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Brauns  
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HSB 524

TRANSPORTATION  
Success  
SF 2193

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
TRANSPORTATION BILL)

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

**A BILL FOR**

1 An Act relating to modal transportation, including changes in  
2 transit coordination requirements, elimination of the Iowa  
3 railway finance authority, and changes in the aircraft  
4 registration process.

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

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DIVISION I

RAILWAYS

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2  
3 Section 1. Section 6A.6, Code 2001, is amended to read as  
4 follows:

5 6A.6 RAILWAYS.

6 The ~~Iowa-railway-finance-authority~~ state department of  
7 transportation or any railway corporation, may acquire by  
8 condemnation property as necessary for the location,  
9 construction, and convenient use of a railway. The ~~Iowa~~  
10 railway-finance-authority state department of transportation  
11 may acquire fee title or a lesser property interest. The  
12 authority department shall offer to sell its interest in the  
13 property at fair market value to the adjoining property owners  
14 upon abandonment. The acquisition shall carry the right to  
15 use for the construction and repair of the railway and its  
16 appurtenances any earth, gravel, stone, timber, or other  
17 material, on or from the land taken.

18 Sec. 2. Section 6A.9, unnumbered paragraph 1, Code 2001,  
19 is amended to read as follows:

20 The ~~Iowa-railway-finance-authority~~ state department of  
21 transportation or a railway corporation may, by condemnation  
22 or otherwise, acquire lands for the following additional  
23 purposes:

24 Sec. 3. Section 6A.10, subsection 2, Code 2001, is amended  
25 to read as follows:

26 2. The ~~railway-finance-authority~~ state department of  
27 transportation may begin condemnation proceedings in district  
28 court.

29 Sec. 4. Section 6A.16, Code 2001, is amended to read as  
30 follows:

31 6A.16 RIGHT TO CONDEMN ABANDONED RIGHT-OF-WAY.

32 Railroad right-of-way ~~which~~ that has been abandoned by  
33 order of the proper authority, may be condemned by a railway  
34 corporation or the ~~Iowa-railway-finance-authority~~ state  
35 department of transportation before or after the track

1 materials have been removed. The procedure to condemn  
2 abandoned right-of-way shall be the same as for an original  
3 condemnation.

4 Sec. 5. Section 7E.7, subsection 4, Code 2001, is amended  
5 by striking the subsection.

6 Sec. 6. Section 12.28, subsection 1, paragraph b, Code  
7 2001, is amended to read as follows:

8 b. "State agency" means a board, commission, bureau,  
9 division, office, department, or branch of state government.

10 However, state agency does not mean the state board of  
11 regents, institutions governed by the board of regents, or  
12 authorities created under chapter 16, 16A, 175, 257C, or 261A,  
13 ~~or-327F~~.

14 Sec. 7. Section 12.30, subsection 1, paragraph a, Code  
15 Supplement 2001, is amended to read as follows:

16 a. "Authority" means a department, or public or quasi-  
17 public instrumentality of the state including, but not limited  
18 to, the authority created under chapter 12E, 16, 16A, 175,  
19 257C, or 261A, ~~or-327F~~, which has the power to issue  
20 obligations, except that "authority" does not include the  
21 state board of regents or the Iowa finance authority to the  
22 extent it acts pursuant to chapter 260C.

23 Sec. 8. Section 307.24, Code 2001, is amended to read as  
24 follows:

25 307.24 ADMINISTRATION OF HIGHWAYS.

26 The department's administrator of highways is responsible  
27 for the planning, design, construction, and maintenance of the  
28 state primary highways and shall administer chapters 306 to  
29 320 ~~and-327F~~ and perform other duties as assigned by the  
30 director. The administration of highways shall be organized  
31 to provide administration for urban systems, for secondary  
32 roads, and other categories of administration as necessary.

33 Sec. 9. Section 327G.76, Code 2001, is amended to read as  
34 follows:

35 327G.76 TIME OF REVERSION.

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 Railroad property rights which that are extinguished upon  
2 cessation of service by the railroad divest when the railway  
3 finance-authority department or the railroad, having obtained  
4 authority to abandon the rail line, removes the track  
5 materials to the right-of-way. If the railway-finance  
6 authority department does not acquire the line and the railway  
7 company does not remove the track materials, the property  
8 rights which are extinguished upon cessation of service by the  
9 railroad divest one year after the railway obtains the final  
10 authorization necessary from the proper authority to remove  
11 the track materials.

12 Sec. 10. Section 327H.18, Code 2001, is amended to read as  
13 follows:

14 327H.18 RAILROAD ASSISTANCE.

