF V. CRAFT

## HOUSE FILE 491

S-5520

- 1 Amend House File 491 as amended, passed and  
2 reprinted by the House as follows:
- 3 1. Page 11, by inserting after line 15 the follow-  
4 ing:  
5 "Sec. \_\_\_\_\_. Section three hundred twenty-four point  
6 thirty-three (324.33), subsections two (2), three  
7 (3) and four (4), Code 1977, are amended to read as  
8 follows:  
9 2. "Use" means the receipt, delivery or placing  
10 of special fuels by a special fuel user into a supply  
11 fuel tank of a motor vehicle while the vehicle is  
12 in this state or delivered into a motor vehicle special  
13 fuel holding tank.  
14 3. "Special fuel dealer" means any person in the  
15 business of handling special fuel who delivers any  
16 part thereof into a fuel supply tank of any motor  
17 vehicle or delivers special fuel to a motor vehicle  
18 special fuel holding tank.  
19 4. "Special fuel user" means the owner or other  
20 person responsible for the operation of a motor vehicle  
21 at the time special fuel is placed in a fuel supply  
22 tank thereof while the vehicle is in this state or  
23 the owner of a motor vehicle special fuel holding  
24 tank into which special fuel is delivered to be used  
25 for highway use only.  
26 Sec. \_\_\_\_\_. Section three hundred twenty-four point  
27 thirty-three (324.33), Code 1977, is amended by adding  
28 the following new subsection:  
29 NEW SUBSECTION. 7. "Motor vehicle special fuel  
30 holding tank" means a tank owned by a special fuel  
31 user in which special fuel is contained for use by  
32 the special fuel user only in a motor vehicle for  
33 highway use."  
34 2. Page 11, line 17, by striking the words and  
35 figure "paragraph one (1)" and inserting in lieu  
36 thereof the words and figures "paragraphs one (1),  
37 two (2) and three (3)".  
38 3. Page 11, line 33, by inserting after the word  
39 "vehicle" the words "or delivery into a motor vehicle  
40 special fuel holding tank".  
41 4. Page 12, by inserting after line 1 the follow-  
42 ing:  
43 "All deliveries by distributors of special fuel  
44 to be used for highway use must be made into storage  
45 connected to a sealed meter pump as licensed in said  
46 section. Special fuel delivered to a motor vehicle  
47 special fuel holding tank of a special fuel user shall  
48 be metered upon delivery and the special fuel tax  
49 shall be collected by the distributor and paid over  
50 to the department of revenue.

S-5520  
Page 2

1 The department of revenue shall make reasonable  
2 rules and regulations governing the dispensing of  
3 special fuel at retail service stations and licensed  
4 special fuel user locations and shall require that  
5 all pumps located at said stations and licensed special  
6 fuel user locations through which fuel oil can be  
7 dispensed, be metered, inspected, tested for accuracy,  
8 sealed and licensed by the state department of  
9 agriculture, and that special fuel delivered into  
10 the fuel supply tank of any motor vehicle shall be  
11 dispensed only through these pumps or into a motor  
12 vehicle special fuel holding tank."  
13 5. Renumber the sections and correct internal  
14 references as necessary in conformance with this  
15 amendment.

S-5520 FILED *Out of order 4/25* BY WARREN E. CURTIS  
APRIL 11, 1978 *(S. 1011)* BASS VAN GILST

HOUSE FILE 491

S-5516

1 Amend House File 491, as amended, passed and re-  
2 printed by the House as follows:  
3 1. Page 6, line 10, by striking the words and  
4 figure "subsection one (1)" and inserting in lieu  
5 thereof the words and figures "subsections one (1) and  
6 two (2)".  
7 2. Page 7, by inserting after line 4 the following:  
8 "2. Apportion among the cities of the state, in the  
9 ratio which the population of each city, as shown by the  
10 latest available federal census, bears to the total  
11 population of all such cities in the state, the  
12 ~~fifteen-percent~~ percentage of the road use tax funds  
13 which he has credited to the street fund of the cities,  
14 and shall remit to the city clerk of each such city  
15 the amount so apportioned to such city. A city may  
16 have one special federal census taken each decade,  
17 and the population figure thus obtained shall be used  
18 in apportioning amounts under this subsection beginning  
19 the calendar year following the year in which the  
20 special census is certified by the secretary of state."

S-5516 FILED *Out of order 4/25* BY BASS VAN GILST  
APRIL 10, 1978 *(S. 1011)*

S-5499

1 Amend Senate amendment S-5491 to House File 491  
2 as amended, passed and reprinted by the House, as  
3 follows:

4 1. Page 1, by striking lines 3 through 7.

5 2. Page 1, line 13, by striking the words "five  
6 million four" and inserting in lieu thereof the words  
7 "seven million one".

8 3. Page 1, by inserting after line 39 the  
9 following:

10 "\_\_\_\_. Page 6, by striking lines 14 through 18  
11 and inserting in lieu thereof the following: "total  
12 needs of the secondary roads of the state for the  
13 twenty-year improvement program developed by the  
14 automotive safety foundation and filed with the Iowa  
15 highway study committee created by chapter 426, Acts  
16 of the Fifty-eighth General Assembly through the  
17 period ending June 30, 1980, and for each year  
18 beginning July 1, 1980, based upon the total needs  
19 of secondary roads of the state as shown in the latest  
20 quadrennial need study report"."

21 4. Page 1, by inserting after line 49 the  
22 following:

23 "\_\_\_\_. Page 6, lines 33 and 34, by striking the  
24 words "latest quadrennial need study" and inserting  
25 in lieu thereof the words "need study pursuant to  
26 which secondary road funds are allocated in an  
27 amount"."

28 5. Page 2, by inserting after line 9 the following:

29 "\_\_\_\_. Page 7, by striking lines 11 through 14  
30 and inserting in lieu thereof the following: "needs  
31 of the farm-to-market roads in the state for the  
32 twenty-year program developed by the automotive safety  
33 foundation and filed with the Iowa highway study  
34 committee created by chapter 426, Acts of the Fifty-  
35 eighth General Assembly through the period ending  
36 June 30, 1980, and for each year beginning July 1,  
37 1980, based upon the total needs of the farm-to-market  
38 roads in the state as"."

39 6. Page 2, by inserting after line 15 the  
40 following:

41 "\_\_\_\_. Page 7, lines 24 and 25, by striking the  
42 words "latest quadrennial need study" and inserting  
43 in lieu thereof the words "need study pursuant to  
44 which farm-to-market road funds are allocated in an  
45 amount"."

46 7. Page 2, by striking lines 20 through 23 and  
47 inserting in lieu thereof the following:

48 "\_\_\_\_. Page 10, line 25, by striking the words  
49 "ten cents a gallon" and inserting in lieu thereof  
50 the words "cents-a-gallon eight cents per gallon"

1 beginning July 1, 1978, nine cents per gallon beginning  
2 July 1, 1979 and ten cents per gallon beginning July  
3 1 1980"."  
4 8. Page 2, by striking lines 41 through 45 and  
5 inserting in lieu thereof the following:  
6 "\_\_\_\_. Page 11, line 23, by striking the words  
7 "eleven and one-half cents per gallon" and inserting  
8 in lieu thereof the words "nine and one-half cents  
9 per gallon beginning July 1, 1978, ten and one-half  
10 cents per gallon beginning July 1, 1979, and eleven  
11 and one-half cents per gallon beginning July 1, 1980"."  
12 9. Page 2, by inserting after line 45 the  
13 following:  
14 "\_\_\_\_. Page 13, line 18, by striking the words  
15 "upon the effective date of this Act" and inserting  
16 in lieu thereof the words "effective July 1, 1980"."  
17 10. Page 2, by striking lines 46 and 47 and  
18 inserting in lieu thereof the following:  
19 "\_\_\_\_. Page 13, by striking lines 21 through 30."

