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FILED FEB 23 1988

SENATE FILE 2196  
BY COMMITTEE ON WAYS AND  
MEANS *Approved (p. 472)*

*(formerly 55B 2198)*

Passed Senate, Date 2/29/88 (p. 557) Passed House, Date \_\_\_\_\_  
Vote: Ayes 28 Nays 19 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

724

A BILL FOR

51961 An Act relating to transportation funding by providing for a  
2 network of commercial and industrial highways, increasing the  
3 excise taxes on motor fuel and special fuel, increasing the  
5634 standing appropriation for public transit assistance,  
51645 providing a standing appropriation for trails, authorizing the  
6 transfer of RISE funds to the primary road fund, providing for  
7 a study of highway financing, making appropriations from the  
51978 road use tax fund, and providing effective dates.

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

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SE 2196

1 Section 1. Section 307A.2, Code 1987, is amended by adding  
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. The commission shall identify,  
4 within the primary road system, a network of commercial and  
5 industrial highways. The improvement of this network shall be  
6 considered in the development of the long-range program and  
7 plan of improvements under this section.

8 Sec. 2. Section 312.1, Code 1987, is amended by adding the  
9 following new unnumbered paragraph:

10 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 453.7,  
11 subsection 2, interest or earnings on investments or time de-  
12 posits of the moneys in the road use tax fund and the funds to  
13 which moneys from the road use tax fund are credited shall be  
14 credited to the respective funds which generated the interest  
15 or earnings.

16 Sec. 3. Section 312.2, subsection 17, Code Supplement  
17 1987, is amended to read as follows:

18 17. The treasurer of state, before making the allotments  
19 provided for in this section, shall credit monthly from the  
20 road use tax fund to the public transit assistance fund,  
21 created under section 601J.6, an amount equal to ~~one-fortieth~~  
22 one-twentieth of the revenue credited to the road use tax fund  
23 under section 423.24, subsection 1, paragraph "b".

24 Sec. 4. Section 312.2, Code Supplement 1987, is amended by  
25 adding the following new subsection:

26 NEW SUBSECTION. 20. The treasurer of state, before making  
27 the allotments provided for in this section, shall credit  
28 annually from the road use tax fund to the state department of  
29 transportation the sum of one million dollars from the revenue  
30 credited to the road use tax fund under section 423.24,  
31 subsection 1, paragraph "b", for the purpose of acquiring,  
32 constructing, and improving recreational trails within the  
33 state. Unobligated portions of this allotment shall remain  
34 available to the state department of transportation and shall  
35 not revert to the road use tax fund. The state department of

1 transportation shall adopt rules under chapter 17A to  
2 establish procedures for the expenditure of the funds allotted  
3 under this subsection.

4 Sec. 5. Section 313.4, Code 1987, is amended by adding the  
5 following new subsection:

6 NEW SUBSECTION. 5. During the fiscal year beginning July  
7 1, 1990, and ending June 30, 1991, and each subsequent fiscal  
8 year, the department shall spend from the primary road fund an  
9 amount of not less than thirty million dollars for the network  
10 of commercial and industrial highways.

11 Sec. 6. Section 313.8, Code 1987, is amended to read as  
12 follows:

13 313.8 IMPROVEMENT OF PRIMARY SYSTEM.

14 The department shall proceed to the improvement of the  
15 primary road system as rapidly as funds become available  
16 therefor until the entire mileage of the primary road system  
17 is built to established grade, bridged and surfaced with  
18 pavement or other surface suited to the traffic on such road.  
19 Improvements shall be made and carried out in such manner as  
20 to equalize the condition of the primary roads and  
21 accessibility for commercial and industrial economic  
22 development purposes, as nearly as possible, in all sections  
23 of the state.

24 Sec. 7. Section 315.3, Code 1987, is amended by adding the  
25 following new subsection:

26 NEW SUBSECTION. 3. The state transportation commission  
27 may authorize the temporary transfer of funds between the  
28 department's share of the RISE fund under section 315.4 and  
29 the primary road fund in an amount not to exceed forty million  
30 dollars at one time. Transferred funds shall be repaid not  
31 later than July 1, 1993. The commission shall manage the RISE  
32 fund to ensure that funds will be available to meet contract  
33 obligations on approved RISE projects.

34 Sec. 8. Section 321.122, subsection 1, paragraph a, Code  
35 1987, is amended to read as follows:

1 a. For a combined gross weight of three tons or less  
 2 ~~forty-five~~ sixty-five dollars and a vehicle which is more than  
 3 ten model years old ~~thirty-five~~ fifty-five dollars.

4 Sec. 9. Section 321.122, subsection 1, paragraph b, Code  
 5 1987, is amended to read as follows:

6 b. For a combined gross weight exceeding three tons, the  
 7 annual registration fee shall be as set forth in the following  
 8 schedule:

9 For a combined gross	And not	The annual
10 weight exceeding:	11 exceeding:	12 registration fee
		13 shall be:
14 3 Tons .....	4 Tons .....	\$ 60
		<u>80</u>
15 4 Tons .....	5 Tons .....	\$ 70
		<u>90</u>
16 5 Tons .....	6 Tons .....	\$ 85
		<u>105</u>
17 6 Tons .....	7 Tons .....	\$ <del>110</del>
		<u>130</u>
18 7 Tons .....	8 Tons .....	\$ <del>145</del>
		<u>165</u>
19 8 Tons .....	9 Tons .....	\$ <del>180</del>
		<u>200</u>
20 9 Tons .....	10 Tons .....	\$ <del>215</del>
		<u>235</u>
21 10 Tons .....	11 Tons .....	\$ <del>250</del>
		<u>270</u>
22 11 Tons .....	12 Tons .....	\$ <del>285</del>
		<u>305</u>
23 12 Tons .....	13 Tons .....	\$ <del>320</del>
		<u>340</u>
24 13 Tons .....	14 Tons .....	\$ <del>355</del>
		<u>375</u>
25 14 Tons .....	15 Tons .....	\$ 445
26 15 Tons .....	16 Tons .....	\$ 485

1	16 Tons	17 Tons	\$ 525
2	17 Tons	18 Tons	\$ 565
3	18 Tons	19 Tons	\$ 610
4	19 Tons	20 Tons	\$ 675
5	20 Tons	21 Tons	\$ 715
6	21 Tons	22 Tons	\$ 755
7	22 Tons	23 Tons	\$ 795
8	23 Tons	24 Tons	\$ 835
9	24 Tons	25 Tons	\$ 965
10	25 Tons	26 Tons	\$1,010
11	26 Tons	27 Tons	\$1,060
12	27 Tons	28 Tons	\$1,105
13	28 Tons	29 Tons	\$1,150
14	29 Tons	30 Tons	\$1,200
15	30 Tons	31 Tons	\$1,245
16	31 Tons	32 Tons	\$1,295
17	32 Tons	33 Tons	\$1,340
18	33 Tons	34 Tons	\$1,415
19	34 Tons	35 Tons	\$1,465
20	35 Tons	36 Tons	\$1,510
21	36 Tons	37 Tons	\$1,555
22	37 Tons	38 Tons	\$1,605
23	38 Tons	39 Tons	\$1,650
24	39 Tons	40 Tons	\$1,695

25 Sec. 10. Section 324.3, unnumbered paragraph 1,  
 26 Code 1987, is amended to read as follows:

27 For the privilege of operating motor vehicles in this state  
 28 an excise tax of ~~fifteen-cents-per-gallon-for-the-period~~  
 29 ~~beginning-July-1,-1985-and-ending-December-31,-1985,-and~~  
 30 sixteen cents per gallon for the period beginning January 1,  
 31 1986, and ending March 31, 1988, and twenty cents per gallon  
 32 beginning April 1, 1988, is imposed upon the use of all motor  
 33 fuel used for any purpose except motor fuel containing at  
 34 least ten percent alcohol distilled from cereal grains grown  
 35 in the United States for the period beginning July 1, 1978 and

1 ending June 30, 1992 and except as otherwise provided in this  
2 division.

3 Sec. 11. Section 324.3, unnumbered paragraph 4, Code 1987,  
4 is amended to read as follows:

5 For the privilege of operating motor vehicles in this state  
6 an excise tax of ~~fourteen-cents-per-gallon-beginning-July-1-~~  
7 ~~1985-and-ending-December-31,-1985,-and~~ fifteen cents per  
8 gallon for the period beginning January 1, 1986, and ending  
9 March 31, 1988, and nineteen cents per gallon for the period  
10 beginning April 1, 1988, and ending June 30, 1992, is imposed  
11 upon the use of gasohol used for any purpose except as  
12 otherwise provided in this division.

13 Sec. 12. Section 324.34, unnumbered paragraph 1, Code  
14 1987, is amended to read as follows:

15 For the privilege of operating motor vehicles in this  
16 state, there is imposed an excise tax on the use, as defined  
17 in section 324.33, of special fuel in a motor vehicle. The  
18 tax rate on special fuel for diesel engines is ~~sixteen-and~~  
19 ~~one-half-cents-per-gallon-for-the-period-beginning-July-1-~~  
20 ~~1985-and-ending-December-31,-1985,-is-seventeen-and-one-half~~  
21 ~~cents-per-gallon-for-the-period-beginning-January-1,-1986-and~~  
22 ~~ending-December-31,-1986,-and-is~~ eighteen and one-half cents  
23 per gallon for the period beginning January 1, 1987, and  
24 ending March 31, 1988, and is twenty-two and one-half cents  
25 per gallon beginning April 1, 1988. On all other special fuel  
26 the per gallon rate is the same as the motor fuel tax.

27 Sec. 13. Section 324.34, unnumbered paragraph 9, Code  
28 1987, is amended to read as follows:

29 For natural gas used as a special fuel the rate of tax that  
30 is equivalent to the motor fuel tax shall be ~~thirteen~~ sixteen  
31 cents per hundred cubic feet adjusted to a base temperature of  
32 sixty degrees Fahrenheit and a pressure of fourteen and  
33 seventy-three hundredths pounds per square inch absolute. The  
34 tax on natural gas shall attach at the time of delivery into  
35 equipment for compressing the gas for subsequent delivery into

1 the fuel supply tank of a motor vehicle and shall be paid over  
2 to the department by the person operating the compressing  
3 equipment under the applicable provisions for users or  
4 dealers. Natural gas used as a special fuel shall be  
5 delivered into compressing equipment through sealed meters  
6 certified for accuracy by the department of agriculture and  
7 land stewardship.

8 Sec. 14. There is appropriated from the road use tax fund  
9 to the legislative service bureau the sum of three hundred  
10 thousand (300,000) dollars, or so much thereof as may be  
11 necessary, for the purpose of carrying out a study of the  
12 mechanisms for the distribution of the revenues derived from  
13 fuel taxes, vehicle registration fees, license fees, the use  
14 tax on vehicles, and other sources of the road use tax fund.  
15 The study shall be administered by a steering committee  
16 composed of two members appointed by the state transportation  
17 commission, two members appointed by the Iowa state  
18 association of counties, and two members appointed by the  
19 league of Iowa municipalities. The steering committee shall  
20 report the findings of the study to the governor, the chief  
21 clerk of the house of representatives, and the secretary of  
22 the senate not later than January 31, 1989.

23 Sec. 15. There is appropriated from the road use tax fund  
24 for the fiscal year beginning July 1, 1988, and ending June  
25 30, 1989, for the purpose of replacing lost federal highway  
26 funds, to the primary road fund the sum of twenty million nine  
27 hundred thirty-two thousand (20,932,000) dollars, to the farm-  
28 to-market road fund the sum of five million (5,000,000)  
29 dollars, to the secondary road fund of the counties the sum of  
30 one million five hundred forty-one thousand (1,541,000)  
31 dollars, and to the street construction fund of the cities the  
32 sum of one million one hundred sixty-four thousand (1,164,000)  
33 dollars.

34 Sec. 16. There is appropriated from the road use tax fund  
35 for the fiscal year beginning July 1, 1989, and ending June

1 30, 1990, for the purpose of replacing lost federal highway  
5782 2 funds, to the primary road fund the sum of twenty million nine  
3 hundred thirty-two thousand (20,932,000) dollars, to the farm-  
4 to-market road fund the sum of five million (5,000,000)  
5 dollars, to the secondary road fund of the counties the sum of  
6 one million five hundred forty-one thousand (1,541,000)  
7 dollars, and to the street construction fund of the cities the  
8 sum of one million one hundred sixty-four thousand (1,164,000)  
9 dollars.

10 Sec. 17. There is appropriated from the road use tax fund  
11 for the fiscal year beginning July 1, 1988, and ending June  
12 30, 1989, to the primary road fund for the commercial and in-  
13 dustrial network of highways the sum of nineteen million six  
14 hundred thousand (19,600,000) dollars, to the secondary road  
15 fund of the counties the sum of sixteen million three hundred  
16 thousand (16,300,000) dollars, and to the street construction  
17 fund of the cities the sum of nine million eight hundred  
18 thousand dollars (9,800,000) dollars.

19 Sec. 18. There is appropriated from the road use tax fund  
20 for the fiscal period beginning July 1, 1989, and ending March  
21 31, 1990, to the primary road fund for the commercial and  
22 industrial network of highways the sum of ten million four  
23 hundred thousand (10,400,000) dollars, to the secondary road  
24 fund of the counties the sum of eight million seven hundred  
25 thousand (8,700,000) dollars, and to the street construction  
26 fund of the cities the sum of five million two hundred  
27 thousand (5,200,000) dollars.

5170 28 Sec. 19. Beginning April 1, 1990, the treasurer of state  
29 shall, each month before distributing funds allotted from the  
30 road use tax fund under section 312.2, credit to a separate  
31 fund held by the treasurer of state the following amounts:

32 1. From the moneys allotted to the primary road fund, one-  
33 twelfth of twenty-eight million three hundred thousand  
34 dollars.

35 2. From the moneys allotted to the secondary road fund of

1 the counties, one-twelfth of eleven million three hundred  
2 thousand dollars.

3 3. From the moneys allotted to the farm-to-market road  
4 fund, one-twelfth of three million six hundred thousand  
5 dollars.

6 4. From the moneys allotted to the street construction  
7 fund of the cities, one-twelfth of six million eight hundred  
8 thousand dollars.

9 The moneys in this separate fund, together with interest or  
10 earnings on investments or time deposits of the moneys, shall  
11 be restored to the road use tax fund upon completion of the  
12 study required by section 14 of this Act and action by the

51613 general assembly on the formula for allocating road use tax  
14 funds between jurisdictions.

5194  
5176, 5177  
5164, 5163  
5191  
15 Sec. 20. Sections 2, 3, and 4 of this Act take effect July  
16 1 following enactment.

17 Sec. 21. Sections 8 and 9 of this Act take effect July 1  
18 following enactment for vehicle registrations subject to  
19 renewal and new vehicle registrations on or after that date.

20 Sec. 22. This Act, being deemed of immediate importance,  
21 takes effect upon its enactment.

22 EXPLANATION

23 Section 1 requires the state transportation commission to  
24 identify a network of commercial and industrial highways and  
25 to consider its improvement in preparing the department's  
26 five-year program.

27 Section 2 credits interest on investments of the road use  
28 tax fund and its beneficiary funds back to those funds.

29 Section 3 raises the standing appropriation to the public  
30 transit assistance fund from one-fortieth to one-twentieth of  
31 the use tax collected on vehicles subject to registration.

32 Section 4 provides a standing appropriation of \$1,000,000  
33 to the state department of transportation for recreational  
34 trails and requires the department to make rules.

35 Section 5 requires the state department of transportation

1 to spend at least \$30,000,000 per year from the primary road  
2 fund on the commercial and industrial highway network.

3 Section 6 provides for the consideration of commercial and  
4 industrial access for industrial development as the department  
5 balances the service from the primary road system in all parts  
6 of the state.

7 Section 7 allows the state transportation commission to  
8 authorize the temporary transfer of funds between the RISE  
9 fund and the primary road fund. The transfer would not exceed  
10 \$40,000,000 at one time and would be repaid by July 1, 1993.

11 Section 8 raises the registration fees for three-ton trucks  
12 by \$20 per year.

13 Section 9 raises the registration fees on trucks up to  
14 fourteen tons by \$20 per year.

15 Section 10 raises the motor fuel tax by four cents per  
16 gallon to twenty cents effective April 1, 1988.

17 Section 11 raises the motor fuel tax on gasohol by four  
18 cents per gallon to nineteen cents effective April 1, 1988.

19 Section 12 raises the special fuel tax on diesel fuel by  
20 four cents per gallon to twenty-two and one-half cents ef-  
21 fective April 1, 1988.

22 Section 13 raises the special fuel tax on compressed  
23 natural gas for highway use by three cents to sixteen cents  
24 per hundred cubic feet.

25 Section 14 provides \$300,000 to the legislative service  
26 bureau for a study of highway financing. The section provides  
27 for the appointment of a steering committee to administer the  
28 study and sets a reporting deadline of January 31, 1989.

29 Section 15 makes appropriations for fiscal year 1989 to  
30 replace lost federal highway funds in the amounts of  
31 \$20,932,000 for the primary road fund, \$5,000,000 for the  
32 farm-to-market road fund, \$1,541,000 for the secondary road  
33 fund of the counties, and \$1,164,000 for the street  
34 construction fund of the cities.

35 Section 16 makes appropriations for fiscal year 1990 to

1 replace lost federal highway funds in the amounts of  
2 \$20,932,000 for the primary road fund, \$5,000,000 for the  
3 farm-to-market road fund, \$1,541,000 for the secondary road  
4 fund of the counties, and \$1,164,000 for the street  
5 construction fund of the cities.

6 Section 17 makes additional appropriations from the road  
7 use tax fund for the period from July 1, 1988, through March  
8 31, 1989, in the amounts of \$19,600,000 to the primary road  
9 fund for the commercial and industrial network of highways,  
10 \$16,300,000 to the secondary road fund of the counties, and  
11 \$9,800,000 to the street construction fund of the cities.

12 Section 18 makes additional appropriations from the road  
13 use tax fund for the period from July 1, 1989, through March  
14 31, 1990, in the amounts of \$10,400,000 to the primary road  
15 fund for the commercial and industrial network of highways,  
16 \$8,700,000 to the secondary road fund of the counties, and  
17 \$5,200,000 to the street construction fund of the cities.

18 Section 19 provides for the treasurer to withhold in a  
19 special fund each month one-twelfth of the following amounts  
20 allotted from the road use tax fund: \$28,300,000 from the  
21 amount for the primary road fund, \$11,300,000 from the  
22 secondary road fund of the counties, \$3,600,000 from the farm-  
23 to-market road fund, and \$6,800,000 from the street  
24 construction fund of the cities. The money withheld is to be  
25 restored, along with interest earned, to the road use tax fund  
26 upon completion of the study of highway finance required by  
27 this bill.

28 Section 20 identifies those sections which take effect on  
29 July 1. Section 21 specifies that the new registration fees  
30 are applicable for vehicle registration renewals or new regis-  
31 trations on or after July 1. The bill takes effect upon  
32 enactment.

33 SUCCESSOR TO SSB 2198 (LSB 8247SC)

34

35

LSB 8247SV 72

FILED FEB 29 1988

STATE OF IOWA

FISCAL NOTE

ISS. NO. 82473  
STAT. NO. 688

REQ. BY SENATOR BRUNER

SENATE FILE 2165 2196

In compliance with a written request received February 23, 1988, a fiscal note for SENATE FILE 2196 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

REVENUE INCREASES

Senate File 2196 increases the amount of revenues which will be collected and deposited in the road use tax fund (RUTF) by:

1. Having the interest and earning on investments of the road use tax fund and its beneficiary funds credit back to those funds, instead of the general fund.
2. Raising the registration fee on trucks up to 14 tons by \$20 per year.
3. Raising the tax on motor fuel (including gasohol) and special fuel for diesel engines by four cents per gallon, effective April 1, 1988.
4. Raising the special fuel tax on compressed natural gas for highway use by three cents per hundred cubic feet.

ASSUMPTIONS:

Interest and earnings are calculated based on a 7% interest rate. The amount of increase in revenues to the RUTF from interest and earnings would be offset by a decrease in revenues to the general fund.

The \$20 increase in truck registration fees would occur on July 1, 1988 and take sixty days before any money from the increase would actually be deposited in the RUTF. Therefore, the FY 1989 estimated revenues reflect ten months of collection activity.

FISCAL IMPACT:

Estimated Increase in Revenues for RUTF Distribution

	4/1/88 to 6/30/88	FY 1989	FY 1990
Fuel Tax	16,000,000	64,000,000	64,000,000
Truck Fees	0	10,300,000	12,400,000
Interest & Earnings*	\$ 0	\$ 1,000,000	\$ 1,000,000
Total	\$16,000,000	\$75,300,000	\$77,400,000

\*In addition there would be approximately \$2.3 million in FY 1989 and \$1.1 million in FY 1990 on interest and earnings from the balance in the RISE fund which would remain in that fund, instead of being deposited in the general fund. This estimate assumes that the full amount allowed, would be temporarily transferred from the RISE fund to the primary road fund.

STATE OF IOWA FILED FEB 29 1988  
**FISCAL NOTE**  
 SENATE FILE 2196

ISS No. 8247S  
 Staff ID. DEB

RFP BY SENATOR BRUNER

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EXPENDITURES

Senate File 2196 increases the allocations from the RUTF by:

1. Raising the standing appropriation to the public transit assistance fund from 1/40 to 1/20 of the revenue credited to the RUTF from use tax receipts.
2. Providing a \$1,000,000 standing appropriation to the DOT for acquiring, constructing, and improving recreational trails.
3. Appropriating \$300,000 to the Legislative Service Bureau to carry out a study on the distribution of revenues from the RUTF.
4. Appropriating \$28,637,700 each year (for FY 1989 and FY 1990) to the primary road fund, farm-to-market road fund, secondary road fund, and street construction fund of the cities for the purpose of replacing lost federal funds.
5. Appropriating \$45,700,000 for FY 1989 and \$24,300,000 for the period beginning July 1, 1989 and ending March 31, 1990, to the primary road fund, secondary road fund, and the street construction fund of the cities.

The following table shows the expenditures stipulated in this bill.

Estimated Increase in Expenditures Stipulated in SF 2196

	FY 1989	FY 1990
Public Transit Assistance	\$ 2,428,000	\$ 2,493,000
Recreation Trails	1,000,000	1,000,000
Formula Study	300,000	0
Replacing Lost Fed. Funds	28,637,000	28,637,000
Appropriation to Funds	45,700,000	24,300,000
Total	\$78,065,000	\$56,430,000

The appropriation of \$45.7 million in FY 1989 and \$24.3 million in FY 1990, includes a total of \$30 million to the primary road fund for the commercial and industrial network of highways. The bill also amends the Code of Iowa by requiring the DOT to spend \$30 million for the network in FY 1991 and each subsequent year. In addition to the stipulated increases, RUTF allocations to park and institutional roads and county, city, and state traffic safety improvement projects are based on a percentage of revenues credited to the RUTF; therefore, the allocation will increase with the increase in receipts.

The bill allows the State Transportation Commission to authorize the temporary transfer of funds between the DOT share of the Rise fund and the primary road fund, not to exceed \$40 million dollars at one time.

STATE OF IOWA FILED FEB 29 1988

FISCAL NOTE

LSB No. 8247S  
Staff ID. DER

REQ. BY SENATOR BRUNER

SENATE FILE 2169 2/19/88

Road Use Tax Fund Estimated Revenues and Distributions

The following table provides a breakdown of the RUTF estimated revenues and distributions, for FY 1989 and FY 1990, under the current and proposed law.

ASSUMPTIONS:

In FY 1989, the estimated revenue increase is less than the estimated expenditures by approximately \$3.6 million. This is reflected in the distribution in the table.

FY 1990 distributions assume all money will be allocated and not held under the escrow provisions of the bill. The estimate also allocates all moneys according the bill, with the remaining balance of \$20 million allocated according to current formula provisions.

(dollars in thousands)

	Fiscal Year 1989			Fiscal Year 1990		
	Current	Proposed	Increase	Current	Proposed	Increase
	<u>Law</u>	<u>Law</u>	<u>(Decrease)</u>	<u>Law</u>	<u>Law</u>	<u>(Decrease)</u>
<u>REVENUE</u>	\$ 539,400	\$ 614,700	\$ 75,300	\$ 546,500	\$ 623,900	\$ 77,400
<u>DISTRIBUTION</u>						
Primary	\$ 209,700	\$ 248,599	\$ 38,899	\$ 212,300	\$ 252,669	\$ 40,369
Farm-Market	41,200	45,873	4,673	41,600	48,407	6,807
Secondary	123,400	140,224	16,824	124,900	140,763	15,863
Cities	79,300	89,610	10,310	80,300	90,278	9,978
Other	85,800	90,394	4,594	87,400	91,783	4,383
Total	\$ 539,400	\$ 614,700	\$ 75,300	\$ 546,500	\$ 623,900	\$ 77,400

Source: Department of Transportation  
State Treasurer

(LSB 8247S, DER)  
*Denius Proaty*  
Fiscal Director  
Legislative Fiscal Bureau  
Date: 2/29/88

SENATE FILE 2196  
AS PASSED BY THE SENATE  
FISCAL NOTE

In compliance with a written request received March 11, 1988, a fiscal note for SENATE FILE 2196 AS PASSED BY THE SENATE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

REVENUE INCREASES

Senate File 2196, as passed by the Senate, increases the amount of revenues which will be collected and deposited in the road use tax fund (RUTF) by:

1. Having the interest and earnings on investments of the road use tax fund and its beneficiary funds credit back to those funds, instead of the general fund.
2. Raising the registration fee on trucks up to 14 tons by \$20 per year.
3. Raising the tax on motor fuel (including gasohol) and special fuel for diesel engines by two cents per gallon, effective April 1, 1988 through December 31, 1988, and then by an additional two cents per gallon, effective January 1, 1989.
4. Raising the special fuel tax on compressed natural gas for highway use by three cents per hundred cubic feet.

ASSUMPTIONS:

Interest and earnings are calculated based on a 7% interest rate. The amount of increase in revenues to the RUTF from interest and earnings would be offset by a decrease in revenues to the general fund.

The estimated revenues do not take into account provisions in the bill which allow for a reduced rate of tax for certain dealers.

FISCAL IMPACT:

Estimated Increase in Revenues for RUTF Distribution

	FY 1989	FY 1990
Fuel Tax	\$39,100,000	\$64,000,000
Truck Fees	10,300,000	12,400,000
Interest & Earnings*	1,000,000	1,000,000
	-----	-----
Total	\$50,400,000	\$77,400,000

\*In addition there would be approximately \$2.3 million in FY 1989 and \$1.1 million in FY 1990 on interest and earnings from the balance in the RISE fund which would remain in that fund, instead of being deposited in the general fund. This estimate assumes that the full amount allowed, would be temporarily transferred from the RISE fund to the primary road fund.

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EXPENDITURES

Senate File 2196 increases the allocations from the RUTF by:

1. Raising the standing appropriation to the public transit assistance fund from 1/40 to 1/20 of the revenue credited to the RUTF from use tax receipts.
2. Having \$600,000 credited from use tax receipts for conducting a performance an efficiency audit of the state transportation network.
3. Appropriating \$300,000 to carry out a study of the RUTF.
4. Appropriating \$28,637,700 each year (for FY 1989 and FY 1990) to the primary road fund, farm-to-market road fund, secondary road fund, and street construction fund of the cities for the purpose of replacing lost federal funds.
5. Appropriating \$45,700,000 for FY 1989 and \$24,300,000 for the period beginning July 1, 1989 and ending March 31, 1990, to the primary road fund, secondary road fund, and the street construction fund of the cities.

Estimated Increase in RUTF Expenditures Stipulated in SF 2196

	FY 1989	FY 1990
Public Transit Assistance	\$ 2,428,000	\$ 2,493,000
Performance Audit	600,000	0
RUTF Study	300,000	0
Replacing Lost Fed. Funds*	17,495,000	28,637,000
Appropriation to Funds*	27,920,000	24,300,000
	-----	-----
Total	\$48,743,000	\$56,430,000

\*These estimates reflect language in Section 26 of the bill which reduces proportionately, on the basis of revenue, the FY 1989 appropriations. The bill stipulated a certain amount to be spent in FY 1989 and FY 1990 from the primary road fund for the commercial and industrial network of highways and also amends the Code of Iowa by requiring the DOT to spend \$30 million for the network in FY 1991 and each subsequent year.

In addition to the stipulated increases, RUTF allocations to park and institutional roads and county, city, and state traffic safety improvement projects are based on a percentage of revenues credited to the RUTF; therefore, the allocation will increase with the increase in receipts.

The bill also appropriates \$75,000 from the Public Transit Assistance Fund for a study of the mechanisms for the distribution of the fund, and allows the State Transportation Commission to authorize the temporary transfer of funds between the DOT share of the Rise fund and the primary road fund, not to exceed \$40 million dollars at one time.

-3-

Road Use Tax Fund Estimated Revenues and Distributions

The following table provides a breakdown of the RUTF estimated revenues and distributions, for FY 1989 and FY 1990, under the current and proposed law.

## ASSUMPTIONS:

FY 1990 distributions assume all money will be allocated and not held under the escrow provisions of the bill. The estimate also allocates all moneys according the bill, with the remaining balance of \$21 million allocated according to current formula provisions.

