

JAN 20 2005
TRANSPORTATION

HOUSE FILE
BY ELGIN

96

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

A BILL FOR

1 An Act modifying allocations and apportionments of road use tax
2 funds.

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

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HF 96

1 Section 1. Section 307.22, subsection 7, Code 2005, is
2 amended to read as follows:

3 7. Annually recalculate the construction and maintenance
4 needs of roads under the jurisdiction of each county to take
5 into account the needs of a road whose jurisdiction has been
6 transferred from the department to a county or from a county
7 to the department during the previous year. Prior to the
8 fiscal year beginning July 1, 2013, the annual recalculation
9 shall not include those roads transferred to a county pursuant
10 to section 306.8A. The recalculation shall be reported by
11 January 1 of the year following the transfer and shall take
12 effect the following July 1 for the purposes of allocating
13 moneys under ~~sections~~ section 312.3 and ~~312-5~~.

14 Sec. 2. Section 309.10, Code 2005, is amended to read as
15 follows:

16 309.10 USE OF FARM-TO-MARKET ROAD ~~FUND~~ ACCOUNT.

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

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

1 percent of the sum of the following:

2 ~~1-~~ a. From the general fund of the county, the dollar
3 equivalent of a tax of sixteen and seven-eighths cents per
4 thousand dollars of assessed value on all taxable property in
5 the county.

6 ~~2-~~ b. From the rural services fund of the county, the
7 dollar equivalent of a tax of three dollars and three-eighths
8 of a cent per thousand dollars of assessed value on all
9 taxable property not located within the corporate limits of a
10 city in the county.

11 Sec. 3. Section 310.3, Code 2005, is amended to read as
12 follows:

13 310.3 ~~FUNDS~~ FARM-TO-MARKET ROAD ACCOUNT OF SECONDARY ROAD
14 FUND.

15 ~~There-is-hereby-created-a-fund~~ As provided in section
16 312.2, the treasurer of state shall maintain a separate
17 account in the secondary road fund which shall be known as the
18 farm-to-market road fund account which shall be made up as
19 follows of the following:

20 1. All federal aid secondary road funds received by the
21 state.

22 2. All road use tax funds by law credited to the farm-to-
23 market road fund account.

24 3. All other funds which may, under ~~the-provisions-of~~ this
25 chapter or any other law, be credited or appropriated for the
26 use of the farm-to-market road fund account.

27 Sec. 4. Section 310.4, Code 2005, is amended to read as
28 follows:

29 310.4 USE OF ~~FUND~~ ACCOUNT.

30 ~~Said~~ The farm-to-market road fund account is hereby
31 appropriated for and shall be used in the establishment,
32 construction, reconstruction, or improvement of the farm-to-
33 market road system, including the drainage, grading,
34 surfacing, resurfacing, construction of bridges and culverts,
35 the elimination, protection, or improvement of railroad

1 crossings, the acquiring of additional right of way and all
2 other expenses incurred in the construction, reconstruction,
3 or improvement of said the farm-to-market road system under
4 this chapter.

5 Sec. 5. Section 310.6, Code 2005, is amended to read as
6 follows:

7 310.6 ACCOUNTS BY DEPARTMENT.

8 The department shall keep accounts subaccounts in relation
9 to the farm-to-market road fund account and each county's
10 allotment thereof of the account, crediting each fund
11 subaccount with all amounts by law creditable thereto to the
12 subaccount, and charging each with all duly and finally
13 approved vouchers for claims properly chargeable thereto to
14 the subaccount.

15 Sec. 6. Section 310.8, Code 2005, is amended to read as
16 follows:

17 310.8 QUARTERLY STATEMENT TO COUNTY ENGINEER.

18 The department shall, quarterly, advise each county
19 engineer of the condition of said the county's allotment of
20 the farm-to-market road fund account. Said The statement
21 shall show the balance in said the county's allotment at the
22 beginning of said the period, the amount or amounts allotted
23 to said the county during said the period, the amount
24 disbursed from said the county's allotment during said the
25 period, and the balance in said the county's allotment at the
26 end of the said period. Said The statement shall also show
27 the estimated outstanding obligations against the said
28 county's allotment at the date of said the statement.

29 Sec. 7. Section 310.16, Code 2005, is amended to read as
30 follows:

31 310.16 CLAIMS CHARGED TO COUNTY ALLOTMENT.

