

Senate Study Bill 1359

SENATE FILE _____
BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

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

A BILL FOR

1 An Act relating to revenue for the construction and maintenance
2 of roads by establishing a TIME=21 fund for deposit of
3 revenues credited by law to the fund, and requiring evaluation
4 of revenue sources.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2934XC 82
7 dea/cf/24

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1 1 Section 1. NEW SECTION. 312A.1 DEFINITIONS.
1 2 As used in this chapter, unless the context otherwise
1 3 requires:
1 4 1. "Department" means the state department of
1 5 transportation.
1 6 2. "Fund", or "TIME=21 fund", means the transportation
1 7 investment moves the economy in the twenty=first century fund.
1 8 Sec. 2. NEW SECTION. 312A.2 TRANSPORTATION INVESTMENT
1 9 MOVES THE ECONOMY IN THE TWENTY=FIRST CENTURY (TIME=21) FUND.
1 10 A transportation investment moves the economy in the
1 11 twenty=first century fund is created in the state treasury
1 12 under the control of the department. The fund shall be known
1 13 and referred to as the TIME=21 fund. The fund shall consist
1 14 of any moneys appropriated by the general assembly and any
1 15 revenues credited by law to the TIME=21 fund. Moneys in the
1 16 fund are not subject to section 8.33. Notwithstanding section
1 17 12C.7, subsection 2, interest or earnings on moneys deposited
1 18 in the fund shall be credited to the fund.
1 19 Sec. 3. NEW SECTION. 312A.3 ALLOCATION AND USE OF FUNDS.
1 20 Moneys in the TIME=21 fund shall be credited and used as
1 21 follows:
1 22 1. Sixty percent for deposit in the primary road fund to
1 23 be used exclusively for highway maintenance and construction,
1 24 including purchase of right-of-way but not including project
1 25 planning and design. The following projects are eligible for
1 26 funding under this subsection:
1 27 a. Projects on highways in the commercial and industrial
1 28 highway network that are included in the department's
1 29 five-year plan, or in the long-range (2020) plan, for the
1 30 primary road system. Priority shall be given to projects in
1 31 areas of the state that have existing biodiesel, ethanol, or
1 32 other biorefinery plants.
1 33 b. Completion of projects on highways designated as access
1 34 Iowa highways pursuant to 2005 Iowa Acts, chapter 178, section
1 35 41.
2 1 c. Projects on interstate highways.
2 2 2. Twenty percent for deposit in the secondary road fund,
2 3 for apportionment according to the methodology adopted
2 4 pursuant to section 312.3C, to be used by counties for
2 5 construction and maintenance projects on secondary road
2 6 bridges and on highways in the farm-to-market road system. At
2 7 least ten percent of the moneys allocated to a county under
2 8 this subsection shall be used for bridge repair and
2 9 maintenance, with priority given to projects that aid and
2 10 support economic development and job creation.
2 11 3. Twenty percent for deposit in the street construction
2 12 fund of the cities, apportioned on the basis of population in
2 13 the manner provided in section 312.3, to be used to sustain
2 14 and improve the municipal street system.
2 15 Sec. 4. NEW SECTION. 312A.4 FUTURE REPEAL.
2 16 This chapter is repealed June 30, 2028.

2 17 Sec. 5. NEW SECTION. 307.31 PERIODIC REVIEW OF REVENUES
2 18 == EVALUATION OF ALTERNATIVE FUNDING SOURCES.
2 19 1. The department shall periodically review the current
2 20 revenue levels of the road use tax fund and the sufficiency of
2 21 those revenues for the projected construction and maintenance
2 22 needs of city, county, and state governments in the future.
2 23 The department shall submit a written report to the general
2 24 assembly regarding its findings by December 31 every five
2 25 years, beginning in 2011. The report may include
2 26 recommendations concerning funding levels needed to support
2 27 the future mobility and accessibility for users of Iowa's
2 28 public road system.
2 29 2. The department shall evaluate alternative funding
2 30 sources for road maintenance and construction and report to
2 31 the general assembly at least every five years on the
2 32 advantages and disadvantages and the viability of alternative
2 33 funding mechanisms. The department's evaluation of
2 34 alternative funding sources may be included in the report
2 35 submitted to the general assembly under subsection 1.