REVENUE	(dollars in thousands)					
	Fiscal Year 1989			Fiscal Year 1990		
	Current Law	Proposed Law	Increase (Decrease)	Current Law	Proposed Law	Increase (Decrease)
	\$ 539,400	\$ 589,800	\$ 50,400	\$ 546,500	\$ 623,900	\$ 77,400
<u>DISTRIBUTION</u>						
Primary	\$ 209,700	\$ 234,947	\$ 25,247	\$ 212,300	\$ 253,119	\$ 40,819
Farm-Market	41,200	44,352	3,152	41,600	48,497	6,897
Secondary	123,400	134,601	11,201	124,900	141,043	16,143
Cities	79,300	86,192	6,892	80,300	90,458	10,158
Other	85,800	89,708	3,908	87,400	90,783	3,383
Total	\$ 539,400	\$ 589,800	\$ 50,400	\$ 546,500	\$ 623,900	\$ 77,400

Source: Department of Transportation  
State Treasurer

(LSB 8247s.2, DER)

FILED MARCH 15, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2196

S-5195

- 1 Amend Senate File 2196 as follows:
- 
- 2 1. Page 1, by striking lines 16 through 23.
- 3 2. Page 6, by striking lines 8 through 11 and  
4 inserting the following:
- 5 "Sec. \_\_\_\_ . The legislative service bureau shall  
6 carry out a study of the need for the total road  
7 network and".
- 
- 8 3. By striking page 6, line 23 through page 8,  
9 line 14.
- 10 4. Amend the title, by striking lines 3 through 8  
11 and inserting the following: "excise tax on motor  
12 fuel and special fuel, authorizing the transfer of  
13 RISE funds to the primary road fund, providing for  
14 certain studies, and providing effective dates."

DIV A - WITHDRAWN (p. 554)  
 DIV B - ADOPTED (p. 554)  
 DIV B  
 RECONSIDERED (p. 554)  
 RULED OUT OF ORDER

S-5195  
Filed February 29, 1988

BY JOE J. WELSH

SENATE FILE 2196

S-5196

- 1 Amend Senate File 2196 as follows:
- 2 1. Page 8, by inserting after line 14 the  
3 following:
- 4 "Sec. \_\_\_\_ . The appropriations in sections 15 and  
5 17 of this Act shall be reduced proportionately on the  
6 basis of the reductions in revenue which result from  
7 the phase-in of the excise tax increase on motor fuel  
8 and special fuel."  
9 2. Renumber as necessary.

S-5196  
Filed February 29, 1988

ADOPTED  
(p. 554)

BY C. JOSEPH COLEMAN

SENATE 43  
MARCH 1, 1988

SENATE FILE 2196

S-5193

1 Amend Senate File 2196 as follows:  
2 1. Page 2, by inserting after line 33 the  
3 following:  
4 "Sec. \_\_\_\_ . Section 315.3, Code 1987, is amended by  
5 adding the following new subsection:  
6 NEW SUBSECTION. 4. When projects are proposed for  
7 funding under this chapter, the department shall  
8 consider a variety of factors including, but not  
9 limited to:  
10 a. The total number of jobs to be created or  
11 retained.  
12 b. The size of the business receiving assistance.  
13 c. The potential for future growth in the industry  
14 represented by the business being considered for  
15 assistance.  
16 d. The quality of the jobs to be created.  
17 e. The impact of the proposed project on the  
18 economy of the political subdivision.  
19 f. The impact of the proposed project on other  
20 businesses in competition with the business being  
21 considered for assistance. The department shall  
22 identify existing businesses within an industry in  
23 competition with the business being considered for  
24 assistance. The department shall determine the  
25 probability that the proposed financial assistance  
26 will displace employees of the existing businesses and  
27 shall consider the level of excess production capacity  
28 within an industry when making this determination. In  
29 determining the impact on businesses in competition  
30 with the business being considered for assistance,  
31 jobs created as a result of other jobs being displaced  
32 elsewhere in the state shall not be considered direct  
33 jobs created.  
34 g. The level of compliance of the business with  
35 OSHA and other business safety regulations, the  
36 quality of the business' relations with labor, the  
37 level of fairness in its dealings with its employees,  
38 and the amount of business ethics shown by the  
39 business."

40 2. Renumber as necessary.

S-5193

Filed February 29, 1988

ADOPTED

BY AL STURGEON

(p. 547)

SENATE FILE 2196

S-5190

1 Amend the Jensen amendment, S-5164, to Senate File  
2 2196 as follows:  
3 1. Page 1, by striking lines 2 through 8 and  
4 inserting the following:  
5 "\_\_\_\_. Page 1, by striking line 24 through page 2,  
6 line 3 and inserting the following:  
7 "Sec. \_\_\_\_ Section 312.2, Code Supplement 1987, is  
8 amended by adding the following new subsection:  
9 NEW SUBSECTION. 20. The treasurer of state,  
10 before making the allotments provided for in this  
11 section, shall credit annually from the road use tax  
12 fund to the state department of transportation the sum  
13 of three hundred thousand dollars from the revenue  
14 credited to the road use tax fund under section  
15 423.24, subsection 1, paragraph "b", for the purpose  
16 of acquiring, constructing, and improving recreational  
17 trails within the state and twenty-five thousand  
18 dollars for the Mississippi parkway commission for  
19 commission expenses and economic development purposes.  
20 Unobligated portions of this allotment shall remain  
21 available to the state department of transportation  
22 and shall not revert to the road use tax fund. The  
23 state department of transportation shall adopt rules  
24 under chapter 17A to establish procedures for the  
25 expenditure of the funds allotted under this  
26 subsection."

S-5190

Filed February 29, 1988

BY JEAN LLOYD-JONES

JIM LIND

RULED OUT OF ORDER

SENATE FILE 2196

S-5191

1 Amend Senate File 2196 as follows:  
2 1. Page 8, by inserting after line 14 the  
3 following:  
4 "Sec. \_\_\_\_ Section 214A.18, Code 1987, is  
5 repealed."  
6 2. Title, line 8, by inserting after the word  
7 "fund," the following: "repealing whole cent  
8 pricing,".

S-5191

Filed February 29, 1988

BY MICHAEL E. GRONSTAL

JOE WELSH

JACK RIFE

JIM LIND

RAY TAYLOR

GEORGE R. KINLEY

AL STURGEON

DAVE READINGER

(p. 565) RULED NOT GERMANE

SENATE 42  
MARCH 1, 1988

SENATE FILE 2196

S-5192

1 Amend Senate File 2196 as follows:

- 2 1. Page 6, lines 26 and 27, by striking the words
- 3 and figure "twenty million nine hundred thirty-two
- 4 thousand (20,932,000)" and inserting the following:
- 5 "seventeen million eighty-five thousand five hundred
- 6 twenty-one (17,085,521)".
- 7 2. Page 6, line 28, by striking the words and
- 8 figure "five million (5,000,000)" and inserting the
- 9 following: "four million fifty-nine thousand eight
- 10 hundred twenty-nine (4,059,829)".
- 11 3. Page 6, line 30, by striking the words and
- 12 figure "one million five hundred forty-one thousand
- 13 (1,541,000)" and inserting the following: "one
- 14 million two hundred fifty-seven thousand eight hundred
- 15 twenty-five (1,257,825)".
- 16 4. Page 6, line 32, by striking the words and
- 17 figure "one million one hundred sixty-four thousand
- 18 (1,164,000)" and inserting the following: "nine
- 19 hundred fifty thousand one hundred two (950,102)".

S-5192

Filed February 29, 1988 WITHDRAWN BY C. JOSEPH COLEMAN  
*2/29/88 (p. 552)* *(p. 552)*

SENATE FILE 2196

S-5194

1 Amend Senate File 2196 as follows:

- 2 1. Page 8, by inserting after line 14 the
- 3 following:
- 4 "Sec. \_\_\_\_ . The appropriations in sections 15 and
- 5 17 of this Act shall be reduced proportionately on the
- 6 basis of the reductions in revenue which result from
- 7 the phase-in of the excise tax increase on motor fuel
- 8 and special fuel."
- 9 2. Renumber as necessary.

S-5194

Filed February 29, 1988 WITHDRAWN BY C. JOSEPH COLEMAN  
*(p. 552)*

SENATE FILE 2196

S-5184

1 Amend Senate File 2196 as follows:

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

4 "Sec. \_\_\_\_ . NEW SECTION. 324.3A REDUCED RATE OF  
5 TAX FOR CERTAIN DEALERS.

6 Notwithstanding the rate of tax imposed under  
7 section 324.3, the excise tax on motor fuel delivered  
8 to a qualified dealer is reduced as provided in this  
9 section.

10 1. The excise tax on motor fuel delivered to a  
11 qualified dealer located not more than eight miles  
12 from the border of a state contiguous to Iowa which  
13 has in effect a motor fuel tax which makes the Iowa  
14 motor fuel tax uncompetitive is reduced to be five  
15 cents per gallon in excess of the motor fuel tax in  
16 effect for the contiguous state.

17 2. The excise tax on motor fuel delivered to a  
18 qualified dealer located more than eight miles but not  
19 more than sixteen miles from the border of a state  
20 contiguous to Iowa which has in effect a motor fuel  
21 tax which makes the Iowa motor fuel tax uncompetitive  
22 is reduced to be six cents per gallon in excess of the  
23 motor fuel tax in effect for the contiguous state.

24 3. The excise tax on motor fuel delivered to a  
25 qualified dealer located more than sixteen miles but  
26 not more than twenty-four miles from the border of a  
27 state contiguous to Iowa which has in effect a motor  
28 fuel tax which makes the Iowa motor fuel tax  
29 uncompetitive is reduced to be seven cents per gallon  
30 in excess of the motor fuel tax in effect for the  
31 contiguous state.

32 4. The excise tax on motor fuel delivered to a  
33 qualified dealer located more than twenty-four miles  
34 but not more than thirty-two miles from the border of  
35 a state contiguous to Iowa which has in effect a motor  
36 fuel tax which makes the Iowa motor fuel tax  
37 uncompetitive is reduced to be eight cents per gallon  
38 in excess of the motor fuel tax in effect for the  
39 contiguous state.

40 As used in this section, a "qualified dealer" means  
41 a dealer located within the distances provided under  
42 subsections 1 through 4 measured by the shortest  
43 distance from the border of the contiguous state. If  
44 a qualified dealer is located within the corporate  
45 limits of a city, all dealers within the corporate  
46 limits of the city are qualified dealers.

47 As used in this section, a "motor fuel tax in  
48 effect for the contiguous state" means the total  
49 excise, sales or use taxes in effect in the contiguous  
50 state on the sale of motor fuel expressed in cents per

1 gallon. The department of revenue and finance shall  
2 adopt rules pursuant to chapter 17A establishing the  
3 methodology for ascertaining the motor fuel tax in  
4 effect for contiguous states. As used in this  
5 section, a contiguous state has a "motor fuel tax  
6 which makes the Iowa motor fuel tax uncompetitive" if  
7 the excise tax on motor fuel under section 324.3  
8 exceeds the motor fuel tax in effect for the  
9 contiguous state by more than five cents per gallon.

10 If more than one contiguous state has in effect a  
11 motor fuel tax which makes the Iowa motor fuel tax  
12 uncompetitive, the excise tax for a qualified dealer  
13 located not more than thirty-two miles from the  
14 borders of two such contiguous states is the excise  
15 tax under the application of subsections 1 through 4  
16 which results in the lowest excise tax to the  
17 qualified dealer.

18 A qualified dealer shall be allowed a credit by the  
19 distributor for the amount of the reduction in motor  
20 fuel tax allowed and a qualified dealer, before  
21 receiving the credit, shall be registered by the  
22 department of revenue and finance. The department of  
23 revenue and finance shall adopt rules pursuant to  
24 chapter 17A for registering dealers and accounting for  
25 credits by distributors.

26 This section only applies to qualified dealers who  
27 would experience a reduction in the excise tax on  
28 motor fuel through its application."

29 2. Page 6, by inserting after line 7 the  
30 following:

31 "Sec. \_\_\_\_ . NEW SECTION. 324.34A REDUCED RATE OF  
32 TAX FOR CERTAIN DEALERS.

33 Notwithstanding the rate of tax imposed under  
34 section 324.34, the excise tax on special fuel for  
35 diesel engines delivered to a qualified dealer is  
36 reduced as provided in this section.

37 1. The excise tax on special fuel for diesel  
38 engines delivered to a qualified dealer located not  
39 more than eight miles from the border of a state  
40 contiguous to Iowa which has in effect a tax on  
41 special fuel for diesel engines which makes the Iowa  
42 excise tax on special fuel for diesel engines  
43 uncompetitive is reduced to be seven and one-half  
44 cents per gallon in excess of the tax on special fuel  
45 for diesel engines in effect for the contiguous state.

46 2. The excise tax on special fuel for diesel  
47 engines delivered to a qualified dealer located more  
48 than eight miles but not more than sixteen miles from  
49 the border of a state contiguous to Iowa which has in  
50 effect a tax on special fuel for diesel engines which

5184 Page 3

1 makes the Iowa excise tax on special fuel for diesel  
2 engines uncompetitive is reduced to be eight and one-  
3 half cents per gallon in excess of the tax on special  
4 fuel for diesel engines in effect for the contiguous  
5 state.

6 3. The excise tax on special fuel delivered to a  
7 qualified dealer located more than sixteen miles but  
8 not more than twenty-four miles from the border of a  
9 state contiguous to Iowa which has in effect a tax on  
10 special fuel for diesel engines which makes the Iowa  
11 excise tax on special fuel for diesel engines  
12 uncompetitive is reduced to be nine and one-half cents  
13 per gallon in excess of the tax on special fuel for  
14 diesel engines in effect for the contiguous state.

15 4. The excise tax on special fuel delivered to a  
16 qualified dealer located more than twenty-four miles  
17 but not more than thirty-two miles from the border of  
18 a state contiguous to Iowa which has in effect a tax  
19 on special fuel for diesel engines which makes the  
20 Iowa excise tax on special fuel for diesel engines  
21 uncompetitive is reduced to be ten and one-half cents  
22 per gallon in excess of the tax on special fuel for  
23 diesel engines in effect for the contiguous state.

24 As used in this section, a "qualified dealer" means  
25 a dealer located within the distances provided under  
26 subsections 1 through 4 measured by the shortest  
27 distance from the border of the contiguous state. If  
28 a qualified dealer is located within the corporate  
29 limits of a city, all dealers within the corporate  
30 limits of the city are qualified dealers.

31 As used in this section, a "tax on special fuel for  
32 diesel engines in effect for the contiguous state"  
33 means the total excise, sales or use taxes in effect  
34 in the contiguous state on the sale of special fuel  
35 for diesel engines expressed in cents per gallon. The  
36 department of revenue and finance shall adopt rules  
37 pursuant to chapter 17A establishing the methodology  
38 for ascertaining the tax on special fuel for diesel  
39 engines in effect for contiguous states. As used in  
40 this section, a contiguous state has a "tax on special  
41 fuel for diesel engines which makes the Iowa excise  
42 tax on special fuel for diesel engines uncompetitive"  
43 if the excise tax on special fuel for diesel engines  
44 under section 324.34 exceeds the tax on special fuel  
45 for diesel engines in effect for the contiguous state  
46 by more than seven and one-half cents per gallon.

47 If more than one contiguous state has in effect a  
48 tax on special fuel for diesel engines which makes the  
49 Iowa excise tax on special fuel for diesel engines  
0 uncompetitive, the excise tax for a qualified dealer

1 located not more than thirty-two miles from the  
2 borders of two such contiguous states is the excise  
3 tax under the application of subsections 1 through 4  
4 which results in the lowest excise tax to the  
5 qualified dealer.

6 A qualified dealer shall be allowed a credit by the  
7 distributor for the amount of the reduction in excise  
8 tax on special fuel for diesel engines allowed and a  
9 qualified dealer, before receiving the credit, shall  
10 be registered by the department of revenue and  
11 finance. The department of revenue and finance shall  
12 adopt rules pursuant to chapter 17A for registering  
13 dealers and accounting for credits by distributors.

14 This section only applies to qualified dealers who  
15 would experience a reduction in the excise tax on  
16 special fuel for diesel engines through its  
17 application."

18 3. Renumber sections as necessary.

S-5184

Filed February 29, 1988

ADOPTED

BY LEONARD L. BOSWELL

WILLIAM DIELEMAN

TOM MANN, Jr.

ALVIN MILLER

C. JOSEPH COLEMAN

KENNETH SCOTT

EUGENE FRAISE

DONALD DOYLE

AL STURGEON

RICHARD VANDE HOEF

WALLY HORN

WILLIAM PALMER

JAMES WELLS

JOHN A. PETERSON

BERL PRIEBE

EMIL HUSAK

DONALD GETTINGS

JACK RIFE

JACK HESTER

BEVERLY A. HANNON

*Foot (p 545)*

*Recomm. adopted (p 546)*

SENATE FILE 2196

S-5182

1 Amend Senate File 2196 as follows:

2 1. Page 6, lines 26 and 27, by striking the words  
3 and figure "twenty million nine hundred thirty-two  
4 thousand (20,932,000)" and inserting the following:  
5 "fourteen million seven hundred fifty-nine thousand  
6 seven hundred forty-three (14,759,743)".

7 2. Page 6, line 28, by striking the words and  
8 figure "five million (5,000,000)" and inserting the  
9 following: "three million five hundred twenty-five  
10 thousand six hundred forty-one (3,525,641)".

11 3. Page 6, line 30, by striking the words and  
12 figure "one million five hundred forty-one thousand  
13 (1,541,000)" and inserting the following: "one  
14 million eighty-six thousand six hundred two  
15 (1,086,602)".

16 4. Page 6, line 32, by striking the words and  
17 figure "one million one hundred sixty-four thousand  
18 (1,164,000)" and inserting the following: "eight  
19 hundred twenty thousand seven hundred sixty-nine  
20 (820,769)".

21 5. Page 7, lines 2 and 3, by striking the words  
22 and figure "twenty million nine hundred thirty-two  
23 thousand (20,932,000)" and inserting the following:  
24 "fourteen million seven hundred fifty-nine thousand  
25 seven hundred forty-three (14,759,743)".

26 6. Page 7, line 4, by striking the words and  
27 figure "five million (5,000,000)" and inserting the  
28 following: "three million five hundred twenty-five  
29 thousand six hundred forty-one (3,525,641)".

30 7. Page 7, line 6, by striking the words and  
31 figure "one million five hundred forty-one thousand  
32 (1,541,000)" and inserting the following: "one  
33 million eighty-six thousand six hundred two  
34 (1,086,602)".

35 8. Page 7, line 8, by striking the words and  
36 figure "one million one hundred sixty-four thousand  
37 (1,164,000)" and inserting the following: "eight  
38 hundred twenty thousand seven hundred sixty-nine  
39 (820,769)".

S-5182

Filed February 29, 1988

WITHDRAWN

-BY- C. JOSEPH COLEMAN

(4.5.88)

S-5180

1 Amend amendment S-5155 to Senate File 2196 as  
2 follows:

3 1. Page 1, by striking lines 2 and 3 and  
4 inserting the following:

5 " \_\_\_\_\_. Page 2, by inserting after line 33 the  
6 following:

7 "Sec. \_\_\_\_\_. Section 321.1, subsection 71, Code  
8 Supplement 1987, is amended to read as follows:

9 71. A "special truck" means a motor truck or truck  
10 tractor not used for hire with a gross weight  
11 registration of six three through thirty-two tons used  
12 by a person engaged in farming to transport  
13 commodities produced only by the owner, or to  
14 transport commodities purchased by the owner for use  
15 in the owner's own farming operation or occasional use  
16 for charitable purposes. A "special truck" does not  
17 include a truck tractor operated more than seventy-  
18 five hundred miles annually.

19 Sec. \_\_\_\_\_. Section 321.121, unnumbered paragraph 1,  
20 Code 1987, is amended to read as follows:

21 The registration fee for a special truck shall be  
22 fifty-five dollars for a gross weight of three tons or  
23 less, sixty dollars for a gross weight of four tons,  
24 seventy dollars for a gross weight of five tons,  
25 eighty dollars for a gross weight of six tons, one  
26 hundred dollars for a gross weight of seven tons, one  
27 hundred twenty dollars for a gross weight of eight  
28 tons, and in addition, fifteen dollars for each ton  
29 over eight tons and not exceeding eighteen tons. The  
30 registration fee for a special truck with a gross  
31 weight registration exceeding eighteen tons but not  
32 exceeding nineteen tons shall be three hundred twenty-  
33 five dollars and for a gross weight registration  
34 exceeding nineteen tons but not exceeding twenty tons  
35 the registration fee shall be three hundred seventy-  
36 five dollars. The additional registration fee for a  
37 special truck for a gross weight registration in  
38 excess of twenty tons is twenty-five dollars for each  
39 ton over twenty tons and not exceeding thirty-two  
40 tons. A truck registered for a gross weight of three  
41 tons or less shall be registered for forty-five  
42 dollars if the truck is more than ten model years  
43 old."

S-5180

Filed February 29, 1988

LOST (p. 41) BY RAY TAYLOR

SENATE FILE 2196

S-5176

1 Amend Senate File 2196 as follows:

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

4 "Section 1. NEW SECTION. 307.49 BID PROCEDURES.

5 The department shall provide that in determining  
6 the competence of a bidder, the director shall  
7 consider the safety record of the bidder, or the  
8 person which is represented by the bidder. The rules  
9 shall require review of the federal Occupational  
10 Safety and Health Administration injury and illness  
11 incidence rating, or the workers' compensation  
12 experience rating modifications, or other information  
13 regarding the safety record of a bidder. A bidder, or  
14 a person represented by the bidder, that does not have  
15 a safety record which meets the criteria of the rules  
16 is not competent to bid on a state contract. The  
17 department and other state agencies shall notify  
18 prospective bidders in the bid specifications that a  
19 bidder's safety record will be considered to determine  
20 the bidder's competence. Bidder competence, as  
21 defined by rules adopted under this paragraph, shall  
22 be used by the institutions under the state board of  
23 regents, the state department of transportation, the  
24 commission for the blind and other state agencies as  
25 well as the department of general services, in  
26 developing standards and specifications for  
27 purchasing."

28 2. Renumber sections and correct internal  
29 references as necessary.

S-5176

Filed February 29, 1988

RULED NOT

GERMANE

BY AL STURGEON

(p. 5-7)

SENATE 12  
MARCH 1, 1988

SENATE FILE 2196

S-5174

1 Amend the Varn amendment, S-5166, to Senate File  
2 2196, as follows:

3 1. Page 1, by striking lines 18 through 20 and  
4 inserting the following: "and the RISE program and  
5 its relationship to job creation and economic  
6 development. The legislative fiscal".

7 2. Title page, line 7, by inserting after the  
8 word "financing," the following: "providing for a  
9 performance and efficiency audit of state  
10 transportation and the RISE program as it relates to  
11 job creation and economic development,".

S-5174

Filed February 29, 1988 ADOPTED <sup>6-581</sup> BY JOE J. WELSH

SENATE FILE 2196

S-5177

1 Amend Senate File 2196 as follows:

2 1. Page 2, by inserting after line 33 the  
3 following:

4 "Sec. \_\_\_\_ . Section 315.5, Code 1987, is amended by  
5 adding the following new unnumbered paragraph:

6 NEW UNNUMBERED PARAGRAPH. If an applicant shall  
7 fail or has failed to complete all necessary  
8 agreements, including but not limited to,  
9 environmental permits within six months of commission  
10 approval of a project, all such approvals shall be  
11 voided. Voided projects shall not be eligible for  
12 reapproval for a period of one year from the date of  
13 voiding the original approval."

S-5177

Filed February 29, 1988 ADOPTED BY JOE J. WELSH  
<sub>(p. 544)</sub>

SENATE FILE 2196

S-5175

1 Amend Senate File 2196 as follows:

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

4 "Sec. \_\_\_\_ . Section 312.2, subsection 16, Code  
5 Supplement 1987, is amended by striking the  
6 subsection."

7 2. Page 4, line 31, by striking the word "twenty"  
8 and inserting the following: "seventeen".

9 3. Page 5, line 9, by striking the word  
10 "nineteen" and inserting the following: "sixteen".

11 4. Page 5, line 24, by striking the word "twenty-  
12 two" and inserting the following: "nineteen".

13 5. Page 5, line 30, by striking the word  
14 "sixteen" and inserting the following: "fourteen".

15 6. Page 8, by inserting after line 14 the  
16 following:

17 "Sec. \_\_\_\_ . Sections 315.1, 315.2, 315.3, 315.4,  
18 315.5, 315.7, 315.8, 315.9, and 315.10, Code 1987, are  
19 repealed.

20 Sec. \_\_\_\_ . Section 315.6, Code Supplement 1987, is  
21 repealed.

22 Sec. \_\_\_\_ . Funds on deposit in the RISE fund on the  
23 effective date of this Act shall be credited to the  
24 road use tax fund, subject to the limitations provided  
25 in this section. Any moneys in the RISE fund which  
26 have been allocated for expenditure on a specific RISE  
27 project which has been approved and for which a  
28 construction contract has been entered into shall  
29 remain in the fund for payment for the project."

30 7. Renumber sections and correct internal  
31 references as necessary.

S-5175  
Filed February 29, 1988

DIV A - LOST  
BY AL STURGEON DIV B - WITHDRAWN

SENATE 10  
MARCH 1, 1988

SENATE FILE 2196

S-5169

1 Amend Senate File 2196 as follows:  
2 1. Page 6, by inserting after line 22 the  
3 following:  
4 "Sec. \_\_\_\_\_. The state department of transportation  
5 shall conduct a study during the fiscal year beginning  
6 July 1, 1988, and ending June 30, 1989, of the current  
7 motor vehicle registration structure in this state as  
8 it applies to pickups and motor vehicles. Emphasis of  
9 the study shall be placed upon the feasibility of  
10 registering pickups on the basis of weight and value  
11 and registering passenger cars on the basis of value  
12 only. An evaluation shall be conducted of the revenue  
13 characteristics and the impact for income tax purposes  
14 of making this adjustment in the motor vehicle  
15 registration structure."  
16 2. Renumber sections and correct internal  
17 references as necessary.

S-5169

Filed February 29, 1988 ADOPTED BY JEAN LLOYD-JONES  
(p. 542) CHARLES H. BRUNER

SENATE FILE 2196

S-5170

1 Amend Senate file 2196 as follows:  
2 1. By striking page 7, line 28, through page 8,  
3 line 14, and inserting the following:  
4 "Sec. \_\_\_\_\_. Effective July 1, 1990, the treasurer  
5 of state shall withhold the distribution of all funds  
6 received and credited to the road use tax fund under  
7 section 312.1 until a new distribution formula for  
8 those funds is enacted by the general assembly."  
9 2. Renumber sections and correct internal  
10 references as necessary.

S-5170

Filed February 29, 1988 LOST BY LARRY MURPHY  
(p. 543)

SENATE 11  
MARCH 1, 1988

SENATE FILE 2196

S-5171

- 1 Amend Senate File 2196 as follows:  
2 1. Page 6, by inserting after line 14 the  
3 following: "The study shall also include a  
4 recommendation relating to the continuation or  
5 discontinuation of the RISE funds, the special  
6 allocations from the road use tax fund, and the  
7 feasibility of sharing or allocating resources and  
8 maintenance responsibilities between jurisdictions."

S-5171

Filed February 29, 1988

ADOPTED

BY LARRY MURPHY

*Adopted 2/29/88*

SENATE FILE 2196

S-5172

- 1 Amend amendment S-5154 to Senate File 2196 as  
2 follows:  
3 1. Page 1, line 5, by striking the words "and  
4 one-half".  
5 2. Page 1, line 7, by striking the word "twenty-  
6 two" and inserting in lieu thereof the word "twenty-  
7 one".

S-5172

Filed February 29, 1988

LOST BY RAY TAYLOR

SENATE FILE 2196

S-5166

1 Amend Senate File 2196 as follows:  
2 1. Page 2, by inserting after line 3 the  
3 following:  
4 "Sec. \_\_\_\_ Section 312.2, Code Supplement 1987, is  
5 amended by adding the following new subsection:  
6 NEW SUBSECTION. 21. For the fiscal year beginning  
7 July 1, 1988, and ending June 30, 1989, the treasurer  
8 of state, before making the other allotments provided  
9 under this section, shall credit to the legislative  
10 fiscal bureau the sum of six hundred thousand dollars,  
11 or so much thereof as necessary, from the road use tax  
12 fund from revenue credited to the road use tax fund  
13 under section 423.24. Moneys credited to the  
14 legislative fiscal bureau under this section shall be  
15 for conducting a performance and efficiency audit of  
16 the state transportation network including but not  
17 limited to the state department of transportation,  
18 cities and counties in relation to the expenditures of  
19 moneys on the primary and secondary road systems and  
20 the municipal street systems. The legislative fiscal  
21 bureau may contract for the conduction of the audit.  
22 The results and conclusions of the performance and  
23 efficiency audit shall be presented to the members of  
24 the Seventy-third General Assembly in January, 1989."

S-5166

Filed February 29, 1988 ADOPTED BY RICHARD VARN  
*as amended by 2/29/88*

SENATE FILE 2196

S-5167

1 Amend Senate File 2196 as follows:  
2 1. By striking page 6, line 23 through page 8,  
3 line 14.  
4 2. By renumbering as necessary.

S-5167

Filed February 29, 1988 LOST BY EMIL J. HUSAK  
*(p. 543)*  
*Classified by 532*  
*(1/3/88)* RECONSIDERED BERL E. PRIEBE  
WITHDRAWN JOHN A. PETERSON  
LEONARD L. BOSWELL  
C. JOSEPH COLEMAN  
JOHN E. SOORHOLTZ  
JACK RIFE

SENATE FILE 2196

S-5164

- 1 Amend Senate File 2196 as follows:
- 2 1. Page 1, by striking lines 24 through page 2,
- 3 line 3.
- 4 2. Page 8, line 15, by striking the words and
- 5 figures ", 3, and 4" and inserting the following:
- 6 "and 3".
- 7 3. Title, by striking line 5, and inserting the
- 8 following: "authorizing the".

S-5164

Filed February 29, 1988 ADOPTED BY JOHN W. JENSEN

*Adopted by 50-1*

*Match to record in book (p. 54)*

SENATE FILE 2196

S-5165

- 1 Amend Senate File 2196 as follows:
- 2 1. Page 6, by inserting after line 22 the
- 3 following:
- 4 "Sec. \_\_\_\_ . There is appropriated from the public
- 5 transit assistance fund to the legislative service
- 6 bureau the sum of seventy-five thousand (75,000)
- 7 dollars, or so much thereof as may be necessary, for
- 8 the purpose of carrying out a study of the mechanisms
- 9 for the distribution of the public transit assistance
- 10 fund. All sources of funding for public transit shall
- 11 be considered for purposes of this study. The study
- 12 shall be independently conducted but administered by a
- 13 steering committee composed of two members appointed
- 14 by the state transportation commission, two members
- 15 appointed by the regional transit systems, two members
- 16 appointed by the large urban transit systems, and two
- 17 members appointed by the small urban transit systems.
- 18 The steering committee shall report the findings of
- 19 the study to the governor, the chief clerk of the
- 20 house of representatives, and the secretary of the
- 21 senate not later than January 31, 1989."

