

**House File 932 - Enrolled**

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HOUSE FILE 932

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AN ACT

1 4 RELATING TO REVENUE FOR THE CONSTRUCTION AND MAINTENANCE OF  
1 5 ROADS.

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1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 8

1 9 Section 1. NEW SECTION. 312A.1 DEFINITIONS.

1 10 As used in this chapter, unless the context otherwise

1 11 requires:

1 12 1. "Department" means the state department of  
1 13 transportation.1 14 2. "Fund", or "TIME=21 fund", means the transportation  
1 15 investment moves the economy in the twenty-first century fund.1 16 Sec. 2. NEW SECTION. 312A.2 TRANSPORTATION INVESTMENT  
1 17 MOVES THE ECONOMY IN THE TWENTY-FIRST CENTURY (TIME=21) FUND.1 18 A transportation investment moves the economy in the  
1 19 twenty-first century fund is created in the state treasury  
1 20 under the control of the department. The fund shall be known  
1 21 and referred to as the TIME=21 fund. The fund shall consist  
1 22 of any moneys appropriated by the general assembly and any  
1 23 revenues credited by law to the TIME=21 fund. Moneys in the  
1 24 fund are not subject to section 8.33. Notwithstanding section  
1 25 12C.7, subsection 2, interest or earnings on moneys deposited  
1 26 in the fund shall be credited to the fund.1 27 Sec. 3. NEW SECTION. 312A.3 ALLOCATION AND USE OF FUNDS.1 28 Moneys in the TIME=21 fund shall be credited and used as  
1 29 follows:1 30 1. Sixty percent for deposit in the primary road fund to  
1 31 be used exclusively for highway maintenance and construction,  
1 32 including purchase of right-of-way but not including project  
1 33 planning and design. The following projects are eligible for  
1 34 funding under this subsection and shall have funding priority  
1 35 in the order listed:2 1 a. Completion of projects on highways designated as access  
2 2 Iowa highways pursuant to 2005 Iowa Acts, chapter 178, section  
2 3 41.2 4 b. Projects on highways in the commercial and industrial  
2 5 highway network that are included in the department's  
2 6 five-year plan, or in the long-range plan, for the primary  
2 7 road system. Priority shall be given to projects in areas of  
2 8 the state that have existing biodiesel, ethanol, or other  
2 9 biorefinery plants.

2 10 c. Projects on interstate highways.

2 11 2. Twenty percent for deposit in the secondary road fund,  
2 12 for apportionment according to the methodology adopted  
2 13 pursuant to section 312.3C, to be used by counties for  
2 14 construction and maintenance projects on secondary road  
2 15 bridges and on highways in the farm-to-market road system. At  
2 16 least ten percent of the moneys allocated to a county under  
2 17 this subsection shall be used for bridge construction, repair,  
2 18 and maintenance, with priority given to projects that aid and

2 19 support economic development and job creation.

2 20 3. Twenty percent for deposit in the street construction  
2 21 fund of the cities, apportioned on the basis of population in  
2 22 the manner provided in section 312.3, to be used to sustain  
2 23 and improve the municipal street system.

2 24 Sec. 4. NEW SECTION. 312A.4 FUTURE REPEAL.

2 25 This chapter is repealed June 30, 2028.

2 26 Sec. 5. NEW SECTION. 307.31 PERIODIC REVIEW OF REVENUES  
2 27 == EVALUATION OF ALTERNATIVE FUNDING SOURCES.

2 28 1. The department shall periodically review the current  
2 29 revenue levels of the road use tax fund and the sufficiency of  
2 30 those revenues for the projected construction and maintenance  
2 31 needs of city, county, and state governments in the future.

2 32 The department shall submit a written report to the general  
2 33 assembly regarding its findings by December 31 every five  
2 34 years, beginning in 2011. The report may include  
2 35 recommendations concerning funding levels needed to support  
3 1 the future mobility and accessibility for users of Iowa's  
3 2 public road system.