15 1. Moneys provided to the department for railroad  
16 assistance under this chapter shall be expended for providing  
17 assistance for the restoration, conservation, improvement, and  
18 construction of railroad main lines, branch lines, switching  
19 yards, and sidings, and for the purposes described in section  
20 327H.28. ~~However, not more than twenty percent of the funds~~  
21 ~~appropriated to the department for railroad assistance from~~  
22 ~~the general fund of the state in any fiscal year shall be used~~  
23 ~~for restoration, conservation, improvement, and construction~~  
24 ~~of railroad main lines, switching yards and sidings.~~ Any  
25 moneys received by the department by agreements, grants,  
26 gifts, or other means from individuals, companies, business  
27 entities, cities, or counties for the purposes of this section  
28 shall be credited to the general fund of the state.

29 2. Moneys received by or reimbursements made to the  
30 department pursuant to this section, section 327H.20, section  
31 327H.28, subsection 8, and sections section 327I.7, subsection  
32 14, and-327H-20 Code 2001, shall be deposited into the general  
33 fund of the state and all moneys received by the department by  
34 agreements, grants, gifts, or other means which were deposited  
35 into the state general fund as a result of this section are

1 appropriated for state railroad assistance under this chapter.  
2 Moneys deposited into the general fund of the state pursuant  
3 to this section are subject to the requirements of section  
4 8.60.

5 Sec. 11. Section 327H.20, unnumbered paragraph 1, Code  
6 2001, is amended to read as follows:

7 The department may enter into agreements ~~an agreement~~ with  
8 a railroad corporations corporation, the United States  
9 government, ~~cities~~ a city, ~~counties~~ a county, and ~~other~~  
10 persons ~~or another person~~ for carrying out the purposes of  
11 this chapter. ~~Agreements~~ An agreement entered into between  
12 the department and a railroad corporations corporation under  
13 this section may require ~~a~~ the railroad corporation to  
14 reimburse all or part of the costs paid from funds provided by  
15 the department from revenue derived from all railroad cars and  
16 traffic using the main line, branch line, switching yard, or  
17 ~~sidings defined in the agreement. An agreement which does not~~  
18 ~~require the repayment of railroad assistance funds used for~~  
19 ~~rehabilitation projects shall require the railroad corporation~~  
20 ~~to establish and maintain a separate corporation account to~~  
21 ~~which an amount equal to all or part of the costs paid from~~  
22 ~~funds provided by the department shall be credited from~~  
23 ~~revenue derived from all railroad cars and traffic using the~~  
24 ~~main line, branch line, switching yard, or siding defined in~~  
25 ~~the agreement. Credits to the corporation account by the~~  
26 ~~railroad corporation may be used for the restoration,~~  
27 ~~conservation, improvement, and construction of the railroad~~  
28 ~~corporation's main line, branch lines, switching yards, and~~  
29 ~~sidings within the state. The agreement shall stipulate the~~  
30 ~~terms and conditions governing the use of credits to the~~  
31 ~~corporation account as well as a penalty for the use of the~~  
32 ~~account in a manner other than as provided in the agreement.~~

33 Sec. 12. Section 327H.26, Code 2001, is amended to read as  
34 follows:

35 327H.26 DEFINITION DEFINITIONS.

1 As used in this chapter, unless the context otherwise  
2 requires, "department":

3 1. "Department" means the state department of  
4 transportation.

5 2. "Financial assistance" means a direct loan or other  
6 loan, grant, or form of assistance authorized under this  
7 subchapter or chapter 327I, Code 2001.

8 3. "Governmental action" means an action by a governmental  
9 agency relating to the establishment, development, or  
10 operation of railway facilities that the governmental agency  
11 has authority to take or provide for the purpose stated under  
12 law, including, but not limited to, actions relating to  
13 contracts and agreements, zoning, building, permits,  
14 acquisition and disposition of property, public capital  
15 improvements, utility and transportation service, taxation,  
16 employee recruitment and training, and liaison and  
17 coordination with and among governmental agencies.

18 4. "Governmental agency" means the state or a state  
19 department, division, commission, institution, or authority; a  
20 municipal corporation, city, county, or township, or any  
21 agency thereof; any other political subdivision or public  
22 corporation; the United States or an agency thereof; an  
23 agency, commission, or authority established pursuant to an  
24 interstate compact or agreement; or any combination of the  
25 foregoing.

26 5. "Person" means an individual, firm, partnership,  
27 association, corporation, or governmental agency, or any  
28 combination thereof.

29 6. "Project costs" means any portion of the costs of  
30 railway rehabilitation, acquisition, construction,  
31 reconstruction, repair, alteration, improvement, or extension  
32 of any railway facilities, providing, supplementing, and  
33 relocating public capital facilities, studies, surveys, plans,  
34 specifications, architectural and engineering services,  
35 estimates of costs, legal, organizational, marketing, or

1 feasibility studies, and all other necessary and incidental  
2 expenses related to the foregoing, and reimbursement of any  
3 moneys advanced or applied by a governmental agency or other  
4 person for project costs.