S-5165

Filed February 29, 1988 ADOPTED BY DAVID M. READINGER

JULIA GENTLEMAN

SENATE 2  
MARCH 1, 1988

SENATE FILE 2196

S-5161

- 1 Amend Senate File 2196 as follows:
- 2 1. Page 8, line 13, by striking the words "on the
- 3 formula" and inserting the following: "revising the
- 4 formula which shall be changed from the distribution
- 5 presently required under section 312.2, subsections 1,
- 6 2, 3, and 4,".

S-5161  
Filed February 29, 1988 LOST BY DAVID M. READINGER  
(p. 5161)

SENATE FILE 2196

S-5162

- 1 Amend Senate File 2196 as follows:
- 2 1. Page 6, line 19, by inserting after the word
- 3 "municipalities." the following: "The state
- 4 transportation commission, the Iowa state association
- 5 of counties, and the league of Iowa municipalities
- 6 shall each appoint one additional member to the
- 7 steering committee who shall be a public member. The
- 8 steering committee shall employ a consultant to
- 9 conduct the study. The legislative service bureau
- 10 shall provide staff support to the consultant and the
- 11 steering committee."

S-5162  
Filed February 29, 1988 WITHDRAWN BY DAVID M. READINGER  
(p. 5162)

SENATE FILE 2196

S-5163

- 1 Amend Senate File 2196 as follows:
- 2 1. Page 1, by striking lines 16 through 23.
- 3 2. Page 8, line 15, by striking the figure "
- 4 3,".
- 5 3. Title, line 3, by striking the words
- 6 "increasing the".
- 7 4. Title, by striking line 4.

S-5163  
Filed February 29, 1988 LOST BY JOHN W. JENSEN  
(p. 5163)

SENATE FILE 2196

S-5154

- 1 Amend Senate File 2196 as follows:
- 2 1. Page 5, lines 24 and 25, by striking the words
- 3 "twenty-two and one-half cents per gallon beginning
- 4 April 1, 1988" and inserting the following: "twenty
- 5 and one-half cents per gallon for the period beginning
- 6 April 1, 1988, and ending December 31, 1988, and is
- 7 twenty-two and one-half cents per gallon beginning
- 8 January 1, 1989".

S-5154

Filed February 26, 1988

*Adopted (S. 510)*

BY LEONARD L. BOSWELL  
RAY TAYLOR  
BERL E. PRIEBE  
EMIL J. HUSAK  
SENATE FILE ~~JIN~~LIND  
RICHARD VANDE HOEF

S-5160

- 1 Amend Senate File 2196 as follows:
- 2 1. Page 6, line 11, by inserting after the word
- 3 "of" the following: "the need for the total road
- 4 network and".
- 5 2. Page 6, line 15, by inserting after the word
- 6 "be" the following: "independently conducted but".

S-5160

Filed February 29, 1988

ADOPTED BY JAMES D. WELLS  
RICHARD F. DRAKE  
LARRY MURPHY

SENATE FILE 2196

S-5155

1 Amend Senate File 2196 as follows:

2 1. By striking page 2, line 34 through page 4,  
3 line 24.

4 2. Page 4, lines 31 and 32, by striking the words  
5 "and twenty cents per gallon beginning April 1, 1988,"  
6 and inserting the following: "eighteen cents per  
7 gallon for the period beginning April 1, 1988, and  
8 ending December 31, 1988, and twenty cents per gallon  
9 beginning January 1, 1989,".

10 3. Page 5, lines 9 and 10, by striking the words  
11 "nineteen cents per gallon for the period beginning  
12 April 1, 1988, and ending" and inserting the  
13 following: "seventeen cents per gallon for the period  
14 beginning April 1, 1988, and ending December 31, 1988,  
15 and nineteen cents per gallon for the period beginning  
16 January 1, 1989, and ending".

17 4. Page 8, by striking lines 17 through 19 and  
18 inserting the following:

19 "Sec. \_\_\_\_ . Section 13 of this Act takes effect  
20 April 1 following enactment."

21 5. Renumber sections and correct internal  
22 references as necessary.

S-5155

Filed February 26, 1988

*B- Adopted 2/29/88 (p. 534)  
A- Done 2/29/88 (p. 542)*

BY C. JOSEPH COLEMAN  
BILL HUTCHINS  
DONALD GETTINGS  
EMIL J. HUSAK  
MICHAEL E. GRONSTAL  
JAMES D. WELLS  
JIM R. RIORDAN  
TOM MANN, Jr.  
WILLIAM D. PALMER  
ALVIN V. MILLER  
BERL E. PRIEBE  
HURLEY W. HALL  
JACK RIFE  
LEONARD L. BOSWELL  
CHARLES P. MILLER  
BEVERLY A. HANNON  
EDGAR H. HOLDEN  
DALE L. TIEDEN  
JACK W. HESTER  
EUGENE FRAISE  
JOHN E. SOORHOLTZ  
RICHARD VANDE HOEF  
JOHN W. JENSEN  
WILMER RENSINK  
GEORGE R. KINLEY  
RAY TAYLOR  
WALLY E. HORN

*San Diego News 3/2, Board for 55-20  
St. Paul 3/11 (p. 766)*

SENATE FILE 2196  
BY COMMITTEE ON WAYS AND  
MEANS

(AS AMENDED AND PASSED BY THE SENATE FEBRUARY 29, 1988)

- New Language by the Senate
- \* - Language Stricken by the Senate

*Failed*  
 Passed Senate, Date 3/18/88 (p. 907) Passed House, Date 3/17/88 (p. 124)  
 Vote: Ayes 24 Nays 32 Vote: Ayes 55 Nays 44

Approved March 29, 1988 (p. 1145)

*Motion to Reconsider (3/21 p. 914)  
 " " " " 3/22  
 Passed Senate 3/22/88 (p. 751)  
 27 20*

**A BILL FOR**

1 An Act relating to transportation funding by providing for a  
 2 network of commercial and industrial highways, increasing the  
 3 excise taxes on motor fuel and special fuel, increasing the  
 4 standing appropriation for public transit assistance,  
 5 authorizing the transfer of RISE funds to the primary road  
 6 fund, providing for a study of highway financing, providing  
 7 for a performance and efficiency audit of state transportation  
 8 and the RISE program as it relates to job creation and  
 9 economic development, making appropriations from the road use  
 10 tax fund, and providing effective dates.

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

- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21

1 Section 1. Section 307A.2, Code 1987, is amended by adding  
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. The commission shall identify,  
4 within the primary road system, a network of commercial and  
5 industrial highways. The improvement of this network shall be  
6 considered in the development of the long-range program and  
7 plan of improvements under this section.

8 Sec. 2. Section 312.1, Code 1987, is amended by adding the  
9 following new unnumbered paragraph:

10 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 453.7,  
11 subsection 2, interest or earnings on investments or time de-  
12 posits of the moneys in the road use tax fund and the funds to  
13 which moneys from the road use tax fund are credited shall be  
14 credited to the respective funds which generated the interest  
15 or earnings.

16 Sec. 3. Section 312.2, subsection 17, Code Supplement  
17 1987, is amended to read as follows:

18 17. The treasurer of state, before making the allotments  
19 provided for in this section, shall credit monthly from the  
20 road use tax fund to the public transit assistance fund,  
21 created under section 601J.6, an amount equal to one-fortieth  
22 one-twentieth of the revenue credited to the road use tax fund  
23 under section 423.24, subsection 1, paragraph "b".

\* 24 Sec. 4. Section 312.2, Code Supplement 1987, is amended by  
25 adding the following new subsection:

26 NEW SUBSECTION. 21. For the fiscal year beginning July 1,  
27 1988, and ending June 30, 1989, the treasurer of state, before  
28 making the other allotments provided under this section, shall  
29 credit to the legislative fiscal bureau the sum of six hundred  
30 thousand dollars, or so much thereof as necessary, from the  
31 road use tax fund from revenue credited to the road use tax  
32 fund under section 423.24. Moneys credited to the legislative  
33 fiscal bureau under this section shall be for conducting a  
34 performance and efficiency audit of the state transportation  
35 network including but not limited to the state department of

1 transportation, and the RISE program and its relationship to  
2 job creation and economic development. The legislative fiscal  
3 bureau may contract for the conduction of the audit. The  
4 results and conclusions of the performance and efficiency  
5 audit shall be presented to the members of the Seventy-third  
6 General Assembly in January, 1989.

7 Sec. 5. Section 313.4, Code 1987, is amended by adding the  
8 following new subsection:

9 NEW SUBSECTION. 5. During the fiscal year beginning July  
10 1, 1990, and ending June 30, 1991, and each subsequent fiscal  
11 year, the department shall spend from the primary road fund an  
12 amount of not less than thirty million dollars for the network  
13 of commercial and industrial highways.

14 Sec. 6. Section 313.8, Code 1987, is amended to read as  
15 follows:

16 313.8 IMPROVEMENT OF PRIMARY SYSTEM.

17 The department shall proceed to the improvement of the  
18 primary road system as rapidly as funds become available  
19 therefor until the entire mileage of the primary road system  
20 is built to established grade, bridged and surfaced with  
21 pavement or other surface suited to the traffic on such road.  
22 Improvements shall be made and carried out in such manner as  
23 to equalize the condition of the primary roads and  
24 accessibility for commercial and industrial economic  
25 development purposes, as nearly as possible, in all sections  
26 of the state.

27 Sec. 7. Section 315.3, Code 1987, is amended by adding the  
28 following new subsection:

29 NEW SUBSECTION. 3. The state transportation commission  
30 may authorize the temporary transfer of funds between the  
31 department's share of the RISE fund under section 315.4 and  
32 the primary road fund in an amount not to exceed forty million  
33 dollars at one time. Transferred funds shall be repaid not  
34 later than July 1, 1993. The commission shall manage the RISE  
35 fund to ensure that funds will be available to meet contract

1 obligations on approved RISE projects.

2 Sec. 8. Section 315.3, Code 1987, is amended by adding the  
3 following new subsection:

4 NEW SUBSECTION. 4. When projects are proposed for funding  
5 under this chapter, the department shall consider a variety of  
6 factors including, but not limited to:

7 a. The total number of jobs to be created or retained.

8 b. The size of the business receiving assistance.

9 c. The potential for future growth in the industry  
10 represented by the business being considered for assistance.

11 d. The quality of the jobs to be created.

12 e. The impact of the proposed project on the economy of  
13 the political subdivision.

14 f. The impact of the proposed project on other businesses  
15 in competition with the business being considered for  
16 assistance. The department shall identify existing businesses  
17 within an industry in competition with the business being  
18 considered for assistance. The department shall determine the  
19 probability that the proposed financial assistance will  
20 displace employees of the existing businesses and shall  
21 consider the level of excess production capacity within an  
22 industry when making this determination. In determining the  
23 impact on businesses in competition with the business being  
24 considered for assistance, jobs created as a result of other  
25 jobs being displaced elsewhere in the state shall not be  
26 considered direct jobs created.

27 g. The level of compliance of the business with OSHA and  
28 other business safety regulations, the quality of the  
29 business' relations with labor, the level of fairness in its  
30 dealings with its employees, and the amount of business ethics  
31 shown by the business.

32 Sec. 9. Section 315.5, Code 1987, is amended by adding the  
33 following new unnumbered paragraph:

34 NEW UNNUMBERED PARAGRAPH. If an applicant shall fail or  
35 has failed to complete all necessary agreements, including but

1 not limited to, environmental permits within six months of  
 2 commission approval of a project, all such approvals shall be  
 3 voided. Voided projects shall not be eligible for reapproval.  
 4 for a period of one year from the date of voiding the original  
 5 approval.

6 Sec. 10. Section 321.122, subsection 1, paragraph a, Code  
 7 1987, is amended to read as follows:

8 a. For a combined gross weight of three tons or less  
 9 forty-five sixty-five dollars and a vehicle which is more than  
 10 ten model years old thirty-five fifty-five dollars.

11 Sec. 11. Section 321.122, subsection 1, paragraph b, Code  
 12 1987, is amended to read as follows:

13 b. For a combined gross weight exceeding three tons, the  
 14 annual registration fee shall be as set forth in the following  
 15 schedule:

16 For a combined gross	And not	The annual
17 weight exceeding:	exceeding:	registration fee
		18 shall be:
19 3 Tons .....	4 Tons .....	\$ 60
		<u>80</u>
21 4 Tons .....	5 Tons .....	\$ 70
		<u>90</u>
23 5 Tons .....	6 Tons .....	\$ 85
		<u>105</u>
25 6 Tons .....	7 Tons .....	\$ <del>110</del>
		<u>130</u>
27 7 Tons .....	8 Tons .....	\$ <del>145</del>
		<u>165</u>
29 8 Tons .....	9 Tons .....	\$ <del>180</del>
		<u>200</u>
31 9 Tons .....	10 Tons .....	\$ <del>215</del>
		<u>235</u>
33 10 Tons .....	11 Tons .....	\$ <del>250</del>
		<u>270</u>
35 11 Tons .....	12 Tons .....	\$ <del>285</del>

1					<u>305</u>
2	12 Tons	.....	13 Tons	.....	\$ 320
3					<u>340</u>
4	13 Tons	.....	14 Tons	.....	\$ 355
5					<u>375</u>
6	14 Tons	.....	15 Tons	.....	\$ 445
7	15 Tons	.....	16 Tons	.....	\$ 485
8	16 Tons	.....	17 Tons	.....	\$ 525
9	17 Tons	.....	18 Tons	.....	\$ 565
10	18 Tons	.....	19 Tons	.....	\$ 610
11	19 Tons	.....	20 Tons	.....	\$ 675
12	20 Tons	.....	21 Tons	.....	\$ 715
13	21 Tons	.....	22 Tons	.....	\$ 755
14	22 Tons	.....	23 Tons	.....	\$ 795
15	23 Tons	.....	24 Tons	.....	\$ 835
16	24 Tons	.....	25 Tons	.....	\$ 965
17	25 Tons	.....	26 Tons	.....	\$1,010
18	26 Tons	.....	27 Tons	.....	\$1,060
19	27 Tons	.....	28 Tons	.....	\$1,105
20	28 Tons	.....	29 Tons	.....	\$1,150
21	29 Tons	.....	30 Tons	.....	\$1,200
22	30 Tons	.....	31 Tons	.....	\$1,245
23	31 Tons	.....	32 Tons	.....	\$1,295
24	32 Tons	.....	33 Tons	.....	\$1,340
25	33 Tons	.....	34 Tons	.....	\$1,415
26	34 Tons	.....	35 Tons	.....	\$1,465
27	35 Tons	.....	36 Tons	.....	\$1,510
28	36 Tons	.....	37 Tons	.....	\$1,555
29	37 Tons	.....	38 Tons	.....	\$1,605
30	38 Tons	.....	39 Tons	.....	\$1,650
31	39 Tons	.....	40 Tons	.....	\$1,695

32 Sec. 12. Section 324.3, unnumbered paragraph 1,  
 33 Code 1987, is amended to read as follows:  
 34 For the privilege of operating motor vehicles in this state  
 35 an excise tax of ~~fifteen-cents-per-gallon-for-the-period~~

1 ~~beginning-July-1, 1985-and-ending-December-31, 1985-and~~  
2 sixteen cents per gallon for the period beginning January 1,  
3 1986, and ending March 31, 1988, eighteen cents per gallon for  
4 the period beginning April 1, 1988, and ending December 31,  
5 1988, and twenty cents per gallon beginning January 1, 1989,  
6 is imposed upon the use of all motor fuel used for any purpose  
7 except motor fuel containing at least ten percent alcohol  
8 distilled from cereal grains grown in the United States for  
9 the period beginning July 1, 1978 and ending June 30, 1992 and  
10 except as otherwise provided in this division.

11 Sec. 13. Section 324.3, unnumbered paragraph 4, Code 1987,  
12 is amended to read as follows:

13 For the privilege of operating motor vehicles in this state  
14 an excise tax of ~~fourteen-cents-per-gallon-beginning-July-1,~~  
15 ~~1985-and-ending-December-31, 1985,~~ and fifteen cents per  
16 gallon for the period beginning January 1, 1986, and ending  
17 March 31, 1988, and seventeen cents per gallon for the period  
18 beginning April 1, 1988, and ending December 31, 1988, and  
19 nineteen cents per gallon for the period beginning January 1,  
20 1989, and ending June 30, 1992, is imposed upon the use of  
21 gasohol used for any purpose except as otherwise provided in  
22 this division.

23 Sec. 14. NEW SECTION. 324.3A REDUCED RATE OF TAX FOR  
24 CERTAIN DEALERS.

25 Notwithstanding the rate of tax imposed under section  
26 324.3, the excise tax on motor fuel delivered to a qualified  
27 dealer is reduced as provided in this section.

28 1. The excise tax on motor fuel delivered to a qualified  
29 dealer located not more than eight miles from the border of a  
30 state contiguous to Iowa which has in effect a motor fuel tax  
31 which makes the Iowa motor fuel tax uncompetitive is reduced  
32 to be five cents per gallon in excess of the motor fuel tax in  
33 effect for the contiguous state.

34 2. The excise tax on motor fuel delivered to a qualified  
35 dealer located more than eight miles but not more than sixteen

1 miles from the border of a state contiguous to Iowa which has  
2 in effect a motor fuel tax which makes the Iowa motor fuel tax  
3 uncompetitive is reduced to be six cents per gallon in excess  
4 of the motor fuel tax in effect for the contiguous state.

5 3. The excise tax on motor fuel delivered to a qualified  
6 dealer located more than sixteen miles but not more than  
7 twenty-four miles from the border of a state contiguous to  
8 Iowa which has in effect a motor fuel tax which makes the Iowa  
9 motor fuel tax uncompetitive is reduced to be seven cents per  
10 gallon in excess of the motor fuel tax in effect for the  
11 contiguous state.

12 4. The excise tax on motor fuel delivered to a qualified  
13 dealer located more than twenty-four miles but not more than  
14 thirty-two miles from the border of a state contiguous to Iowa  
15 which has in effect a motor fuel tax which makes the Iowa  
16 motor fuel tax uncompetitive is reduced to be eight cents per  
17 gallon in excess of the motor fuel tax in effect for the  
18 contiguous state.

19 As used in this section, a "qualified dealer" means a  
20 dealer located within the distances provided under subsections  
21 1 through 4 measured by the shortest distance from the border  
22 of the contiguous state. If a qualified dealer is located  
23 within the corporate limits of a city, all dealers within the  
24 corporate limits of the city are qualified dealers.

25 As used in this section, a "motor fuel tax in effect for  
26 the contiguous state" means the total excise, sales or use  
27 taxes in effect in the contiguous state on the sale of motor  
28 fuel expressed in cents per gallon. The department of revenue  
29 and finance shall adopt rules pursuant to chapter 17A  
30 establishing the methodology for ascertaining the motor fuel  
31 tax in effect for contiguous states. As used in this section,  
32 a contiguous state has a "motor fuel tax which makes the Iowa  
33 motor fuel tax uncompetitive" if the excise tax on motor fuel  
34 under section 324.3 exceeds the motor fuel tax in effect for  
35 the contiguous state by more than five cents per gallon.

1 If more than one contiguous state has in effect a motor  
2 fuel tax which makes the Iowa motor fuel tax uncompetitive,  
3 the excise tax for a qualified dealer located not more than  
4 thirty-two miles from the borders of two such contiguous  
5 states is the excise tax under the application of subsections  
6 1 through 4 which results in the lowest excise tax to the  
7 qualified dealer.

8 A qualified dealer shall be allowed a credit by the  
9 distributor for the amount of the reduction in motor fuel tax  
10 allowed and a qualified dealer, before receiving the credit,  
11 shall be registered by the department of revenue and finance.  
12 The department of revenue and finance shall adopt rules  
13 pursuant to chapter 17A for registering dealers and accounting  
14 for credits by distributors.

15 This section only applies to qualified dealers who would  
16 experience a reduction in the excise tax on motor fuel through  
17 its application.

18 Sec. 15. Section 324.34, unnumbered paragraph 1, Code  
19 1987, is amended to read as follows:

20 For the privilege of operating motor vehicles in this  
21 state, there is imposed an excise tax on the use, as defined  
22 in section 324.33, of special fuel in a motor vehicle. The  
23 tax rate on special fuel for diesel engines is sixteen-and  
24 ~~one-half-cents-per-gallon-for-the-period-beginning-July-17~~  
25 ~~1985-and-ending-December-31, 1985, is seventeen-and-one-half~~  
26 ~~cents-per-gallon-for-the-period-beginning-January-1, 1986-and~~  
27 ~~ending-December-31, 1986, and is eighteen and one-half cents~~  
28 per gallon for the period beginning January 1, 1987, and  
29 ending March 31, 1988, and is twenty and one-half cents per  
30 gallon for the period beginning April 1, 1988, and ending  
31 December 31, 1988, and is twenty-two and one-half cents per  
32 gallon beginning January 1, 1989. On all other special fuel  
33 the per gallon rate is the same as the motor fuel tax.

34 Sec. 16. Section 324.34, unnumbered paragraph 9, Code  
35 1987, is amended to read as follows:

1 For natural gas used as a special fuel the rate of tax that  
2 is equivalent to the motor fuel tax shall be thirteen sixteen  
3 cents per hundred cubic feet adjusted to a base temperature of  
4 sixty degrees Fahrenheit and a pressure of fourteen and  
5 seventy-three hundredths pounds per square inch absolute. The  
6 tax on natural gas shall attach at the time of delivery into  
7 equipment for compressing the gas for subsequent delivery into  
8 the fuel supply tank of a motor vehicle and shall be paid over  
9 to the department by the person operating the compressing  
10 equipment under the applicable provisions for users or  
11 dealers. Natural gas used as a special fuel shall be  
12 delivered into compressing equipment through sealed meters  
13 certified for accuracy by the department of agriculture and  
14 land stewardship.

15 Sec. 17. NEW SECTION. 324.34A REDUCED RATE OF TAX FOR  
16 CERTAIN DEALERS.

17 Notwithstanding the rate of tax imposed under section  
18 324.34, the excise tax on special fuel for diesel engines  
19 delivered to a qualified dealer is reduced as provided in this  
20 section.

21 1. The excise tax on special fuel for diesel engines  
22 delivered to a qualified dealer located not more than eight  
23 miles from the border of a state contiguous to Iowa which has  
24 in effect a tax on special fuel for diesel engines which makes  
25 the Iowa excise tax on special fuel for diesel engines  
26 uncompetitive is reduced to be seven and one-half cents per  
27 gallon in excess of the tax on special fuel for diesel engines  
28 in effect for the contiguous state.

29 2. The excise tax on special fuel for diesel engines  
30 delivered to a qualified dealer located more than eight miles  
31 but not more than sixteen miles from the border of a state  
32 contiguous to Iowa which has in effect a tax on special fuel  
33 for diesel engines which makes the Iowa excise tax on special  
34 fuel for diesel engines uncompetitive is reduced to be eight  
35 and one-half cents per gallon in excess of the tax on special

1 fuel for diesel engines in effect for the contiguous state.

2 3. The excise tax on special fuel delivered to a qualified  
3 dealer located more than sixteen miles but not more than  
4 twenty-four miles from the border of a state contiguous to  
5 Iowa which has in effect a tax on special fuel for diesel  
6 engines which makes the Iowa excise tax on special fuel for  
7 diesel engines uncompetitive is reduced to be nine and one-  
8 half cents per gallon in excess of the tax on special fuel for  
9 diesel engines in effect for the contiguous state.

10 4. The excise tax on special fuel delivered to a qualified  
11 dealer located more than twenty-four miles but not more than  
12 thirty-two miles from the border of a state contiguous to Iowa  
13 which has in effect a tax on special fuel for diesel engines  
14 which makes the Iowa excise tax on special fuel for diesel  
15 engines uncompetitive is reduced to be ten and one-half cents  
16 per gallon in excess of the tax on special fuel for diesel  
17 engines in effect for the contiguous state.

18 As used in this section, a "qualified dealer" means a  
19 dealer located within the distances provided under subsections  
20 1 through 4 measured by the shortest distance from the border  
21 of the contiguous state. If a qualified dealer is located  
22 within the corporate limits of a city, all dealers within the  
23 corporate limits of the city are qualified dealers.

24 As used in this section, a "tax on special fuel for diesel  
25 engines in effect for the contiguous state" means the total  
26 excise, sales or use taxes in effect in the contiguous state  
27 on the sale of special fuel for diesel engines expressed in  
28 cents per gallon. The department of revenue and finance shall  
29 adopt rules pursuant to chapter 17A establishing the  
30 methodology for ascertaining the tax on special fuel for  
31 diesel engines in effect for contiguous states. As used in  
32 this section, a contiguous state has a "tax on special fuel  
33 for diesel engines which makes the Iowa excise tax on special  
34 fuel for diesel engines uncompetitive" if the excise tax on  
35 special fuel for diesel engines under section 324.34 exceeds

1 the tax on special fuel for diesel engines in effect for the  
2 contiguous state by more than seven and one-half cents per  
3 gallon.

4 If more than one contiguous state has in effect a tax on  
5 special fuel for diesel engines which makes the Iowa excise  
6 tax on special fuel for diesel engines uncompetitive, the  
7 excise tax for a qualified dealer located not more than  
8 thirty-two miles from the borders of two such contiguous  
9 states is the excise tax under the application of subsections  
10 1 through 4 which results in the lowest excise tax to the  
11 qualified dealer.

12 A qualified dealer shall be allowed a credit by the  
13 distributor for the amount of the reduction in excise tax on  
14 special fuel for diesel engines allowed and a qualified  
15 dealer, before receiving the credit, shall be registered by  
16 the department of revenue and finance. The department of  
17 revenue and finance shall adopt rules pursuant to chapter 17A  
18 for registering dealers and accounting for credits by  
19 distributors.

20 This section only applies to qualified dealers who would  
21 experience a reduction in the excise tax on special fuel for  
22 diesel engines through its application.

23 Sec. 18. There is appropriated from the road use tax fund  
24 to the legislative service bureau the sum of three hundred  
25 thousand (300,000) dollars, or so much thereof as may be  
26 necessary, for the purpose of carrying out a study of the need  
27 for the total road network and the mechanisms for the  
28 distribution of the revenues derived from fuel taxes, vehicle  
29 registration fees, license fees, the use tax on vehicles, and  
30 other sources of the road use tax fund. The study shall also  
31 include a recommendation relating to the continuation or  
32 discontinuation of the RISE funds, the special allocations  
33 from the road use tax fund, and the feasibility of sharing or  
34 allocating resources and maintenance responsibilities between  
35 jurisdictions. The study shall be independently conducted but

1 administered by a steering committee composed of two members  
2 appointed by the state transportation commission, two members  
3 appointed by the Iowa state association of counties, and two  
4 members appointed by the league of Iowa municipalities. The  
5 steering committee shall report the findings of the study to  
6 the governor, the chief clerk of the house of representatives,  
7 and the secretary of the senate not later than January 31,  
8 1989.

9 Sec. 19. There is appropriated from the public transit  
10 assistance fund to the legislative service bureau the sum of  
11 seventy-five thousand (75,000) dollars, or so much thereof as  
12 may be necessary, for the purpose of carrying out a study of  
13 the mechanisms for the distribution of the public transit  
14 assistance fund. All sources of funding for public transit  
15 shall be considered for purposes of this study. The study  
16 shall be independently conducted but administered by a  
17 steering committee composed of two members appointed by the  
18 state transportation commission, two members appointed by the  
19 regional transit systems, two members appointed by the large  
20 urban transit systems, and two members appointed by the small  
21 urban transit systems. The steering committee shall report  
22 the findings of the study to the governor, the chief clerk of  
23 the house of representatives, and the secretary of the senate  
24 not later than January 31, 1989.

25 Sec. 20. The state department of transportation shall  
26 conduct a study during the fiscal year beginning July 1, 1988,  
27 and ending June 30, 1989, of the current motor vehicle  
28 registration structure in this state as it applies to pickups  
29 and motor vehicles. Emphasis of the study shall be placed  
30 upon the feasibility of registering pickups on the basis of  
31 weight and value and registering passenger cars on the basis  
32 of value only. An evaluation shall be conducted of the  
33 revenue characteristics and the impact for income tax purposes  
34 of making this adjustment in the motor vehicle registration  
35 structure.

1     Sec. 21. There is appropriated from the road use tax fund  
2 for the fiscal year beginning July 1, 1988, and ending June  
3 30, 1989, for the purpose of replacing lost federal highway  
4 funds, to the primary road fund the sum of twenty million nine  
5 hundred thirty-two thousand (20,932,000) dollars, to the farm-  
6 to-market road fund the sum of five million (5,000,000)  
7 dollars, to the secondary road fund of the counties the sum of  
8 one million five hundred forty-one thousand (1,541,000)  
9 dollars, and to the street construction fund of the cities the  
10 sum of one million one hundred sixty-four thousand (1,164,000)  
11 dollars.

12     Sec. 22. There is appropriated from the road use tax fund  
13 for the fiscal year beginning July 1, 1989, and ending June  
14 30, 1990, for the purpose of replacing lost federal highway  
15 funds, to the primary road fund the sum of twenty million nine  
16 hundred thirty-two thousand (20,932,000) dollars, to the farm-  
17 to-market road fund the sum of five million (5,000,000)  
18 dollars, to the secondary road fund of the counties the sum of  
19 one million five hundred forty-one thousand (1,541,000)  
20 dollars, and to the street construction fund of the cities the  
21 sum of one million one hundred sixty-four thousand (1,164,000)  
22 dollars.