S-5499 FILED *Let 4/25 (p. 1003)*  
APRIL 6, 1978

BY NORMAN G. RODGERS  
C. W. HUTCHINS

HOUSE FILE 491

S-5502

1 Amend Senate amendment S-5491 to House File 491  
2 as amended, passed and reprinted by the House as  
3 follows:  
4 1. Page 1, by striking lines 3 through 7.  
5 2. Page 1, line 13, by striking the words "five  
6 million four" and inserting in lieu thereof the words  
7 "seven million one".  
8 3. Page 2, by striking lines 20 through 23.  
9 4. Page 2, by striking lines 41 through 45.  
10 5. Renumber as necessary in conformance with this  
11 amendment.

S-5502 FILED *Out of order 4/25*  
APRIL 6, 1978 *(p. 1011)*

BY BASS VAN GILST

S-5491

1 Amend House File 491 as amended, passed and  
2 reprinted by the House as follows:

3 1. Page 4, line 25, by striking the word "forty-  
4 five" and inserting in lieu thereof the word "forty-  
5 four".

6 2. Page 4, line 32, by striking the word "eighteen"  
7 and inserting in lieu thereof the word "nineteen".

8 3. Page 5, by inserting after line 34 the follow-  
9 ing:

10 "7. The treasurer of state, before making the  
11 allotments provided in this section, shall credit  
12 annually to the primary road fund from the road use  
13 tax fund the sum of five million four hundred thousand  
14 dollars.

15 8. Beginning July 1, 1981, and each subsequent  
16 year, the treasurer of state, before making any  
17 allotments to counties under the provisions of this  
18 section, shall reduce the allotment to any county  
19 for the secondary road fund by an amount by which  
20 the total funds that the county raised during the  
21 prior calendar year under the provisions of section  
22 three hundred nine point eight (309.8), subsections  
23 one (1), three (3), and four (4), of the Code are  
24 less than seventy-five percent of the maximum funds  
25 that the county could have raised in the prior calendar  
26 year under the provisions of section three hundred  
27 nine point seven (309.7) of the Code. Funds remaining  
28 in the secondary road fund of the counties due to  
29 a reduction of allocations to counties for failure  
30 to maintain a minimum local tax effort shall be  
31 reallocated to counties that are not reduced under  
32 the provisions of this subsection pursuant to the  
33 allocation provisions of section three hundred twelve  
34 point three (312.3), subsection one (1), of the Code,  
35 based upon the needs and area of the county.  
36 Information necessary to make allocations under this  
37 subsection shall be provided by the state department  
38 of transportation or the state comptroller upon request  
39 by the treasurer of state."

40 4. Page 6, line 27, by striking the figure "1977"  
41 and inserting in lieu thereof the figure "1978".

42 5. Page 6, line 29, by inserting after the word  
43 "fund" the words "of the counties".

44 6. Page 6, line 30, by striking the figure "1975"  
45 and inserting in lieu thereof the figure "1976".

46 7. Page 6, line 31, by striking the figure "1977"  
47 and inserting in lieu thereof the figure "1978".

48 8. Page 6, line 33, by inserting after the word  
49 "fund" the words "of the counties".

50 9. Page 6, line 35, by inserting after the word

HOUSE FILE 491

S-3666

1 Amend House File 491, as amended, passed and  
2 reprinted by the House, as follows:

3 1. Page 14, by inserting after line 15 the  
4 following:

5 "Sec. \_\_\_\_\_. The section of this Act amending  
6 section three hundred twenty-four point thirty-  
7 four (324.34), unnumbered paragraph one (1), Code  
8 1977, shall become effective the day the maximum  
9 length limitation for movement of vehicles, imposed  
10 under section three hundred twenty-one point four  
11 hundred fifty-seven (321.457), subsection six (6),  
12 of the Code, and combinations of vehicles on the  
13 highways of the state is extended to a length  
14 equal to but not exceeding sixty-five feet."

S-3666 FILED  
MAY 18, 1977

*Out of order*  
4/25 (p. 10/10)

BY E. KEVIN KELLY

HOUSE FILE 491

S-3702

1 Amend the amendment S-3598 to House File 491 as  
2 amended, passed and reprinted by the House as follows:

3 1. Page 1, by inserting after line 2 the following:

4 "1. Page 10, line 24, by inserting after the word  
5 "state" the words "prior to July 1, 1978,"."

6 2. Page 1, by inserting after line 5 the following:

7 "3. Page 10, line 25, by inserting after the word  
8 "gallon" the words "and beginning July 1, 1978, an  
9 excise tax of nine and one-half cents per gallon"."

10 3. Page 1, by inserting after line 9 the following:

11 "5. Page 11, line 22, by inserting after the word  
12 "fuel" the words "prior to July 1, 1978,"."

13 4. Page 1, by inserting after line 12 the  
14 following:

15 "7. Page 11, line 23, by inserting after the word  
16 "gallon" the words "and beginning July 1, 1978, the  
17 rate of tax shall be eleven cents per gallon"."

18 5. Page 1, by striking lines 14 through 16 and  
19 inserting in lieu thereof the following:

20 "9. Page 12, line 20, by inserting after the word  
21 "fuel" the words "less the proceeds of one-half cent  
22 per gallon"."

23 6. Page 1, by striking lines 17 and 18 and  
24 inserting in lieu thereof the following:

25 "10. Page 12, line 22, by inserting after the  
26 word "fuel" the words "less the proceeds of one-half  
27 cent per gallon on motor fuel and other special fuel"."

28 7. Renumber as necessary.

S-3702 FILED  
MAY 19, 1977

*Out of order*  
4/25 (p. 10/10)

BY RICHARD F. DRAKE  
ROBERT M. CARR  
STEPHEN W. BISENIUS

HOUSE FILE 491

S-3712

- 1 Amend the amendment S-3598 to House File 491 as  
2 amended, passed and reprinted by the House as follows:  
3 1. Page 1, by inserting after line 2 the follow-  
4 ing:  
5 "1. Page 5, by striking lines 20 through 26 and  
6 inserting in lieu thereof the following:  
7 "6. The treasurer of state shall before making  
8 the above allotments credit annually to the primary  
9 road fund the sum of ~~two-million-five~~ four million  
10 two hundred thousand dollars or an amount equal to  
11 one-ninth of the federal allotment whichever is the  
12 smaller, said sum to be used for matching the federal  
13 allotment to the state of Iowa for the use of the  
14 interstate and national defense highways in the state  
15 of Iowa."  
16 2. Page 5, line 27, by striking the figures "7  
17 6" and inserting in lieu thereof the figure "7"."  
18 2. Page 1, by inserting before line 3 the  
19 following:  
20 "3. Page 10, line 24, by inserting after the word  
21 "state" the words "prior to July 1, 1978,"."  
22 3. Page 1, by inserting after line 5 the following:  
23 "5. Page 10, line 25, by inserting after the word  
24 "gallon" the words "and beginning July 1, 1978, an  
25 excise tax of ten cents per gallon"."  
26 4. Page 1, by inserting after line 9 the following:  
27 "7. Page 11, line 22, by inserting after the word  
28 "fuel" the words "prior to July 1, 1978,"."  
29 5. Page 1, by inserting after line 12 the  
30 following:  
31 "9. Page 11, line 23, by inserting after the word  
32 "gallon" the words "and beginning July 1, 1978, the  
33 rate of tax shall be eleven cents per gallon"."  
34 6. Page 1, by striking lines 14 through 16 and  
35 inserting in lieu thereof the following:  
36 "11. Page 12, line 20, by inserting after the  
37 word "fuel" the words "less the proceeds of one-half  
38 cent per gallon"."  
39 7. Page 1, by striking lines 17 and 18 and  
40 inserting in lieu thereof the following:  
41 "12. Page 12, line 22, by inserting after the  
42 word "fuel" the words "less the proceeds of one-half  
43 cent per gallon on motor fuel and other special fuel"."  
44

S-3712 FILED *Out of order*  
MAY 20, 1977 *4/25 (p. 1010)*

BY RICHARD F. DRAKE  
ROBERT M. CARR  
STEPHEN W. BISENIUS

1 revenue by the user as hereinafter provided."

