

**Senate File 502 - Introduced**

SENATE FILE 502

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SF 273)

**A BILL FOR**

1 An Act relating to the railroad revolving loan and grant  
2 fund by making moneys available for certain projects and  
3 prioritizing grants and loans for certain purposes.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 327H.20A, subsection 1, paragraph a,  
2 Code 2023, is amended to read as follows:

3 a. Grants or loans to provide assistance for the  
4 restoration, conservation, improvement, and construction of  
5 railroad main lines, branch lines, switching yards, sidings,  
6 rail connections, intermodal yards, transload facilities,  
7 railroad bridges, highway grade separations, and other  
8 railroad-related improvements.

9 Sec. 2. Section 327H.20A, subsection 2, Code 2023, is  
10 amended to read as follows:

11 2. The department shall administer a program ~~for the~~  
12 ~~granting and administration of~~ to make loans and award grants  
13 under this section. Beginning January 1, 2024, the department  
14 shall prioritize granting and loaning moneys to railroad  
15 corporations for the purposes described in subsection 1,  
16 paragraph "a", and any moneys not so granted or awarded shall  
17 then be made available for economic development projects  
18 described in subsection 1, paragraph "b". The department may  
19 establish a limit on the amount that may be awarded as a grant  
20 for any given project in order to maximize the use of the  
21 moneys in the fund. The department may enter into agreements  
22 with railroad corporations, the United States government,  
23 cities, counties, and other persons for carrying out the  
24 purposes of this section.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with  
27 the explanation's substance by the members of the general assembly.

28 The department of transportation (DOT) controls a railroad  
29 revolving loan and grant fund. Moneys in the fund are used  
30 to provide assistance for the restoration, conservation,  
31 improvement, and construction of railroad main lines, branch  
32 lines, switching yards, sidings, rail connections, intermodal  
33 yards, highway grade separations, and other railroad-related  
34 improvements, and for rail economic development projects that  
35 improve rail facilities, including the construction of branch

1 lines, sidings, rail connections, intermodal yards, and other  
2 rail-related improvements that spur economic development and  
3 job growth. The DOT administers a program for the granting  
4 and administration of applicable loans and grants, and may  
5 establish a limit on the amount that may be awarded for any  
6 given project in order to maximize the use of the moneys in the  
7 fund.

8 This bill adds transload facilities and railroad bridges  
9 to the list of projects for which a grant may be awarded or a  
10 loan may be made. The bill requires the DOT to prioritize,  
11 beginning January 1, 2024, granting and loaning moneys to  
12 railroad corporations for the restoration, conservation,  
13 improvement, and construction projects described in Code  
14 section 327H.20A(1)(a) before providing moneys for rail  
15 economic development projects described in Code section  
16 327H.20A(1)(b).