32 All claims for improving farm-to-market roads hereunder
33 shall be paid from the farm-to-market road account of the
34 secondary road fund and charged to the allotment of said-fund
35 the account for the county in which said the project is

1 located.

2 Sec. 8. Section 310.20, Code 2005, is amended to read as
3 follows:

4 310.20 SUPERVISORS RESOLUTION TO STATE TREASURER.

5 Any county may, in any year, by resolution of its board of
6 supervisors, make available for improvement or construction of
7 farm-to-market roads within the county any portion of its
8 allotment of road use tax funds. Upon certification of such a
9 resolution, the state treasurer shall place in the county's
10 allotment of the farm-to-market road account of the secondary
11 road fund the amount authorized by ~~such~~ the resolution.

12 Sec. 9. Section 310.27, Code 2005, is amended to read as
13 follows:

14 310.27 PERIOD OF ALLOCATION -- REVERSION -- TEMPORARY
15 TRANSFERS.

16 1. The portion of the farm-to-market road account of the
17 secondary road fund allotted to any county as provided in this
18 chapter shall remain available for expenditure in ~~said the~~
19 county for three years after the close of the fiscal year
20 during which ~~said-sums-respectively-were~~ the portion was
21 allocated. Any ~~sum~~ portion remaining unexpended at the end of
22 the period during which it is available for expenditure, shall
23 be reapportioned among all the counties ~~as-provided-in-section~~
24 ~~312-5-for-original-allocations.~~

25 2. For the purposes of this section, any ~~sums~~ portions of
26 the farm-to-market road account of the secondary road fund
27 allotted to any county shall be presumed to have been
28 "~~expended~~" expended when a contract has been awarded
29 obligating the ~~sums~~ portions. When projects and their
30 estimated costs, which are proposed to be funded from the
31 farm-to-market road fund account, are submitted to the
32 department for approval, the department shall estimate the
33 total funding necessary and the period during which claims for
34 the projects will be filed. After anticipating the funding
35 necessary for approved projects, the department may

1 temporarily allocate additional moneys from the farm-to-market
2 road fund account for use in any other farm-to-market
3 projects. However, a county shall not be temporarily
4 allocated funds for projects in excess of the county's
5 anticipated farm-to-market road fund account allocation for
6 the current fiscal year plus the four succeeding fiscal years.

7 3. If in the judgment of the department the anticipated
8 claims against the primary road fund for any month are in
9 excess of moneys available, a temporary transfer for highway
10 construction costs may be made from the farm-to-market road
11 fund account to the primary road fund providing there will
12 remain in the ~~transferring-fund~~ farm-to-market road account a
13 sufficient balance to meet the anticipated obligations. All
14 transfers shall be repaid from the primary road fund to the
15 farm-to-market road fund account within sixty days from the
16 date of the transfer. A transfer shall be made only with the
17 approval of the director of management and shall comply with
18 the director of management's rules relating to the transfer of
19 funds. Similar transfers may be made by the department from
20 the primary road fund to the farm-to-market road fund account
21 and these transfers shall be subject to the same terms and
22 conditions that transfers from the farm-to-market road fund
23 account to the primary road fund are subject.

24 Sec. 10. Section 310.28, Code 2005, is amended to read as
25 follows:

26 310.28 ENGINEERING AND OTHER EXPENSE.

27 1. Engineering, inspection, and administration expense
28 expenses in connection with any farm-to-market road project
29 may be paid from ~~said~~ the county's allotment of the farm-to-
30 market road account of the secondary road fund. Any such
31 expense incurred by the department may in the first instance
32 be advanced out of the primary road fund, ~~said~~ the amounts
33 later being reimbursed to ~~said-funds~~ the primary road fund out
34 of the farm-to-market road fund account.

35 2. ~~Provided, that no~~ No part of the salary or expense of

1 the county engineer, any member of the county board of
2 supervisors, any member of the department, the chief engineer,
3 or any department head or district engineer of the department
4 shall be paid out of the farm-to-market road fund account.

5 Sec. 11. Section 310.34, Code 2005, is amended to read as
6 follows:

7 310.34 SECONDARY ROAD RESEARCH FUND.

8 Notwithstanding any provision of law to the contrary, the
9 department ~~is hereby authorized to~~ may set aside each year not
10 to exceed one and one-half percent of the receipts in the
11 farm-to-market road fund account of the secondary road fund in
12 a fund to be known as the secondary road research fund.