2 5. Page 12, by inserting after line 15 the  
3 following:

4 "Sec. \_\_\_\_\_. Section three hundred twenty-four point  
5 fifty-four (324.54), unnumbered paragraph four (4),  
6 Code 1977, as amended by Acts of the Sixty-seventh  
7 General Assembly, 1977 Session, chapter one hundred  
8 seven (107), section one (1), unnumbered paragraph four  
9 (4), is amended to read as follows:

10 "To determine the amount of fuel taxes due under  
11 this division and to prevent the evasion thereof,  
12 the director shall require a quarterly report on forms  
13 prescribed by the director which shall require  
14 reporting of the cost per gallon of motor fuel and  
15 diesel engine special fuel. It shall be filed not  
16 later than the last day of the month following the  
17 quarter reported, and each quarter thereafter. These  
18 reports shall be required of all persons who have  
19 been issued a permit under this division and shall  
20 cover actual operation and fuel consumption in Iowa  
21 on the basis of the permit holder's average consumption  
22 of fuel in Iowa, determined by the total miles traveled  
23 and the total fuel purchased and consumed for high-  
24 way use by the permittee's commercial motor vehicles  
25 in his or her entire operation in all states to  
26 established an overall miles per gallon ratio, which  
27 ratio shall be used to compute the gallons used for  
28 the miles traveled in Iowa."

29 6. Renumber the sections and correct internal  
30 references as necessary in conformance with this  
31 amendment.

S-5197 FILED *copy of public law*  
FEBRUARY 16, 1978 *to me*

BY E. KEVIN KELLY

1 be twenty percent of the average cost per gallon of  
2 diesel engine special fuel.

3 2. Prior to December fifteenth in each year  
4 subsequent to calendar year beginning January 1, 1979,  
5 the director of revenue shall recompute the special  
6 fuel tax as a cents per gallon figure of not less  
7 than ten and one-half cents per gallon for diesel  
8 engine special fuel by multiplying the average  
9 wholesale cost per gallon of diesel engine special  
10 fuel based upon a statistically representative sampling  
11 of the wholesale cost per gallon of diesel engine  
12 special fuel for the most recent preceding three-month  
13 period as indicated on the monthly reports required  
14 to be filed by users and dealers by twenty percent.  
15 The tax so computed shall be rounded to the next  
16 highest tenth of a cent per gallon.

17 3. The diesel engine special fuel tax computed  
18 under this section shall not increase or decrease  
19 from one rate period to the next more than one and  
20 one-tenths percent of the average wholesale cost of  
21 diesel engine special fuel. The director of revenue  
22 shall notify each licensee at least fifteen days prior  
23 to the beginning of each rate period of the excise  
24 tax on diesel engine special fuel to be effective  
25 for the calendar year beginning January 1, 1979 and  
26 each rate period beginning on January first for each  
27 subsequent calendar year."

28 4. By striking page 11, line 19, through page  
29 12, line 1 and inserting in lieu thereof the following:

30 "For the privilege of operating motor vehicles  
31 in this state, there is hereby levied and imposed  
32 an excise tax on the use (as defined herein) of special  
33 fuel in any motor vehicle. The rate of tax on special  
34 (diesel engine) fuel shall be eight computed by the  
35 director of revenue in cents per gallon but not less  
36 than ten and one-half cents per gallon. On all other  
37 special fuel the per gallon rate shall be the same  
38 as the motor fuel tax but not less than ten cents  
39 per gallon. The tax, with respect to all special  
40 fuel delivered by a special fuel dealer for use in  
41 this state as defined by section 324.33, shall attach  
42 at the time of the delivery and shall be collected  
43 by the dealer from the special fuel user and shall  
44 be paid over to the department of revenue as  
45 hereinafter provided. The tax, with respect to special  
46 fuel acquired by a special fuel user in any manner  
47 other than by delivery by a special fuel dealer into  
48 a fuel supply tank of a motor vehicle, shall attach  
49 at the time of the use (as herein defined) of the  
50 fuel and shall be paid over to the department of

1 rate period beginning on January first for each  
2 subsequent calendar year."

3 2. By striking page 10, line 24 through page 11,  
4 line 3 and inserting in lieu thereof the following:

5 "For the privilege of operating motor vehicles  
6 in this state an excise tax ~~of seven~~ computed by the  
7 director of revenue in cents per gallon but not less  
8 than ten cents a gallon is hereby imposed upon the  
9 use of all motor fuel used for any purpose except  
10 as otherwise provided in this division. The tax shall  
11 be paid in the first instance by the distributor upon  
12 the invoiced gallowage of all motor fuel received  
13 by him or her in this state, within the meaning of the word  
14 "received" as defined in this division, less the  
15 deductions hereinafter authorized. Thereafter, except  
16 as otherwise provided, the per gallon amount of such  
17 tax shall be added to the selling price of each and  
18 every gallon of such motor fuel sold in this state  
19 and collected from the purchaser to the end that the  
20 ultimate consumer shall bear the burden of such tax;  
21 provided, however, that no tax shall be imposed or  
22 collected under this division with respect to the  
23 following:"

24 3. Page 11, by inserting after line 15 the  
25 following:

26 "Sec. \_\_\_\_ Chapter three hundred twenty-four  
27 (324), DIVISION two (11), Code 1977, as amended by  
28 Acts of the Sixty-seventh General Assembly, 1977  
29 Session, chapter one hundred six (106), is amended  
30 by adding the following new section:

31 NEW SECTION. CALCULATION OF SPECIAL FUEL TAX.  
32 The department of revenue shall calculate for the  
33 calendar year beginning January 1, 1979 and  
34 semiannually for each subsequent calendar year the  
35 diesel engine special fuel excise tax as a cents per  
36 gallon figure and notify each licensee of the rate  
37 to be effective for the following rate period. The  
38 special fuel excise tax shall be calculated and notice  
39 given licensees as follows:

40 1. Prior to December 15, 1978, the director of  
41 revenue shall calculate the average wholesale cost  
42 per gallon of diesel engine special fuel distributed  
43 in the state based upon a statistically representative  
44 sampling of the wholesale cost per gallon of diesel  
45 engine special fuel in the state for the most recent  
46 preceding three-month period as indicated on the  
47 monthly reports required to be filed by dealers and  
48 users. The director of revenue shall calculate the  
49 cents per gallon tax for diesel engine special fuel  
50 for the calendar year beginning January 1, 1979, to

S-5197

1 Amend House File 491, as amended, passed and re-  
2 printed by the House as follows:

3 1. Page 10, by inserting after line 20 the fol-  
4 lowing:

5 "Sec. \_\_\_\_ Chapter three hundred twenty-four  
6 (324), DIVISION I, Code 1977, as amended by Acts of  
7 the Sixty-seventh General Assembly, 1977 Session,  
8 chapters one hundred six (106) and one hundred seven  
9 (107), is amended by adding the following new section:

10 NEW SECTION. CALCULATION OF MOTOR FUEL TAX. The  
11 department of revenue shall calculate for the calendar  
12 year beginning January 1, 1977 and semiannually for  
13 each subsequent calendar year the motor fuel excise  
14 tax as a cents per gallon figure and notify each  
15 licensee of the rate to be effective for the following  
16 rate period. The motor fuel excise tax shall be  
17 calculated and notice given licensees as follows:

18 1. Prior to December 15, 1978, the director of  
19 revenue shall calculate the average wholesale cost  
20 per gallon of motor fuel distributed in the state  
21 based upon a statistically representative sampling  
22 of the wholesale cost per gallon of motor fuel in  
23 the state for the most recent preceding three-month  
24 period as indicated on the monthly reports required  
25 to be filed by distributors. The director of revenue  
26 shall calculate the cents per gallon tax for motor  
27 fuel for the calendar year beginning January 1, 1979,  
28 to be eighteen percent of the average wholesale cost  
29 per gallon of motor fuel.