23     Sec. 23. There is appropriated from the road use tax fund  
24 for the fiscal year beginning July 1, 1988, and ending June  
25 30, 1989, to the primary road fund for the commercial and in-  
26 dustrial network of highways the sum of nineteen million six  
27 hundred thousand (19,600,000) dollars, to the secondary road  
28 fund of the counties the sum of sixteen million three hundred  
29 thousand (16,300,000) dollars, and to the street construction  
30 fund of the cities the sum of nine million eight hundred  
31 thousand dollars (9,800,000) dollars.

32     Sec. 24. There is appropriated from the road use tax fund  
33 for the fiscal period beginning July 1, 1989, and ending March  
34 31, 1990, to the primary road fund for the commercial and  
35 industrial network of highways the sum of ten million four

1 hundred thousand (10,400,000) dollars, to the secondary road  
2 fund of the counties the sum of eight million seven hundred  
3 thousand (8,700,000) dollars, and to the street construction  
4 fund of the cities the sum of five million two hundred  
5 thousand (5,200,000) dollars.

6 Sec. 25. Beginning April 1, 1990, the treasurer of state  
7 shall, each month before distributing funds allotted from the  
8 road use tax fund under section 312.2, credit to a separate  
9 fund held by the treasurer of state the following amounts:

10 1. From the moneys allotted to the primary road fund, one-  
11 twelfth of twenty-eight million three hundred thousand  
12 dollars.

13 2. From the moneys allotted to the secondary road fund of  
14 the counties, one-twelfth of eleven million three hundred  
15 thousand dollars.

16 3. From the moneys allotted to the farm-to-market road  
17 fund, one-twelfth of three million six hundred thousand  
18 dollars.

19 4. From the moneys allotted to the street construction  
20 fund of the cities, one-twelfth of six million eight hundred  
21 thousand dollars.

22 The moneys in this separate fund, together with interest or  
23 earnings on investments or time deposits of the moneys, shall  
24 be restored to the road use tax fund upon completion of the  
25 study required by section 18 of this Act and action by the  
26 general assembly on the formula for allocating road use tax  
27 funds between jurisdictions.

28 Sec. 26. The appropriations in sections 21 and 23 of this  
29 Act shall be reduced proportionately on the basis of the  
30 reductions in revenue which result from the phase-in of the  
31 excise tax increase on motor fuel and special fuel.

32 Sec. 27. Sections 2 and 3 of this Act take effect July 1  
33 following enactment.

34 Sec. 28. Sections 10 and 11 of this Act take effect July 1  
35 following enactment for vehicle registrations subject to

1 renewal and new vehicle registrations on or after that date.  
2 Sec. 29. This Act, being deemed of immediate importance,  
3 takes effect upon its enactment.

4 SUCCESSOR TO SSB 2198 (LSB 8247SC)

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SENATE FILE 2196

H-5592

1 Amend the Committee on Ways and Means amendment, H-  
 2 5520, to Senate File 2196, as amended, passed, and  
 3 reprinted by the Senate, as follows:  
 4 1. Page 1, line 35, by striking the word  
 5 "annually" and inserting the following: "in the  
 6 fiscal year beginning July 1, 1988, and ending June  
 7 30, 1989,"

BY HARBOR of Mills  
 ROYER of Page  
 H-5592 FILED MARCH 15, 1988  
 LOST (p. 817)

DE GROOT of Lyon  
 RENKEN of Grundy

SENATE FILE 2196

H-5593

1 Amend the Committee on Ways and Means amendment, H-  
 2 5520, to Senate File 2196, as amended, passed, and  
 3 reprinted by the Senate, as follows:  
 4 1. Page 1, by striking lines 31 through 47.  
 5 2. Renumber sections and correct internal  
 6 references as necessary.

H-5593 FILED MARCH 15, 1988  
 LOST (p. 820)

BY HARBOR of Mills  
 ROYER of Page  
 DE GROOT of Lyon

SENATE FILE 2196

H-5594

1 Amend the Committee on Ways and Means amendment, H-  
 2 5520, to Senate File 2196, as amended, passed, and  
 3 reprinted by the Senate, as follows:  
 4 1. By striking page 7, line 17, through page 8,  
 5 line 38.  
 6 2. Renumber sections and correct internal  
 7 references as necessary.

H-5594 FILED MARCH 15, 1988

BY HARBOR of Mills  
 ROYER of Page  
 DE GROOT of Lyon

ADOPTED (p. 822)

*Adopted by the Senate (p. 822) on March 15, 1988*  
*by a vote of 11-7*

SENATE FILE 2196

H-5596

1 Amend the Committee on Ways and Means amendment, H-  
 2 5520, to Senate File 2196, as amended, passed, and  
 3 reprinted by the Senate, as follows:  
 4 1. By striking page 4, line 49 through page 5,  
 5 line 27.  
 6 2. Renumber sections and correct internal  
 7 references as necessary.

BY HARBOR of Mills  
 ROYER of Page  
 H-5596 FILED MARCH 15, 1988  
 LOST (p. 825)

COOPER of Lucas  
 RENKEN of Grundy

SENATE FILE 2196

H-5598

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 8, line 36, by striking the figure "14"  
5 and inserting the following: "16".

H-5598 FILED MARCH 15, 1988 BY CONNOLLY of Dubuque

ADOPTED (p. 810)  
*James M. ... 5594 (p. 810)*  
SENATE FILE 2196

H-5599

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. By striking page 1, line 48, through page 2,  
5 line 32..

6 2. Page 3, by striking lines 5 through 23.

7 3. By striking page 6, line 50, through page 7,  
8 line 16.

9 4. Renumber sections and correct internal  
10 references as necessary.

BY PETERSEN of Muscatine MILLER of Cherokee  
EDDIE of Buena Vista TABOR of Jackson

H-5599 FILED MARCH 15, 1988

LOST (p. 810)

SENATE FILE 2196

H-5600

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 3, line 37, by striking the word "three"  
5 and inserting the following: "three four".

6 2. Page 3, line 45, by striking the word "three"  
7 and inserting the following: "three four".

8 3. Page 4, by striking lines 1 and 2 and  
9 inserting the following:

10 "3-Pens-----4-Pens-----\$60".

H-5600 FILED MARCH 15, 1988 BY BENNETT of Ida

LOST (p. 810)

SENATE FILE 2196

H-5601

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 1, by striking lines 22 through 30.

5 2. Renumber sections and correcting internal  
6 references as necessary.

BY RENKEN of Grundy PELLETT of Cass  
ROYER of Page HALVORSON of Clayton  
FULLER of Hardin BRANSTAD of Winnebago

H-5601 FILED MARCH 15, 1988

LOST (p. 810)

SKOW of Guthrie

SENATE FILE 2196

H-5602

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 1, line 28, by striking the word "one-  
5 twentieth" and inserting the following: "one twenty-  
6 third".

BY KOENIGS of Mitchell

H-5602 FILED MARCH 15, 1988

LAGESCHULTE of Bremer

LOST (p. 215)

SENATE FILE 2196

H-5604

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. By striking page 7, line 31, through page 8,  
5 line 38.

6 2. Page 9, by inserting after line 11 the  
7 following:

8 "\_\_\_\_\_. Amend the title page, lines 9 and 10, by  
9 striking the words "making appropriations from the  
10 road use tax fund, "."

H-5604 FILED MARCH 15, 1988 BY KREMER of Buchanan

OUT OF ORDER (p. 825)

LOST (p. 215)

SENATE FILE 2196

H-5606

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 7, by inserting after line 16 the  
5 following:

6 "Sec. \_\_\_\_\_. There is appropriated from the road use  
7 tax fund for the fiscal year beginning July 1, 1988,  
8 and ending June 30, 1989, to the college of civil  
9 engineering of Iowa State University, the sum of sixty  
10 thousand (60,000) dollars, or as much thereof as  
11 necessary, for the purpose of conducting an economic  
12 feasibility study of an additional east-west four-lane  
13 route across Iowa. The scope of the study shall  
14 include, but not be limited to, the current and future  
15 maintenance and rebuilding costs associated with  
16 interstate 80 and the potential for economic growth in  
17 areas that would be served by such a four-lane  
18 highway. This report shall be submitted to the  
19 general assembly and transportation commission not  
20 later than January 15, 1989."

21 2. Renumber as necessary.

H-5606 FILED MARCH 15, 1988 BY HANSEN of Woodbury

LOST (+ 822)

SENATE FILE 2196

H-5607

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:  
4 1. Page 1, line 21, by inserting after the word  
5 "earnings." the following: "Income received from the  
6 lease or rental of highway right-of-way shall be  
7 credited to a special fund and the state department of  
8 transportation shall use the funds received for  
9 projects on those highways from which the income was  
10 received."

H-5607 FILED MARCH 15, 1988 BY HANSEN of Woodbury  
LOST (p. 800)

SENATE FILE 2196

H-5608

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:  
4 1. Page 5, line 6, by striking the words "for the  
5 period".  
6 2. Page 5, by striking lines 7 and 8 and  
7 inserting the following: "beginning April 1, 1988,".  
8 3. Page 5, by striking lines 23 and 24 and  
9 inserting the following: "April 1, 1988,".  
10 4. Page 5, line 41, by striking the words "for  
11 the period".  
12 5. Page 5, by striking lines 42 and 43.  
13 6. Page 5, line 44, by striking the word and  
14 figures "January 1, 1989" and inserting the following:  
15 "beginning April 1, 1988".  
16 7. Page 5, line 50, by striking the word  
17 "sixteen" and inserting the following: "fifteen".

H-5608 FILED MARCH 15, 1988 BY MCKEAN of Jones  
LOST (p. 234)

SENATE FILE 2196

H-5632

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 5, line 41, by striking the words "and  
5 one-half".

6 2. Page 5, line 43, by striking the words "and  
7 one-half".

H-5632 FILED MARCH 15, 1988 BY VAN MAANEN of Mahaska  
LOST (7-836)

- SENATE FILE 2196

H-5647

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 5, by striking lines 41 through 44 and  
5 inserting the following: "twenty cents per gallon  
6 beginning April 1, 1988. On all other special fuel  
7 the per".

H-5647 FILED MARCH 16, 1988 BY SCHNEKLOTH of Scott  
LOST (7-836)

SENATE FILE 2196

H-5690

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 5, by striking lines 41 through 44 and  
5 inserting the following: "nineteen and one-half cents  
6 per gallon for the period beginning April 1, 1988, and  
7 ending December 31, 1988, and twenty and one-half  
8 cents per gallon for the period beginning January 1,  
9 1989, and ending June 30, 1989, and twenty-one and  
10 one-half cents per gallon for the period beginning  
11 July 1, 1989, and ending October 31, 1989, and twenty-  
12 two and one-half cents per gallon beginning November  
13 1, 1989. On all other special fuel the per".

BY METCALF of Polk  
SVOBODA of Tama  
H-5690 FILED MARCH 17, 1988  
LOST (7-836)

PAULIN of Plymouth  
SCHNEKLOTH of Scott  
VAN CAMP of Scott

H-5619

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:  
4 1. Page 6, by inserting after line 13 the  
5 following:  
6 "Sec. \_\_\_\_ . Section 324.65, Code 1987, is amended  
7 by adding the following new unnumbered paragraph:  
8 NEW UNNUMBERED PARAGRAPH. When a return is filed  
9 and the taxes due are paid in the manner prescribed,  
10 the licensee or other person shall be allowed a credit  
11 or discount of one percent of the taxes due. This  
12 credit or discount is allowed the licensee or other  
13 person as partial remuneration for collecting the tax,  
14 keeping the records, and filing the returns required  
15 by this chapter."  
16 2. By renumbering as necessary.

H-5619 FILED MARCH 15, 1988 BY TYRRELL of Iowa  
LOST (p. 831)

SENATE FILE 2196

H-5621

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:  
4 1. Page 5, by striking lines 41 through 44 and  
5 inserting the following: "nineteen and one-half cents  
6 per gallon for the period beginning April 1, 1988, and  
7 ending December 31, 1988, and twenty and one-half  
8 cents per gallon for the period beginning January 1,  
9 1989, and ending June 30, 1989, and twenty-one and  
10 one-half cents per gallon for the period beginning  
11 July 1, 1989, and ending December 31, 1989, and  
12 twenty-two and one-half cents per gallon beginning  
13 January 1, 1990. On all other special fuel the per".

BY METCALF of Polk  
H-5621 FILED MARCH 15, 1988 SCHNEKLOTH of Scott  
LOST (p. 822)

SENATE FILE 2196

H-5622

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:  
4 1. Page 8, by inserting after line 4 the  
5 following:  
6 "Sec. \_\_\_\_ . The increases in the excise tax rates  
7 specified in sections 12, 13, 14, and 15 of this Act  
8 shall be void and the rates in effect on December 31,  
9 1988, shall become effective on July 1, 1989, if an  
10 increase in the rate of the sales, service, and use  
11 tax is enacted by the Seventy-third General Assembly."  
12 2. Renumber sections and correct internal  
13 references as necessary.

H-5622 FILED MARCH 15, 1988 BY DE GROOT of Lyon  
LOST (p. 832)

## SENATE FILE 2196

5615

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

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

6 "Sec. \_\_\_\_ . Section 312.2, subsection 16, Code  
7 Supplement 1987, is amended by striking the  
8 subsection."

9 2. Page 6, by inserting after line 13 the  
10 following:

11 "Sec. \_\_\_\_ . NEW SECTION. 422C.1 LOCAL VEHICLE  
12 FUEL TAX.

13 A city or county may impose by ordinance of the  
14 governing body a local vehicle fuel tax, at a rate not  
15 to exceed two cents in increments of one cent, on each  
16 gallon of motor fuel and special fuel taxed by the  
17 state under chapter 324 for use in a motor vehicle in  
18 the city or in the case of the county, in the  
19 unincorporated areas of the county. For purposes of  
20 this section, "motor fuel" and "special fuel" mean the  
21 same as defined in sections 324.2 and 324.33,  
22 respectively, and "use" means the same as defined in  
23 section 324.33.

24 Sec. \_\_\_\_ . NEW SECTION. 422C.2 ADMINISTRATION.

25 A local vehicle fuel tax shall be imposed either  
26 January 1, April 1, July 1, or October 1 following the  
27 notification of the director of revenue and finance.

28 A local vehicle fuel tax shall be repealed only on  
29 March 31, June 30, September 30, or December 31. At  
30 least forty days before the imposition or repeal of  
31 the tax, a city or county shall provide notice of the  
32 action by certified mail to the director of revenue  
33 and finance.

34 The director of revenue and finance shall  
35 administer a local vehicle fuel tax as nearly as  
36 possible in conjunction with the administration of the  
37 state special fuel tax law. The director shall  
38 provide appropriate forms or provide on the regular  
39 state tax forms for reporting local vehicle fuel tax  
40 liability.

41 The ordinance of a city or county imposing a local  
42 vehicle fuel tax shall adopt by reference the  
43 applicable provisions of the appropriate sections of  
44 chapter 324, division II, except that references in  
45 those sections to special fuel includes motor fuel.  
46 All powers and requirements of the director to  
47 administer the state special fuel tax law are  
48 applicable to the administration of a local vehicle  
49 fuel tax law, including but not limited to, the  
provisions of chapter 324, division III, except

H-5615

Page Two

1 sections 324.77 through 324.85. Local officials shall  
2 confer with the director of revenue and finance for  
3 assistance in drafting the ordinance imposing a local  
4 vehicle fuel tax. A certified copy of the ordinance  
5 shall be filed with the director as soon as possible  
6 after passage.

7 The director, in consultation with local officials,  
8 shall collect and account for a local vehicle fuel  
9 tax. The director shall certify each quarter the  
10 amount of local vehicle fuel tax receipts and any  
11 interest and penalties to be credited to the "local  
12 vehicle fuel tax fund" established in the office of  
13 the treasurer of state.

14 All local tax moneys and interest and penalties  
15 received or refunded one hundred eighty days or more  
16 after the date on which the city or county repeals its  
17 local vehicle fuel tax shall be deposited in or  
18 withdrawn from the state road use tax fund.

19 Sec. \_\_\_\_ . NEW SECTION. 422C.3 PAYMENT TO LOCAL  
20 GOVERNMENTS -- USE.

21 1. The treasurer of state, pursuant to rules of  
22 the director of revenue and finance, shall remit at  
23 least quarterly to each city and county which has  
24 imposed a local vehicle fuel tax the amount in the  
25 local vehicle fuel tax fund collected as a result of  
26 its tax.

27 2. Local vehicle fuel tax moneys received by a  
28 city or county shall be credited to the street  
29 construction fund of that city or the secondary road  
30 fund of that county to be used in the establishment,  
31 construction, improvement, and maintenance of roads  
32 and streets which promote economic development in the  
33 state by having any of the following effects:

34 a. Improving or maintaining highway access to  
35 specific development sites, including existing and  
36 future industrial locations.

37 b. Improving or maintaining highway access between  
38 urban centers or between urban centers and the  
39 interstate road system as defined in section 306.3.

40 c. Improving or maintaining highway access to  
41 economically depressed areas of the state.

42 d. Improving or maintaining highway access to  
43 points of shipment or processing of products.

44 e. Improving or maintaining highway access to  
45 trucking terminals and places of embarkation or  
46 shipment by other transportation modes.

47 f. Improving or maintaining highway access to  
48 scenic, recreational, historic, and cultural sites or  
49 other locations identified as tourist attractions."

50 3. Page 8, by inserting after line 38 the

1 following:

2 "Sec. \_\_\_\_\_. Sections 315.1, 315.2, 315.3, 315.4,  
3 315.5, 315.7, 315.8, 315.9, and 315.10, Code 1987, are  
4 repealed.

5 Sec. \_\_\_\_\_. Section 315.6, Code Supplement 1987, is  
6 repealed.

7 Sec. \_\_\_\_\_. Funds on deposit in the RISE fund on the  
8 effective date of this Act shall be credited to the  
9 road use tax fund, subject to the limitations provided  
10 in this section. Any moneys in the RISE fund which  
11 have been allocated for expenditure on a specific RISE  
12 project which has been approved and for which a  
13 construction contract has been entered into shall  
14 remain in the fund for payment for the project."

15 4. Renumber sections and correct internal  
16 references as necessary.

H-5615 FILED MARCH 15, 1988 BY HANSEN of Woodbury  
NOT GERMANE (7 262)

SENATE FILE 2196

H-5610

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 6, by inserting after line 13 the  
5 following:

6 "Sec. \_\_\_\_ . NEW SECTION. 324.87 COLLECTION OF  
7 FEDERAL GAS TAX.

8 The department of revenue and finance shall enter  
9 into negotiations with the United States department of  
10 treasury and the United States department of  
11 transportation to allow the department to collect and  
12 remit to the United States department of treasury and  
13 the United States department of transportation on a  
14 quarterly basis the revenues received by the state  
15 from the motor fuel and special fuel taxes imposed by  
16 federal law."

17 2. Renumber sections and correct internal  
18 references as necessary.

BY CORBETT of Linn

H-5610 FILED MARCH 15, 1988  
NOT GERMANE (p. 82)

TYRRELL of Iowa

SENATE FILE 2196

H-5614

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 2, by inserting after line 32 the  
5 following:

6 "Sec. \_\_\_\_ . Section 312.2, Code Supplement 1987, is  
7 amended by adding the following new subsection:

8 NEW SUBSECTION. 22. Beginning July 1, 1988, the  
9 treasurer of state, before making the allotments  
10 provided for in this section, shall credit quarterly  
11 to the cities and counties in the state an amount  
12 equal to the actual amount received from one cent of  
13 the excise tax on special fuel collected under section  
14 324.34. Each city's share shall be based upon the  
15 actual sales of special fuel within the corporate  
16 limits of the city. Each county's share shall be  
17 based upon sales of special fuel within the county but  
18 outside the corporate limits of a city. Cities and  
19 counties shall expend funds received under this  
20 subsection for the construction and maintenance of  
21 streets and highways."

22 2. Renumber as necessary.

H-5614 FILED MARCH 15, 1988 BY HANSEN of Woodbury  
LOST (p. 82)

SENATE FILE 2196

H-5552

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and re-  
3 printed by the Senate, as follows:

4 1. Page 1, by inserting before line 5 the follow-  
5 ing:

6 "Section 1. NEW SECTION. 306.60 ROAD  
7 CONSTRUCTION.

8 Effective April 1, 1988, highway authorities  
9 receiving funds from the road use tax fund shall not  
10 expend any funds for the construction of new highways.  
11 This section shall not be construed to prohibit a  
12 highway authority from reconstructing an existing  
13 highway or making repairs and maintenance on a  
14 highway. This section shall not be construed to  
15 prohibit the construction of new highways with funds  
16 received under chapter 315."

17 2. Renumber sections and correct internal  
18 references as necessary.

BY MCKEAN of Jones

HAMMOND of Story

TYRRELL of Iowa

JOHNSON of Winneshiek

DE GROOT of Lyon

MULLINS of Kossuth

H-5552 FILED MARCH 14, 1988

*House 3/15 (p. 813)*

SENATE FILE 2196

H-5558

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 1, lines 37 and 38, by striking the words  
5 "one million" and inserting the following: "five  
6 hundred thousand".

H-5558 FILED MARCH 14, 1988 BY HERMANN of Scott

*House 3/15 (p. 819)*

SENATE FILE 2196

H-5576

1 Amend amendment H-5520 to Senate File 2196 as  
2 amended, passed and reprinted by the Senate as follows:

3 1. Page 6, line 18, by inserting after the word  
4 "of" the following: "the needs for the total road  
5 network and".

BY CONNOLLY of DuBuque

H-5576 FILED MARCH 14, 1988

PLATT of Muscatine

*Senate 3/15 (p. 831)*

## SENATE FILE 2196

H-5557

- 1 Amend the Committee on Ways and Means amendment, H-  
 2 5520, to Senate File 2196, as amended, passed, and re-  
 3 printed by the Senate, as follows:
- 4 1. Page 5, lines 6 through 8, by striking the  
 5 words "eighteen cents per gallon for the period  
 6 beginning April 1, 1988, and ending December 31, 1988,  
 7 and twenty cents per gallon beginning January 1,  
 8 1989," and inserting the following: "seventeen cents  
 9 per gallon beginning April 1, 1988."
- 10 2. Page 5, lines 22 through 25, by striking the  
 11 words "seventeen cents per gallon for the period  
 12 beginning April 1, 1988, and ending December 31, 1988,  
 13 and nineteen cents per gallon beginning January 1,  
 14 1989, and ending" and inserting the following:  
 15 "sixteen cents per gallon for the period beginning  
 16 April 1, 1988, and ending".
- 17 3. Page 5, lines 41 through 44, by striking the  
 18 words "twenty and one-half cents per gallon for the  
 19 period beginning April 1, 1988, and ending December  
 20 31, 1988, and twenty-two and one-half cents per gallon  
 21 beginning January 1, 1989" and inserting the  
 22 following: "nineteen and one-half cents per gallon  
 23 beginning April 1, 1988".
- 24 4. Page 5, line 50, by striking the word  
 25 "sixteen" and inserting the following: "fourteen".

BY McKEAN of Jones

H-5557 FILED MARCH 14, 1988

TYRRELL of Iowa

*2/27/88 (p. 8 & 9)*

## SENATE FILE 2196

H-5556

- 1 Amend the Committee on Ways and Means amendment, H-  
 2 5520, to Senate File 2196, as amended, passed, and re-  
 3 printed by the Senate, as follows:
- 4 1. Page 1, by inserting after line 4 the  
 5 following:  
 6 "Section 1. Section 306.9, unnumbered paragraph 1,  
 7 Code 1987, is amended to read as follows:  
 8 It is declared to be the policy of the state of  
 9 Iowa that relocation of primary highways through  
 10 cultivated-land shall be avoided to the maximum extent  
 11 possible. Whenever the volume of traffic for which  
 12 the road is designed or other conditions require such  
 13 relocation, diagonal routes shall be avoided wherever  
 14 feasible and prudent alternatives exist."  
 15 2. Renumber sections and correct internal  
 16 references as necessary.

BY McKEAN of Jones

JOHNSON of Winneshiek

TYRRELL of Iowa

MULLINS of Kossuth

H-5556 FILED MARCH 14, 1988

*2/27/88 (p. 8 & 9)*

SENATE FILE 2196

H-5553

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

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

6 "Sec. \_\_\_\_ . NEW SECTION. 314.15 ENVIRONMENTAL  
7 PROTECTION.

8 Highway construction and reconstruction shall not  
9 cause unnecessary destruction of the natural or  
10 historic heritage of the state. Accordingly, the  
11 following features shall be protected in the design,  
12 construction, and reconstruction of highways:

13 1. WOODLANDS. All natural woodland removed shall  
14 be replaced by plantings of the same species mix on  
15 the same number of acres as the woodland removed on  
16 similar terrain as close as possible to the  
17 construction site, or by purchase of an equal number  
18 of acres of natural woodland in the general vicinity  
19 for public ownership and preservation.

20 2. WETLANDS. All natural wetlands removed shall  
21 be replaced by purchase of natural wetlands in the  
22 same general vicinity for public ownership and  
23 preservation.

24 3. PUBLIC PARKS. Highways constructed through  
25 publicly owned parks, preserves, and recreation areas  
26 shall be designed to blend aesthetically with the  
27 areas and to minimize noise as requested by the public  
28 entity owning the land. Highways crossing rivers,  
29 streams, or wetlands and their associated riparian  
30 vegetation within publicly owned areas shall be built  
31 on structures to minimize damage to aesthetic and  
32 natural values. Any land taken from publicly owned  
33 parks, preserves, or recreation areas for highway  
34 construction shall be replaced by purchase of an equal  
35 or greater number of acres for public use, to be  
36 chosen in cooperation with the public entity owning  
37 the land.

38 4. PRIME AGRICULTURAL LAND. Topsoil shall be  
39 removed and stockpiled and shall be made available at  
40 no cost to the former landowner or other landowners  
41 whose land was purchased for the highway construction.  
42 Excess topsoil shall be utilized for landscaping."

43 2. Renumber sections and correct internal  
44 references as necessary.

BY McKEAN of Jones  
OSTERBERG of Linn  
JOHNSON of Winneshiek

H-5553 FILED MARCH 14, 1988

*Adopted 3/15/88*

SENATE FILE 2196

H-5548

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. By striking page 5, line 28 through page 6,  
5 line 13.

6 2. Renumber sections and correct internal  
7 references as necessary.

BY SVOBODA of Tama  
FULLER of Hardin

H-5548 FILED MARCH 14, 1988

*3/15 (3 380)*

SENATE FILE 2196

H-5550

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

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

6 "Sec. 100. Section 312.2, subsection 16, Code  
7 Supplement 1987, is amended by striking the  
8 subsection."

9 2. Page 8, by inserting after line 38 the  
10 following:

11 "Sec. 200. Sections 315.1, 315.2, 315.3, 315.4,  
12 315.5, 315.7, 315.8, 315.9, and 315.10, Code 1987, are  
13 repealed.

14 Sec. 300. Section 315.6, Code Supplement 1987, is  
15 repealed.

16 Sec. 400. Funds on deposit in the RISE fund on the  
17 effective date of this Act shall be credited to the  
18 road use tax fund, subject to the limitations provided  
19 in this section. Any moneys in the RISE fund which  
20 have been allocated for expenditure on a specific RISE  
21 project which has been approved and for which a  
22 construction contract has been entered into shall  
23 remain in the fund for payment for the project."

24 3. Page 9, by inserting after line 4 the follow-  
25 ing:

26 "Sec. \_\_\_\_\_. Sections 100, 200, 300, and 400 of this  
27 Act take effect April 1 following enactment."

28 4. Renumber sections and correct internal  
29 references as necessary.

BY SVOBODA of Tama  
HANSEN of Woodbury

H-5550 FILED MARCH 14, 1988

*3/15 (4 315)*

## SENATE FILE 2196

H-5544

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 5, by inserting after line 27 the  
5 following:

6 "Sec.         . NEW SECTION. 324.3A REDUCED RATE OF  
7 TAX FOR CERTAIN DEALERS.

8 Notwithstanding the rate of tax imposed under  
9 section 324.3, the excise tax on motor fuel delivered  
10 to a qualified dealer is reduced as provided in this  
11 section.

12 1. The excise tax on motor fuel delivered to a  
13 qualified dealer located not more than eight miles  
14 from the border of a state contiguous to Iowa which  
15 has in effect a motor fuel tax which makes the Iowa  
16 motor fuel tax uncompetitive is reduced to be five  
17 cents per gallon in excess of the motor fuel tax in  
18 effect for the contiguous state.

19 2. The excise tax on motor fuel delivered to a  
20 qualified dealer located more than eight miles but not  
21 more than sixteen miles from the border of a state  
22 contiguous to Iowa which has in effect a motor fuel  
23 tax which makes the Iowa motor fuel tax uncompetitive  
24 is reduced to be six cents per gallon in excess of the  
25 motor fuel tax in effect for the contiguous state.

26 3. The excise tax on motor fuel delivered to a  
27 qualified dealer located more than sixteen miles but  
28 not more than twenty-four miles from the border of a  
29 state contiguous to Iowa which has in effect a motor  
30 fuel tax which makes the Iowa motor fuel tax  
31 uncompetitive is reduced to be seven cents per gallon  
32 in excess of the motor fuel tax in effect for the  
33 contiguous state.

34 4. The excise tax on motor fuel delivered to a  
35 qualified dealer located more than twenty-four miles  
36 but not more than thirty-two miles from the border of  
37 a state contiguous to Iowa which has in effect a motor  
38 fuel tax which makes the Iowa motor fuel tax  
39 uncompetitive is reduced to be eight cents per gallon  
40 in excess of the motor fuel tax in effect for the  
41 contiguous state.

42 As used in this section, a "qualified dealer" means  
43 a dealer located within the distances provided under  
44 subsections 1 through 4 measured by the shortest  
45 distance from the border of the contiguous state. If  
46 a qualified dealer is located within the corporate  
47 limits of a city, all dealers within the corporate  
48 limits of the city are qualified dealers.