13 Sec. 12. Section 312.2, unnumbered paragraph 1, Code 2005,
14 is amended to read as follows:

15 The treasurer of ~~the~~ state shall, on the first day of each
16 month, credit all road use tax funds which have been received
17 by the treasurer, to the primary road fund, the secondary road
18 fund of the counties, ~~the farm-to-market road fund,~~ and the
19 street construction fund of the cities in the following manner
20 and amounts:

21 Sec. 13. Section 312.2, subsection 1 through 4, Code 2005,
22 are amended to read as follows:

23 1. To the primary road fund, ~~forty-seven-and-one-half~~
24 fifty percent.

25 2. To the secondary road fund of the counties, ~~twenty-~~
26 ~~four-and-one-half~~ twenty-five percent. The treasurer shall
27 maintain a separate farm-to-market road account in the
28 secondary road fund for deposit of moneys to be used for farm-
29 to-market roads.

30 ~~3.--To the farm-to-market road fund, eight percent.~~

31 ~~4-~~ 3. To the street construction fund of the cities,
32 twenty twenty-five percent.

33 Sec. 14. Section 312.2, subsection 8, unnumbered paragraph
34 2, Code 2005, is amended to read as follows:

35 Funds remaining in the secondary road fund of the counties

1 due to a reduction of allocations to counties for failure to
2 maintain a minimum local tax effort shall be reallocated to
3 counties that are not reduced under this subsection pursuant
4 to the allocation provisions of section 312.3, subsection 17
5 ~~based-upon-the-needs-and-area-of-the-county~~. Information
6 necessary to make allocations under this subsection shall be
7 provided by the state department of transportation or the
8 director of the department of management upon request by the
9 treasurer of state.

10 Sec. 15. Section 312.2, subsection 10, Code 2005, is
11 amended to read as follows:

12 10. The treasurer of state, before making the other
13 allotments provided for in this section, shall credit annually
14 to the primary road fund from the road use tax fund the sum of
15 four million four hundred thousand dollars and to the farm-
16 to-market road account of the secondary road fund from the
17 road use tax fund the sum of one million five hundred thousand
18 dollars for partial compensation of allowing trucks to operate
19 on the roads of this state as provided in section 321.463.

20 Sec. 16. Section 312.3, subsection 1, Code 2005, is
21 amended by striking the subsection and inserting in lieu
22 thereof the following:

23 1. Apportion among the counties of the state, in the ratio
24 which the population of each county, as shown by the latest
25 available federal census, bears to the total population of all
26 counties in the state, the percentage of the road use tax fund
27 which is credited to the secondary road fund of the counties.
28 A county may have one special federal census taken each
29 decade, and the population figure thus obtained shall be used
30 in apportioning amounts under this subsection beginning the
31 calendar year following the year in which the special census
32 is certified by the secretary of state.

33 Sec. 17. Section 312.3C, Code 2005, is amended to read as
34 follows:

35 312.3C SECONDARY ROAD FUND DISTRIBUTION ADVISORY

1 COMMITTEE.

2 A secondary road fund distribution advisory committee is
3 established to consider methodologies for distribution of
4 moneys in the secondary road fund ~~and-farm-to-market-road~~
5 ~~fund~~. The committee shall be comprised of representatives
6 appointed by the president of the Iowa county engineers
7 association, the president of the Iowa county supervisors
8 association, and the department. The committee shall
9 recommend to the general assembly, for the general assembly's
10 consideration and adoption, one or more alternative
11 methodologies for distribution of moneys in the secondary road
12 fund ~~and-the-farm-to-market-road-fund~~.

13 Sec. 18. Section 312.4, subsections 2 and 4, Code 2005,
14 are amended to read as follows:

15 2. The amount of the road use tax fund which that the
16 treasurer has credited to ~~(a)~~ the following:

17 a. The primary road fund, ~~(b)-the.~~

18 b. The secondary road fund of the counties, ~~(c)-the-farm-~~
19 ~~to-market-road-fund~~, ~~(d)-the.~~

20 c. The street construction fund of the cities.

21 4. The amount of federal aid secondary road funds which
22 the treasurer has received from the federal government and
23 credited to the farm-to-market road account of the secondary
24 road fund.