30 2. Prior to December fifteenth in each year  
31 subsequent to calendar year beginning January 1, 1978,  
32 the director or revenue shall recompute the motor  
33 fuel tax as a cents per gallon figure of not less  
34 than ten cents per gallon by multiplying the average  
35 wholesale cost per gallon of motor fuel based upon  
36 a statistically representative sampling of the  
37 wholesale cost per gallon of motor fuel in the state  
38 for the most recent preceding three-month period as  
39 indicated on the monthly reports required to be filed  
40 by distributors by eighteen percent. The tax so com-  
41 puted shall be rounded to the next highest tenth of  
42 a cent.

43 3. The motor vehicle fuel tax computed under this  
44 section shall not increase or decrease from one rate  
45 period to the next more than one percent of the average  
46 wholesale cost per gallon of motor fuel. The director  
47 of revenue shall notify each licensee at least fifteen  
48 days prior to the beginning of each rate period of  
49 the excise tax on motor fuel to be effective for the  
50 calendar year beginning January 1, 1979 and for each

1 "1978" and inserting in lieu thereof the figure "1979".  
2 26. Page 14, by striking lines 13 through 15 and  
3 inserting in lieu thereof the following: "findings,  
4 the findings shall be considered in reassessing the  
5 distribution of road use tax fund allocations among  
6 counties within the funds allocated to the secondary  
7 road fund of the counties and in reassessing the  
8 allocations among cities within the funds allocated  
9 to the street construction fund of the cities for  
10 road construction."

11 27. Page 14, by inserting after line 15 the follow-  
12 ing:

13 "Sec. \_\_\_\_\_. Notwithstanding the provisions of  
14 chapters ~~three~~ hundred twenty-five (325), three hundred  
15 twenty-seven (327), three hundred twenty-seven A  
16 (327A) and three hundred twenty-seven D (327D) of  
17 the Code, the transportation regulation board shall  
18 approve any rate increase application filed by a motor  
19 truck operator requesting a carrier rate increase  
20 to compensate for the increase costs to the motor  
21 truck operator which result from the increase in the  
22 cost of motor fuel and special fuel taxes provided  
23 in this Act."

24 28. Renumber and correct internal references as  
25 necessary in conformance with this amendment.

S-5491 FILED  
APRIL 5, 1978

*Out of order 4/25*  
*(p. 1011)*

BY COMMITTEE ON WAYS AND MEANS  
NORMAN G. RODGERS, CHAIRPERSON

- 1 "fund" the words "of the counties".  
2 10. Page 7, line 1, by striking the figure "1975"  
3 and inserting in lieu thereof the figure "1976".  
4 11. Page 7, line 2, by inserting after the word  
5 "fund" the words "of the counties".  
6 12. Page 7, line 3, by inserting after the word  
7 "fund" the words "of the counties".  
8 13. Page 7, line 4, by striking the figure "1975"  
9 and inserting in lieu thereof the figure "1976".  
10 14. Page 7, line 18, by striking the figure "1977"  
11 and inserting in lieu thereof the figure "1978".  
12 15. Page 7, line 21, by striking the figure "1975"  
13 and inserting in lieu thereof the figure "1976".  
14 16. Page 7, line 22, by striking the figure "1977"  
15 and inserting in lieu thereof the figure "1978".  
16 17. Page 7, line 27, by striking the figure "1975"  
17 and inserting in lieu thereof the figure "1976".  
18 18. Page 7, line 30, by striking the figure "1975"  
19 and inserting in lieu thereof the figure "1976".  
20 19. Page 10, line 25, by striking the words "ten  
21 cents a gallon" and inserting in lieu thereof the  
22 words "eight cents a gallon beginning July 1, 1978  
23 and nine cents a gallon beginning January 1, 1979,".  
24 20. Page 10, line 26, by inserting after the word  
25 "except" the words "motor fuel containing at least  
26 ten percent alcohol distilled from agricultural  
27 products for the period beginning July 1, 1978 and  
28 ending June 30, 1983 and except".  
29 21. Page 11, line 15, by inserting after the  
30 period the following: "Each state agency and political  
31 subdivision shall file with the department of revenue  
32 prior to January fifteenth in each year a report of  
33 the number of gallons of motor fuel and special fuel  
34 purchased by the state agency or the political  
35 subdivision in the prior calendar year and a  
36 calculation of the amount of motor fuel and special  
37 fuel tax that would have been required for the previous  
38 calendar year if the state agency or political  
39 subdivision had been required to pay state motor fuel  
40 and state special fuel taxes."  
41 22. Page 11, line 23, by striking the words "eleven  
42 and one-half cents per gallon" and inserting in lieu  
43 thereof the words "ten and one-half cents per gallon  
44 beginning July 1, 1978 and eleven and one-half cents  
45 per gallon beginning July 1, 1979".  
46 23. Page 13, line 21, by striking the figure  
47 "1977" and inserting in lieu thereof the figure "1978".  
48 24. Page 14, line 7, by inserting after the words  
49 "secondary road fund" the words "of the counties".  
50 25. Page 14, line 10, by striking the figure

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S-3598

- 1 Amend House File 491, as amended, passed and re-  
 2 printed by the House as follows:
- 3 1. Page 10, line 25, by striking the word "ten"  
 4 and inserting in lieu thereof the word "eight and  
 5 one-half".
- 6 2. Page 11, by striking lines 14 and 15 and in-  
 7 serting in lieu thereof the following: "its agencies,  
 8 but this exemption shall not apply to political  
 9 subdivisions of this state."
- 10 3. Page 11, line 23, by striking the word "eleven  
 11 and one-half" and inserting in lieu thereof the word  
 12 "ten".
- 13 4. Page 12, by striking lines 2 through 15.
- 14 5. Page 12, line 20, by inserting after the word  
 15 "gallon" the words "nine and one-half cents per gallon  
 16 of".
- 17 6. Page 12, line 21, by inserting after the word  
 18 "gallon" the words "eight cents per gallon of".
- 19 7. Page 12, by inserting after line 28 the  
 20 following:  
 21 "The net proceeds of one quarter of one cent per  
 22 gallon of the excise taxes on diesel special fuel,  
 23 motor fuel and other special fuel collected under  
 24 the provisions of this chapter shall be credited by  
 25 the treasurer of state to the primary road fund.  
 26 The net proceeds of one quarter of one cent per  
 27 gallon of the excise taxes on diesel special fuel,  
 28 motor fuel and other special fuel collected under  
 29 the provisions of this chapter shall be used for the  
 30 reconstruction and repair of bridges in the state  
 31 determined by the transportation commission to require  
 32 maintenance to assure safe facilities for motor vehicle  
 33 operation. The transportation commission shall review  
 34 bridge reconstruction needs in the state and assign  
 35 priorities for reconstruction to bridges in the primary  
 36 road system, the secondary and farm-to-market road  
 37 system and the street construction in cities. The  
 38 treasurer of state shall annually credit the amount  
 39 raised from the one quarter of one cent per gallon  
 40 fuel excise taxes to be used for bridge reconstruction  
 41 approved by the transportation commission in portions  
 42 equal to one-third of the amount to the primary road  
 43 fund, one-sixth of the amount to the secondary road  
 44 fund, one-sixth of the amount to the farm-to-market  
 45 road fund, and one-third of the amount to the street  
 46 construction fund of the cities."