49 As used in this section, a "motor fuel tax in  
50 effect for the contiguous state" means the total

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1 excise, sales or use taxes in effect in the contiguous  
2 state on the sale of motor fuel expressed in cents per  
3 gallon. The department of revenue and finance shall  
4 adopt rules pursuant to chapter 17A establishing the  
5 methodology for ascertaining the motor fuel tax in  
6 effect for contiguous states. As used in this  
7 section, a contiguous state has a "motor fuel tax  
8 which makes the Iowa motor fuel tax uncompetitive" if  
9 the excise tax on motor fuel under section 324.3

10 exceeds the motor fuel tax in effect for the  
11 contiguous state by more than five cents per gallon.

12 If more than one contiguous state has in effect a  
13 motor fuel tax which makes the Iowa motor fuel tax  
14 uncompetitive, the excise tax for a qualified dealer  
15 located not more than thirty-two miles from the  
16 borders of two such contiguous states is the excise  
17 tax under the application of subsections 1 through 4  
18 which results in the lowest excise tax to the  
19 qualified dealer.

20 A qualified dealer shall be allowed a credit by the  
21 distributor for the amount of the reduction in motor  
22 fuel tax allowed and a qualified dealer, before  
23 receiving the credit, shall be registered by the  
24 department of revenue and finance. The department of  
25 revenue and finance shall adopt rules pursuant to  
26 chapter 17A for registering dealers and accounting for  
27 credits by distributors.

28 This section only applies to qualified dealers who  
29 would experience a reduction in the excise tax on  
30 motor fuel through its application."

31 2. Page 6, by inserting after line 13 the  
32 following:

33 "Sec.         . NEW SECTION. 324.34A REDUCED RATE OF  
34 TAX FOR CERTAIN DEALERS.

35 Notwithstanding the rate of tax imposed under  
36 section 324.34, the excise tax on special fuel for  
37 diesel engines delivered to a qualified dealer is  
38 reduced as provided in this section.

39 1. The excise tax on special fuel for diesel  
40 engines delivered to a qualified dealer located not  
41 more than eight miles from the border of a state  
42 contiguous to Iowa which has in effect a tax on  
43 special fuel for diesel engines which makes the Iowa  
44 excise tax on special fuel for diesel engines  
45 uncompetitive is reduced to be seven and one-half  
46 cents per gallon in excess of the tax on special fuel  
47 for diesel engines in effect for the contiguous state.

48 2. The excise tax on special fuel for diesel  
49 engines delivered to a qualified dealer located more  
50 than eight miles but not more than sixteen miles from

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1 the border of a state contiguous to Iowa which has in  
2 effect a tax on special fuel for diesel engines which  
3 makes the Iowa excise tax on special fuel for diesel  
4 engines uncompetitive is reduced to be eight and one-  
5 half cents per gallon in excess of the tax on special  
6 fuel for diesel engines in effect for the contiguous  
7 state.

8 3. The excise tax on special fuel delivered to a  
9 qualified dealer located more than sixteen miles but  
10 not more than twenty-four miles from the border of a  
11 state contiguous to Iowa which has in effect a tax on  
12 special fuel for diesel engines which makes the Iowa  
13 excise tax on special fuel for diesel engines  
14 uncompetitive is reduced to be nine and one-half cents  
15 per gallon in excess of the tax on special fuel for  
16 diesel engines in effect for the contiguous state.

17 4. The excise tax on special fuel delivered to a  
18 qualified dealer located more than twenty-four miles  
19 but not more than thirty-two miles from the border of  
20 a state contiguous to Iowa which has in effect a tax  
21 on special fuel for diesel engines which makes the  
22 Iowa excise tax on special fuel for diesel engines  
23 uncompetitive is reduced to be ten and one-half cents  
24 per gallon in excess of the tax on special fuel for  
25 diesel engines in effect for the contiguous state.

26 As used in this section, a "qualified dealer" means  
27 a dealer located within the distances provided under  
28 subsections 1 through 4 measured by the shortest  
29 distance from the border of the contiguous state. If  
30 a qualified dealer is located within the corporate  
31 limits of a city, all dealers within the corporate  
32 limits of the city are qualified dealers.

33 As used in this section, a "tax on special fuel for  
34 diesel engines in effect for the contiguous state"  
35 means the total excise, sales or use taxes in effect  
36 in the contiguous state on the sale of special fuel  
37 for diesel engines expressed in cents per gallon. The  
38 department of revenue and finance shall adopt rules  
39 pursuant to chapter 17A establishing the methodology  
40 for ascertaining the tax on special fuel for diesel  
41 engines in effect for contiguous states. As used in  
42 this section, a contiguous state has a "tax on special  
43 fuel for diesel engines which makes the Iowa excise  
44 tax on special fuel for diesel engines uncompetitive"  
45 if the excise tax on special fuel for diesel engines  
46 under section 324.34 exceeds the tax on special fuel  
47 for diesel engines in effect for the contiguous state  
48 by more than seven and one-half cents per gallon.

49 If more than one contiguous state has in effect a  
50 tax on special fuel for diesel engines which makes the

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1 Iowa excise tax on special fuel for diesel engines  
2 uncompetitive, the excise tax for a qualified dealer  
3 located not more than thirty-two miles from the  
4 borders of two such contiguous states is the excise  
5 tax under the application of subsections 1 through 4  
6 which results in the lowest excise tax to the  
7 qualified dealer.

8 A qualified dealer shall be allowed a credit by the  
9 distributor for the amount of the reduction in excise  
10 tax on special fuel for diesel engines allowed and a  
11 qualified dealer, before receiving the credit, shall  
12 be registered by the department of revenue and  
13 finance. The department of revenue and finance shall  
14 adopt rules pursuant to chapter 17A for registering  
15 dealers and accounting for credits by distributors.  
16 This section only applies to qualified dealers who  
17 would experience a reduction in the excise tax on  
18 special fuel for diesel engines through its  
19 application."

20 3. Renumber sections as necessary.

BY DAGGETT of Adams

SHONING of Woodbury

ROYER of Page

MUHLBAUER of Crawford

HARBOR of Mills

BEAMAN of Clarke

COOPER of Lucas

JAY of Appanoose

H-5544 FILED MARCH 14, 1988

*File 3/15 (p. 824)*

SENATE FILE 2196

H-5540

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. By striking page 3, line 43, through page 4,  
5 line 48.

6 2. Renumber sections and correct internal  
7 references as necessary.

H-5540 FILED MARCH 14, 1988 BY VAN MAANEN of Mahaska

*File 3/15 (p. 843)*

SENATE FILE 2196

H-5543

1 Amend the Committee on Ways and Means amendment, H-  
2 5520, to Senate File 2196, as amended, passed, and  
3 reprinted by the Senate, as follows:

4 1. Page 5, line 22, by striking the word  
5 "seventeen" and inserting the following: "sixteen".

6 2. Page 5, by striking lines 23 and 24, and  
7 inserting the following: "April 1, 1988,".

H-5543 FILED MARCH 14, 1988

*File 3/15 (p. 825)*

BY FULLER of Hardin  
SVOBODA of Tama

## SENATE FILE 2196

H-5520

1 Amend Senate File 2196, as amended, passed, and  
2 reprinted by the Senate, as follows:

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

5 "Section 1. Section 307A.2, Code 1987, is amended  
6 by adding the following new unnumbered paragraph:  
7 NEW UNNUMBERED PARAGRAPH. The commission shall  
8 identify, within the primary road system, a network of  
9 commercial and industrial highways. The improvement  
10 of this network shall be considered in the development  
11 of the long-range program and plan of improvements  
12 under this section.

13 Sec. 2. Section 312.1, Code 1987, is amended by  
14 adding the following new unnumbered paragraph:  
15 NEW UNNUMBERED PARAGRAPH. Notwithstanding section  
16 453.7, subsection 2, interest or earnings on  
17 investments or time deposits of the moneys in the road  
18 use tax fund and the funds to which moneys from the  
19 road use tax fund are credited shall be credited to  
20 the respective funds which generated the interest or  
21 earnings.

22 Sec. 3. Section 312.2, subsection 17, Code  
23 Supplement 1987, is amended to read as follows:

24 17. The treasurer of state, before making the  
25 allotments provided for in this section, shall credit  
26 monthly from the road use tax fund to the public  
27 transit assistance fund, created under section 601J.6,  
28 an amount equal to ~~one-fortieth~~ one-twentieth of the  
29 revenue credited to the road use tax fund under  
30 section 423.24, subsection 1, paragraph "b".

31 Sec. 4. Section 312.2, Code Supplement 1987, is  
32 amended by adding the following new subsection:

33 NEW SUBSECTION. 20. The treasurer of state,  
34 before making the allotments provided for in this  
35 section, shall credit annually from the revenue to be  
36 credited to the road use tax fund under section  
37 423.24, subsection 1, paragraph "b", the sum of one  
38 million dollars to the state department of  
39 transportation for the purpose of acquiring,  
40 constructing, and improving recreational trails within  
41 the state. Unobligated portions of this allotment  
42 shall remain available to the state department of  
43 transportation for the purposes for which the funds  
44 are originally allocated. The state department of  
45 transportation shall adopt rules under chapter 17A to  
46 establish procedures for the expenditure of the funds  
47 allotted under this subsection.

48 Sec. 5. Section 312.2, Code Supplement 1987, is  
49 amended by adding the following new subsection:

50 NEW SUBSECTION. 21. The treasurer of state shall

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1 credit for the fiscal period beginning July 1, 1988,  
2 and ending March 31, 1990, the moneys received under  
3 section 314.20 to the living roadway trust fund, which  
4 is created in the office of the treasurer of state.  
5 The moneys in this fund shall be used exclusively for  
6 the development of alternative roadside vegetation for  
7 living windbreaks, wildlife habitat, roadside erosion  
8 control, and esthetic purposes. The moneys shall only  
9 be expended adjacent to streets and highways. The  
10 state department of transportation and the department  
11 of natural resources shall jointly establish standards  
12 relating to the type of projects available for  
13 assistance. Of the moneys in the fund, fifty-six  
14 percent shall be expended for state department of  
15 transportation projects. Thirty percent shall be  
16 expended on county projects and fourteen percent shall  
17 be expended for city projects. Any city or county  
18 which has a project which qualifies for the use of  
19 these funds shall submit a request for the funds to  
20 the state department of transportation. The state  
21 department of transportation and the department of  
22 natural resources shall determine which projects  
23 qualify for the funds and which projects shall be  
24 funded if the requests for the funds exceed the  
25 availability of the funds. Funds allocated under this  
26 subsection shall be in addition to expenditures  
27 currently made for the purposes specified in this  
28 subsection. Beginning April 1, 1990, the moneys in  
29 the fund shall be allocated between the state,  
30 counties, and cities in the same proportion that the  
31 road use tax funds are allocated under section 312.2,  
32 subsections 1, 2, 3, and 4.

33 Sec. 6. Section 313.4, Code 1987, is amended by  
34 adding the following new subsection:

35 NEW SUBSECTION. 5. During the fiscal year  
36 beginning July 1, 1990, and ending June 30, 1991, and  
37 each subsequent fiscal year, the department shall  
38 spend from the primary road fund an amount of not less  
39 than thirty million dollars for the network of  
40 commercial and industrial highways.

41 Sec. 7. Section 313.8, Code 1987, is amended to  
42 read as follows:

43 313.8 IMPROVEMENT OF PRIMARY SYSTEM.

44 The department shall proceed to the improvement of  
45 the primary road system as rapidly as funds become  
46 available therefor until the entire mileage of the  
47 primary road system is built to established grade,  
48 bridged and surfaced with pavement or other surface  
49 suited to the traffic on such road. Improvements  
50 shall be made and carried out in such manner as to

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equalize the condition of the primary roads and accessibility for commercial and industrial economic development purposes, as nearly as possible, in all sections of the state.

Sec. 8. NEW SECTION. 314.20 UTILITY EASEMENTS ON HIGHWAY RIGHT-OF-WAY.

The department shall develop an accommodation plan for the longitudinal utility use of freeway right-of-way, in consultation with the utilities board. The plan shall be consistent with the rules of the federal highway administration of the United States department of transportation and shall be submitted to the federal highway administration for its approval by January 1, 1989. In developing the plan, the department shall provide for extended payment and lease agreements to provide continuous funding for the living roadway trust fund. The plan shall provide for charges for the use of the right-of-way and all moneys collected shall be credited to the living roadway trust fund established in section 312.2, subsection 21, and shall be used by the department for the planting and maintenance of alternative roadside vegetation on interstate highways.

Sec. 9. Section 315.3, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 3. The state transportation commission may authorize the temporary transfer of funds between the department's share of the RISE fund under section 315.4 and the primary road fund in an amount not to exceed forty million dollars at one time. Transferred funds shall be repaid not later than July 1, 1993. The commission shall manage the RISE fund to ensure that funds will be available to meet contract obligations on approved RISE projects.

Sec. 10. Section 321.122, subsection 1, paragraph a, Code 1987, is amended to read as follows:

a. For a combined gross weight of three tons or less ~~forty-five~~ sixty-five dollars and a vehicle which is more than ten ~~model~~ years old ~~thirty-five~~ fifty-five dollars and a vehicle which is more than ~~thirteen~~ model years old ~~forty-five~~ forty-five dollars and a vehicle which is more than ~~fifteen~~ years old ~~thirty-five~~ thirty-five dollars.

Sec. 11. Section 321.122, subsection 1, paragraph b, Code 1987, is amended to read as follows:

b. For a combined gross weight exceeding three tons, the annual registration fee shall be as set forth in the following schedule:

For a combined gross	And not	The annual
weight exceeding:	exceeding:	registration fee
		shall be:

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1	3 Tons .....	4 Tons .....	\$ 60
2			80
3	4 Tons .....	5 Tons .....	\$ 70
4			90
5	5 Tons .....	6 Tons .....	\$ 85
6			105
7	6 Tons .....	7 Tons .....	\$ 110
8			130
9	7 Tons .....	8 Tons .....	\$ 145
10			165
11	8 Tons .....	9 Tons .....	\$ 180
12			200
13	9 Tons .....	10 Tons .....	\$ 215
14			235
15	10 Tons .....	11 Tons .....	\$ 250
16			270
17	11 Tons .....	12 Tons .....	\$ 285
18			305
19	12 Tons .....	13 Tons .....	\$ 320
20			340
21	13 Tons .....	14 Tons .....	\$ 355
22			375
23	14 Tons .....	15 Tons .....	\$ 445
24	15 Tons .....	16 Tons .....	\$ 485
25	16 Tons .....	17 Tons .....	\$ 525
26	17 Tons .....	18 Tons .....	\$ 565
27	18 Tons .....	19 Tons .....	\$ 610
28	19 Tons .....	20 Tons .....	\$ 675
29	20 Tons .....	21 Tons .....	\$ 715
30	21 Tons .....	22 Tons .....	\$ 755
31	22 Tons .....	23 Tons .....	\$ 795
32	23 Tons .....	24 Tons .....	\$ 835
33	24 Tons .....	25 Tons .....	\$ 965
34	25 Tons .....	26 Tons .....	\$1,010
35	26 Tons .....	27 Tons .....	\$1,060
36	27 Tons .....	28 Tons .....	\$1,105
37	28 Tons .....	29 Tons .....	\$1,150
38	29 Tons .....	30 Tons .....	\$1,200
39	30 Tons .....	31 Tons .....	\$1,245
40	31 Tons .....	32 Tons .....	\$1,295
41	32 Tons .....	33 Tons .....	\$1,340
42	33 Tons .....	34 Tons .....	\$1,415
43	34 Tons .....	35 Tons .....	\$1,465
44	35 Tons .....	36 Tons .....	\$1,510
45	36 Tons .....	37 Tons .....	\$1,555
46	37 Tons .....	38 Tons .....	\$1,605
47	38 Tons .....	39 Tons .....	\$1,650
48	39 Tons .....	40 Tons .....	\$1,695

49 Sec. 12. Section 324.3, unnumbered paragraph 1,  
 50 Code 1987, is amended to read as follows:

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1 For the privilege of operating motor vehicles in  
 2 this state an excise tax of ~~fifteen-cents-per-gallon~~  
 3 ~~for-the-period-beginning-July-17-1985-and-ending~~  
 4 ~~December-31-1985-and~~ sixteen cents per gallon for  
 5 the period beginning January 1, 1986, and ending March  
 6 31, 1988, and eighteen cents per gallon for the period  
 7 beginning April 1, 1988, and ending December 31, 1988,  
 8 and twenty cents per gallon beginning January 1, 1989,  
 9 is imposed upon the use of all motor fuel used for any  
 10 purpose except motor fuel containing at least ten  
 11 percent alcohol distilled from cereal grains grown in  
 12 the United States for the period beginning July 1,  
 13 1978 and ending June 30, 1992 and except as otherwise  
 14 provided in this division.

15 Sec. 13. Section 324.3, unnumbered paragraph 4,  
 16 Code 1987, is amended to read as follows:

17 For the privilege of operating motor vehicles in  
 18 this state an excise tax of ~~fourteen-cents-per-gallon~~  
 19 ~~beginning-July-17-1985-and-ending-December-31-1985-~~  
 20 ~~and fifteen cents per gallon for the period beginning~~  
 21 January 1, 1986, and ending March 31, 1988, and  
 22 seventeen cents per gallon for the period beginning  
 23 April 1, 1988, and ending December 31, 1988, and  
 24 nineteen cents per gallon beginning January 1, 1989,  
 25 and ending June 30, 1992, is imposed upon the use of  
 26 gasohol used for any purpose except as otherwise  
 27 provided in this division.

28 Sec. 14. Section 324.34, unnumbered paragraph 1,  
 29 Code 1987, is amended to read as follows:

30 For the privilege of operating motor vehicles in  
 31 this state, there is imposed an excise tax on the use,  
 32 as defined in section 324.33, of special fuel in a  
 33 motor vehicle. The tax rate on special fuel for  
 34 diesel engines is ~~sixteen-and-one-half-cents-per~~  
 35 ~~gallon-for-the-period-beginning-July-17-1985-and~~  
 36 ~~ending-December-31-1985,-is-seventeen-and-one-half~~  
 37 ~~cents-per-gallon-for-the-period-beginning-January-1-~~  
 38 ~~1986-and-ending-December-31-1986,-and-is~~ eighteen and  
 39 one-half cents per gallon for the period beginning  
 40 January 1, 1987, and ending March 31, 1988, and is  
 41 twenty and one-half cents per gallon for the period  
 42 beginning April 1, 1988, and ending December 31, 1988,  
 43 and twenty-two and one-half cents per gallon beginning  
 44 January 1, 1989. On all other special fuel the per  
 45 gallon rate is the same as the motor fuel tax.

46 Sec. 15. Section 324.34, unnumbered paragraph 9,  
 47 Code 1987, is amended to read as follows:

48 For natural gas used as a special fuel the rate of  
 49 tax that is equivalent to the motor fuel tax shall be  
 50 thirteen sixteen cents per hundred cubic feet adjusted

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1 to a base temperature of sixty degrees Fahrenheit and  
2 a pressure of fourteen and seventy-three hundredths  
3 pounds per square inch absolute. The tax on natural  
4 gas shall attach at the time of delivery into  
5 equipment for compressing the gas for subsequent  
6 delivery into the fuel supply tank of a motor vehicle  
7 and shall be paid over to the department by the person  
8 operating the compressing equipment under the  
9 applicable provisions for users or dealers. Natural  
10 gas used as a special fuel shall be delivered into  
11 compressing equipment through sealed meters certified  
12 for accuracy by the department of agriculture and land  
13 stewardship.

14 Sec. 16. There is appropriated from the road use  
15 tax fund to the legislative service bureau the sum of  
16 three hundred thousand (300,000) dollars, or so much  
17 thereof as may be necessary, for the purpose of  
18 carrying out a study of the mechanisms for the  
19 distribution of the revenues derived from fuel taxes,  
20 vehicle registration fees, license fees, the use tax  
21 on vehicles, and other sources of the road use tax  
22 fund. The study shall be independently conducted but  
23 administered by a steering committee composed of two  
24 members appointed by the state transportation  
25 commission, two members appointed by the Iowa state  
26 association of counties, and two members appointed by  
27 the league of Iowa municipalities. The steering  
28 committee shall report the findings of the study to  
29 the governor, the chief clerk of the house of  
30 representatives, and the secretary of the senate not  
31 later than January 31, 1989.

32 Sec. 17. There is appropriated from the public  
33 transit assistance fund to the legislative service  
34 bureau the sum of seventy-five thousand (75,000)  
35 dollars, or so much thereof as may be necessary, for  
36 the purpose of carrying out a study of the mechanisms  
37 for the distribution of the public transit assistance  
38 fund. All sources of funding for public transit shall  
39 be considered for purposes of this study. The study  
40 shall be independently conducted but administered by a  
41 steering committee composed of two members appointed  
42 by the state transportation commission, two members  
43 appointed by the regional transit systems, two members  
44 appointed by the large urban transit systems, and two  
45 members appointed by the small urban transit systems.  
46 The steering committee shall report the findings of  
47 the study to the governor, the chief clerk of the  
48 house of representatives, and the secretary of the  
49 senate not later than January 31, 1989.

50 Sec. 18. There is appropriated from the road use

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1 tax fund to the legislative service bureau the sum of  
2 fifty thousand (50,000) dollars, or so much thereof as  
3 is necessary, for the purpose of conducting a study to  
4 develop an immediate long-range policy for the  
5 planting and maintenance of alternative roadside  
6 vegetation adjacent to the streets and highways in the  
7 state. The study shall be independently conducted by  
8 a consultant employed by a steering committee composed  
9 of two members appointed by the state transportation  
10 commission, two members appointed by the Iowa state  
11 association of counties, and two members appointed by  
12 the league of Iowa municipalities. The steering  
13 committee shall report the findings of the study to  
14 the governor, the chief clerk of the house of  
15 representatives, and the secretary of the senate not  
16 later than January 31, 1989.

17 Sec. 19. There is appropriated from the road use  
18 tax fund for the fiscal year beginning July 1, 1988,  
19 and ending June 30, 1989, for the purpose of replacing  
20 lost federal highway funds, to the primary road fund  
21 the sum of twelve million seven hundred eighty-eight  
22 thousand one hundred forty-four (12,788,144) dollars,  
23 to the farm-to-market road fund the sum of three  
24 million fifty-four thousand six hundred eighty-eight  
25 (3,054,688) dollars, to the secondary road fund of the  
26 counties the sum of nine hundred forty-one thousand  
27 four hundred fifty-five (941,455) dollars, and to the  
28 street construction fund of the cities the sum of  
29 seven hundred eleven thousand one hundred thirty-one  
30 (711,131) dollars.

31 Sec. 20. There is appropriated from the road use  
32 tax fund for the fiscal year beginning July 1, 1989,  
33 and ending June 30, 1990, for the purpose of replacing  
34 lost federal highway funds, to the primary road fund  
35 the sum of twenty million nine hundred thirty-two  
36 thousand (20,932,000) dollars, to the farm-to-market  
37 road fund the sum of five million (5,000,000) dollars,  
38 to the secondary road fund of the counties the sum of  
39 one million five hundred forty-one thousand  
40 (1,541,000) dollars, and to the street construction  
41 fund of the cities the sum of one million one hundred  
42 sixty-four thousand (1,164,000) dollars.

43 Sec. 21. There is appropriated from the road use  
44 tax fund for the fiscal year beginning July 1, 1988,  
45 and ending June 30, 1989, to the primary road fund for  
46 the commercial and industrial network of highways the  
47 sum of eleven million nine hundred seventy-four  
48 thousand three hundred seventy-five (11,974,375)  
49 dollars, to the secondary road fund of the counties  
50 the sum of nine million nine hundred fifty-eight

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1 thousand two hundred eighty-one (9,958,281) dollars,  
2 and to the street construction fund of the cities the  
3 sum of five million nine hundred eighty-seven thousand  
4 one hundred eighty-eight (5,987,188) dollars.

5 Sec. 22. There is appropriated from the road use  
6 tax fund for the fiscal period beginning July 1, 1989,  
7 and ending March 31, 1990, to the primary road fund  
8 for the commercial and industrial network of highways  
9 the sum of ten million four hundred thousand  
10 (10,400,000) dollars, to the secondary road fund of  
11 the counties the sum of eight million seven hundred  
12 thousand (8,700,000) dollars, and to the street  
13 construction fund of the cities the sum of five  
14 million two hundred thousand (5,200,000) dollars.

15 Sec. 23. Beginning April 1, 1990, the treasurer of  
16 state shall, each month before distributing funds  
17 allotted from the road use tax fund under section  
18 312.2, credit to a separate fund held by the treasurer  
19 of state the following amounts:

20 1. From the moneys allotted to the primary road  
21 fund, one-twelfth of twenty-eight million three  
22 hundred thousand dollars.

23 2. From the moneys allotted to the secondary road  
24 fund of the counties, one-twelfth of eleven million  
25 three hundred thousand dollars.

26 3. From the moneys allotted to the farm-to-market  
27 road fund, one-twelfth of three million six hundred  
28 thousand dollars.

29 4. From the moneys allotted to the street  
30 construction fund of the cities, one-twelfth of six  
31 million eight hundred thousand dollars.

32 The moneys in this separate fund, together with  
33 interest or earnings on investments or time deposits  
34 of the moneys, shall be restored to the road use tax  
35 fund upon completion of the study required by section  
36 14 of this Act and action by the general assembly on  
37 the formula for allocating road use tax funds between  
38 jurisdictions.

39 Sec. 24. Sections 2, 3, and 4 of this Act take  
40 effect July 1 following enactment.

41 Sec. 25. Sections 10 and 11 of this Act take  
42 effect July 1 following enactment for vehicle  
43 registrations subject to renewal and new vehicle  
44 registrations on or after that date for vehicles  
45 registered for a combined gross weight of five tons or  
46 less.

47 Sec. 26. Section 11 of this Act takes effect  
48 December 1 following enactment for vehicle  
49 registrations subject to renewal and new vehicle  
50 registrations on or after that date for vehicles

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1 registered for a combined gross weight exceeding five  
2 tons.

3 Sec. 27. Section 15 of this Act takes effect April  
4 1 following enactment.

5 Sec. 28... This Act, being deemed of immediate  
6 importance, takes effect upon its enactment."

7 2. Amend the title, lines 6 through 9, by  
8 striking the words "providing for a performance and  
9 efficiency audit of state transportation and the RISE  
10 program as it relates to job creation and economic  
11 development,".

H-5520 FILED MARCH 11, 1988 BY COMMITTEE ON WAYS AND MEANS

*Amended by H. R. 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1097, 1098, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, 1163, 1164, 1165, 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1830, 1831, 1832, 1833, 1834, 1835, 1836, 1837, 1838, 1839, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708, 2709, 2710, 2711, 2712, 2713, 2714, 2715, 2716, 2717, 2718, 2719, 2720, 2721, 2722, 2723, 2724, 2725, 2726, 2727, 2728, 2729, 2730, 2731, 2732, 2733, 2734, 2735, 2736, 2737, 2738, 2739, 2740, 2741, 2742, 2743, 2744, 2745, 2746, 2747, 2748, 2749, 2750, 2751, 2752, 2753, 2754, 2755, 2756, 2757, 2758, 2759, 2760, 2761, 2762, 2763, 2764, 2765, 2766, 2767, 2768, 2769, 2770, 2771, 2772, 2773, 2774, 2775, 2776, 2777, 2778, 2779, 2780, 2781, 2782, 2783, 2784, 2785, 2786, 2787, 2788, 2789, 2790, 2791, 2792, 2793, 2794, 2795, 2796, 2797, 2798, 2799, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2808, 2809, 2810, 2811, 2812, 2813, 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2831, 2832, 2833, 2834, 2835, 2836, 2837, 2838, 2839, 2840, 2841, 2842, 2843, 2844, 2845, 2846, 2847, 2848, 2849, 2850, 2851, 2852, 2853, 2854, 2855, 2856, 2857, 2858, 2859, 2860, 2861, 2862, 2863, 2864, 2865, 2866, 2867, 2868, 2869, 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2877, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2887, 2888, 2889, 2890, 2891, 2892, 2893, 2894, 2895, 2896, 2897, 2898, 2899, 2900, 2901, 2902, 2903, 2904, 2905, 2906, 2907, 2908, 2909, 2910, 2911, 2912, 2913, 2914, 2915, 2916, 2917, 2918, 2919, 2920, 2921, 2922, 2923, 2924, 2925, 2926, 2927, 2928, 2929, 2930, 2931, 2932, 2933, 2934, 2935, 2936, 2937, 2938, 2939, 2940, 2941, 2942, 2943, 2944, 2945, 2946, 2947, 2948, 2949, 2950, 2951, 2952, 2953, 2954, 2955, 2956, 2957, 2958, 2959, 2960, 2961, 2962, 2963, 2964, 2965, 2966, 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, 2976, 2977, 2978, 2979,*

SENATE FILE 2196

H-5332

1 Amend Senate File 2196, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. By striking page 13, line 1 through page 14,  
4 line 31.

5 2. Renumber sections and correct internal  
6 references as necessary.

H-5332 FILED MARCH 7, 1988 BY KREMER of Buchanan

*Filed 3/6 2/17 (g. 403)*

*Order*

SENATE FILE 2196

H-5363

1 Amend Senate File 2196, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. By striking page 13, line 1 through page 14,  
4 line 31.

5 2. Title page, lines 9 and 10, by striking the  
6 words "making appropriations from the road use tax  
7 fund,".

8 3. Renumber sections and correct internal  
9 references as necessary.