3 1 Sec. 6. TIME=21 REVENUE COMMITTEE.

3 2 1. The legislative council shall establish a study
3 3 committee for the 2007 legislative interim to address the
3 4 revenue needs of the TIME=21 fund created in this Act. The
3 5 membership of the committee shall consist of eight members of
3 6 the general assembly as follows:

3 7 a. Four members of the senate, two appointed by the
3 8 majority leader of the senate and two appointed by the
3 9 minority leader of the senate.

3 10 b. Four members of the house of representatives, two
3 11 appointed by the speaker of the house and two appointed by the
3 12 minority leader of the house.

3 13 2. The committee may consider the revenue options proposed
3 14 in the 2006 report prepared by the state department of
3 15 transportation entitled "study of Iowa's current road use tax
3 16 funds (RUTF) and future road maintenance and construction
3 17 needs", as well as any other revenue options and related
3 18 issues. The committee shall report its findings and
3 19 recommendations, including a proposal for funding the TIME=21
3 20 fund, to the general assembly by January 1, 2008.

3 21 EXPLANATION

3 22 This bill creates a new transportation investment moves the
3 23 economy in the 21st century fund in the state treasury under
3 24 the control of the department of transportation. The fund is
3 25 to be known as the TIME=21 fund. The fund shall consist of
3 26 revenues appropriated by the general assembly or credited by
3 27 law to the fund.

3 28 The bill allocates 60 percent of TIME=21 funds to the
3 29 primary road fund, 20 percent to the secondary road fund, and
3 30 20 percent to the street construction fund of the cities.

3 31 The bill specifies that funds allocated from the TIME=21
3 32 fund to the primary road fund shall be used for construction
3 33 and maintenance projects on interstate highways, "access Iowa"
3 34 highways, and CIN highways that are included in the
3 35 transportation department's five-year plan or long-range
4 1 (2020) plan. Projects in areas with existing biodiesel,
4 2 ethanol, or other biorefinery plants have priority for
4 3 funding. Funds used for construction may be used for purchase
4 4 of right-of-way, but not for planning and design. The bill
4 5 establishes that projects in key corridors that are programmed
4 6 for construction in the 2007=2011 Iowa transportation
4 7 improvement program have funding priority.

4 8 The bill directs that TIME=21 funds allocated to the
4 9 secondary road fund are to be used for construction and
4 10 maintenance of secondary road bridges and for construction and
4 11 maintenance of farm-to-market roads. At least 10 percent of
4 12 the moneys received by a county must be used for bridge repair
4 13 and maintenance with priority given to projects that aid and
4 14 support economic development and job creation. The bill
4 15 provides for allocation of TIME=21 funds to the street
4 16 construction fund of the cities on a population basis, to be
4 17 used to sustain and improve roads in the municipal street
4 18 system.

4 19 Provisions in the bill concerning the TIME=21 fund are
4 20 repealed June 30, 2028.

4 21 The bill requires the department of transportation to
4 22 continue to study the revenue levels of the road use tax fund
4 23 and report its findings and recommendations to the general
4 24 assembly every five years, beginning December 31, 2011. The
4 25 department is also required to evaluate alternative funding
4 26 sources for road maintenance and construction and report to
4 27 the general assembly at least every five years on the

4 28 viability of alternative funding mechanisms.
4 29 The bill requires the legislative council to establish an
4 30 interim committee composed of eight legislative members to
4 31 study funding options for the TIME=21 fund and report the
4 32 committee's recommendations to the general assembly by January
4 33 1, 2008.
4 34 LSB 2934XC 82
4 35 dea:rj/cf/24