5 7. "Public capital improvements" means capital  
6 improvements or facilities including, but not limited to,  
7 railroad facilities and related ancillary facilities, that a  
8 governmental agency has authority to acquire, pay the costs  
9 of, own or maintain, or to do the foregoing by contract with  
10 other persons.

11 8. "Railway facilities" means land, structures, fixtures,  
12 buildings, and equipment, except rolling stock, necessary or  
13 useful in providing railroad transportation services,  
14 including, but not limited to, roadbeds, track, trestle,  
15 depot, switching and signaling equipment, and all necessary,  
16 useful, and related equipment and appurtenances and all  
17 franchises, easements, and other interests in land and rights-  
18 of-way necessary or convenient as a site or sites for any of  
19 the foregoing or any part of or combination of the foregoing.

20 Sec. 13. NEW SECTION. 327H.27 IOWA RAILWAY FINANCE  
21 AUTHORITY AGREEMENTS.

22 The department is the successor to the rights and  
23 obligations of the Iowa railway finance authority in any  
24 contract or agreement.

25 Sec. 14. NEW SECTION. 327H.28 POWERS OF THE DEPARTMENT.

26 The department may, upon action of the state transportation  
27 commission, do any of the following in furtherance of the  
28 purposes described in this subchapter:

- 29 1. Acquire railway facilities, whether located within Iowa  
30 or a contiguous state, directly or through an agent, by  
31 purchase, lease, lease-purchase, gift, devise, or otherwise.  
32 The department shall not submit a bid to acquire a railway  
33 facility if a railroad company or person is negotiating for  
34 the facility's purchase and if the railroad company's or  
35 person's offer exceeds the net salvage value set by the

1 trustee by at least fifteen percent and the offer is for a  
2 segment which originates and terminates at the intersection of  
3 another railroad mainline or is for a segment which connects  
4 to a mainline if the facility is a branchline. However, even  
5 if a railroad company or person is negotiating for a  
6 facility's purchase, the department may submit a bid for the  
7 acquisition of the railway facility upon approval of a  
8 resolution by the state transportation commission stating that  
9 the best interests of the state and the transportation needs  
10 thereof might not be served by the railroad company's or  
11 person's offer or negotiation. However, the commission shall  
12 not adopt such a resolution if the competing railroad  
13 corporation or person files with the department an enforceable  
14 undertaking to operate the facility for a period of five years  
15 after its purchase.

16 2. Determine the location of and select any railway  
17 facility to be provided financial assistance under this  
18 subchapter and acquire, construct, reconstruct, renovate,  
19 rehabilitate, improve, extend, replace, maintain, repair, and  
20 lease the facility, and enter into contracts for any of these  
21 purposes.

22 3. Enter into contracts, including partnership agreements,  
23 with a person for the ownership, operation, management, or use  
24 of a railway facility.

25 4. Designate an agent to perform its powers under  
26 subsections 2 and 3.

27 5. Sell or convey any of the railway facilities upon terms  
28 and considerations acceptable to the state transportation  
29 commission.

30 6. Fix, revise, charge, and collect rates, rents, fees,  
31 and charges for the use of a railway facility or any portion  
32 of a facility that is owned or financially assisted by the  
33 department alone or in any other association with any other  
34 person and contract with any person in respect to a facility.

35 7. Mortgage all or any portion of its railway facilities

1 in connection with the financing of the particular railway  
2 facility or any portion of the facility.

3 8. Extend financial assistance for the purpose of  
4 providing for project costs. Make interest-free loans for  
5 rehabilitation of railway tracks, roadbeds, or trestles.

6 9. Receive and accept from any person or governmental  
7 agency a loan, guarantee, or grant for or in aid of project  
8 costs and receive and accept a grant, gift, or other  
9 contribution from any source.

10 10. Own a railway facility under this subchapter in  
11 partnership, or in any other association with a person if  
12 necessary or beneficial to preserve part of a railway system,  
13 upon the determination that the railway facility is necessary  
14 or beneficial to the railway system, to be relinquished to  
15 nondepartment ownership or operation as soon as economically  
16 practicable.

17 11. Temporarily operate a railway facility under this  
18 subchapter if sufficient need exists or there is an emergency  
19 situation as determined by a majority of the state  
20 transportation commission.

21 12. Serve as a general or limited partner in a partnership  
22 formed to purchase, renovate, and operate a railway facility.

23 13. Enter into an agreement with a person to develop,  
24 equip, furnish, or otherwise develop and operate a railway  
25 facility, and make provision in the agreement for railway  
26 facility and governmental action, as authorized by this  
27 subchapter and other laws.

28 14. Enter into appropriate arrangements and agreements  
29 with a governmental agency for the taking or the providing by  
30 that governmental agency of a governmental action.