H-5363 FILED MARCH 8, 1988 BY KREMER of Buchanan

*Filed 3/6 2/17 (g. 403)*

*Order*

SENATE FILE 2196  
AS AMENDED IN WAYS AND MEANS COMMITTEE  
FISCAL NOTE

In compliance with a written request received March 15, 1988, a fiscal note for SENATE FILE 2196 AS AMENDED IN HOUSE WAYS AND MEANS COMMITTEE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

REVENUE INCREASES

Senate File 2196, as amended in House Ways and Means Committee, increases the amount of revenues which will be collected and deposited in the road use tax fund (RUTF) by:

1. Having the interest and earning on investments of the road use tax fund and its beneficiary funds credit back to those funds, rather than of the general fund.
2. Raising the registration fee on trucks up to 14 tons by \$20 per year, except the fee for certain trucks more than thirteen model years old is increased by \$10, and for a vehicle more than fifteen model years the fee would remain the same.
3. Raising the tax on motor fuel (including gasohol) and special fuel for diesel engines by two cents per gallon, effective April 1, 1988 through December 31, 1988, and then by an additional two cents per gallon, effective January 1, 1989.
4. Raising the special fuel tax on compressed natural gas for highway use by three cents per hundred cubic feet.

ASSUMPTIONS:

Interest and earnings are calculated based on a 7% interest rate. The amount of increase in revenues to the RUTF from interest and earnings would be offset by a decrease in revenues to the general fund.

FISCAL IMPACT:

Estimated Increase in Revenues for RUTF Distribution

	FY 1989	FY 1990
Fuel Tax	\$39,100,000	\$64,000,000
Truck Fees	7,000,000	9,100,000
Interest & Earnings*	1,000,000	1,000,000
	-----	-----
Total	\$47,100,000	\$74,100,000

\*In addition there would be approximately \$2.3 million in FY 1989 and \$1.1 million in FY 1990 on interest and earnings from the balance in the RISE fund which would remain in that fund, instead of being deposited in the general fund. This estimate assumes that the full amount allowed would be temporarily transferred from the RISE fund to the primary road fund.

EXPENDITURES

Senate File 2196 increases the allocations from the RUTF by:

1. Raising the standing appropriation to the public transit assistance fund from 1/40 to 1/20 of the revenue credited to the RUTF from use tax receipts.
2. Providing a \$1,000,000 standing appropriation to the DOT for acquiring, constructing, and improving recreational trails.
3. Appropriating \$300,000 to carry out a study of the RUTF.
4. Appropriating \$50,000 for a study to develop a policy for the planting and maintenance of alternative roadside vegetation.
5. Appropriating \$17,495,418 for FY 1989 and \$28,637,000 for FY 1990 to the primary road fund, farm-to-market road fund, secondary road fund, and street construction fund of the cities for the purpose of replacing lost federal funds.
6. Appropriating \$27,919,844 for FY 1989 and \$24,300,000 for the period beginning July 1, 1989 and ending March 31, 1990, to the primary road fund, secondary road fund, and the street construction fund of the cities.

Estimated Increase in RUTF Expenditures Stipulated in SF 2196

	FY 1989	FY 1990
Public Transit Assistance	\$ 2,428,000	\$ 2,493,000
Recreation Trails	1,000,000	1,000,000
RUTF Study	300,000	0
Roadside Veg. Study	50,000	0
Replacing Lost Fed. Funds	17,495,418	28,637,000
Appropriation to Funds	27,919,844	24,300,000
	-----	-----
Total	\$49,193,262	\$56,430,000

The appropriation of \$27.9 million in FY 1989 and \$24.3 million in FY 1990 includes a total of about \$22.4 million to the primary road fund for the commercial and industrial network of highways. The bill also amends the Code of Iowa by requiring the DOT to spend \$30 million for the network in FY 1991 and each subsequent year.

In addition to the stipulated increases, RUTF allocations to park and institutional roads and county, city, and state traffic safety improvement projects are based on a percentage of revenues credited to the RUTF; therefore, the allocation will increase as receipts increase.

The bill appropriates \$75,000 from the Public Transit Assistance Fund for a study of the mechanisms for the distribution of the fund. It also allows the State Transportation Commission to authorize the temporary transfer of funds between the DOT share of the Rise fund and the primary road fund, not to exceed \$40 million dollars at one time. The bill creates a Living Roadway Trust Fund from charges to utilities for use of freeway right-of-way. The funds will be used for planting and maintenance of alternative roadside vegetation. There is no estimate available on the revenues that would be generated by this provision.

Source: Department of Transportation  
State Treasurer

(LSB 8247s,3, DER)

SENATE FILE 2196

H-5394

1 Amend Senate File 2196, as amended, passed, and re-  
 2 printed by the Senate, as follows:  
 3 1. Page 6, lines 3, 4, and 5, by striking the  
 4 words "eighteen cents per gallon for the period  
 5 beginning April 1, 1988, and ending December 31, 1988,  
 6 and twenty cents per gallon beginning January 1,  
 7 1989," and inserting the following: "and seventeen  
 8 cents per gallon beginning April 1, 1988,".  
 9 2. Page 6, lines 17, 18, 19, and 20, by striking  
 10 the words "seventeen cents per gallon for the period  
 11 beginning April 1, 1988, and ending December 31, 1988,  
 12 and nineteen cents per gallon for the period beginning  
 13 January 1, 1989, and ending" and inserting the  
 14 following: "sixteen cents per gallon for the period  
 15 beginning April 1, 1988, and ending".  
 16 3. Page 8, lines 29, 30, 31, and 32, by striking  
 17 the words "twenty and one-half cents per gallon for  
 18 the period beginning April 1, 1988, and ending  
 19 December 31, 1988, and is twenty-two and one-half  
 20 cents per gallon beginning January 1, 1989" and  
 21 inserting the following: "nineteen and one-half cents  
 22 per gallon beginning April 1, 1988".  
 23 4. Page 9, line 2, by striking the word "sixteen."  
 24 and inserting the following: "fourteen.".

BY McKEAN of Jones

H-5394 FILED MARCH 9, 1988

TYRRELL of Iowa

SENATE FILE 2196

H-5401

1 Amend Senate File 2196, as amended, passed, and re-  
 2 printed by the Senate, as follows:  
 3 1. Page 1, by inserting before line 1 the follow-  
 4 ing:  
 5 "Section 1. NEW SECTION. 306.60 ROAD  
 6 CONSTRUCTION.  
 7 Effective April 1, 1988, highway authorities  
 8 receiving funds from the road use tax fund shall not  
 9 expend any funds for the construction of new highways.  
 10 This section shall not be construed to prohibit a  
 11 highway authority from reconstructing an existing  
 12 highway or making repairs and maintenance on a  
 13 highway. This section shall not be construed to  
 14 prohibit the construction of new highways with funds  
 15 received under chapter 315."

BY McKEAN of Jones

HAMMOND of Story

TYRRELL of Iowa

JOHNSON of Winneshiek

DE GROOT of Lyon

MULLINS of Kossuth

H-5401 FILED MARCH 9, 1988

SENATE FILE 2196

H-5463

1 Amend Senate File 2196, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 1, line 29, by striking the words "six  
 4 hundred" and inserting the following: "two hundred  
 5 fifty".

H-5463 FILED MARCH 10, 1988

BY HERMANN of Scott

## SENATE FILE 2196

H-5391

1 Amend Senate File 2196, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 1, by inserting after line 23 the  
 4 following:  
 5 "Sec. \_\_\_\_ Section 312.2, Code Supplement 1987, is  
 6 amended by adding the following new subsection:  
 7 NEW SUBSECTION. 20. The treasurer of state,  
 8 before making the allotments provided for in this  
 9 section, shall credit annually from the road use tax  
 10 fund to the state department of transportation, the sum  
 11 of one million dollars from the revenue credited to  
 12 the road use tax fund under section 423.24, subsection  
 13 1, paragraph "b", for the purpose of acquiring,  
 14 constructing, and improving recreational trails within  
 15 the state. Unobligated portions of this allotment  
 16 shall remain available to the state department of  
 17 transportation and shall not revert to the road use  
 18 tax fund. The state department of transportation  
 19 shall adopt rules under chapter 17A to establish  
 20 procedures for the expenditure of the funds allotted  
 21 under this subsection."  
 22 2. Renumber as necessary.

BY McKEAN of Jones HAMMOND of Story  
 NEUHAUSER of Johnson JOHNSON of Winneshiek  
 H-5391 FILED MARCH 9, 1988

## SENATE FILE 2196

H-5392

1 Amend Senate File 2196, as amended, passed, and re-  
 2 printed by the Senate, as follows:  
 3 1. Page 1, by inserting before line 1 the  
 4 following:  
 5 "Section 1. Section 306.9, unnumbered paragraph 1,  
 6 Code 1987, is amended to read as follows:  
 7 It is declared to be the policy of the state of  
 8 Iowa that relocation of primary highways through  
 9 cultivated-land shall be avoided to the maximum extent  
 10 possible. Whenever the volume of traffic for which  
 11 the road is designed or other conditions require such  
 12 relocation, diagonal routes shall be avoided wherever  
 13 feasible and prudent alternatives exist."  
 14 2. Renumber sections and correct internal  
 15 references as necessary.

BY McKEAN of Jones DE CROOT of Lyon  
 TYRRELL of Iowa JOHNSON of Winneshiek  
 H-5392 FILED MARCH 9, 1988 MULLINS of Kossuth

HOUSE AMENDMENT TO  
SENATE FILE 2196

-5447

1 Amend Senate File 2196, as amended, passed, and  
2 reprinted by the Senate, as follows:

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

5 "Section 1. Section 307A.2, Code 1987, is amended  
6 by adding the following new unnumbered paragraph:

7 NEW UNNUMBERED PARAGRAPH. The commission shall  
8 identify, within the primary road system, a network of  
9 commercial and industrial highways. The improvement  
10 of this network shall be considered in the development  
11 of the long-range program and plan of improvements  
12 under this section.

13 Sec. 2. Section 312.1, Code 1987, is amended by  
14 adding the following new unnumbered paragraph:

15 NEW UNNUMBERED PARAGRAPH. Notwithstanding section  
16 452.7, subsection 2, interest or earnings on  
17 investments or time deposits of the moneys in the road  
18 use tax fund and the funds to which moneys from the  
19 road use tax fund are credited shall be credited to  
20 the respective funds which generated the interest or  
21 earnings.

22 Sec. 3. Section 312.2, subsection 17, Code  
23 Supplement 1987, is amended to read as follows:

24 17. The treasurer of state, before making the  
25 allotments provided for in this section, shall credit  
26 monthly from the road use tax fund to the public  
27 transit assistance fund, created under section 601J.6,  
28 an amount equal to ~~one-fortieth~~ one-twentieth of the  
29 revenue credited to the road use tax fund under  
30 section 423.24, subsection 1, paragraph "b".

31 Sec. 4. Section 312.2, Code Supplement 1987, is  
32 amended by adding the following new subsection:

33 NEW SUBSECTION. 20. The treasurer of state,  
34 before making the allotments provided for in this  
35 section, shall credit annually from the revenue to be  
36 credited to the road use tax fund under section  
37 423.24, subsection 1, paragraph "b", the sum of one  
38 million dollars to the state department of  
39 transportation for the purpose of acquiring,  
40 constructing, and improving recreational trails within  
41 the state. Unobligated portions of this allotment  
42 shall remain available to the state department of  
43 transportation for the purposes for which the funds  
44 are originally allocated. The state department of  
45 transportation shall adopt rules under chapter 17A to  
46 establish procedures for the expenditure of the funds  
47 allotted under this subsection.

48 Sec. 5. Section 312.2, Code Supplement 1987, is  
49 amended by adding the following new subsection:

50 NEW SUBSECTION. 21. The treasurer of state shall

1 credit for the fiscal period beginning July 1, 1988,  
2 and ending March 31, 1990, the moneys received under  
3 section 314.20 to the living roadway trust fund, which  
4 is created in the office of the treasurer of state.  
5 The moneys in this fund shall be used exclusively for  
6 the development of alternative roadside vegetation for  
7 living windbreaks, wildlife habitat, roadside erosion  
8 control, and esthetic purposes. The moneys shall only  
9 be expended adjacent to streets and highways. The  
10 state department of transportation and the department  
11 of natural resources shall jointly establish standards  
12 relating to the type of projects available for  
13 assistance. Of the moneys in the fund, fifty-six  
14 percent shall be expended for state department of  
15 transportation projects. Thirty percent shall be  
16 expended on county projects and fourteen percent shall  
17 be expended for city projects. Any city or county  
18 which has a project which qualifies for the use of  
19 these funds shall submit a request for the funds to  
20 the state department of transportation. The state  
21 department of transportation and the department of  
22 natural resources shall determine which projects  
23 qualify for the funds and which projects shall be  
24 funded if the requests for the funds exceed the  
25 availability of the funds. Funds allocated under this  
26 subsection shall be in addition to expenditures  
27 currently made for the purposes specified in this  
28 subsection. Beginning April 1, 1990, the moneys in  
29 the fund shall be allocated between the state,  
30 counties, and cities in the same proportion that the  
31 road use tax funds are allocated under section 312.2,  
32 subsections 1, 2, 3, and 4.

33 <sup>542</sup> Sec. 6. Section 313.4, Code 1987, is amended by  
34 adding the following new subsection:

35 NEW SUBSECTION. 5. During the fiscal year  
36 beginning July 1, 1990, and ending June 30, 1991, and  
37 each subsequent fiscal year, the department shall  
38 spend from the primary road fund an amount of not less  
39 than thirty million dollars for the network of  
40 commercial and industrial highways.

41 Sec. 7. Section 313.8, Code 1987, is amended to  
42 read as follows:

43 313.8 IMPROVEMENT OF PRIMARY SYSTEM.

44 The department shall proceed to the improvement of  
45 the primary road system as rapidly as funds become  
46 available therefor until the entire mileage of the  
47 primary road system is built to established grade,  
48 bridged and surfaced with pavement or other surface  
49 suited to the traffic on such road. Improvements  
50 shall be made and carried out in such manner as to

1 equalize the condition of the primary roads and  
2 accessibility for commercial and industrial economic  
3 development purposes, as nearly as possible, in all  
4 sections of the state.

5 Sec. 8. NEW SECTION. 314.15 ENVIRONMENTAL  
6 PROTECTION.

7 Highway construction and reconstruction shall not  
8 cause unnecessary destruction of the natural or  
9 historic heritage of the state. Accordingly, the  
10 following features shall be protected in the design,  
11 construction, and reconstruction of highways:

12 1. WOODLANDS. All natural woodland removed shall  
13 be replaced by plantings of the same species mix on  
14 the same number of acres as the woodland removed on  
15 similar terrain as close as possible to the  
16 construction site, or by purchase of an equal number  
17 of acres of natural woodland in the general vicinity  
18 for public ownership and preservation.

19 2. WETLANDS. All natural wetlands removed shall  
20 be replaced by purchase of natural wetlands in the  
21 same general vicinity for public ownership and  
22 preservation.

23 3. PUBLIC PARKS. Highways constructed through  
24 publicly owned parks, preserves, and recreation areas  
25 shall be designed to blend aesthetically with the  
26 areas and to minimize noise as requested by the public  
27 entity owning the land. Highways crossing rivers,  
28 streams, or wetlands and their associated riparian  
29 vegetation within publicly owned areas shall be built  
30 on structures to minimize damage to aesthetic and  
31 natural values. Any land taken from publicly owned  
32 parks, preserves, or recreation areas for highway  
33 construction shall be replaced by purchase of an equal  
34 or greater number of acres for public use, to be  
35 chosen in cooperation with the public entity owning  
36 the land.

37 4. PRIME AGRICULTURAL LAND. Topsoil shall be  
38 removed and stockpiled and shall be made available at  
39 no cost to the former landowner or other landowners  
40 whose land was purchased for the highway construction.  
41 Excess topsoil shall be utilized for landscaping.

42 Sec. 9. NEW SECTION. 314.20 UTILITY EASEMENTS ON  
43 HIGHWAY RIGHT-OF-WAY.

44 The department shall develop an accommodation plan  
45 for the longitudinal utility use of freeway right-of-  
46 way, in consultation with the utilities board. The  
47 plan shall be consistent with the rules of the federal  
48 highway administration of the United States department  
49 of transportation and shall be submitted to the  
50 federal highway administration for its approval by

1 January 1, 1989. In developing the plan, the  
2 department shall provide for extended payment and  
3 lease agreements to provide continuous funding for the  
4 living roadway trust fund. The plan shall provide for  
5 charges for the use of the right-of-way and all moneys  
6 collected shall be credited to the living roadway  
7 trust fund established in section 312.2, subsection  
8 21, and shall be used by the department for the  
9 planting and maintenance of alternative roadside  
10 vegetation on interstate highways.

11 Sec. 10. Section 315.3, Code 1987, is amended by  
12 adding the following new subsection:

13 NEW SUBSECTION. 3. The state transportation  
14 commission may authorize the temporary transfer of  
15 funds between the department's share of the RISE fund  
16 under section 315.4 and the primary road fund in an  
17 amount not to exceed forty million dollars at one  
18 time. Transferred funds shall be repaid not later  
19 than July 1, 1993. The commission shall manage the  
20 RISE fund to ensure that funds will be available to  
21 meet contract obligations on approved RISE projects.

22 Sec. 11. Section 321.122, subsection 1, paragraph  
23 a, Code 1987, is amended to read as follows:

24 a. For a combined gross weight of three tons or  
25 less ~~forty-five~~ sixty-five dollars and a vehicle which  
26 is more than ten model years old ~~thirty-five~~ fifty-  
27 five dollars and a vehicle which is more than thirteen  
28 model years old forty-five dollars and a vehicle which  
29 is more than fifteen years old thirty-five dollars.

30 Sec. 12. Section 321.122, subsection 1, paragraph  
31 b, Code 1987, is amended to read as follows:

32 b. For a combined gross weight exceeding three  
33 tons, the annual registration fee shall be as set  
34 forth in the following schedule:

35 For a combined gross	And not	The annual
36 weight exceeding:	37 exceeding:	registration fee
		38 shall be:
38 3 Tons .....	4 Tons .....	\$ 60
39		80
40 4 Tons .....	5 Tons .....	\$ 70
41		90
42 5 Tons .....	6 Tons .....	\$ 85
43		105
44 6 Tons .....	7 Tons .....	\$ 110
45		130
46 7 Tons .....	8 Tons .....	\$ 145
47		165
48 8 Tons .....	9 Tons .....	\$ 180
49		200
50 9 Tons .....	10 Tons .....	\$ 215

2	10 Tons	11 Tons	\$ 235
3			250
4	11 Tons	12 Tons	\$ 270
5			285
6	12 Tons	13 Tons	\$ 305
7			320
8	13 Tons	14 Tons	\$ 340
9			355
10	14 Tons	15 Tons	\$ 375
11			445
12	15 Tons	16 Tons	\$ 485
13			525
14	16 Tons	17 Tons	\$ 565
15			610
16	17 Tons	18 Tons	\$ 675
17			715
18	18 Tons	19 Tons	\$ 755
19			795
20	19 Tons	20 Tons	\$ 835
21			965
22	20 Tons	21 Tons	\$ 1,010
23			1,060
24	21 Tons	22 Tons	\$ 1,105
25			1,150
26	22 Tons	23 Tons	\$ 1,200
27			1,245
28	23 Tons	24 Tons	\$ 1,295
29			1,340
30	24 Tons	25 Tons	\$ 1,415
31			1,465
32	25 Tons	26 Tons	\$ 1,510
33			1,555
34	26 Tons	27 Tons	\$ 1,605
35			1,650
36	27 Tons	28 Tons	\$ 1,695
37			
38	28 Tons	29 Tons	
39			
40	29 Tons	30 Tons	
41			
42	30 Tons	31 Tons	
43			
44	31 Tons	32 Tons	
45			
46	32 Tons	33 Tons	
47			
48	33 Tons	34 Tons	
49			
50	34 Tons	35 Tons	
	35 Tons	36 Tons	
	36 Tons	37 Tons	
	37 Tons	38 Tons	
	38 Tons	39 Tons	
	39 Tons	40 Tons	

36 Sec. 13. Section 324.3, unnumbered paragraph 1,  
37 Code 1987, is amended to read as follows:  
38 For the privilege of operating motor vehicles in  
39 this state an excise tax of fifteen cents per gallon  
40 ~~for the period beginning July 1, 1985 and ending~~  
41 ~~December 31, 1985, and sixteen cents per gallon for~~  
42 the period beginning January 1, 1986, and ending March  
43 31, 1988, and eighteen cents per gallon for the period  
44 beginning April 1, 1988, and ending December 31, 1988,  
45 and twenty cents per gallon beginning January 1, 1989.  
46 is imposed upon the use of all motor fuel used for any  
47 purpose except motor fuel containing at least ten  
48 percent alcohol distilled from cereal grains grown in  
49 the United States for the period beginning July 1,  
50 1978 and ending June 30, 1992 and except as otherwise

1 provided in this division.

2 Sec. 14. Section 324.3, unnumbered paragraph 4,  
3 Code 1987, is amended to read as follows:

4 For the privilege of operating motor vehicles in  
5 this state an excise tax of fourteen-cents-per-gallon  
6 beginning-July-17-1985-and-ending-December-31-1985,  
7 and fifteen cents per gallon for the period beginning  
8 January 1, 1986, and ending March 31, 1988, and  
9 seventeen cents per gallon for the period beginning  
10 April 1, 1988, and ending December 31, 1988, and  
11 nineteen cents per gallon beginning January 1, 1989,  
12 and ending June 30, 1992, is imposed upon the use of  
13 gasohol used for any purpose except as otherwise  
14 provided in this division.

15 Sec. 15. Section 324.34, unnumbered paragraph 1,  
16 Code 1987, is amended to read as follows:

17 For the privilege of operating motor vehicles in  
18 this state, there is imposed an excise tax on the use,  
19 as defined in section 324.33, of special fuel in a  
20 motor vehicle. The tax rate on special fuel for  
21 diesel engines is sixteen-and-one-half-cents-per  
22 gallon-for-the-period-beginning-July-17-1985-and  
23 ending-December-31-1985,-is-seventeen-and-one-half  
24 cents-per-gallon-for-the-period-beginning-January-17  
25 1986-and-ending-December-31-1986,-and-is eighteen and  
26 one-half cents per gallon for the period beginning  
27 January 1, 1987, and ending March 31, 1988, and is  
28 twenty and one-half cents per gallon for the period  
29 beginning April 1, 1988, and ending December 31, 1988,  
30 and twenty-two and one-half cents per gallon beginning  
31 January 1, 1989. On all other special fuel the per  
32 gallon rate is the same as the motor fuel tax.

33 Sec. 16. Section 324.34, unnumbered paragraph 9,  
34 Code 1987, is amended to read as follows:

35 For natural gas used as a special fuel the rate of  
36 tax that is equivalent to the motor fuel tax shall be  
37 thirteen sixteen cents per hundred cubic feet adjusted  
38 to a base temperature of sixty degrees Fahrenheit and  
39 a pressure of fourteen and seventy-three hundredths  
40 pounds per square inch absolute. The tax on natural  
41 gas shall attach at the time of delivery into  
42 equipment for compressing the gas for subsequent  
43 delivery into the fuel supply tank of a motor vehicle  
44 and shall be paid over to the department by the person  
45 operating the compressing equipment under the  
46 applicable provisions for users or dealers. Natural  
47 gas used as a special fuel shall be delivered into  
48 compressing equipment through sealed meters certified  
49 for accuracy by the department of agriculture and land  
50 stewardship.

1       Sec. 17. There is appropriated from the road use  
2 tax fund to the legislative service bureau the sum of  
3 three hundred thousand (300,000) dollars, or so much  
4 thereof as may be necessary, for the purpose of  
5 carrying out a study of the needs for the total road  
6 network and the mechanisms for the distribution of the  
7 revenues derived from fuel taxes, vehicle registration  
8 fees, license fees, the use tax on vehicles, and other  
9 sources of the road use tax fund. The study shall be  
10 independently conducted but administered by a steering  
11 committee composed of two members appointed by the  
12 state transportation commission, two members appointed  
13 by the Iowa state association of counties, and two  
14 members appointed by the league of Iowa  
15 municipalities. The steering committee shall report  
16 the findings of the study to the governor, the chief  
17 clerk of the house of representatives, and the  
18 secretary of the senate not later than January 31,  
19 1989.

20       Sec. 18. There is appropriated from the public  
21 transit assistance fund to the legislative service  
22 bureau the sum of seventy-five thousand (75,000)  
23 dollars, or so much thereof as may be necessary, for  
24 the purpose of carrying out a study of the mechanisms  
25 for the distribution of the public transit assistance  
26 fund. All sources of funding for public transit shall  
27 be considered for purposes of this study. The study  
28 shall be independently conducted but administered by a  
29 steering committee composed of two members appointed  
30 by the state transportation commission, two members  
31 appointed by the regional transit systems, two members  
32 appointed by the large urban transit systems, and two  
33 members appointed by the small urban transit systems.  
34 The steering committee shall report the findings of  
35 the study to the governor, the chief clerk of the  
36 house of representatives, and the secretary of the  
37 senate not later than January 31, 1989.

38       Sec. 19. There is appropriated from the road use  
39 tax fund to the legislative service bureau the sum of  
40 fifty thousand (50,000) dollars, or so much thereof as  
41 is necessary, for the purpose of conducting a study to  
42 develop an immediate long-range policy for the  
43 planting and maintenance of alternative roadside  
44 vegetation adjacent to the streets and highways in the  
45 state. The study shall be independently conducted by  
46 a consultant employed by a steering committee composed  
47 of two members appointed by the state transportation  
48 commission, two members appointed by the Iowa state  
49 association of counties, and two members appointed by  
50 the league of Iowa municipalities. The steering

1 committee shall report the findings of the study to  
2 the governor, the chief clerk of the house of  
3 representatives, and the secretary of the senate not  
4 later than January 31, 1989.

5 Sec. 20. There is appropriated from the road use  
6 tax fund for the fiscal year beginning July 1, 1988,  
7 and ending June 30, 1989, for the purpose of replacing  
8 lost federal highway funds, to the primary road fund  
9 the sum of twelve million seven hundred eighty-eight  
10 thousand one hundred forty-four (12,788,144) dollars,  
11 to the farm-to-market road fund the sum of three  
12 million fifty-four thousand six hundred eighty-eight  
13 (3,054,688) dollars, to the secondary road fund of the  
14 counties the sum of nine hundred forty-one thousand  
15 four hundred fifty-five (941,455) dollars, and to the  
16 street construction fund of the cities the sum of  
17 seven hundred eleven thousand one hundred thirty-one  
18 (711,131) dollars.

19 Sec. 21. There is appropriated from the road use  
20 tax fund for the fiscal year beginning July 1, 1989,  
21 and ending June 30, 1990, for the purpose of replacing  
22 lost federal highway funds, to the primary road fund  
23 the sum of twenty million nine hundred thirty-two  
24 thousand (20,932,000) dollars, to the farm-to-market  
25 road fund the sum of five million (5,000,000) dollars,  
26 to the secondary road fund of the counties the sum of  
27 one million five hundred forty-one thousand  
28 (1,541,000) dollars, and to the street construction  
29 fund of the cities the sum of one million one hundred  
30 sixty-four thousand (1,164,000) dollars.

31 Sec. 22. There is appropriated from the road use  
32 tax fund for the fiscal year beginning July 1, 1988,  
33 and ending June 30, 1989, to the primary road fund for  
34 the commercial and industrial network of highways the  
35 sum of eleven million nine hundred seventy-four  
36 thousand three hundred seventy-five (11,974,375)  
37 dollars, to the secondary road fund of the counties  
38 the sum of nine million nine hundred fifty-eight  
39 thousand two hundred eighty-one (9,958,281) dollars,  
40 and to the street construction fund of the cities the  
41 sum of five million nine hundred eighty-seven thousand  
42 one hundred eighty-eight (5,987,188) dollars.

43 Sec. 23. There is appropriated from the road use  
44 tax fund for the fiscal period beginning July 1, 1989,  
45 and ending March 31, 1990, to the primary road fund  
46 for the commercial and industrial network of highways  
47 the sum of ten million four hundred thousand  
48 (10,400,000) dollars, to the secondary road fund of  
49 the counties the sum of eight million seven hundred  
50 thousand (8,700,000) dollars, and to the street

construction fund of the cities the sum of five  
2 million two hundred thousand (5,200,000) dollars.  
3 Sec. 24. Beginning April 1, 1990, the treasurer of  
4 state shall, each month before distributing funds  
5 allotted from the road use tax fund under section  
6 312.2, credit to a separate fund held by the treasurer  
7 of state the following amounts:

8 1. From the moneys allotted to the primary road  
9 fund, one-twelfth of twenty-eight million three  
10 hundred thousand dollars.

11 2. From the moneys allotted to the secondary road  
12 fund of the counties, one-twelfth of eleven million  
13 three hundred thousand dollars.

14 3. From the moneys allotted to the farm-to-market  
15 road fund, one-twelfth of three million six hundred  
16 thousand dollars.

17 4. From the moneys allotted to the street  
18 construction fund of the cities, one-twelfth of six  
19 million eight hundred thousand dollars.

20 The moneys in this separate fund, together with  
21 interest or earnings on investments or time deposits  
22 of the moneys, shall be restored to the road use tax  
23 fund upon completion of the study required by section  
24 17 of this Act and action by the general assembly on  
the formula for allocating road use tax funds between  
jurisdictions.

27 Sec. 25. Sections 2, 3, and 4 of this Act take  
28 effect July 1 following enactment.

29 Sec. 26. Sections 11 and 12 of this Act take  
30 effect July 1 following enactment for vehicle  
31 registrations subject to renewal and new vehicle  
32 registrations on or after that date for vehicles  
33 registered for a combined gross weight of five tons or  
34 less.

35 Sec. 27. Section 12 of this Act takes effect  
36 December 1 following enactment for vehicle  
37 registrations subject to renewal and new vehicle  
38 registrations on or after that date for vehicles  
39 registered for a combined gross weight exceeding five  
40 tons.

41 Sec. 28. Section 16 of this Act takes effect April  
42 1 following enactment.

43 Sec. 29. This Act, being deemed of immediate  
44 importance, takes effect upon its enactment."

45 2. Amend the title, lines 6 through 9, by  
46 striking the words "providing for a performance and  
47 efficiency audit of state transportation and the RISE  
48 program as it relates to job creation and economic  
49 development,".