3 3 2. The department shall evaluate alternative funding  
3 4 sources for road maintenance and construction and report to  
3 5 the general assembly at least every five years on the  
3 6 advantages and disadvantages and the viability of alternative  
3 7 funding mechanisms. The department's evaluation of  
3 8 alternative funding sources may be included in the report  
3 9 submitted to the general assembly under subsection 1.

3 10 Sec. 6. Section 312.2, subsections 12 and 13, Code 2007,  
3 11 are amended to read as follows:

3 12 12. The treasurer of state, before making the allotments  
3 13 provided for in this section, shall credit monthly from the  
3 14 road use tax fund to the revitalize Iowa's sound economy fund,  
3 15 created under section 315.2, the revenue accruing to the road  
3 16 use tax fund in the amount equal to the revenues collected  
3 17 under each of the following:

3 18 a. From the excise tax on motor fuel and special fuel  
3 19 imposed under the tax rate of section 452A.3 except aviation  
3 20 gasoline, the amount of excise tax collected from one and  
3 21 ~~eleven-twentieths~~ three-fourths cents per gallon.

3 22 b. From the excise tax on special fuel for diesel engines,  
3 23 the amount of excise tax collected from one and  
3 24 ~~eleven-twentieths~~ three-fourths cents per gallon.

3 25 13. The treasurer of state, before making the allotments  
3 26 provided for in this section, shall credit monthly from the  
3 27 road use tax fund to the secondary road fund the revenue  
3 28 accruing to the road use tax fund in the amount equal to the  
3 29 revenues collected under each of the following:

3 30 a. From the excise tax on motor fuel and special fuel  
3 31 imposed under the tax rate of section 452A.3, except aviation  
3 32 gasoline, the amount of excise tax collected from  
3 33 ~~nine-twentieths~~ one-fourth cent per gallon.

3 34 b. From the excise tax on special fuel for diesel engines,  
3 35 the amount of excise tax collected from ~~nine-twentieths~~  
4 1 one-fourth cent per gallon.

4 2 Sec. 7. Section 315.4, Code 2007, is amended to read as  
4 3 follows:

4 4 315.4 ALLOCATION OF FUND.

4 5 Moneys credited to the RISE fund shall be allocated as  
4 6 follows:

4 7 1. ~~Twenty thirty-firsts~~ Four-sevenths for deposit in the  
4 8 primary road fund for the use of the department on primary

4 9 road projects ~~exclusively for highways which are identified~~  
4 10 ~~under section 307A.2 as being part of the network of~~  
4 11 ~~commercial and industrial highways.~~ as follows:

4 12 a. Fifty percent for highways that support the production  
4 13 or transport of renewable fuels, including primary highways  
4 14 that connect biofuel facilities to highways in the commercial  
4 15 and industrial highway network.

4 16 b. Fifty percent for highways that have been designated by  
4 17 the state transportation commission as access Iowa highways  
4 18 pursuant to 2005 Iowa Acts, chapter 178, section 41.

4 19 2. ~~One thirty-first~~ One=seventh for the use of counties on  
4 20 secondary road projects, including secondary roads that  
4 21 connect biofuel facilities to highways in the commercial and  
4 22 industrial highway network.

4 23 3. ~~Ten thirty-firsts~~ Two=sevenths for the use of cities on  
4 24 city street projects.

4 25 Commencing June 30, 1990, all uncommitted moneys in the  
4 26 RISE fund on June 30 of each year which are allocated under  
4 27 this section for the use of counties on secondary road  
4 28 projects shall be credited to the secondary road fund.

4 29 Sec. 8. TIME=21 REVENUE COMMITTEE.

4 30 1. The legislative council shall establish a study  
4 31 committee for the 2007 legislative interim to address the  
4 32 revenue needs of the TIME=21 fund created in this Act. The  
4 33 membership of the committee shall consist of eight members of  
4 34 the general assembly as follows:

4 35 a. Four members of the senate, two appointed by the  
5 1 majority leader of the senate and two appointed by the  
5 2 minority leader of the senate.

5 3 b. Four members of the house of representatives, two  
5 4 appointed by the speaker of the house and two appointed by the  
5 5 minority leader of the house.

5 6 2. The committee may consider the revenue options proposed  
5 7 in the 2006 report prepared by the state department of  
5 8 transportation entitled "study of Iowa's current road use tax  
5 9 funds (RUTF) and future road maintenance and construction  
5 10 needs", as well as any other revenue options and related  
5 11 issues. The committee shall report its findings and  
5 12 recommendations, including a proposal for funding the TIME=21  
5 13 fund, to the general assembly by January 15, 2008.

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PATRICK J. MURPHY  
Speaker of the House

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JOHN P. KIBBIE  
President of the Senate

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I hereby certify that this bill originated in the House and  
is known as House File 932, Eighty=second General Assembly.

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MARK BRANDSGARD  
Chief Clerk of the House

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5 32 Approved \_\_\_\_\_, 2007  
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6 1 CHESTER J. CULVER

6 2 Governor

**HOUSE FILE 932 - Road Construction and Maintenance Revenue**

BY COMMITTEE ON WAYS AND MEANS. This Act creates a Transportation Investment Moves the Economy in the 21st Century Fund in the state treasury under the control of the Department of Transportation (DOT). The fund, to be known as the TIME-21 Fund, shall consist of revenues appropriated by the General Assembly or credited by law to the fund.

The Act allocates 60 percent of TIME-21 Fund moneys to the Primary Road Fund, 20 percent to the Secondary Road Fund, and 20 percent to the Street Construction Fund of the Cities.

Funds allocated from the TIME-21 Fund to the Primary Road Fund shall be used for construction and maintenance projects on Access Iowa highways, commercial and industrial network (CIN) highways that are included in the state's five-year transportation plan or long-range transportation plan, and interstate highways. Projects on Access Iowa highways have the highest funding priority, followed by CIN highway projects, with preference given to projects in areas with existing biodiesel, ethanol, or other biorefinery plants. Funds used for construction may be used for purchase of right-of-way, but not for planning and design.

TIME-21 Fund moneys allocated to the Secondary Road Fund are to be used for construction and maintenance of secondary road bridges and farm-to-market roads. At least 10 percent of the moneys received by a county must be used for bridge construction, repair, and maintenance, with priority given to projects that aid and support economic development and job creation. The Act provides for apportionment of TIME-21 Fund moneys in the Street Construction Fund of the Cities on a population basis, to be used to sustain and improve roads in the municipal street system.

Provisions in the Act concerning the TIME-21 Fund are repealed June 30, 2028.

The Act increases the amount of Revitalize Iowa's Sound Economy (RISE) Fund moneys available to counties by revising the formula for allocation of motor fuel tax revenues from the Road Use Tax Fund to the RISE Fund and the Secondary Road Fund, and revising the distribution formula for RISE Fund moneys. Fifty percent of RISE Fund moneys deposited in the Primary Road Fund shall be used for highways that support the production and transport of renewable fuels, including highways that connect biofuel facilities with CIN highways, and the remaining 50 percent shall be used for highways designated by the Transportation Commission as Access Iowa highways. The RISE Fund moneys deposited in the Secondary Road Fund shall be used for secondary road projects, including projects that connect biofuel facilities with CIN highways.

The DOT is required to continue to study the revenue levels of the Road Use Tax Fund and alternative funding sources for roads and report its findings and recommendations to the General Assembly every five years, beginning December 31, 2011.

The Legislative Council is directed to establish an interim committee composed of eight legislative members to study funding options for the TIME-21 Fund and report the committee's recommendations to the General Assembly by January 15, 2008.

**APPENDIX: Code Sections & Acts Affected by 2007 Legislative Session**