

Van Engelenhoven  
Klemme  
Osterhaus

HSB 222

TRANSPORTATION

needed By  
HOUSE FILE SP (AF) 638  
BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON BRAUNS)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to advertising devices placed along interstate  
2 highways.

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

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1 Section 1. Section 306B.2, subsection 4, Code 2001, is  
2 amended to read as follows:

3 4. Advertising devices which that are located in  
4 ~~commercial-or-industrial-zones-traversed-by-segments-of-the~~  
5 ~~interstate-system-within-the-boundaries-of-incorporated~~  
6 ~~municipalities-as-such-boundaries-existed-September-21-1959,~~  
7 ~~where-the-use-of-property-adjacent-to-the-interstate-system-is~~  
8 ~~subject-to-municipal-regulation-and-control-or-other-areas~~  
9 ~~where-the-land-on-September-21-1959,-was-clearly-established~~  
10 ~~by-law-for-industrial-or-commercial-purposes~~ areas zoned and  
11 used for commercial or industrial purposes under authority of  
12 law, regulation, or ordinance of this state or a political  
13 subdivision of this state.

14 EXPLANATION

15 This bill amends Code section 306B.2, which prohibits the  
16 placing of advertising devices along interstate highways  
17 except in certain circumstances. The bill exempts from the  
18 prohibition advertising devices that are located in areas  
19 zoned and used for commercial or industrial purposes.  
20 Currently, Code section 306B.2 provides such an exemption for  
21 advertising devices located in commercial or industrial zones  
22 crossed by segments of an interstate highway located within  
23 the boundaries of incorporated municipalities as such .  
24 boundaries existed September 21, 1959, where the use of  
25 property adjacent to the interstate highway is subject to  
26 municipal regulation and control, or other areas where the  
27 land on September 21, 1959, was clearly established by law for  
28 industrial or commercial purposes.

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MAR 16 2001  
Place On Calendar

HOUSE FILE 638  
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HSB 222)  
(COMPANION TO LSB 3250SV)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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HF 638

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24 boundaries existed September 21, 1959, where the use of  
25 property adjacent to the interstate highway is subject to  
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27 land on September 21, 1959, was clearly established by law for  
28 industrial or commercial purposes.

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H-1298

1 Amend House File 638 as follows:

2 1. Page 1, by striking lines 1 through 13 and  
3 inserting the following:

4 "Section 1. Section 306B.2, subsection 4, Code  
5 2001, is amended to read as follows:

6 4. Advertising devices ~~which~~ that are located in  
7 ~~commercial or industrial zones traversed by segments~~  
8 ~~of the interstate system within the boundaries of~~  
9 ~~incorporated municipalities as such boundaries existed~~  
10 ~~September 21, 1959, where the use of property adjacent~~  
11 ~~to the interstate system is subject to municipal~~  
12 ~~regulation and control, or other areas where the land~~  
13 ~~on September 21, 1959, was clearly established by law~~  
14 for industrial or commercial purposes areas that on  
15 July 1, 1981, were zoned and used for commercial or  
16 industrial purposes under authority of law,  
17 regulation, or ordinance of this state or a political  
18 subdivision of this state."

By HUSER of Polk

H-1298 FILED MARCH 21, 2001

## HOUSE FILE 638

## H-1366

1 Amend House File 638 as follows:

2 1. Page 1, line 13, by inserting after the word  
3 "state." the following: "For purposes of this  
4 subsection, "area zoned and used for commercial or  
5 industrial purposes" means an area zoned for  
6 commercial or industrial purposes in accordance with  
7 chapter 414, in the case of city zoning, or chapter  
8 335, in the case of county zoning, in which one or  
9 more commercial or industrial activities, as defined  
10 under the city or county zoning ordinance, are  
11 located."

12 2. Page 1, by inserting after line 13 the  
13 following:

14 "Sec. \_\_\_\_ . EFFECTIVE DATE -- RULES. Section 1 of  
15 this Act, amending section 306B.2, subsection 4, shall  
16 take effect July 1, 2003. However, the state  
17 department of transportation shall adopt rules prior  
18 to July 1, 2003, to be effective July 1, 2003,  
19 regarding approval by the department of the erection  
20 or maintenance of advertising devices along interstate  
21 highways pursuant to section 306B.2, subsection 4, as  
22 amended by this Act. Such rules shall require that  
23 advertising devices erected or maintained pursuant to  
24 section 306B.2, subsection 4, as amended by this Act,  
25 be in compliance with the provisions of the federal  
26 Highway Beautification Act of 1965, 23 U.S.C. § 131."

27 3. Title page, line 2, by inserting after the  
28 word "highways" the following: "and providing an  
29 effective date".

30 4. By renumbering as necessary.

By HUSER of Polk

H-1366 FILED MARCH 28, 2001

**HOUSE FILE 638  
FISCAL NOTE**

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A fiscal note for **House File 638** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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House File 638 amends Section 306B.2, Code of Iowa, which prohibits the placing of advertising devices along interstate highways except in certain circumstances. The Bill exempts from the prohibition advertising devices that are located in areas zoned and used for commercial or industrial purposes. Under current law, Section 306B.2 provides such an exemption, but only for new advertising devices located in commercial or industrial zones established prior to September 21, 1959.

**ASSUMPTIONS**

1. Prior to 1980, the Department of Transportation (DOT) received bonus payments from the Federal Highway Administration (FHWA) to control the number and placement of advertising signs along interstates. Under an agreement between the DOT and the FHWA, if the DOT did not comply with Section 306B.2, the DOT was to reimburse the FHWA for bonus payments they would have otherwise received.
2. In 1980, the FHWA discontinued the bonus payments to the DOT. Overall, the DOT received a total of \$3.4 million in payments. The \$3.4 million was based on 1/2 of 1% of the construction cost of the segment of highway controlled by the Department for placement of the signs.
3. Senate File 638 would cause the Department to become non-compliant with the FHWA, and therefore, obligated to reimburse the FHWA the bonus payments they would have otherwise received. However, the Department does not believe the FHWA would request for reimbursement, since the FHWA has failed to follow through with their agreement to issue the Department bonus payments since 1980.
4. Currently, only 5% of the interstate system is actually zoned and used for commercial or industrial purposes. Of that 5%, about 1% to 2% actually meets the spacing and location requirements for advertising signs under Section 306C.13, Code of Iowa. Thus, only 1% to 2% of the Department's bonus money of \$3.4 million could be reimbursed to the FHWA.
5. If the DOT was ordered to repay the money, the DOT would ask that it be settled by court action, and the settlement paid over a 20-year period.

**FISCAL IMPACT**

The fiscal impact of House File 638 would be between \$34,000 and \$68,000, allocated over 20 years.

**SOURCE**

The Department of Transportation

(LSB 3250HV, MBM)