SENATE FILE 2196

S-5456

1 Amend the House amendment, S-5447, to Senate  
2 File 2196, as amended, passed, and reprinted by  
3 the Senate, as follows:

4 1. Page 9, by inserting after line 26 the  
5 following:

6 "Sec. 25. As a condition of the appropriations  
7 made in this Act and as a condition of the  
8 imposition of taxes provided under this Act, if  
9 intermediate care facilities under the title XIX  
10 budget of the department of human services are not  
11 funded at the 74th percentile level on January 1, 1989  
12 or aid to dependent children payments are not  
13 increased by 6.5 % by January 1, 1989 through other  
14 laws, intermediate care facilities shall be funded  
15 at the 74th percentile level and aid to dependent  
16 children payments shall be increased by 6.5 % through  
17 transfer from receipts from the use tax necessary  
18 to fund those increases within the department of  
19 human services' title XIX and aid to dependent  
20 children budget line items."

S-5456

Filed March 18, 1988 OUT OF ORDER BY CHARLES BRUNER

Bill No. Germaine 318 (p844)

SENATE FILE 2196

S-5454

1 Amend the House amendment, S-5447, to Senate File  
2 2196 as follows:

3 1. Page 6, by inserting after line 14, the  
4 following:

5 "Sec. \_\_\_\_ . NEW SECTION. 324.3A REDUCED RATE OF  
6 TAX FOR CERTAIN DEALERS.

7 Notwithstanding the rate of tax imposed under  
8 section 324.3, the excise tax on motor fuel delivered  
9 to a qualified dealer is reduced as provided in this  
10 section.

11 1. The excise tax on motor fuel delivered to a  
12 qualified dealer located not more than eight miles  
13 from the border of a state contiguous to Iowa which  
14 has in effect a motor fuel tax which makes the Iowa  
15 motor fuel tax uncompetitive is reduced to be five  
16 cents per gallon in excess of the motor fuel tax in  
17 effect for the contiguous state.

18 2. The excise tax on motor fuel delivered to a  
19 qualified dealer located more than eight miles but not  
20 more than sixteen miles from the border of a state  
21 contiguous to Iowa which has in effect a motor fuel  
22 tax which makes the Iowa motor fuel tax uncompetitive  
23 is reduced to be six cents per gallon in excess of the  
24 motor fuel tax in effect for the contiguous state.

25 3. The excise tax on motor fuel delivered to a  
26 qualified dealer located more than sixteen miles but  
27 not more than twenty-four miles from the border of a  
28 state contiguous to Iowa which has in effect a motor  
29 fuel tax which makes the Iowa motor fuel tax  
30 uncompetitive is reduced to be seven cents per gallon  
31 in excess of the motor fuel tax in effect for the  
32 contiguous state.

33 4. The excise tax on motor fuel delivered to a  
34 qualified dealer located more than twenty-four miles  
35 but not more than thirty-two miles from the border of  
36 a state contiguous to Iowa which has in effect a motor  
37 fuel tax which makes the Iowa motor fuel tax  
38 uncompetitive is reduced to be eight cents per gallon  
39 in excess of the motor fuel tax in effect for the  
40 contiguous state.

41 As used in this section, a "qualified dealer" means  
42 a dealer located within the distances provided under  
43 subsections 1 through 4 measured by the shortest  
44 distance from the border of the contiguous state. If  
45 a qualified dealer is located within the corporate  
46 limits of a city, all dealers within the corporate  
47 limits of the city are qualified dealers.

48 As used in this section, a "motor fuel tax in  
49 effect for the contiguous state" means the total  
50 excise, sales or use taxes in effect in the contiguous

1 state on the sale of motor fuel expressed in cents per  
2 gallon. The department of revenue and finance shall  
3 adopt rules pursuant to chapter 17A establishing the  
4 methodology for ascertaining the motor fuel tax in  
5 effect for contiguous states. As used in this  
6 section, a contiguous state has a "motor fuel tax  
7 which makes the Iowa motor fuel tax uncompetitive" if  
8 the excise tax on motor fuel under section 324.3  
9 exceeds the motor fuel tax in effect for the  
10 contiguous state by more than five cents per gallon.

11 If more than one contiguous state has in effect a  
12 motor fuel tax which makes the Iowa motor fuel tax  
13 uncompetitive, the excise tax for a qualified dealer  
14 located not more than thirty-two miles from the  
15 borders of two such contiguous states is the excise  
16 tax under the application of subsections 1 through 4  
17 which results in the lowest excise tax to the  
18 qualified dealer.

19 A qualified dealer shall be allowed a credit by the  
20 distributor for the amount of the reduction in motor  
21 fuel tax allowed and a qualified dealer, before  
22 receiving the credit, shall be registered by the  
23 department of revenue and finance. The department of  
24 revenue and finance shall adopt rules pursuant to  
25 chapter 17A for registering dealers and accounting for  
26 credits by distributors.

27 This section only applies to qualified dealers who  
28 would experience a reduction in the excise tax on  
29 motor fuel through its application."

30 2. Page 6, by inserting after line 50 the  
31 following:

32 "Sec.         . NEW SECTION. 324.34A REDUCED RATE OF  
33 TAX FOR CERTAIN DEALERS.

34 Notwithstanding the rate of tax imposed under  
35 section 324.34, the excise tax on special fuel for  
36 diesel engines delivered to a qualified dealer is  
37 reduced as provided in this section.

38 1. The excise tax on special fuel for diesel  
39 engines delivered to a qualified dealer located not  
40 more than eight miles from the border of a state  
41 contiguous to Iowa which has in effect a tax on  
42 special fuel for diesel engines which makes the Iowa  
43 excise tax on special fuel for diesel engines  
44 uncompetitive is reduced to be seven and one-half  
45 cents per gallon in excess of the tax on special fuel  
46 for diesel engines in effect for the contiguous state.

47 2. The excise tax on special fuel for diesel  
48 engines delivered to a qualified dealer located more  
49 than eight miles but not more than sixteen miles from  
the border of a state contiguous to Iowa which has in

1 effect a tax on special fuel for diesel engines which  
2 makes the Iowa excise tax on special fuel for diesel  
3 engines uncompetitive is reduced to be eight and one-  
4 half cents per gallon in excess of the tax on special  
5 fuel for diesel engines in effect for the contiguous  
6 state.

7 3. The excise tax on special fuel delivered to a  
8 qualified dealer located more than sixteen miles but  
9 not more than twenty-four miles from the border of a  
10 state contiguous to Iowa which has in effect a tax on  
11 special fuel for diesel engines which makes the Iowa  
12 excise tax on special fuel for diesel engines  
13 uncompetitive is reduced to be nine and one-half cents  
14 per gallon in excess of the tax on special fuel for  
15 diesel engines in effect for the contiguous state.

16 4. The excise tax on special fuel delivered to a  
17 qualified dealer located more than twenty-four miles  
18 but not more than thirty-two miles from the border of  
19 a state contiguous to Iowa which has in effect a tax  
20 on special fuel for diesel engines which makes the  
21 Iowa excise tax on special fuel for diesel engines  
22 uncompetitive is reduced to be ten and one-half cents  
23 per gallon in excess of the tax on special fuel for  
24 diesel engines in effect for the contiguous state.

25 As used in this section, a "qualified dealer" means  
26 a dealer located within the distances provided under  
27 subsections 1 through 4 measured by the shortest  
28 distance from the border of the contiguous state. If  
29 a qualified dealer is located within the corporate  
30 limits of a city, all dealers within the corporate  
31 limits of the city are qualified dealers.

32 As used in this section, a "tax on special fuel for  
33 diesel engines in effect for the contiguous state"  
34 means the total excise, sales or use taxes in effect  
35 in the contiguous state on the sale of special fuel  
36 for diesel engines expressed in cents per gallon. The  
37 department of revenue and finance shall adopt rules  
38 pursuant to chapter 17A establishing the methodology  
39 for ascertaining the tax on special fuel for diesel  
40 engines in effect for contiguous states. As used in  
41 this section, a contiguous state has a "tax on special  
42 fuel for diesel engines which makes the Iowa excise  
43 tax on special fuel for diesel engines uncompetitive"  
44 if the excise tax on special fuel for diesel engines  
45 under section 324.34 exceeds the tax on special fuel  
46 for diesel engines in effect for the contiguous state  
47 by more than seven and one-half cents per gallon.

48 If more than one contiguous state has in effect a  
49 tax on special fuel for diesel engines which makes the  
50 Iowa excise tax on special fuel for diesel engines

1 uncompetitive, the excise tax for a qualified dealer  
2 located not more than thirty-two miles from the  
3 borders of two such contiguous states is the excise  
4 tax under the application of subsections 1 through 4  
5 which results in the lowest excise tax to the  
6 qualified dealer.

7 A qualified dealer shall be allowed a credit by the  
8 distributor for the amount of the reduction in excise  
9 tax on special fuel for diesel engines allowed and a  
10 qualified dealer, before receiving the credit, shall  
11 be registered by the department of revenue and  
12 finance. The department of revenue and finance shall  
13 adopt rules pursuant to chapter 17A for registering  
14 dealers and accounting for credits by distributors.

15 This section only applies to qualified dealers who  
16 would experience a reduction in the excise tax on  
17 special fuel for diesel engines through its  
18 application."

19 3. Page 9, by inserting before line 27 the  
20 following:

21 "Sec. \_\_\_\_ . SEVERABILITY. If any provision of this  
22 Act or the application thereof to any person is  
23 invalid, the invalidity shall not affect the  
24 provisions or application of this Act which can be  
25 given effect without the invalid provisions or  
application, and to this end the provisions of this  
Act are severable."

S-5454

Filed March 18, 1988 LOST

BY LEONARD L. BOSWELL

lost 3-18 (p 894)

1 Amend the House amendment, S-5447, to Senate File  
 2 2196, as amended, passed, and reprinted by the Senate,  
 3 as follows:

4 1. Page 2, by inserting after line 32 the  
 5 following:

6 "Sec. \_\_\_\_ . Section 312.2, Code Supplement 1987, is  
 7 amended by adding the following new subsection:

8 NEW SUBSECTION. 22. Beginning January 1, 1989,  
 9 the treasurer of state, before making the allotments  
 10 provided for in this section, shall credit monthly  
 11 from the revenue to be credited to the road use tax  
 12 fund, an amount equal to one-twelfth of two cents of  
 13 the moneys received from two cents of the increase of  
 14 the excise tax on motor fuel and special fuel to the  
 15 primary road fund, the secondary road fund, the farm-  
 16 to-market road fund, and the street construction fund  
 17 of the cities in the percentage required under  
 18 subsections 1, 2, 3, and 4 of this section."

19 2. Page 9, by striking lines 3 through 19 and  
 20 inserting the following:

21 "Sec. \_\_\_\_ . Beginning April 1, 1988, the amount  
 22 raised from two cents of the increase of the excise  
 23 tax on motor fuel and special fuel shall be allocated  
 24 to replace moneys lost by the reduction in federal  
 25 highway funds allocated to the state. If the amounts  
 26 appropriated are in excess of the amount of funds  
 27 received from two cents of the increase of the excise  
 28 tax on motor fuel and special fuel, the amounts  
 29 appropriated shall be reduced proportionately on the  
 30 basis of the reductions in revenues.

31 Beginning April 1, 1990, the treasurer of state  
 32 shall, each month before distributing funds allotted  
 33 from the road use tax fund under section 312.2, credit  
 34 to a separate fund held by the treasurer of state the  
 35 following amounts:

36 1. From the moneys to be allotted to the primary  
 37 road fund from two cents of the excise tax on motor  
 38 and special fuel, one-twelfth of forty-five percent of  
 39 those moneys.

40 2. From the moneys to be allotted to the secondary  
 41 road fund from two cents of the excise tax on motor  
 42 fuel and special fuel, one-twelfth of twenty-eight  
 43 percent of those moneys.

44 3. From the moneys to be allotted to the farm-to-  
 45 market road fund from two cents of the excise tax on  
 46 motor fuel and special fuel, one-twelfth of nine  
 47 percent of those moneys.

48 4. From the moneys to be allotted to the street  
 49 construction fund of the cities from two cents of the  
 50 excise tax on motor fuel and special fuel, one-twelfth

S-5452 Page 2

1 of eighteen percent of those moneys."

2 3. Renumber sections and correct internal  
 3 references as necessary.

S-5459

1 Amend the House amendment, S-5447, to Senate File  
2 2196, as amended, passed and, reprinted by the Senate,  
3 as follows:

4 1. Page 6, by inserting after line 14 the  
5 following:

6 "Sec.         . NEW SECTION. 324.3A REDUCED RATE OF  
7 TAX FOR CERTAIN DEALERS.

8 1. Notwithstanding the rate of tax imposed under  
9 section 324.3, the excise tax on motor fuel delivered  
10 to a qualified dealer located within a city in Iowa  
11 which is contiguous to a bordering state or located  
12 within three hundred yards of the border of a state  
13 contiguous to Iowa shall be equal to the motor fuel  
14 tax in effect for the contiguous state. As used in  
15 this section, a "motor fuel tax in effect for the  
16 contiguous state" means the total excise, sales or use  
17 taxes in effect in the contiguous state on the sale of  
18 motor fuel expressed in cents per gallon. The  
19 department of revenue and finance shall adopt rules  
20 pursuant to chapter 17A establishing the methodology  
21 for ascertaining the motor fuel tax in effect for  
22 contiguous states.

23 2. If a qualified dealer is located within a city  
24 in Iowa which is contiguous to more than one  
25 contiguous state or located within three hundred yards  
26 of more than one contiguous state the excise tax for  
27 the qualified dealer shall be the excise tax under the  
28 application of subsection 1 which results in the  
29 lowest excise tax to the qualified dealer.

30 3. A qualified dealer shall be allowed a credit by  
31 the distributor for the amount of the reduction in  
32 motor fuel tax allowed and a qualified dealer, before  
33 receiving the credit, shall be registered by the  
34 department of revenue and finance. The department of  
35 revenue and finance shall adopt rules pursuant to  
36 chapter 17A for registering dealers and accounting for  
37 credits by distributors.

38 4. This section only applies to qualified dealers  
39 who would experience a reduction in the excise tax on  
40 motor fuel through its application."

41 2. Page 6, by inserting after line 50 the  
42 following:

43 "Sec.         . NEW SECTION. 324.34A REDUCED RATE OF  
44 TAX FOR CERTAIN DEALERS.

45 1. Notwithstanding the rate of tax imposed under  
46 section 324.34, the excise tax on special fuel for  
47 diesel engines delivered to a qualified dealer located  
48 within a city in Iowa which is contiguous to a  
49 bordering state or located within three hundred yards  
50 of the border of a state contiguous to Iowa shall be

1 equal to the motor fuel tax in effect for the  
2 contiguous state. As used in this section, the "tax  
3 on special fuel for diesel engines in effect for the  
4 contiguous state" means the total excise, sales or use  
5 taxes in effect in the contiguous state on the sale of  
6 special fuel for diesel engines expressed in cents per  
7 gallon. The department of revenue and finance shall  
8 adopt rules pursuant to chapter 17A establishing the  
9 methodology for ascertaining the tax on special fuel  
10 for diesel engines in effect for contiguous states.

11 2. If a qualified dealer is located within a city  
12 in Iowa which is contiguous to more than one  
13 contiguous state or located within three hundred yards  
14 of more than one contiguous state, the excise tax for  
15 the dealer shall be the excise tax under the  
16 application of subsection 1 which results in the  
17 lowest excise tax to the qualified dealer.

18 3. A qualified dealer shall be allowed a credit by  
19 the distributor for the amount of the reduction in  
20 excise tax on special fuel for diesel engines allowed  
21 and a qualified dealer, before receiving the credit,  
22 shall be registered by the department of revenue and  
23 finance. The department of revenue and finance shall  
24 adopt rules pursuant to chapter 17A for registering  
25 dealers and accounting for credits by distributors.

26 4. This section only applies to qualified dealers  
27 who would experience a reduction in the excise tax on  
28 motor fuel for diesel engines through its  
29 application."

30 3. Page 9, by inserting before line 27 the  
31 following:

32 "Sec. \_\_\_\_ . SEVERABILITY. If any provision of this  
33 Act or the application thereof to any person is  
34 invalid, the invalidity shall not affect the  
35 provisions or application of this Act which can be  
36 given effect without the invalid provisions or  
37 application, and to this end the provisions of this  
38 Act are severable."

39 4. Renumber sections as necessary.

S-5459

Filed March 18, 1988

LOST

BY LEONARD L. BOSWELL

Lost 3-18 (p595)

-5468

1 Amend the House amendment, S-5447, to Senate File  
2 2196 as follows:

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

5 "Sec. \_\_\_\_ Section 315.3, Code 1987, is amended by  
6 adding the following new subsection:

7 NEW SUBSECTION. 4. When projects are proposed for  
8 funding under this chapter, the department shall  
9 consider a variety of factors including, but not  
10 limited to:

11 a. The total number of jobs to be created or  
12 retained.

13 b. The size of the business receiving assistance.

14 c. The potential for future growth in the industry  
15 represented by the business being considered for  
16 assistance.

17 d. The quality of the jobs to be created.

18 e. The impact of the proposed project on the  
19 economy of the political subdivision.

20 f. The impact of the proposed project on other  
21 businesses in competition with the business being  
22 considered for assistance. The department shall  
23 identify existing businesses within an industry in  
24 competition with the business being considered for  
25 assistance. The department shall determine the  
26 probability that the proposed financial assistance  
27 will displace employees of the existing businesses and  
28 shall consider the level of excess production capacity  
29 within an industry when making this determination. In  
30 determining the impact on businesses in competition  
31 with the business being considered for assistance,  
32 jobs created as a result of other jobs being displaced  
33 elsewhere in the state shall not be considered direct  
34 jobs created.

35 g. The level of compliance of the business with  
36 OSHA and other business safety regulations, the  
37 quality of the business' relations with labor, the  
38 level of fairness in its dealings with its employees,  
39 and the amount of business ethics shown by the  
40 business.

41 Sec. \_\_\_\_ Section 315.5, Code 1987, is amended by  
42 adding the following new unnumbered paragraph:

43 NEW UNNUMBERED PARAGRAPH. If an applicant shall  
44 fail or has failed to complete all necessary  
45 agreements, including but not limited to,  
46 environmental permits within six months of commission  
47 approval of a project, all such approvals shall be  
48 voided. Voided projects shall not be eligible for  
49 reapproval for a period of one year from the date of  
50 voiding the original approval."

S-5468

Filed March 18, 1988

LOST

BY JOHN PETERSON  
AL STURGEON

LOST 318 (p907)

SENATE FILE 2196

S-5462

1 Amend the House amendment, S-5447, to Senate File  
2 2196, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. By striking page 1, line 5, through page 9,  
5 line 49, and inserting the following:

6 "Section 1. Notwithstanding the present law, for  
7 the period beginning April 1, 1988, and ending March  
8 31, 1990, the state shall use fifty million dollars of  
9 the revenues each year from the increase of one cent  
10 in the sales, service, and use tax to reimburse  
11 counties for mental health costs. If the amount of  
12 funds available are insufficient to reimburse one  
13 hundred percent of the costs, the amount of the  
14 reimbursements shall be reduced proportionately.  
15 Notwithstanding section 422.69, subsection 3, and  
16 section 423.24, the remainder of the revenues  
17 collected during the period beginning April 1, 1988,  
18 and ending March 31, 1990, from one cent of the sales,  
19 service, and use tax shall be credited to the road use  
20 tax fund.

21 Sec. \_\_\_\_ . Section 422.43, subsections 1, 2, 6, and  
22 10, Code Supplement, 1987, are amended to read as  
23 follows:

24 1. There is imposed a tax of four percent, except  
25 that for the period beginning April 1, 1988, and  
26 ending March 31, 1990, the tax rate shall be five  
27 percent, upon the gross receipts from all sales of  
28 tangible personal property, consisting of goods,  
29 wares, or merchandise, except as otherwise provided in  
30 this division, sold at retail in the state to  
31 consumers or users; a like rate of tax upon the gross  
32 receipts from the sales, furnishing or service of gas,  
33 electricity, water, heat, and communication service,  
34 including the gross receipts from such sales by any  
35 municipal corporation furnishing gas, electricity,  
36 water, heat, and communication service to the public  
37 in its proprietary capacity, except as otherwise  
38 provided in this division, when sold at retail in the  
39 state to consumers or users; a like rate of tax upon  
40 the gross receipts from all sales of tickets or  
41 admissions to places of amusement, fairs, and athletic  
42 events except those of elementary and secondary  
43 educational institutions; and a like rate of tax upon  
44 that part of private club membership fees or charges  
45 paid for the privilege of participating in any  
46 athletic sports provided club members.

47 2. There is imposed a tax-of-four-percent like  
48 rate of tax upon the gross receipts derived from the  
49 operation of all forms of amusement devices and games  
50 of skill, games of chance, raffles, and bingo games as

1 defined in chapter 99B, operated or conducted within  
2 the state of Iowa, the tax to be collected from the  
3 operator in the same manner as is provided for the  
4 collection of taxes upon the gross receipts of tickets  
5 or admission fees as provided in this section. The  
6 tax shall also be imposed upon the gross receipts  
7 derived from the sale of lottery tickets or shares  
8 pursuant to chapter 99E. The tax on the lottery  
9 tickets or shares shall be included in the sales price  
10 and distributed to the general fund as provided in  
11 section 99E.10.

12 6. There is imposed a tax of ~~four percent~~ like  
13 rate of tax upon the gross receipts from the sales of  
14 optional service or warranty contracts which provide  
15 for the furnishing of labor and materials and require  
16 the furnishing of any taxable service enumerated under  
17 this section. The gross receipts are subject to tax  
18 even if some of the services furnished are not  
19 enumerated under this section. For the purpose of  
20 this division, the sale of an optional service or  
21 warranty contract is a sale of tangible personal  
22 property. Additional sales, services, or use tax  
23 shall not be levied on services, parts, or labor  
24 provided under optional service or warranty contracts  
25 which are subject to tax under this section.

26 10. There is imposed a tax of four percent, except  
27 that for the period beginning April 1, 1988, and  
28 ending March 31, 1990, the tax rate shall be five  
29 percent, upon the gross receipts from the rendering,  
30 furnishing, or performing of services as defined in  
31 section 422.42.

32 Sec. . Section 423.2, Code 1987, is amended to  
33 read as follows:

34 423.2 IMPOSITION OF TAX.

35 An excise tax is imposed on the use in this state  
36 of tangible personal property purchased for use in  
37 this state, at the rate of four percent, except that  
38 for the period beginning April 1, 1988, and ending  
39 March 31, 1990, the tax rate shall be five percent, of  
40 the purchase price of the property. The excise tax is  
41 imposed upon every person using the property within  
42 this state until the tax has been paid directly to the  
43 county treasurer or the state department of  
44 transportation, to a retailer, or to the department.  
45 An excise tax is imposed on the use in this state of  
46 services enumerated in section 422.43 at the rate of  
47 four percent. This tax is applicable where services  
48 are rendered, furnished, or performed in this state or  
49 where the product or result of the service is used in  
50 this state. This tax is imposed on every person using

1 the services or the product of the services in this  
2 state until the user has paid the tax either to an  
3 Iowa use tax permit holder or to the department.  
4 Sec. \_\_\_\_\_. This Act, being deemed of immediate  
5 importance, takes effect April 1 following enactment."

S-5462

Filed March 18, 1988 OUT OF ORDER

BY LEONARD BOSWELL  
DONALD E. GETTINGS

*Reel Not Germaine S-18 (p899)*

1 Amend the House amendment, S-5447, to Senate File  
2 2196, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 6, by striking lines 28 through 31 and  
5 inserting the following: "nineteen and one-half cents  
6 per gallon for the period beginning April 1, 1988, and  
7 ending December 31, 1988, and twenty and one-half  
8 cents per gallon for the period beginning January 1,  
9 1989, and ending June 30, 1989, and twenty-one and  
10 one-half cents per gallon for the period beginning  
11 July 1, 1989, and ending December 31, 1989, and  
12 twenty-two and one-half cents per gallon beginning  
13 January 1, 1990. On all other special fuel the per".

S-5497

Filed March 21, 1988

*Placed in Star (p. 951)*

BY EDGAR H. HOLDEN  
WILLIAM D. PALMER  
RAY TAYLOR  
JIM LIND

SSB 2198  
WAYS - MEANS

WAYS AND MEANS: Drake Chair: Benner and Gronstal

SENATE FILE 2196  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to transportation funding by providing for a  
2 network of commercial and industrial highways, increasing the  
3 excise taxes on motor fuel and special fuel, increasing the  
4 standing appropriation for public transit assistance,  
5 providing a standing appropriation for trails, authorizing the  
6 transfer of RISE funds to the primary road fund, providing for  
7 a study of highway financing, making appropriations from the  
8 road use tax fund, and providing effective dates.

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

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1 Section 1. Section 307A.2, Code 1987, is amended by adding  
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. The commission shall identify,  
4 within the primary road system, a network of commercial and  
5 industrial highways. The improvement of this network shall be  
6 considered in the development of the long-range program and  
7 plan of improvements under this section.

8 Sec. 2. Section 312.1, Code 1987, is amended by adding the  
9 following new unnumbered paragraph:

10 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 453.7,  
11 subsection 2, interest or earnings on investments or time de-  
12 posits of the moneys in the road use tax fund and the funds to  
13 which moneys from the road use tax fund are credited shall be  
14 credited to the respective funds which generated the interest  
15 or earnings.

16 Sec. 3. Section 312.2, subsection 17, Code Supplement  
17 1987, is amended to read as follows:

18 17. The treasurer of state, before making the allotments  
19 provided for in this section, shall credit monthly from the  
20 road use tax fund to the public transit assistance fund,  
21 created under section 601J.6, an amount equal to ~~one-fortieth~~  
22 one-twentieth of the revenue credited to the road use tax fund  
23 under section 423.24, subsection 1, paragraph "b".

24 Sec. 4. Section 312.2, Code Supplement 1987, is amended by  
25 adding the following new subsection:

26 NEW SUBSECTION. 20. The treasurer of state, before making  
27 the allotments provided for in this section, shall credit  
28 annually from the road use tax fund to the state department of  
29 transportation the sum of one million dollars from the revenue  
30 credited to the road use tax fund under section 423.24,  
31 subsection 1, paragraph "b", for the purpose of acquiring,  
32 constructing, and improving recreational trails within the  
33 state. Unobligated portions of this allotment shall remain  
34 available to the state department of transportation and shall  
35 not revert to the road use tax fund. The state department of

1 transportation shall adopt rules under chapter 17A to  
2 establish procedures for the expenditure of the funds allotted  
3 under this subsection.

4 Sec. 5. Section 313.4, Code 1987, is amended by adding the  
5 following new subsection:

6 NEW SUBSECTION. 5. During the fiscal year beginning July  
7 1, 1990, and ending June 30, 1991, and each subsequent fiscal  
8 year, the department shall spend from the primary road fund an  
9 amount of not less than thirty million dollars for the network  
10 of commercial and industrial highways.

11 Sec. 6. Section 313.8, Code 1987, is amended to read as  
12 follows:

13 313.8 IMPROVEMENT OF PRIMARY SYSTEM.

14 The department shall proceed to the improvement of the  
15 primary road system as rapidly as funds become available  
16 therefor until the entire mileage of the primary road system  
17 is built to established grade, bridged and surfaced with  
18 pavement or other surface suited to the traffic on such road.  
19 Improvements shall be made and carried out in such manner as  
20 to equalize the condition of the primary roads and  
21 accessibility for commercial and industrial economic  
22 development purposes, as nearly as possible, in all sections  
23 of the state.

24 Sec. 7. Section 315.3, Code 1987, is amended by adding the  
25 following new subsection:

26 NEW SUBSECTION. 3. The state transportation commission  
27 may authorize the temporary transfer of funds between the  
28 department's share of the RISE fund under section 315.4 and  
29 the primary road fund in an amount not to exceed forty million  
30 dollars at one time. Transferred funds shall be repaid not  
31 later than July 1, 1993. The commission shall manage the RISE  
32 fund to ensure that funds will be available to meet contract  
33 obligations on approved RISE projects.

34 Sec. 8. Section 321.122, subsection 1, paragraph a, Code  
35 1987, is amended to read as follows:

1 a. For a combined gross weight of three tons or less  
 2 ~~forty-five~~ sixty-five dollars and a vehicle which is more than  
 3 ten model years old ~~thirty-five~~ fifty-five dollars.