25 Sec. 19. Section 314.3, Code 2005, is amended to read as
26 follows:

27 314.3 CLAIMS -- APPROVAL AND PAYMENT.

28 1. All claims for construction, reconstruction,
29 improvement, repair, or maintenance on any highway shall be
30 itemized on voucher forms prepared for that purpose, certified
31 to by the claimants and by the engineer in charge, and then
32 forwarded to the agency in control of that highway for final
33 audit and approval. Claims payable from the farm-to-market
34 road account of the secondary road fund shall be approved by
35 both the board of supervisors and the department. Upon

1 approval by the department of vouchers which are payable from
2 the farm-to-market road fund account, or from the primary road
3 fund, as the case may be, such vouchers shall be forwarded to
4 the director of the department of administrative services, who
5 shall draw warrants therefor for the vouchers and said the
6 warrants shall be paid by the treasurer of the state from the
7 farm-to-market road fund account or from the primary road
8 fund, as the case may be.

9 2. If the engineer makes such certificate or a member of
10 the agency approves such claim when said the work has not been
11 done in accordance with the plans and specifications, and said
12 the work be not promptly made good without additional cost,
13 the engineer or member shall be liable on the person's bond
14 for the amount of such claim.

15 Sec. 20. Section 331.401, subsection 1, paragraph b, Code
16 2005, is amended to read as follows:

17 b. Establish budgets for the farm-to-market road account
18 of the secondary road fund and the secondary road fund in
19 accordance with sections 309.10 and 309.93 to 309.97.

20 Sec. 21. Section 331.429, Code 2005, is amended to read as
21 follows:

22 331.429 SECONDARY ROAD FUND.

23 1. Except as otherwise provided by state law, county
24 revenues for secondary and farm-to-market road services shall
25 be credited to the secondary road fund, including the
26 following:

27 a. Transfers from the general fund not to exceed in any
28 year the dollar equivalent of a tax of sixteen and seven-
29 eighths cents per thousand dollars of assessed value on all
30 taxable property in the county multiplied by the ratio of
31 current taxes actually collected and apportioned for the
32 general basic levy to the total general basic levy for the
33 current year, and an amount equivalent to the moneys derived
34 by the general fund from military service tax credits under
35 chapter 426A, manufactured or mobile home taxes under section

1 435.22, and delinquent taxes for prior years collected and
2 apportioned to the general basic fund in the current year,
3 multiplied by the ratio of sixteen and seven-eighths cents to
4 three dollars and fifty cents.

5 b. Transfers from the rural services fund not to exceed in
6 any year the dollar equivalent of a tax of three dollars and
7 three-eighths cents per thousand dollars of assessed value on
8 all taxable property not located within the corporate limits
9 of a city in the county multiplied by the ratio of current
10 taxes actually collected and apportioned for the rural
11 services basic levy to the total rural services basic levy for
12 the current year and an amount equivalent to the moneys
13 derived by the rural services fund from military service tax
14 credits under chapter 426A, manufactured or mobile home taxes
15 under section 435.22, and delinquent taxes for prior years
16 collected and apportioned to the rural services basic fund in
17 the current year, multiplied by the ratio of three dollars and
18 three-eighths cents to three dollars and ninety-five cents.

19 c. Moneys allotted to the county from the state road use
20 tax fund.

21 d. Moneys provided by individuals from their own
22 contributions for the improvement of any secondary or farm-
23 to-market road.

24 e. Other moneys dedicated to this fund by law including
25 but not limited to funds so dedicated pursuant to sections
26 306.15, 309.52, 311.23, 311.29, and 313.28.

27 f. All federal aid secondary road funds received by the
28 state.

29 2. The board may make appropriations from the secondary
30 road fund and from the farm-to-market road account within the
31 fund for the following secondary road services:

32 a. Construction and reconstruction of secondary and farm-
33 to-market roads and costs incident to the construction and
34 reconstruction.

35 b. Maintenance and repair of secondary and farm-to-market

1 roads and costs incident to the maintenance and repair.

2 c. Payment of all or part of the cost of construction and
3 maintenance of bridges in cities having a population of eight
4 thousand or less and all or part of the cost of construction
5 of roads which are located within cities of less than four
6 hundred population and which lead to state parks.

7 d. Special drainage assessments levied on account of
8 benefits to secondary or farm-to-market roads.

9 e. Payment of interest and principal on bonds of the
10 county issued for secondary or farm-to-market roads, bridges,
11 or culverts constructed by the county.

12 f. A legal obligation in connection with secondary and
13 farm-to-market roads and bridges, which obligation is required
14 by law to be taken over and assumed by the county.

15 g. Secondary and farm-to-market road equipment, materials,
16 and supplies, and garages or sheds for their storage, repair,
17 and servicing.

18 h. Assignment or designation of names or numbers to roads
19 in the county and erection, construction, or maintenance of
20 guideposts or signs at intersections of roads in the county.

21 i. The services provided under sections 306.15, 309.18,
22 309.52, 311.7, 311.23, 313A.23, 316.14, 468.43, 468.108,
23 468.341, and 468.342, chapter 310, or other state law relating
24 to secondary or farm-to-market roads.

25 Sec. 22. TRANSITION PROVISIONS. The treasurer of state
26 and the state department of transportation shall cooperate to
27 coordinate any transitional procedures required for allocation
28 of road use tax funds as provided in this Act.

29 Sec. 23. Sections 310.7 and 312.5, Code 2005, are
30 repealed.

31

EXPLANATION

32 This bill makes changes in the allocations from the road
33 use tax fund to the primary road fund, the secondary road
34 fund, the farm-to-market road fund, and the street
35 construction fund of the cities. The bill provides that 50

1 percent of the moneys shall be allocated to the primary road
2 fund, 25 percent to the secondary road fund, and 25 percent to
3 the street construction fund of the cities. The bill directs
4 the treasurer of state to establish a separate farm-to-market
5 road account in the secondary road fund which shall consist of
6 moneys currently deposited into the farm-to-market road fund.
7 The account is to be used for the same purposes for which the
8 farm-to-market road fund is currently used.

9 The bill also provides that the allocation from the road
10 use tax fund to the secondary road fund of the counties shall
11 be apportioned to the counties on a per capita basis in the
12 manner that the allocation to the street construction fund of
13 the cities is currently apportioned to cities. Currently, the
14 road use tax funds allocated to the secondary road fund of the
15 counties and to the farm-to-market road fund are apportioned
16 to the counties based 70 percent on need and 30 percent on
17 area.

18 The bill makes corresponding changes in Code chapter 309,
19 relating to secondary roads; Code chapter 310, relating to
20 farm-to-market roads; Code chapter 312, relating to the road
21 use tax fund; Code chapter 314, relating to administrative
22 provisions for highways; and Code chapter 331, relating to
23 county home rule. The bill also makes corresponding Code
24 reference changes.

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Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 96 – Road Use Tax Allocations (LSB 1490 HH)

Analyst: Mary Beth Mellick (Phone: (515) 281-8223) (marybeth.mellick@legis.state.ia.us)

Fiscal Note Version – New

Requested By – Representative Jeff Elgin

Description

House File 96 changes the Road Use Tax Fund allocations available for distribution to the four road funds as follows: 50.0% will be allocated to the Primary Road Fund (of the State), 25.0% to the Secondary Road Fund (of counties), and 25.0% to the City Street Fund (of cities). The Bill requires that the Secondary Road Fund be apportioned to counties on a per capita basis.

House File 96 eliminates the Farm-to-Market Road Fund; however, the State Treasurer will maintain a separate Farm-to-Market Road Account in the Secondary Road Fund. The Account will consist of moneys currently deposited in the Farm-to-Market Road Fund, including: all federal aid secondary road funds received by the State, all Road Use Tax Funds that were previously credited to the Farm-to-Market Road Fund, and any other funds which may be credited by law to the Account. The Account will be used for the same purpose that the Farm-to-Market Road Fund is currently used.

House File 96 gives the Department of Transportation the option to set aside up to 1.5% of revenues from the Farm-to-Market Road Account for deposit in the Secondary Road Research Fund.

Assumptions

1. Total Road Use Tax Fund revenues available for distribution to the Primary Road Fund, Secondary Road Fund, and City Street Fund will not change.
2. The calculation used to determine the annual off-the-top allocation from the Road Use Tax Fund to the Secondary Road Fund will not change.
3. The annual off-the-top allocation of \$1.5 million that is currently credited from the Road Use Tax Fund to the Farm-to-Market Road Fund will be credited to the Farm-to-Market Road Account. This will be the only amount credited to the Account. The Federal Aid Secondary Road Program no longer exists.
4. The percentage used to determine the amount allocated from the Primary Road Fund to the Transfer of Jurisdiction Fund will not change.
5. The percentages used to determine the amount allocated from the Transfer of Jurisdiction Fund to the Secondary Road Fund and City Street Fund will not change.
6. The Department of Transportation currently sets aside 1.5% of Farm-to-Market Road Fund receipts in the Secondary Road Research Fund. This amount is estimated to be \$1.2 million in FY 2005. It is unknown whether the Department will continue to set aside the same or any percentage from the Farm-to-Market Road Account for the Research Fund.
7. Road Use Tax Fund allocations are based on the most recent five-year forecast for Road Use Tax Fund revenues as calculated by the DOT. The forecast is updated annually.
8. Allocations from the Secondary Road Fund and Farm-to-Market Road Fund are based on the most recent Quadrennial Need Study performed by the DOT. The Study is

performed every four years and updated annually, and is used to calculate the annual apportionment of Secondary Road Fund moneys to counties, based on area (30.0%) and need (70.0%). Since apportionments remain relatively static after each annual update, apportionments for FY 2006 and FY 2007 are estimated to be comparable to FY 2005.

9. The Bill does not specify whether funds from the Farm-to-Market Road Account will be distributed to counties. This analysis assumes that the funds will be distributed based on area and need.

Fiscal Impact

Road Use Tax Fund Allocations to the Road Funds

The estimated fiscal impact of HF 96 is an increase in revenues to the Primary Road Fund, Secondary Road Fund, and City Street Fund in FY 2006 and beyond, and a decrease to the Farm-to-Market Road Fund in FY 2006 and beyond. Total Road Use Tax Fund revenues available for distribution to the road funds will not change. The estimated Road Use Tax Fund allocations for FY 2006 and FY 2007 are shown in the following table:

House File 96
Estimated Road Use Tax Fund
Formula Allocations
(dollars in millions)

	FY 2006			FY 2007				
	Distribution	Current	Proposed	Difference	Current	Proposed	Difference	
Primary Road Fund	47.5%	\$ 460.7	50.0%	\$ 485.0	\$ 24.25	\$ 467.9	\$ 492.5	\$ 24.63
Secondary Road Fund	24.5%	237.6	25.0%	242.5	4.85	241.3	246.2	4.92
Farm-To-Market Road Fund	8.0%	77.6	0.0%	0.00	-77.59	78.8	0.00	-78.80
City Street Fund	20.0%	194.0	25.0%	242.5	48.50	197.0	246.2	49.25
Total Allocation	100.0%	\$ 969.9	100.0%	\$ 969.9	\$ 0.00	\$ 985.0	\$ 985.0	\$ 0.00

* Does not include the Farm-to-Market Road Account.

Farm-to-Market Road Account

The Farm-to-Market Road Account will receive the off-the-top allocation of \$1.5 million in FY 2006 and beyond. This analysis assumes the Department will set aside \$0 (0.0%), \$7,500 (0.5%), \$15,000 (1.0%), or \$22,500 (1.5%), for the Secondary Road Research Fund. The remaining funds would be distributed to counties based on area and need.

Secondary Road Research Fund

The estimated fiscal impact to the Street Research Fund in FY 2006 and FY 2007 is a decrease of \$1.2 million annually each year.

Transfer of Jurisdiction Fund

The estimated fiscal impact of HF 96 is an increase of approximately \$400,000 to the Transfer of Jurisdiction Fund in FY 2006 and FY 2007, and an increase in the amounts allocated from the Fund to the Secondary Road Fund and City Street Fund in FY 2006 and FY 2007.

Road Use Tax Fund Allocations to Counties

The estimated fiscal impact of HF 96 resulting from the elimination of the Farm-to-Market Road Fund and allocating Secondary Road Fund moneys based on population will vary for each county. Eleven counties will experience an estimated increase of between \$335,000 and \$25.3 million in FY 2006. The remaining 88 counties will experience an estimated decrease of between \$11,000 and \$2.0 million in FY 2006. These amounts do not include allocations from the Transfer of Jurisdiction Fund and Farm-to-Market Road Account. Additional information for each county is available from the Fiscal Services Division.

Source

Department of Transportation

/s/ Holly M. Lyons

February 21, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