S-3598 FILED *Out of order* BY COMMITTEE ON TRANSPORTATION  
 MAY 13, 1977 *4/25 (p. 1010)* CLOYD ROBINSON, CHAIRPERSON

HOUSE FILE 491

S-3714

- 1 Amend House File 491 as follows:  
2 1. Page 5, by inserting after line 26 the  
3 following:  
4 "6. The treasurer of state shall before making  
5 the above allotments credit annually to the primary  
6 road fund the sum of seven million one hundred thousand  
7 dollars."  
8 2. Renumber following sections as necessary.

S-3714 FILED *Out of order 4/25* BY RICHARD F. DRAKE  
MAY 20, 1977 (*p. 1010*) ROBERT CARR

HOUSE FILE 491

S-5676

- 1 Amend the Van Gilst et al. amendment, S-5638  
2 to House File 491 as amended, passed and reprinted  
3 by the House as follows:  
4 1. Page 14, by striking lines 6 through  
5 10 and inserting in lieu thereof the following:  
6 "Sec. 26. The transportation regulation  
7 board may approve any".

S-5676 FILED *Out of order 5/1 (p. 1132)* BY EARL M. WILLITS  
APRIL 26, 1978 JAMES M. REDMOND

S-5663

- 1 Amend the Senate amendment, S-5638, to House File  
 2 491 as amended, passed and reprinted by the House  
 3 as follows:  
 4 1. Page 9, by inserting after line 25 the follow-  
 5 ing:  
 6 "Sec. \_\_\_\_\_. Section three hundred twenty-one point  
 7 thirty-four (321.34), subsection three (3), Code 1977,  
 8 is amended to read as follows:  
 9 3. VALIDATION STICKERS. In lieu of issuing new  
 10 registration plates each year for a vehicle renewing  
 11 registration, the department may reassign the  
 12 registration plates previously issued to such vehicle  
 13 and may adopt and prescribe an annual validation  
 14 sticker indicating payment of registration fee, which  
 15 annual validation sticker shall be attached to said  
 16 registration plates bearing the numerals indicating  
 17 the year for which the original plates are validated.  
 18 However, for the calendar year beginning July 1, 1979  
 19 and each subsequent calendar year, registration plates  
 20 shall be required for display only on the rear of  
 21 the motor vehicle."  
 22 2. Page 14, by inserting after line 15 the follow-  
 23 ing:  
 24 "\_\_\_\_\_. Amend the title by striking lines 1 through  
 25 22 and inserting in lieu thereof the following: "An  
 26 Act relating to transportation regulation and funding  
 27 and providing appropriations and subject to penalties  
 28 provided by law."  
 29 3. Renumber as necessary in conformance with this  
 30 amendment.

S-5663 FILED, RULED OUT OF ORDER BY NORMAN G. RODGERS  
 APRIL 25, 1978 (p. 1006)

S-5656

- 1 Amend the Committee on Ways and Means Amendment  
 2 S-5491, to House File 491 as amended, passed and re-  
 3 printed by the House as follows:  
 4 1. Page 2, by striking lines 24 through 28.  
 5 2. Page 2, line 30, by inserting after the word  
 6 "following:" the words:  
 7 "It shall be the duty of the Iowa Department of  
 8 Agriculture and the Iowa Development Commission to  
 9 conduct feasibility studies and make recommendations  
 10 to the General Assembly for the use of motor fuel  
 11 containing at least ten percent alcohol distilled  
 12 from agricultural products by the state of Iowa or  
 13 any of its agencies."

S-5656 FILED *Out of order 4/25* BY EDGAR H. HOLDEN  
 APRIL 25, 1978 (p. 1011)

## HOUSE FILE 491

## AN ACT

RELATING TO TRANSPORTATION PROVIDING FOR AN EXPRESSION OF THE LEGISLATIVE INTENT CONCERNING DIAGONAL ROADS, LOWERING THE FREEWAY-EXPRESSWAY SYSTEM TOTAL MILEAGE, PROVIDING FOR FUNCTIONAL RECLASSIFICATION OF ROADS IN THE STATE, DEVELOPMENT OF A QUADRENNIAL NEEDS STUDY, INCLUSION OF THE AREA SCHOOL AND STATE FAIR GROUNDS ROADS AND BRIDGES IN THE PARK AND INSTITUTION ROAD MAINTENANCE ALLOCATION AND PROVIDING FOR A QUADRENNIAL NEED STUDY OF PARK AND INSTITUTION ROADS AND BRIDGES, CHANGING THE ALLOCATION FORMULA FROM THE ROAD USE TAX FUND TO PROVIDE FORTY-FIVE PERCENT TO THE PRIMARY ROAD FUND, TWENTY-EIGHT PERCENT TO THE SECONDARY ROAD FUND, NINE PERCENT TO THE FARM-TO-MARKET ROAD FUND, AND EIGHTEEN PERCENT TO THE CITIES, PROVIDING FOR DEFINITIONAL CHANGES OF CERTAIN ROADS, REQUIRING CERTAIN ANNUAL REPORTS BY CITIES, RAISING THE MOTOR FUEL AND SPECIAL FUEL TAX TO TEN CENTS PER GALLON AND THE DIESEL ENGINE SPECIAL FUEL TAX TO ELEVEN AND ONE-HALF CENTS PER GALLON, ELIMINATING THE ONE-HALF OF ONE CENT OF MOTOR FUEL AND OTHER SPECIAL FUEL TAX TO THE PRIMARY ROAD FUND, PROVIDING AN EXEMPTION FROM FUEL TAXES FOR POLITICAL SUBDIVISIONS, AUTHORIZING THE DEPARTMENT OF TRANSPORTATION TO CONDUCT A STUDY, PROVIDING APPROPRIATIONS, AND REPEALING CERTAIN SECTIONS.

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

Section 1. Chapter three hundred six (306), Code 1977, is amended by adding the following new section:  
NEW SECTION. It is declared to be the policy of the state of Iowa that relocation of primary highways through cultivated land shall be avoided to the maximum extent possible. Whenever

the volume of traffic for which the road is designed or other conditions require such relocation, diagonal routes shall be avoided wherever feasible and prudent alternatives exist.

It is further declared that improvement of two-lane roads shall utilize the existing right-of-way unless alignment or other conditions make changes imperative, and when any two-lane road is expanded to a four-lane road, the normal procedure would be that the additional right-of-way would be contiguous to the existing right-of-way unless relocated for compelling reasons. This policy shall not apply to any highway project for which the corridor has been approved by the state department of transportation and which corridor has been finalized by September 1, 1977.

Sec. 2. Section three hundred six point one (306.1), subsection two (2), paragraph a, Code 1977, is amended to read as follows:

a. The freeway-expressway system shall consist of those roads connecting and serving the major urban and regional areas of the state with high volume, long-distance traffic movements, and generally connecting with like roads of adjacent states. The national system of interstate and defense highways shall be a part of the freeway-expressway system. The freeway-expressway system, including the national interstate and defense highway mileage, shall not exceed three two thousand six hundred sixty miles.

Sec. 3. Section three hundred six point six (306.6), subsection two (2), unnumbered paragraph two (2), Code 1977, is amended to read as follows:

It shall be the responsibility of the state functional classification review board to hear any and all appeals from classification boards or board members, relative to disputes arising out of the functional classification of any segment of highway or street. It shall also be the responsibility of the board to establish the necessary guidelines, procedures, and the time limits to be followed in transferring jurisdiction

in accordance with section three hundred six point eight (306.8), of the Code. The state functional classification review board shall have the authority and the responsibility to make final administrative determinations based on sound functional classification principles for all disputes relative to functional classification including those disputes relative to the transfer of jurisdictions. The review board shall also serve, when requested jointly by state and local jurisdictions, as an advisory committee for review and adjustment of construction and maintenance guidelines used in updating road and street needs studies.

Sec. 4. Section three hundred six point eight (306.8), Code 1977, is amended to read as follows:

306.8 TRANSFER OF JURISDICTION. When a change of jurisdiction occurs as a result of the classification or reclassification of a road or street, the unit of government having jurisdiction shall, prior to such change of jurisdiction, either place the road or street and any structures thereon on the road in good repair sufficient-for the-traffic-thereon or provide for the transfer of money to the appropriate jurisdiction sufficient for the repairs to the road or street and any structures on the road.

Transfers of the jurisdiction and control of roads and streets may take place if agreements are entered into between the jurisdictions of government involved in the transfer of such roads and streets.

Sec. 5. Section three hundred seven A (307A), Code 1977, is amended by adding the following new subsection:

NEW SUBSECTION. For the four year period beginning July 1, 1979, and for each subsequent four year period, prepare, adopt and cause to be published the results of a study of all roads and streets in the state. The study shall be so designed to investigate present deficiencies and future twenty-year maintenance and construction needs of the roads and the ability of each applicable authority to meet the needs for

the planning, construction, repair and maintenance of roads within their jurisdiction. The commission shall have the authority to gather information necessary to complete this study and shall be furnished such assistance from any state agency as necessary to prepare, update and publish a report to be referred to as the "quadrennial need study" for the purposes of this chapter and chapter three hundred twelve (312) of the Code. This subsection shall not preclude the commission from updating the quadrennial need study when necessary to reflect changes in road and street needs in the state.

Sec. 6. Section three hundred seven A point two (307A.2), subsection eleven (11), Code 1977, is amended to read as follows:

11. Construct, reconstruct, improve and maintain state institutional roads and state park roads as defined in section 306.3 and bridges on such roads, roads located on state fair grounds as defined in chapter one hundred seventy-three (173) of the Code and the roads and bridges located on area school property as defined in chapter two hundred eighty A (280A) of the Code upon the request of the state board, department or commission which has jurisdiction over such roads. This shall be done in such manner as may be agreed upon by the commission and the state board, department or commission which has jurisdiction. The commission may contract with any county or municipality for the construction, reconstruction, improvement or maintenance of such roads and bridges. Any state park road which is an extension of either a primary or secondary highway which both enters and exits from a state park at separate points shall be constructed, reconstructed, improved and maintained as provided in section 306.4. Funds allocated from the road use tax fund for the purposes of this subsection shall be apportioned in the ratio that the needs of the state institution roads and bridges, park roads and bridges or area school roads and bridges bear to the total

needs of these facilities based upon the most recent quadrennial park and institution need study. The commission shall conduct a study of the road and bridge facilities in state parks, state institutions, state fair grounds and on area school property. The study shall evaluate the construction and maintenance needs and projected needs based upon estimated growth for each type of facility to provide a quadrennially updated standard upon which to allocate funds appropriated for the purposes of this subsection.

Sec. 7. Section three hundred twelve point two (312.2), Code 1977, is amended to read as follows:

312.2 ALLOCATIONS FROM FUND. The treasurer of the state shall, on the first day of each month, credit all road use tax funds which have ~~come-into-his-hands~~ been received by the treasurer, to the primary road fund, the secondary road fund of the counties, the farm-to-market road fund, and the street construction fund of cities in the following manner and amounts:

1. To the primary road fund, ~~forty-seven~~ forty-five percent.
2. To the secondary road fund of the counties, ~~twenty-nine~~ twenty-eight percent.
3. To the farm-to-market road fund, nine percent.
4. To the street construction fund of the cities, ~~fifteen~~ eighteen percent.
5. The treasurer of state shall before making the above allotments credit annually to the highway grade crossing safety fund the sum of five hundred thousand dollars, credit annually from the road use tax fund the sum of five hundred thousand dollars to the highway railroad grade crossing surface repair fund, credit ~~annually~~ monthly to the primary road fund the ~~sum-of-one-million-four-hundred-thousand~~ dollars yielded from an allotment of sixty-five hundredths of one percent of all road use tax funds for the express purpose of carrying out subsection 42 eleven (11) of section 307A.2, the last

~~paragraph-of~~ section 313.4, subsection two (2), of the Code and section 307A.5, and credit annually to the primary road fund the sum of five hundred thousand dollars to be used for paying expenses incurred by the state department of transportation other than expenses incurred for extensions of primary roads in cities. All unobligated funds provided by this subsection, except those funds credited to the highway grade crossing safety fund, shall at the end of each year revert to the road use tax fund. Funds in the highway grade crossing safety fund shall not revert to the road use tax fund except to the extent they exceed five hundred thousand dollars at the end of any biennium.

~~6---The-treasurer-of-state-shall-before-making-the-above allotments-credit-annually-to-the-primary-road-fund-the-sum-of-two-million-five-hundred-thousand-dollars-or-an-amount equal-to-one-ninth-of-the-federal-allotment-which-ever-is-the smaller,-said-sum-to-be-used-for-matching-the-federal-allotment-to-the-state-of-iowa-for-the-use-of-the-interstate-and-national defense-highways-in-the-state-of-iowa-~~

7 6. The treasurer of state shall before making the allotments provided for in this section credit monthly to the division of motor vehicle registration of the state department of transportation funds sufficient in amount to pay the costs of purchasing supplies and materials and for the cost of prison labor used in manufacturing motor vehicle registration plates, decalcomania emblems, and validation stickers at the prison industries.

7. The treasurer of state, before making the allotments provided in this section, shall credit annually to the primary road fund from the road use tax fund the sum of seven million one hundred thousand dollars.

8. Beginning July 1, 1981, and each subsequent year, the treasurer of state, before making any allotments to counties under the provisions of this section, shall reduce the allotment to any county for the secondary road fund by an

amount by which the total funds that the county raised during the prior calendar year under the provisions of section three hundred nine point eight (309.8), subsections one (1), three (3), and four (4), of the Code are less than seventy-five percent of the maximum funds that the county could have raised in the prior calendar year under the provisions of section three hundred nine point seven (309.7) of the Code. Funds remaining in the secondary road fund of the counties due to a reduction of allocations to counties for failure to maintain a minimum local tax effort shall be reallocated to counties that are not reduced under the provisions of this subsection pursuant to the allocation provisions of section three hundred twelve point three (312.3), subsection one (1), of the Code, based upon the needs and area of the county. Information necessary to make allocations under this subsection shall be provided by the state department of transportation or the state comptroller upon request by the treasurer of state.

9. The treasurer of state, before making the allotments provided for in this section, shall credit annually to the Iowa Department of Soil Conservation five hundred thousand (500,000) dollars from the road use tax funds. The Department of Soil Conservation, in cooperation with the Department of Transportation and the Iowa Conservation Commission shall expend such funds, for the lease or other use of land intended for the planting or maintenance of wind erosion control barriers designed to reduce wind erosion interfering with the maintenance of highways in the state or the safe operation of vehicles thereon.

Sec. 8. Section three hundred twelve point four (312.4), Code 1977, is amended by adding the following new subsection:  
NEW SUBSECTION. The amount of the road use tax fund which has been credited to carry out the provisions of section three hundred seven A point two (307A.2), subsection eleven (11), section three hundred thirteen point four (313.4), subsection two (2), and section three hundred seven A point five (307A.5)

of the Code.

Sec. 9. Section three hundred twelve point three (312.3), subsections one (1) and two (2), Code 1977, are amended to read as follows:

1. Apportion among the counties in the ratio that the needs of the secondary roads of each county bear to the total needs of the secondary roads of the state for the twenty-year improvement program developed by the automotive safety foundation and filed with the Iowa highway study committee created by chapter 426, Acts of the Fifty-eighth General Assembly through the period ending June 30, 1979, and for each year beginning July 1, 1979, based upon the total needs of secondary roads of the state as shown in the latest quadrennial need study report developed by the state department of transportation, and which is on record at the department, sixty percent of the allocation from road use tax funds which he has is credited to the secondary road fund of the counties, and apportion among the counties in the ratio that the area of such county bears to the total area of the state, forty percent of the allocation from road use tax funds which he has is credited to the secondary road fund of the counties. However, for a hold harmless period each county shall be guaranteed a base year amount. The amount in the secondary road fund of the counties in each fiscal year during the hold harmless period in excess of the sum of the base period amounts allocated to all counties shall be distributed proportionally based on the relative needs and area factors to only those counties entitled to receive more than the base year amount.

For the purposes of this subsection:

a. "Hold harmless period" means the fiscal years beginning July 1, 1979 and ending June 30, 1983.

b. "Base year amount" means the amount of the secondary road fund of the counties received by a county for the fiscal year beginning July 1, 1977.

2. 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 ~~fifteen-percent~~ percentage of the road use tax funds which ~~he-has~~ is credited to the street 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.

Sec. 10. Section three hundred twelve point five (312.5), unnumbered paragraph three (3), Code 1977, is amended to read as follows:

Need allotment farm-to-market road funds shall be allotted among the counties in the ratio that the needs of the farm-to-market roads in each county bear to the total needs of the farm-to-market roads in the state for the twenty-year program developed by the automotive safety foundation and filed with the Iowa highway study committee created by chapter 426, Acts of the Fifty-eighth General Assembly through the period ending June 30, 1979, and for each year beginning July 1, 1979, based upon the total needs of the farm-to-market roads in the state as shown in the latest quadrennial need study report developed by the state department of transportation, and which is on record at the department. However, for a hold harmless period each county shall be guaranteed a base year amount. The amount in the farm-to-market road fund in each fiscal year during the hold harmless period in excess of the sum of the base period amounts allocated to all counties shall be distributed proportionally based on the relative needs and area factors to only those counties entitled to receive more than the base year amount.

For the purposes of this section:

a. "Hold harmless period" means the fiscal years beginning

July 1, 1979 and ending June 30, 1983.

b. "Base year amount" means the amount of the farm-to-market road fund received by a county for the fiscal year beginning July 1, 1977.

Sec. 11. Section three hundred twelve point eleven (312.11), Code 1977, is amended to read as follows:

312.11 ACCOUNTS OF EXPENDITURES--~~PERCENTAGE-REQUIRED-ON ARTERIAL-STREETS~~. Each city shall keep accounts showing the amount spent on street construction and reconstruction ~~on arterial-streets~~ on extensions of rural systems, municipal arterial and municipal collector systems as classified pursuant to section three hundred six point six (306.6) of the Code and the amount spent on street construction and reconstruction ~~on local-streets municipal service systems~~. Such amounts spent on ~~arterial-streets extensions of rural systems, municipal arterial, and municipal collector systems~~ and such amounts spent on ~~local-streets municipal service systems~~ shall be shown on the annual street report required by section 312.14.

~~Of-the-total-street-construction-and-reconstruction expenditures-made-each-year-from-road-use-tax-funds-by-each city,-at-least-seventy-five-percent-shall-be-spent-on-the arterial-streets-of-such-city.--However,-if-any-city-council by-resolution-declares-that-the-seventy-five-percent-is-not needed-on-its-arterial-streets,-then-it-may-be-used-on-any other-streets-in-the-city.~~

Sec. 12. Section three hundred twelve point twelve (312.12), Code 1977, is amended by striking the section and inserting in lieu thereof the following:

312.12 PROGRAMS SUBMITTED. Cities which receive funds from road use tax funds and which have a population of at least five thousand shall prepare, adopt and submit to the department on or before December first of each year a comprehensive program of street construction and reconstruction. Such program shall be prepared for a period

of five fiscal years subsequent to the fiscal year in which the program is submitted, based upon the construction funds estimated to be available for each fiscal year. At the close of each fiscal year, as a part of the five-year plan, the city shall include a statement of the progress made toward the completion of each project contained in the approved program. Such cities which have a population of less than five thousand and greater than one thousand shall prepare and submit annually by December thirty-first of each year to the department for examination and review, a program of proposed street construction and reconstruction for its total system of streets for the ensuing fiscal year. Nothing in this section shall prohibit a city of less than five thousand from adopting by resolution a comprehensive five-year plan.

Sec. 13. Section three hundred twelve point fifteen (312.15), Code 1977, is amended to read as follows:

312.15 WHEN FUNDS NOT ALLOCATED. ~~No funds~~ Funds shall not be allocated to any city until such city shall have complied with the provisions of sections ~~342-42 and three~~ hundred twelve point eleven (312.11), three hundred twelve point twelve (312.12) and 312.14, of the Code.

The department shall notify the treasurer of state if any city fails to comply with the provisions of sections ~~342-40~~ to three hundred twelve point eleven (312.11), three hundred twelve point twelve (312.12) and 312.14, of the Code.

Sec. 14. Section three hundred thirteen point two (313.2), unnumbered paragraphs six (6), seven (7), and eight (8), Code 1977, are amended to read as follows:

Reasonable maintenance and surveillance of rest area sites and buildings located thereon shall be provided by regular maintenance employees of the department ~~under the district maintenance engineer in the district where the rest areas are located~~ within the limits of appropriations provided for such purpose.

~~No transfer of jurisdiction and control of any road or~~

~~street as required by this Act shall be effective until the enactment of legislation which allocates the road use tax fund in a manner different from the law existing on January 17, 1974, and in a manner which compensates state, county and municipal jurisdictions for additional highway, road or street needs acquired by such transfer as determined by the department.~~

~~Notwithstanding the foregoing provision of this section, transfers in jurisdiction and control of roads and streets may take place if agreements are entered into by the jurisdictional divisions of government involved in the transfer of such roads and streets.~~

Sec. 15. Section three hundred thirteen point four (313.4), subsection two (2), Code 1977, is amended to read as follows:

2. Such fund is also appropriated and shall be used for the construction, reconstruction, improvement and maintenance of state institutional roads and state park roads and bridges on such roads and roads and bridges on area school property as provided in subsection ~~42~~ eleven (11) of section 307A.2 of the Code, for restoration of secondary roads used as primary road detours and for compensation of counties for such use, for restoration of municipal streets so used and for compensation of cities for such use, and for the payments required in section 307A.5.

Sec. 16. Section three hundred twenty-four point three (324.3), Code 1977, is amended to read as follows:

324.3 LEVY OF EXCISE TAX--EXEMPTIONS--CREDITS. For the privilege of operating motor vehicles in this state an excise tax of ~~seven cents a gallon~~ eight and one-half cents per gallon beginning July 1, 1978, and ten cents per gallon beginning July 1, 1979 is hereby imposed upon the use of all motor fuel used for any purpose except motor fuel containing at least ten percent alcohol distilled from agricultural products for the period beginning July 1, 1978 and ending June 30, 1983 and except as otherwise provided in this

division. The tax shall be paid in the first instance by the distributor upon the invoiced gallonage of all motor fuel received by ~~him~~ the distributor in this state, within the meaning of the word "received" as defined in this division, less the deductions hereinafter authorized. Thereafter, except as otherwise provided, the per gallon amount of such tax shall be added to the selling price of each and every gallon of such motor fuel sold in this state and collected from the purchaser to the end that the ultimate consumer shall bear the burden of such tax; provided, however, that no tax shall be imposed or collected under this division with respect to the following:

1. Motor fuel sold for export or exported from this state to any other state, territory, or foreign country.
2. Motor fuel sold to the United States or any agency or instrumentality thereof.
3. Motor fuel sold to any post exchange or other concessionaire on any federal reservation within this state; but the tax on motor fuel so sold, to the extent permitted by federal law, shall be collected by the post exchange or concessionaire, reported and paid the department of revenue.
4. Motor fuel sold to the state of Iowa or any of its agencies, ~~but this exemption shall not apply to~~ or to any political subdivisions of this state. Each state agency and political subdivision shall file with the department of revenue prior to January fifteenth in each year a report of the number of gallons of motor fuel and special fuel purchased by the state agency or the political subdivision in the prior calendar year and a calculation of the amount of motor fuel and special fuel tax that would have been required for the previous calendar year if the state agency or political subdivision had been required to pay state motor fuel and state special fuel taxes.

Sec. 17. Section three hundred twenty-four point thirty-three (324.33), subsections two (2), three (3), four (4) and

five (5), Code 1977, are amended to read as follows:

2. "Use" means the receipt, delivery or placing of special fuels by a special fuel user into a supply fuel tank of a motor vehicle while the vehicle is in this state or delivered into a motor vehicle special fuel holding tank.

3. "Special fuel dealer" means any person in the business of handling special fuel who delivers any part thereof into a fuel supply tank of any motor vehicle or delivers special fuel to a motor vehicle special fuel holding tank.

4. "Special fuel user" means the owner or other person responsible for the operation of a motor vehicle at the time special fuel is placed in a fuel supply tank thereof while the vehicle is in this state or the owner of a motor vehicle special fuel holding tank into which special fuel is delivered to be used for highway use only and upon which special fuel the special fuel tax is paid upon receipt.

5. "Licensed special fuel user" means and includes any person licensed by the department who dispenses special fuel, upon which the special fuel tax has not been previously paid, for highway use from bulk sources owned and controlled by ~~himself~~ the person into the fuel supply tank of a motor vehicle or commercial motor vehicle owned or controlled by ~~himself~~ the person. A licensed special fuel user shall make bulk purchases of special fuel for highway use only from a licensed special fuel distributor.

Sec. 18. Section three hundred twenty-four point thirty-three (324.33), Code 1977, is amended by adding the following new subsection:

NEW SUBSECTION. 7. "Motor vehicle special fuel holding tank" means a tank with a capacity of not more than five hundred gallons owned by a special fuel user in which special fuel is contained for use by the special fuel user only in a motor vehicle for highway use.

Sec. 19. Section three hundred twenty-four point thirty-four (324.34), unnumbered paragraphs one (1), two (2) and

three (3), Code 1977, is amended to read as follows:

For the privilege of operating motor vehicles in this state, there is hereby levied and imposed an excise tax on the use (as defined herein) of special fuel in any motor vehicle. The rate of tax on special (diesel engine) fuel shall be eight ten cents per gallon beginning July 1, 1978, and shall be eleven and one-half cents per gallon beginning July 1, 1979. On all other special fuel the per gallon rate shall be the same as the motor fuel tax. The tax, with respect to all special fuel delivered by a special fuel dealer for use in this state as defined by section 324.33, shall attach at the time of the delivery and shall be collected by the dealer from the special fuel user and shall be paid over to the department of revenue as hereinafter provided. The tax, with respect to special fuel acquired by a special fuel user in any manner other than by delivery by a special fuel dealer into a fuel supply tank of a motor vehicle or delivery into a motor vehicle special fuel holding tank by a special fuel dealer or distributor, shall attach at the time of the use (as herein defined) of the fuel and shall be paid over to the department of revenue by the user as hereinafter provided.

All deliveries by distributors of special fuel to be used for highway use, except deliveries into a motor vehicle special fuel holding tank, must be made into storage connected to a sealed meter pump as licensed in said section. Special fuel delivered to a motor vehicle special fuel holding tank of a special fuel user by a distributor shall be metered upon delivery and the special fuel tax shall be collected by the distributor and paid over to the department of revenue.

The department of revenue shall make reasonable rules and regulations governing the dispensing of special fuel at retail service stations and licensed special fuel user locations and by distributors, special fuel dealers and licensed special fuel users. The department shall require that all pumps located at said stations special fuel dealer locations and

licensed special fuel user locations through which fuel oil can be dispensed, be metered, inspected, tested for accuracy, sealed and licensed by the state department of agriculture, and that special fuel delivered into the fuel supply tank of any motor vehicle or into a motor vehicle special fuel holding tank shall be dispensed only through these tested metered pumps.

Sec. 20. Section three hundred twenty-four point thirty-five (324.35), Code 1977, is amended to read as follows:

324.35 EXEMPTIONS. No tax is imposed under this division on special fuel used by the United States or any of its agencies or instrumentalities, but the tax on special fuel used or delivered into fuel supply tanks of motor vehicles by any post exchange or concessionaire on any federal reservation in this state, to the extent permitted by federal law, shall be collected by the post exchange or concessionaire and paid to the department of revenue.

No tax is imposed under this division on special fuel used by the state of Iowa or any of its agencies, ~~but this exemption shall not apply to or used by~~ political subdivisions of this state.

Sec. 21. Section three hundred twenty-four point seventy-nine (324.79), unnumbered paragraphs one (1) and two (2), Code 1977, are amended to read as follows:

The net proceeds of ~~seven-and-one-half-cents-per-gallon~~ the excise tax on the diesel special fuel and ~~six-and-one-half-cents-per-gallon~~ the excise tax on motor fuel and other special fuel, and penalties collected under the provision of this chapter, shall be credited to the road use tax fund.

~~The net proceeds of one-half-cent-per-gallon excise tax on diesel special fuel and one-half-cent-per-gallon excise tax on motor fuel and other special fuel collected under the provisions of this chapter shall be credited by the treasurer of state to the primary road fund.~~

Sec. 22. Section three hundred twenty-seven G point twenty-

nine (327G.29), Code 1977, is amended to read as follows:

327G.29 GRADE CROSSING SURFACE REPAIR FUND. There is established a highway railroad grade crossing surface repair fund in the office of the treasurer of state. The department may credit to this fund:

1. Moneys appropriated to the department from the general fund of the state.
2. Moneys appropriated to the department from the road use tax fund or the primary road fund.
3. Available federal funds.
4. Moneys acquired by the department from any gift, grant, or contributions from any source.

~~The total amount of funds, except funds acquired pursuant to subsections 3 and 4, which shall be credited to the highway railroad grade crossing surface fund shall not exceed two hundred fifty thousand dollars in any one year~~ Notwithstanding the provisions of section eight point thirty-three (8.33) of the Code unencumbered funds remaining in the highway railroad grade crossing surface repair fund at the close of each fiscal year ending on June thirtieth shall revert to the road use tax fund.

Sec. 23. It is the intent of the general assembly that effective July 1, 1979 the functional reclassification of roads shall be implemented as provided by law.

Sec. 24. Sections three hundred twelve point nine (312.9) and three hundred twelve point ten (312.10), three hundred thirteen point fifty-eight (313.58), three hundred nine point eighty-three (309.83) and chapter three hundred eighteen (318), Code 1977, are repealed.

Sec. 25. It is the intent of the general assembly that the state department of transportation, in cooperation with the standing committee on ways and means and the standing committee on transportation of the general assembly, study methods of reflecting local revenue efforts for maintenance, repair and construction of roads in the distribution of the

secondary road fund of the counties, the farm-to-market road fund and the street construction fund of the cities. The findings of this study shall be presented to the Sixty-eighth General Assembly prior to February 1, 1979.

It is the further intent of the general assembly that upon approval by the Iowa general assembly, of those findings, the findings shall be considered in reassessing the distribution of road use tax fund allocations among counties within the funds allocated to the secondary road fund of the counties and in reassessing the allocations among cities within the funds allocated to the street construction fund of the cities for road construction.

Sec. 26. Notwithstanding the provisions of chapters three hundred twenty-five (325), three hundred twenty-seven (327), three hundred twenty-seven A (327A) and three hundred twenty-seven D (327D) of the Code, the transportation regulation board shall approve any rate increase application filed by a truck operator, motor carrier or liquid carrier to compensate for increased costs which result from the increase in motor fuel and special fuel taxes as provided in this Act.

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DALE M. COCHRAN  
Speaker of the House

\_\_\_\_\_  
ARTHUR A. NEU  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 491, Sixty-seventh General Assembly.

\_\_\_\_\_  
DAVID L. WRAY  
Chief Clerk of the House

Approved June 27, 1978

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ROBERT D. RAY  
Governor