4 Sec. 9. Section 321.122, subsection 1, paragraph b, Code  
 5 1987, is amended to read as follows:

6 b. For a combined gross weight exceeding three tons, the  
 7 annual registration fee shall be as set forth in the following  
 8 schedule:

9 For a combined gross	And not	The annual
10 weight exceeding:	11 exceeding:	12 registration fee
		13 shall be:
14 3 Tons .....	4 Tons .....	\$ 60
		<u>80</u>
15 4 Tons .....	5 Tons .....	\$ 70
		<u>90</u>
16 5 Tons .....	6 Tons .....	\$ 85
		<u>105</u>
17 6 Tons .....	7 Tons .....	\$ <del>110</del>
		<u>130</u>
18 7 Tons .....	8 Tons .....	\$ <del>145</del>
		<u>165</u>
19 8 Tons .....	9 Tons .....	\$ <del>180</del>
		<u>200</u>
20 9 Tons .....	10 Tons .....	\$ <del>215</del>
		<u>235</u>
21 10 Tons .....	11 Tons .....	\$ 250
		<u>270</u>
22 11 Tons .....	12 Tons .....	\$ 285
		<u>305</u>
23 12 Tons .....	13 Tons .....	\$ 320
		<u>340</u>
24 13 Tons .....	14 Tons .....	\$ 355
		<u>375</u>
25 14 Tons .....	15 Tons .....	\$ 445
26 15 Tons .....	16 Tons .....	\$ 485

1	16 Tons .....	17 Tons .....	\$ 525
2	17 Tons .....	18 Tons .....	\$ 565
3	18 Tons .....	19 Tons .....	\$ 610
4	19 Tons .....	20 Tons .....	\$ 675
5	20 Tons .....	21 Tons .....	\$ 715
6	21 Tons .....	22 Tons .....	\$ 755
7	22 Tons .....	23 Tons .....	\$ 795
8	23 Tons .....	24 Tons .....	\$ 835
9	24 Tons .....	25 Tons .....	\$ 965
10	25 Tons .....	26 Tons .....	\$1,010
11	26 Tons .....	27 Tons .....	\$1,060
12	27 Tons .....	28 Tons .....	\$1,105
13	28 Tons .....	29 Tons .....	\$1,150
14	29 Tons .....	30 Tons .....	\$1,200
15	30 Tons .....	31 Tons .....	\$1,245
16	31 Tons .....	32 Tons .....	\$1,295
17	32 Tons .....	33 Tons .....	\$1,340
18	33 Tons .....	34 Tons .....	\$1,415
19	34 Tons .....	35 Tons .....	\$1,465
20	35 Tons .....	36 Tons .....	\$1,510
21	36 Tons .....	37 Tons .....	\$1,555
22	37 Tons .....	38 Tons .....	\$1,605
23	38 Tons .....	39 Tons .....	\$1,650
24	39 Tons .....	40 Tons .....	\$1,695

25 Sec. 10. Section 324.3, unnumbered paragraph 1,  
 26 Code 1987, is amended to read as follows:  
 27 For the privilege of operating motor vehicles in this state  
 28 an excise tax of ~~fifteen-cents-per-gallon-for-the-period~~  
 29 ~~beginning-July-17-1985-and-ending-December-31-1985-and~~  
 30 sixteen cents per gallon for the period beginning January 1,  
 31 1986, and ending March 31, 1988, and twenty cents per gallon  
 32 beginning April 1, 1988, is imposed upon the use of all motor  
 33 fuel used for any purpose except motor fuel containing at  
 34 least ten percent alcohol distilled from cereal grains grown  
 35 in the United States for the period beginning July 1, 1978 and

1 ending June 30, 1992 and except as otherwise provided in this  
2 division.

3 Sec. 11. Section 324.3, unnumbered paragraph 4, Code 1987,  
4 is amended to read as follows:

5 For the privilege of operating motor vehicles in this state  
6 an excise tax of ~~fourteen-cents-per-gallon-beginning-July-1-~~  
7 ~~1985-and-ending-December-31,-1985,-and~~ fifteen cents per  
8 gallon for the period beginning January 1, 1986, and ending  
9 March 31, 1988, and nineteen cents per gallon for the period  
10 beginning April 1, 1988, and ending June 30, 1992, is imposed  
11 upon the use of gasohol used for any purpose except as  
12 otherwise provided in this division.

13 Sec. 12. Section 324.34, unnumbered paragraph 1, Code  
14 1987, is amended to read as follows:

15 For the privilege of operating motor vehicles in this  
16 state, there is imposed an excise tax on the use, as defined  
17 in section 324.33, of special fuel in a motor vehicle. The  
18 tax rate on special fuel for diesel engines is ~~sixteen-and~~  
19 ~~one-half-cents-per-gallon-for-the-period-beginning-July-1-~~  
20 ~~1985-and-ending-December-31,-1985,-is-seventeen-and-one-half~~  
21 ~~cents-per-gallon-for-the-period-beginning-January-1,-1986-and~~  
22 ~~ending-December-31,-1986,-and-is~~ eighteen and one-half cents  
23 per gallon for the period beginning January 1, 1987, and  
24 ending March 31, 1988, and is twenty-two and one-half cents  
25 per gallon beginning April 1, 1988. On all other special fuel  
26 the per gallon rate is the same as the motor fuel tax.

27 Sec. 13. Section 324.34, unnumbered paragraph 9, Code  
28 1987, is amended to read as follows:

29 For natural gas used as a special fuel the rate of tax that  
30 is equivalent to the motor fuel tax shall be ~~thirteen~~ sixteen  
31 cents per hundred cubic feet adjusted to a base temperature of  
32 sixty degrees Fahrenheit and a pressure of fourteen and  
33 seventy-three hundredths pounds per square inch absolute. The  
34 tax on natural gas shall attach at the time of delivery into  
35 equipment for compressing the gas for subsequent delivery into

1 the fuel supply tank of a motor vehicle and shall be paid over  
2 to the department by the person operating the compressing  
3 equipment under the applicable provisions for users or  
4 dealers. Natural gas used as a special fuel shall be  
5 delivered into compressing equipment through sealed meters  
6 certified for accuracy by the department of agriculture and  
7 land stewardship.

8 Sec. 14. There is appropriated from the road use tax fund  
9 to the legislative service bureau the sum of three hundred  
10 thousand (300,000) dollars, or so much thereof as may be  
11 necessary, for the purpose of carrying out a study of the  
12 mechanisms for the distribution of the revenues derived from  
13 fuel taxes, vehicle registration fees, license fees, the use  
14 tax on vehicles, and other sources of the road use tax fund.  
15 The study shall be administered by a steering committee  
16 composed of two members appointed by the state transportation  
17 commission, two members appointed by the Iowa state  
18 association of counties, and two members appointed by the  
19 league of Iowa municipalities. The steering committee shall  
20 report the findings of the study to the governor, the chief  
21 clerk of the house of representatives, and the secretary of  
22 the senate not later than January 31, 1989.

23 Sec. 15. There is appropriated from the road use tax fund  
24 for the fiscal year beginning July 1, 1988, and ending June  
25 30, 1989, for the purpose of replacing lost federal highway  
26 funds, to the primary road fund the sum of twenty million nine  
27 hundred thirty-two thousand (20,932,000) dollars, to the farm-  
28 to-market road fund the sum of five million (5,000,000)  
29 dollars, to the secondary road fund of the counties the sum of  
30 one million five hundred forty-one thousand (1,541,000)  
31 dollars, and to the street construction fund of the cities the  
32 sum of one million one hundred sixty-four thousand (1,164,000)  
33 dollars.

34 Sec. 16. There is appropriated from the road use tax fund  
35 for the fiscal year beginning July 1, 1989, and ending June

1 30, 1990, for the purpose of replacing lost federal highway  
2 funds, to the primary road fund the sum of twenty million nine  
3 hundred thirty-two thousand (20,932,000) dollars, to the farm-  
4 to-market road fund the sum of five million (5,000,000)  
5 dollars, to the secondary road fund of the counties the sum of  
6 one million five hundred forty-one thousand (1,541,000)  
7 dollars, and to the street construction fund of the cities the  
8 sum of one million one hundred sixty-four thousand (1,164,000)  
9 dollars.

10 Sec. 17. There is appropriated from the road use tax fund  
11 for the fiscal year beginning July 1, 1988, and ending June  
12 30, 1989, to the primary road fund for the commercial and in-  
13 dustrial network of highways the sum of nineteen million six  
14 hundred thousand (19,600,000) dollars, to the secondary road  
15 fund of the counties the sum of sixteen million three hundred  
16 thousand (16,300,000) dollars, and to the street construction  
17 fund of the cities the sum of nine million eight hundred  
18 thousand dollars (9,800,000) dollars.

19 Sec. 18. There is appropriated from the road use tax fund  
20 for the fiscal period beginning July 1, 1989, and ending March  
21 31, 1990, to the primary road fund for the commercial and  
22 industrial network of highways the sum of ten million four  
23 hundred thousand (10,400,000) dollars, to the secondary road  
24 fund of the counties the sum of eight million seven hundred  
25 thousand (8,700,000) dollars, and to the street construction  
26 fund of the cities the sum of five million two hundred  
27 thousand (5,200,000) dollars.

28 Sec. 19. Beginning April 1, 1990, the treasurer of state  
29 shall, each month before distributing funds allotted from the  
30 road use tax fund under section 312.2, credit to a separate  
31 fund held by the treasurer of state the following amounts:

32 1. From the moneys allotted to the primary road fund, one-  
33 twelfth of twenty-eight million three hundred thousand  
34 dollars.

35 2. From the moneys allotted to the secondary road fund of

1 the counties, one-twelfth of eleven million three hundred  
2 thousand dollars.

3 3. From the moneys allotted to the farm-to-market road  
4 fund, one-twelfth of three million six hundred thousand  
5 dollars.

6 4. From the moneys allotted to the street construction  
7 fund of the cities, one-twelfth of six million eight hundred  
8 thousand dollars.

9 The moneys in this separate fund, together with interest or  
10 earnings on investments or time deposits of the moneys, shall  
11 be restored to the road use tax fund upon completion of the  
12 study required by section 14 of this Act and action by the  
13 general assembly on the formula for allocating road use tax  
14 funds between jurisdictions.

15 Sec. 20. Sections 2, 3, and 4 of this Act take effect July  
16 1 following enactment.

17 Sec. 21. Sections 8 and 9 of this Act take effect July 1  
18 following enactment for vehicle registrations subject to  
19 renewal and new vehicle registrations on or after that date.

20 Sec. 22. This Act, being deemed of immediate importance,  
21 takes effect upon its enactment.

22 EXPLANATION

23 Section 1 requires the state transportation commission to  
24 identify a network of commercial and industrial highways and  
25 to consider its improvement in preparing the department's  
26 five-year program.

27 Section 2 credits interest on investments of the road use  
28 tax fund and its beneficiary funds back to those funds.

29 Section 3 raises the standing appropriation to the public  
30 transit assistance fund from one-fortieth to one-twentieth  
31 of the use tax collected on vehicles subject to registration.

32 Section 4 provides a standing appropriation of \$1,000,000  
33 to the state department of transportation for recreational  
34 trails and requires the department to make rules.

35 Section 5 requires the state department of transportation

1 to spend at least \$30,000,000 per year from the primary road  
2 fund on the commercial and industrial highway network.

3 Section 6 provides for the consideration of commercial and  
4 industrial access for industrial development as the department  
5 balances the service from the primary road system in all parts  
6 of the state.

7 Section 7 allows the state transportation commission to  
8 authorize the temporary transfer of funds between the RISE  
9 fund and the primary road fund. The transfer would not exceed  
10 \$40,000,000 at one time and would be repaid by July 1, 1993.

11 Section 8 raises the registration fees for three-ton trucks  
12 by \$20 per year.

13 Section 9 raises the registration fees on trucks up to  
14 fourteen tons by \$20 per year.

15 Section 10 raises the motor fuel tax by four cents per  
16 gallon to twenty cents effective April 1, 1988.

17 Section 11 raises the motor fuel tax on gasohol by four  
18 cents per gallon to nineteen cents effective April 1, 1988.

19 Section 12 raises the special fuel tax on diesel fuel by  
20 four cents per gallon to twenty-two and one-half cents ef-  
21 fective April 1, 1988.

22 Section 13 raises the special fuel tax on compressed  
23 natural gas for highway use by three cents to sixteen cents  
24 per hundred cubic feet.

25 Section 14 provides \$300,000 to the legislative service  
26 bureau for a study of highway financing. The section provides  
27 for the appointment of a steering committee to administer the  
28 study and sets a reporting deadline of January 31, 1989.

29 Section 15 makes appropriations for fiscal year 1989 to  
30 replace lost federal highway funds in the amounts of  
31 \$20,932,000 for the primary road fund, \$5,000,000 for the  
32 farm-to-market road fund, \$1,541,000 for the secondary road  
33 fund of the counties, and \$1,164,000 for the street  
34 construction fund of the cities.

35 Section 16 makes appropriations for fiscal year 1990 to

1 replace lost federal highway funds in the amounts of  
2 \$20,932,000 for the primary road fund, \$5,000,000 for the  
3 farm-to-market road fund, \$1,541,000 for the secondary road  
4 fund of the counties, and \$1,164,000 for the street  
5 construction fund of the cities.

6 Section 17 makes additional appropriations from the road  
7 use tax fund for the period from July 1, 1988, through March  
8 31, 1989, in the amounts of \$19,600,000 to the primary road  
9 fund for the commercial and industrial network of highways,  
10 \$16,300,000 to the secondary road fund of the counties, and  
11 \$9,800,000 to the street construction fund of the cities.

12 Section 18 makes additional appropriations from the road  
13 use tax fund for the period from July 1, 1989, through March  
14 31, 1990, in the amounts of \$10,400,000 to the primary road  
15 fund for the commercial and industrial network of highways,  
16 \$8,700,000 to the secondary road fund of the counties, and  
17 \$5,200,000 to the street construction fund of the cities.

18 Section 19 provides for the treasurer to withhold in a  
19 special fund each month one-twelfth of the following amounts  
20 allotted from the road use tax fund: \$28,300,000 from the  
21 amount for the primary road fund, \$11,300,000 from the  
22 secondary road fund of the counties, \$3,600,000 from the farm-  
23 to-market road fund, and \$6,800,000 from the street  
24 construction fund of the cities. The money withheld is to be  
25 restored, along with interest earned, to the road use tax fund  
26 upon completion of the study of highway finance required by  
27 this bill.

28 Section 20 identifies those sections which take effect on  
29 July 1. Section 21 specifies that the new registration fees  
30 are applicable for vehicle registration renewals or new regis-  
31 trations on or after July 1. The bill takes effect upon  
32 enactment.

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35

SENATE FILE 2196

AN ACT

RELATING TO TRANSPORTATION FUNDING BY PROVIDING FOR A NETWORK OF COMMERCIAL AND INDUSTRIAL HIGHWAYS, INCREASING THE EXCISE TAXES ON MOTOR FUEL AND SPECIAL FUEL, INCREASING THE STANDING APPROPRIATION FOR PUBLIC TRANSIT ASSISTANCE, AUTHORIZING THE TRANSFER OF RISE FUNDS TO THE PRIMARY ROAD FUND, PROVIDING FOR A STUDY OF HIGHWAY FINANCING, MAKING APPROPRIATIONS FROM THE ROAD USE TAX FUND, AND PROVIDING EFFECTIVE DATES.

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

Section 1. Section 307A.2, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The commission shall identify, within the primary road system, a network of commercial and industrial highways. The improvement of this network shall be considered in the development of the long-range program and plan of improvements under this section.

Sec. 2. Section 312.1, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 453.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the road use tax fund and the funds to which moneys from the road use tax fund are credited shall be credited to the respective funds which generated the interest or earnings.

Sec. 3. Section 312.2, subsection 17, Code Supplement 1987, is amended to read as follows:

17. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the public transit assistance fund, created under section 601J.6, an amount equal to one-fortieth ~~one-twentieth~~ of the revenue credited to the road use tax fund under section 423.24, subsection 1, paragraph "b".

Sec. 4. Section 312.2, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 20. The treasurer of state, before making the allotments provided for in this section, shall credit annually from the revenue to be credited to the road use tax fund under section 423.24, subsection 1, paragraph "b", the sum of one million dollars to the state department of transportation for the purpose of acquiring, constructing, and improving recreational trails within the state. Unobligated portions of this allotment shall remain available to the state department of transportation for the purposes for which the funds are originally allocated. The state department of transportation shall adopt rules under chapter 17A to establish procedures for the expenditure of the funds allotted under this subsection.

Sec. 5. Section 312.2, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 21. The treasurer of state shall credit for the fiscal period beginning July 1, 1988, and ending March 31, 1990, the moneys received under section 314.20 to the living roadway trust fund, which is created in the office of the treasurer of state. The moneys in this fund shall be used exclusively for the development of alternative roadside vegetation for living windbreaks, wildlife habitat, roadside erosion control, and aesthetic purposes. The moneys shall only be expended adjacent to streets and highways. The state department of transportation and the department of natural resources shall jointly establish standards relating to the type of projects available for assistance. Of the moneys in the fund, fifty-six percent shall be expended for state department of transportation projects. Thirty percent shall be expended on county projects and fourteen percent shall be expended for city projects. Any city or county which has a project which qualifies for the use of these funds shall submit a request for the funds to the state department of transportation. The state department of transportation and the department of natural resources shall determine which

projects qualify for the funds and which projects shall be funded if the requests for the funds exceed the availability of the funds. Funds allocated under this subsection shall be in addition to expenditures currently made for the purposes specified in this subsection. Beginning April 1, 1990, the moneys in the fund shall be allocated between the state, counties, and cities in the same proportion that the road use tax funds are allocated under section 312.2, subsections 1, 2, 3, and 4.

Sec. 6. Section 313.4, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 5. During the fiscal year beginning July 1, 1990, and ending June 30, 1991, and each subsequent fiscal year, the department shall spend from the primary road fund an amount of not less than thirty million dollars for the network of commercial and industrial highways.

Sec. 7. Section 313.8, Code 1987, is amended to read as follows:

**313.8 IMPROVEMENT OF PRIMARY SYSTEM.**

The department shall proceed to the improvement of the primary road system as rapidly as funds become available therefor until the entire mileage of the primary road system is built to established grade, bridged and surfaced with pavement or other surface suited to the traffic on such road. Improvements shall be made and carried out in such manner as to equalize the condition of the primary roads and accessibility for commercial and industrial economic development purposes, as nearly as possible, in all sections of the state.

Sec. 8. NEW SECTION. 314.15 ENVIRONMENTAL PROTECTION.

Highway construction and reconstruction shall not cause unnecessary destruction of the natural or historic heritage of the state. Accordingly, the following features shall be protected in the design, construction, and reconstruction of highways:

1. WOODLANDS. All natural woodland removed shall be replaced by plantings of the same species mix on the same

number of acres as the woodland removed on similar terrain as close as possible to the construction site, or by purchase of an equal number of acres of natural woodland in the general vicinity for public ownership and preservation.

2. WETLANDS. All natural wetlands removed shall be replaced by purchase of natural wetlands in the same general vicinity for public ownership and preservation.

3. PUBLIC PARKS. Highways constructed through publicly owned parks, preserves, and recreation areas shall be designed to blend aesthetically with the areas and to minimize noise as requested by the public entity owning the land. Highways crossing rivers, streams, or wetlands and their associated riparian vegetation within publicly owned areas shall be built on structures to minimize damage to aesthetic and natural values. Any land taken from publicly owned parks, preserves, or recreation areas for highway construction shall be replaced by purchase of an equal or greater number of acres for public use, to be chosen in cooperation with the public entity owning the land.

4. PRIME AGRICULTURAL LAND. Topsoil shall be removed and stockpiled and shall be made available at no cost to the former landowner or other landowners whose land was purchased for the highway construction. Excess topsoil shall be utilized for landscaping.

Sec. 9. NEW SECTION. 314.20 UTILITY EASEMENTS ON HIGHWAY RIGHT-OF-WAY.

The department shall develop an accommodation plan for the longitudinal utility use of freeway right-of-way, in consultation with the utilities board. The plan shall be consistent with the rules of the federal highway administration of the United States department of transportation and shall be submitted to the federal highway administration for its approval by January 1, 1989. In developing the plan, the department shall provide for extended payment and lease agreements to provide continuous funding for the living roadway trust fund. The plan shall provide for charges for the use of the right-of-way and all moneys

collected shall be credited to the living roadway trust fund established in section 312.2, subsection 21, and shall be used by the department for the planting and maintenance of alternative roadside vegetation on interstate highways.

Sec. 10. Section 315.3, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. J. The state transportation commission may authorize the temporary transfer of funds between the department's share of the RISE fund under section 315.4 and the primary road fund in an amount not to exceed forty million dollars at one time. Transferred funds shall be repaid not later than July 1, 1993. The commission shall manage the RISE fund to ensure that funds will be available to meet contract obligations on approved RISE projects.

Sec. 11. Section 321.122, subsection 1, paragraph a, Code 1987, is amended to read as follows:

a. For a combined gross weight of three tons or less forty-five sixty-five dollars and a vehicle which is more than ten model years old thirty-five fifty-five dollars and a vehicle which is more than thirteen model years old forty-five dollars and a vehicle which is more than fifteen years old thirty-five dollars.

Sec. 12. Section 321.122, subsection 1, paragraph b, Code 1987, is amended to read as follows:

b. For a combined gross weight exceeding three tons, the annual registration fee shall be as set forth in the following schedule:

For a combined gross weight exceeding:	And not exceeding:	The annual registration fee shall be:
3 Tons	4 Tons	\$ 60
		<u>80</u>
4 Tons	5 Tons	\$ 70
		<u>90</u>
5 Tons	6 Tons	\$ 85
		<u>105</u>
6 Tons	7 Tons	\$ 110

		130
7 Tons	8 Tons	\$ 145
		<u>165</u>
8 Tons	9 Tons	\$ 180
		<u>200</u>
9 Tons	10 Tons	\$ 215
		<u>235</u>
10 Tons	11 Tons	\$ 250
		<u>270</u>
11 Tons	12 Tons	\$ 285
		<u>305</u>
12 Tons	13 Tons	\$ 320
		<u>340</u>
13 Tons	14 Tons	\$ 355
		<u>375</u>
14 Tons	15 Tons	\$ 445
15 Tons	16 Tons	\$ 485
16 Tons	17 Tons	\$ 525
17 Tons	18 Tons	\$ 565
18 Tons	19 Tons	\$ 610
19 Tons	20 Tons	\$ 675
20 Tons	21 Tons	\$ 715
21 Tons	22 Tons	\$ 755
22 Tons	23 Tons	\$ 795
23 Tons	24 Tons	\$ 835
24 Tons	25 Tons	\$ 965
25 Tons	26 Tons	\$1,010
26 Tons	27 Tons	\$1,060
27 Tons	28 Tons	\$1,105
28 Tons	29 Tons	\$1,150
29 Tons	30 Tons	\$1,200
30 Tons	31 Tons	\$1,245
31 Tons	32 Tons	\$1,295
32 Tons	33 Tons	\$1,340
33 Tons	34 Tons	\$1,415
34 Tons	35 Tons	\$1,465
35 Tons	36 Tons	\$1,510

36 Tons .....	37 Tons .....	\$1,555
37 Tons .....	38 Tons .....	\$1,605
38 Tons .....	39 Tons .....	\$1,650
39 Tons .....	40 Tons .....	\$1,695

Sec. 13. Section 324.3, unnumbered paragraph 1, Code 1987, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of fifteen cents per gallon for the period beginning July 1, 1985 and ending December 31, 1985, and sixteen cents per gallon for the period beginning January 1, 1986, and ending March 31, 1988, and eighteen cents per gallon for the period beginning April 1, 1988, and ending December 31, 1988, and twenty cents per gallon beginning January 1, 1989, is imposed upon the use of all motor fuel used for any purpose except motor fuel containing at least ten percent alcohol distilled from cereal grains grown in the United States for the period beginning July 1, 1978 and ending June 30, 1992 and except as otherwise provided in this division.

Sec. 14. Section 324.3, unnumbered paragraph 4, Code 1987, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of fourteen cents per gallon beginning July 1, 1985 and ending December 31, 1985, and fifteen cents per gallon for the period beginning January 1, 1986, and ending March 31, 1988, and seventeen cents per gallon for the period beginning April 1, 1988, and ending December 31, 1988, and nineteen cents per gallon beginning January 1, 1989, and ending June 30, 1992, is imposed upon the use of gasohol used for any purpose except as otherwise provided in this division.

Sec. 15. Section 324.34, unnumbered paragraph 1, Code 1987, is amended to read as follows:

For the privilege of operating motor vehicles in this state, there is imposed an excise tax on the use, as defined in section 324.33, of special fuel in a motor vehicle. The tax rate on special fuel for diesel engines is sixteen and one-half cents per gallon for the period beginning July 1, 1985 and ending December 31, 1985, is seventeen and one-half

cents per gallon for the period beginning January 1, 1986 and ending December 31, 1986, and is eighteen and one-half cents per gallon for the period beginning January 1, 1987, and ending March 31, 1988, and is twenty and one-half cents per gallon for the period beginning April 1, 1988, and ending December 31, 1988, and twenty-two and one-half cents per gallon beginning January 1, 1989. On all other special fuel the per gallon rate is the same as the motor fuel tax.

Sec. 16. Section 324.34, unnumbered paragraph 9, Code 1987, is amended to read as follows:

For natural gas used as a special fuel the rate of tax that is equivalent to the motor fuel tax shall be thirteen sixteen cents per hundred cubic feet adjusted to a base temperature of sixty degrees Fahrenheit and a pressure of fourteen and seventy-three hundredths pounds per square inch absolute. The tax on natural gas shall attach at the time of delivery into equipment for compressing the gas for subsequent delivery into the fuel supply tank of a motor vehicle and shall be paid over to the department by the person operating the compressing equipment under the applicable provisions for users or dealers. Natural gas used as a special fuel shall be delivered into compressing equipment through sealed meters certified for accuracy by the department of agriculture and land stewardship.

Sec. 17. There is appropriated from the road use tax fund to the legislative service bureau the sum of three hundred thousand (300,000) dollars, or so much thereof as may be necessary, for the purpose of carrying out a study of the needs for the total road network and the mechanisms for the distribution of the revenues derived from fuel taxes, vehicle registration fees, license fees, the use tax on vehicles, and other sources of the road use tax fund. The study shall be independently conducted but administered by a steering committee composed of two members appointed by the state transportation commission, two members appointed by the Iowa state association of counties, and two members appointed by the league of Iowa municipalities. The steering committee

shall report the findings of the study to the governor, the chief clerk of the house of representatives, and the secretary of the senate not later than January 31, 1989.

Sec. 18. There is appropriated from the public transit assistance fund to the legislative service bureau the sum of seventy-five thousand (75,000) dollars, or so much thereof as may be necessary, for the purpose of carrying out a study of the mechanisms for the distribution of the public transit assistance fund. All sources of funding for public transit shall be considered for purposes of this study. The study shall be independently conducted but administered by a steering committee composed of two members appointed by the state transportation commission, two members appointed by the regional transit systems, two members appointed by the large urban transit systems, and two members appointed by the small urban transit systems. The steering committee shall report the findings of the study to the governor, the chief clerk of the house of representatives, and the secretary of the senate not later than January 31, 1989.

Sec. 19. There is appropriated from the road use tax fund to the legislative service bureau the sum of fifty thousand (50,000) dollars, or so much thereof as is necessary, for the purpose of conducting a study to develop an immediate long-range policy for the planting and maintenance of alternative roadside vegetation adjacent to the streets and highways in the state. The study shall be independently conducted by a consultant employed by a steering committee composed of two members appointed by the state transportation commission, two members appointed by the Iowa state association of counties, and two members appointed by the league of Iowa municipalities. The steering committee shall report the findings of the study to the governor, the chief clerk of the house of representatives, and the secretary of the senate not later than January 31, 1989.

Sec. 20. There is appropriated from the road use tax fund for the fiscal year beginning July 1, 1988, and ending June 30, 1989, for the purpose of replacing lost federal highway

funds, to the primary road fund the sum of twelve million seven hundred eighty-eight thousand one hundred forty-four (12,788,144) dollars, to the farm-to-market road fund the sum of three million fifty-four thousand six hundred eighty-eight (3,054,688) dollars, to the secondary road fund of the counties the sum of nine hundred forty-one thousand four hundred fifty-five (941,455) dollars, and to the street construction fund of the cities the sum of seven hundred eleven thousand one hundred thirty-one (711,131) dollars.

Sec. 21. There is appropriated from the road use tax fund for the fiscal year beginning July 1, 1989, and ending June 30, 1990, for the purpose of replacing lost federal highway funds, to the primary road fund the sum of twenty million nine hundred thirty-two thousand (20,932,000) dollars, to the farm-to-market road fund the sum of five million (5,000,000) dollars, to the secondary road fund of the counties the sum of one million five hundred forty-one thousand (1,541,000) dollars, and to the street construction fund of the cities the sum of one million one hundred sixty-four thousand (1,164,000) dollars.

Sec. 22. There is appropriated from the road use tax fund for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the primary road fund for the commercial and industrial network of highways the sum of eleven million nine hundred seventy-four thousand three hundred seventy-five (11,974,375) dollars, to the secondary road fund of the counties the sum of nine million nine hundred fifty-eight thousand two hundred eighty-one (9,958,281) dollars, and to the street construction fund of the cities the sum of five million nine hundred eighty-seven thousand one hundred eighty-eight (5,987,188) dollars.

Sec. 23. There is appropriated from the road use tax fund for the fiscal period beginning July 1, 1989, and ending March 31, 1990, to the primary road fund for the commercial and industrial network of highways the sum of ten million four hundred thousand (10,400,000) dollars, to the secondary road fund of the counties the sum of eight million seven hundred

thousand (8,700,000) dollars, and to the street construction fund of the cities the sum of five million two hundred thousand (5,200,000) dollars.

Sec. 24. Beginning April 1, 1990, the treasurer of state shall, each month before distributing funds allotted from the road use tax fund under section 312.2, credit to a separate fund held by the treasurer of state the following amounts:

1. From the moneys allotted to the primary road fund, one-twelfth of twenty-eight million three hundred thousand dollars.

2. From the moneys allotted to the secondary road fund of the counties, one-twelfth of eleven million three hundred thousand dollars.

3. From the moneys allotted to the farm-to-market road fund, one-twelfth of three million six hundred thousand dollars.

4. From the moneys allotted to the street construction fund of the cities, one-twelfth of six million eight hundred thousand dollars.

The moneys in this separate fund, together with interest or earnings on investments or time deposits of the moneys, shall be restored to the road use tax fund upon completion of the study required by section 17 of this Act and action by the general assembly on the formula for allocating road use tax funds between jurisdictions.

Sec. 25. Sections 2, 3, and 4 of this Act take effect July 1 following enactment.

Sec. 26. Sections 11 and 12 of this Act take effect July 1 following enactment for vehicle registrations subject to renewal and new vehicle registrations on or after that date for vehicles registered for a combined gross weight of five tons or less.

Sec. 27. Section 12 of this Act takes effect December 1 following enactment for vehicle registrations subject to renewal and new vehicle registrations on or after that date for vehicles registered for a combined gross weight exceeding five tons.

Sec. 28. Section 16 of this Act takes effect April 1 following enactment.

Sec. 29. This Act, being deemed of immediate importance, takes effect upon its enactment.

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2196, Seventy-second General Assembly.

\_\_\_\_\_  
JOHN P. DWYER  
Secretary of the Senate  
Approved *March 29* 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor