

House Study Bill 71

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON ARNOLD)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the jurisdiction and funding of roads by
2 transferring jurisdiction of and funding for certain primary
3 and farm-to-market roads, raising the level of local effort
4 required to receive and use certain road funds, modifying the
5 procedure for classification of area service "C" roads, and
6 establishing a street construction fund distribution advisory
7 committee, and making appropriations.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
9 TLSB 2166YC 80
10 nh/sh/8

PAG LIN

1 1 Section 1. Section 306.3, subsection 5, Code 2003, is
1 2 amended to read as follows:
1 3 5. "Municipal street system" means those streets within
1 4 municipalities that are not primary roads or secondary roads.
1 5 Sec. 2. Section 306.4, Code 2003, is amended by adding the
1 6 following new subsection:
1 7 NEW SUBSECTION. 2A. a. Effective July 1, 2004,
1 8 jurisdiction and control over a farm-to-market extension or
1 9 road transferred pursuant to section 306.8A within a city with
1 10 a population of less than one thousand shall be vested in the
1 11 county board of supervisors of the respective county.
1 12 b. If the population of a city drops below one thousand
1 13 after July 1, 2004, as determined by the latest available
1 14 federal census or special census, jurisdiction and control
1 15 over a farm-to-market extension located within the city shall
1 16 be vested in the county board of supervisors of the respective
1 17 county effective July 1 following census certification by the
1 18 secretary of state.
1 19 c. If the population of a city from which jurisdiction and
1 20 control over a road has been transferred pursuant to paragraph
1 21 "a" or "b" exceeds one thousand two hundred fifty, as
1 22 determined by the latest available federal census or special
1 23 census, such jurisdiction and control shall be transferred
1 24 back to the city effective July 1 following census
1 25 certification by the secretary of state.
1 26 Sec. 3. NEW SECTION. 306.8A TRANSFER OF ROADS IDENTIFIED
1 27 IN REPORT.
1 28 1. The department shall maintain on file the transfer of
1 29 jurisdiction report compiled by the ad hoc road use tax fund
1 30 committee. Such report identifies primary roads for transfer
1 31 to local jurisdictions.
1 32 2. The jurisdiction and control of all primary roads
1 33 identified in the transfer of jurisdiction report shall be
1 34 transferred from the state to the appropriate county or city
1 35 effective July 1, 2003. Such transfers are not subject to the
2 1 terms and conditions provided in section 306.8.
2 2 Sec. 4. Section 307.22, subsection 7, Code 2003, is
2 3 amended to read as follows:
2 4 7. Annually recalculate the construction and maintenance
2 5 needs of roads under the jurisdiction of each county to take
2 6 into account the needs of a road whose jurisdiction has been
2 7 transferred from the department to a county or from a county
2 8 to the department during the previous year. Prior to the
2 9 fiscal year beginning July 1, 2013, the annual recalculation
2 10 shall not include those roads transferred to a county pursuant
2 11 to section 306.8A. The recalculation shall be reported by
2 12 January 1 of the year following the transfer and shall take
2 13 effect the following July 1 for the purposes of allocating
2 14 moneys under sections 312.3 and 312.5.
2 15 Sec. 5. Section 309.10, Code 2003, is amended to read as
2 16 follows:
2 17 309.10 USE OF FARM-TO-MARKET ROAD FUND.

2 18 1. Notwithstanding section 310.4, if the board of
2 19 supervisors of a county does not plan to utilize its farm-to=
2 20 market road fund allocation for the succeeding fiscal year for
2 21 farm-to=market projects, the board may annually, by
2 22 stipulation in the secondary road construction program and
2 23 secondary road budget submitted to the department in
2 24 accordance with sections 309.22 and 309.93, determine an
2 25 amount of the unobligated portion of its allocation, up to a
2 26 maximum of fifty percent of its anticipated total annual
2 27 allocation, for the construction and reconstruction of local
2 28 secondary roads. However, moneys from the farm-to=market road
2 29 fund shall not be so used if the moneys are needed to match
2 30 federal funds available for farm-to=market road projects.

2 31 2. a. A county shall not use farm-to=market road funds as
2 32 described in this section unless the total funds that the
2 33 county transferred or provided during the prior fiscal year
2 34 pursuant to section 331.429, subsection 1, paragraphs "a",
2 35 "b", "d", and "e", are at least ~~seventy-five percent~~ a fixed
3 1 percentage, as provided in paragraph "b", of the sum of the

3 2 following:

3 3 ~~1-~~ (1) From the general fund of the county, the dollar
3 4 equivalent of a tax of sixteen and seven=eighths cents per
3 5 thousand dollars of assessed value on all taxable property in
3 6 the county.

3 7 ~~2-~~ (2) From the rural services fund of the county, the
3 8 dollar equivalent of a tax of three dollars and three=eighths
3 9 of a cent per thousand dollars of assessed value on all
3 10 taxable property not located within the corporate limits of a
3 11 city in the county.

3 12 b. The fixed percentage for purposes of paragraph "a"
3 13 shall be as follows:

3 14 (1) Seventy=seven percent for the fiscal year beginning
3 15 July 1, 2003.

3 16 (2) Seventy=nine percent for the fiscal year beginning
3 17 July 1, 2004.

3 18 (3) Eighty=one percent for the fiscal year beginning July
3 19 1, 2005.

3 20 (4) Eighty=three percent for the fiscal year beginning
3 21 July 1, 2006.

3 22 (5) Eighty=five percent for the fiscal year beginning July
3 23 1, 2007, and for each subsequent fiscal year.

3 24 Sec. 6. Section 309.57, unnumbered paragraph 3, Code 2003,
3 25 is amended to read as follows:

3 26 Roads may only be classified as area service "C" by
3 27 ordinance or resolution ~~upon petition signed by all landowners~~
3 28 ~~adjoining the road.~~ The ordinance or resolution shall specify
3 29 the level of maintenance effort and the persons who will have
3 30 access rights to the road. The county shall only allow access
3 31 to the road to the owner, lessee, or person in lawful
3 32 possession of any adjoining land, or the agent or employee of
3 33 the owner, lessee, or person in lawful possession, or to any
3 34 peace officer, magistrate, or public employee whose duty it is
3 35 to supervise the use or perform maintenance of the road.

4 1 Access to the road shall be restricted by means of a gate or
4 2 other barrier.

4 3 Sec. 7. Section 312.2, subsection 8, Code 2003, is amended
4 4 to read as follows:

4 5 8. a. The treasurer of state, before making any
4 6 allotments to counties under this section, shall reduce the
4 7 allotment to a county for the secondary road fund by the
4 8 amount by which the total funds that the county transferred or
4 9 provided during the prior fiscal year under section 331.429,
4 10 subsection 1, paragraphs "a", "b", "d", and "e", are less than
4 11 ~~seventy-five percent~~ a fixed percentage, as provided in
4 12 paragraph "b", of the sum of the following:

4 13 ~~a-~~ (1) From the general fund of the county, the dollar
4 14 equivalent of a tax of sixteen and seven=eighths cents per
4 15 thousand dollars of assessed value on all taxable property in
4 16 the county.

4 17 ~~b-~~ (2) From the rural services fund of the county, the
4 18 dollar equivalent of a tax of three dollars and three=eighths
4 19 of a cent per thousand dollars of assessed value on all
4 20 taxable property not located within the corporate limits of a
4 21 city in the county.

4 22 b. The fixed percentage for purposes of paragraph "a"
4 23 shall be as follows:

4 24 (1) Seventy=seven percent for the fiscal year beginning
4 25 July 1, 2003.

4 26 (2) Seventy=nine percent for the fiscal year beginning
4 27 July 1, 2004.

4 28 (3) Eighty=one percent for the fiscal year beginning July

4 29 1, 2005.

4 30 (4) Eighty=three percent for the fiscal year beginning

4 31 July 1, 2006.

4 32 (5) Eighty=five percent for the fiscal year beginning July

4 33 1, 2007, and for each subsequent fiscal year.

4 34 c. Funds remaining in the secondary road fund of the
4 35 counties due to a reduction of allocations to counties for
5 1 failure to maintain a minimum local tax effort shall be
5 2 reallocated to counties that are not reduced under this
5 3 subsection pursuant to the allocation provisions of section
5 4 312.3, subsection 1, based upon the needs and area of the
5 5 county. Information necessary to make allocations under this
5 6 subsection shall be provided by the state department of
5 7 transportation or the director of the department of management
5 8 upon request by the treasurer of state.

5 9 Sec. 8. Section 312.3, subsection 2, Code 2003, is amended
5 10 to read as follows:

5 11 2. a. Apportion among the cities of the state, in the
5 12 ratio which the population of each city, as shown by the
5 13 latest available federal census, bears to the total population
5 14 of all such cities in the state, the percentage of the road
5 15 use tax funds which is credited to the street construction
5 16 fund of the cities, and shall remit to the city clerk of each
5 17 such city the amount so apportioned to such city. A city may
5 18 have one special federal census taken each decade, and the
5 19 population figure thus obtained shall be used in apportioning
5 20 amounts under this subsection beginning the calendar year
5 21 following the year in which the special census is certified by
5 22 the secretary of state.

5 23 b. The apportionment of moneys from the street
5 24 construction fund of the cities to a city with a farm-to-
5 25 market extension under county jurisdiction pursuant to section
5 26 306.4, shall be reduced in the proportion which the share of
5 27 mileage of the farm-to-market extension bears to the total
5 28 mileage of streets within the city. The amount of moneys by
5 29 which the apportionment to the city is reduced shall be
5 30 transferred to the secondary road fund of the respective
5 31 county.

5 32 c. The apportionment of moneys from the transfer of
5 33 jurisdiction fund pursuant to section 313.4, subsection 6,
5 34 paragraph "b", subparagraph (1), to a city with a street under
5 35 county jurisdiction pursuant to section 306.4, subsection 2A,
6 1 shall be transferred to the secondary road fund of the
6 2 respective county.

6 3 Sec. 9. NEW SECTION. 312.3D STREET CONSTRUCTION FUND
6 4 DISTRIBUTION ADVISORY COMMITTEE.

6 5 A street construction fund distribution advisory committee
6 6 is established to consider methodologies for distribution of
6 7 moneys in the street construction fund of the cities. The
6 8 committee shall be comprised of representatives appointed by
6 9 the president of the Iowa section of the American public works
6 10 association, the president of the Iowa league of cities, and
6 11 the department. The committee shall recommend to the general
6 12 assembly by January 1, 2004, for the general assembly's
6 13 consideration and adoption, one or more alternative
6 14 methodologies for distribution of moneys in the street
6 15 construction fund of the cities.

6 16 Sec. 10. Section 313.4, Code 2003, is amended by adding
6 17 the following new subsections:

6 18 NEW SUBSECTION. 6. a. A transfer of jurisdiction fund is
6 19 created in the office of the treasurer of state under the
6 20 control of the department. For each fiscal year in the period
6 21 beginning July 1, 2003, and ending June 30, 2013, there is
6 22 transferred from the primary road fund to the transfer of
6 23 jurisdiction fund two and two-tenths percent of the moneys
6 24 credited to the primary road fund pursuant to section 312.2,
6 25 subsection 1.

6 26 b. For each fiscal year in the period beginning July 1,
6 27 2003, and ending June 30, 2013, there is appropriated the
6 28 following percentages of the moneys deposited in the transfer
6 29 of jurisdiction fund for the fiscal year for the following
6 30 purposes:

6 31 (1) Seventy=five percent of the moneys shall be
6 32 apportioned among the counties and cities that assume
6 33 jurisdiction of primary roads pursuant to section 306.8A.
6 34 Such apportionment shall be made based upon the specific
6 35 construction needs identified for the specific counties and
7 1 cities in the transfer of jurisdiction report on file with the
7 2 department pursuant to section 306.8A.

7 3 (2) Twenty=two and one-half percent of the moneys shall be
7 4 deposited in the secondary road fund.

7 5 (3) Two and one-half percent of the moneys shall be
7 6 deposited in the street construction fund of the cities.
7 7 NEW SUBSECTION. 7. For the fiscal year beginning July 1,
7 8 2013, and ending June 30, 2014, and each subsequent fiscal
7 9 year, there is transferred the following percentages of the
7 10 moneys credited to the primary road fund pursuant to section
7 11 312.2, subsection 1, to the following funds:

7 12 a. One and ninety-eight-hundredths percent to the
7 13 secondary road fund.
7 14 b. Twenty-two-hundredths of one percent to the street
7 15 construction fund of the cities.

7 16 EXPLANATION

7 17 This bill provides for the transfer of jurisdiction of
7 18 certain roads and the transfer of funds associated with those
7 19 roads, phases in an increased level of local contribution
7 20 required for full distribution of road use tax fund moneys to
7 21 counties, modifies the procedure required for reclassification
7 22 of county roads as area service "C" roads, and establishes a
7 23 study committee to evaluate the distribution of the street
7 24 construction fund of the cities.

7 25 The bill redefines "municipal street system" to exclude
7 26 roads that are secondary roads within a municipality. The
7 27 current definition excludes only those roads within a
7 28 municipality that are primary roads.

7 29 The bill provides for the transfer of jurisdiction of
7 30 several different types of roads. The bill transfers
7 31 jurisdiction of farm-to-market road extensions within cities
7 32 with a population of less than 1,000 to the applicable county
7 33 boards of supervisors. Once a city reaches a population of
7 34 1,250, jurisdiction over such extensions is to be transferred
7 35 back to the applicable city. The bill also provides for a
8 1 reduction in the apportionment of moneys from the street
8 2 construction fund of the cities to a city that has transferred
8 3 jurisdiction of a farm-to-market road extension to a county.
8 4 The amount of such reduction is to be transferred to the
8 5 secondary road fund of the respective county. Similarly, the
8 6 bill provides for the transfer of moneys received by a city
8 7 from the transfer of jurisdiction fund established in the bill
8 8 if a street within the city is under county jurisdiction.

8 9 The bill also provides for the transfer of jurisdiction and
8 10 control of all primary roads identified in a transfer of
8 11 jurisdiction report on file with the state department of
8 12 transportation. Such transfers are not subject to the terms
8 13 and conditions required for other transfers of road
8 14 jurisdiction, including the requirement that the transferring
8 15 jurisdiction either place the road in good repair prior to
8 16 transfer or transfer moneys to the receiving jurisdiction for
8 17 sufficient repair of the road. Prior to FY 2013=2014, roads
8 18 transferred to a county under the new provision are not to be
8 19 included in the department's annual recalculation of
8 20 construction and maintenance needs for secondary roads, which
8 21 recalculation is used to determine counties' apportionments of
8 22 road use tax fund moneys.

8 23 The bill temporarily establishes a transfer of jurisdiction
8 24 fund within the state treasury, under the control of the state
8 25 department of transportation, to provide for the transfer of
8 26 moneys from the primary road fund to local jurisdictions in
8 27 each fiscal year of the fiscal period beginning July 1, 2003,
8 28 and ending June 30, 2013. Seventy-five percent of the moneys
8 29 in the transfer of jurisdiction fund are appropriated for
8 30 apportionment among the counties and cities that assume
8 31 jurisdiction of primary roads pursuant to the transfer of
8 32 jurisdiction report on file with the department. The
8 33 secondary road fund is appropriated 22.5 percent of the moneys
8 34 and the street construction fund of the cities is appropriated
8 35 2.5 percent. For subsequent fiscal years, 1.98 percent and
9 1 .22 percent of the moneys in the primary road fund are
9 2 transferred directly to the secondary road fund and the street
9 3 construction fund of the cities, respectively.

9 4 The bill increases the amount of county effort for
9 5 secondary road services required prior to a county's use of
9 6 the unobligated portion of the county's farm-to-market road
9 7 fund allocation for secondary road projects. The increase is
9 8 implemented by incremental increases over a period of five
9 9 years. The bill also provides that such increases in the
9 10 required county effort shall affect the county's allotment of
9 11 road use tax funds.

9 12 The bill removes the requirement that a petition signed by
9 13 all landowners adjoining a road be presented prior to
9 14 reclassification of a secondary road as an area service "C"
9 15 road pursuant to a county ordinance or resolution. Area

9 16 service "C" classification roads may have restricted access
9 17 and a minimal level of maintenance.

9 18 The bill establishes a street construction fund
9 19 distribution advisory committee. The committee is to be
9 20 comprised of representatives appointed by the president of the
9 21 Iowa section of the American public works association, the
9 22 president of the Iowa league of cities, and the state
9 23 department of transportation. The committee is to recommend
9 24 to the general assembly by January 1, 2004, one or more
9 25 alternative methodologies for distribution of moneys in the
9 26 street construction fund of the cities.

9 27 LSB 2166YC 80

9 28 nh/sh/8