31 15. Acquire property interests, subject to the limitations  
32 on purchases provided in subsection 1, in rail lines to ensure  
33 continued rail use and preserve abandoned rail lines for  
34 future railroad use.

35 16. Exercise the power of eminent domain.

1     Sec. 15.   NEW SECTION.   327H.29   TAXES ON RAILWAY  
2   FACILITIES.

3     This subchapter does not exempt from taxation properties  
4 comprising railway facilities financially assisted under this  
5 subchapter that are owned by persons other than the department  
6 except those leased to the department. However, properties  
7 owned by the department that are leased or rented to a private  
8 person shall include as part of the rates, rents, fees, or  
9 charges payable by that person a sum equal to the amount of  
10 tax, determined by applying the tax rate of the taxing  
11 district to the assessed value of the property, which the  
12 state, county, city, school district, or other political  
13 subdivision would receive if the property were owned by a  
14 private person, any other statute to the contrary  
15 notwithstanding. This sum shall be distributed to each taxing  
16 district based upon its tax equivalent. For purposes of  
17 arriving at that tax equivalent, the property shall be valued  
18 and assessed by the assessor in whose jurisdiction the  
19 property is located, in accordance with chapter 441, but the  
20 department, or the lessee or renter on behalf of the  
21 department, and other persons as are authorized by chapter 441  
22 shall be entitled to protest any assessment and take appeals  
23 in the same manner as any taxpayer. The valuations shall be  
24 included in any summation of valuations in the taxing district  
25 for all purposes known to the law. Income from this source  
26 shall be considered under the provisions of section 384.16,  
27 subsection 1, paragraph "b".

28     Sec. 16.   NEW SECTION.   327H.30   EXEMPTION FROM  
29 CONSTRUCTION AND BIDDING REQUIREMENTS FOR PUBLIC BUILDINGS.

30     A railway facility is not subject to any requirements  
31 relating to public buildings, structures, grounds, works, or  
32 improvements imposed by any other law, except as determined by  
33 the state transportation commission. A railway facility is  
34 also not subject to any similar requirements that may be  
35 lawfully waived by this section. Any requirement of

1 competitive bidding or other restriction imposed on the  
2 procedure for awarding contracts for such purpose or the  
3 lease, sale, or other disposition of property of the  
4 department is not applicable to any action taken under this  
5 subchapter.

6 Sec. 17. NEW SECTION. 327H.31 LIBERAL CONSTRUCTION.  
7 This subchapter, being necessary for the welfare of this  
8 state and its inhabitants, shall be liberally construed to  
9 effect the purposes of those sections.

10 Sec. 18. NEW SECTION. 327H.32 GOVERNMENTAL AGENCIES.  
11 A governmental agency may enter into an agreement with the  
12 department, another governmental agency, or a person to be  
13 assisted under this subchapter to take or provide for the  
14 purposes of this subchapter any governmental action it is  
15 authorized to take or provide and to undertake on behalf and  
16 at the request of the department any action which the  
17 department and the agency are authorized to undertake.  
18 Governmental agencies of the state shall cooperate with and  
19 provide assistance to the director and the department in the  
20 exercise of their functions under this subchapter.

21 Sec. 19. NEW SECTION. 327H.33 ADMINISTRATION OF MONEYS.  
22 1. Moneys available, by appropriation or otherwise, to the  
23 department for purposes of this subchapter shall be  
24 administered by the department and may be used to purchase or  
25 upgrade railroad right-of-way and trackage facilities or to  
26 purchase general or limited partnership interests in a  
27 partnership formed to purchase, upgrade, or operate railroad  
28 right-of-way and trackage facilities, to pay obligations,  
29 judgments, or debts for which the department becomes liable in  
30 its capacity as a general partner, or for any other use  
31 authorized under this subchapter.  
32 2. Moneys received from repayment from heartland rail  
33 corporation as provided in 1983 Iowa Acts, chapter 198,  
34 section 32, as amended by 1987 Iowa Acts, chapter 232, section  
35 28, and 1988 Iowa Acts, chapter 1211, section 6, shall be

1 deposited in a separate account within the general fund of the  
2 state and are appropriated to the department to be used only  
3 for debt service or rehabilitation on branch rail lines whose  
4 total projected traffic is at least fifty percent agricultural  
5 products.

6 Sec. 20. NEW SECTION. 327H.34 ACQUISITION OF ABANDONED  
7 RIGHT-OF-WAY.

8 1. A railway corporation that has received authorization  
9 to abandon a rail line must offer the line to the department  
10 for sale prior to removing the track materials. The  
11 corporation shall state a reasonable price, based on net  
12 liquidation value for:

13 a. The corporation's right, title, and interest in the  
14 right-of-way, track materials, and rail facilities.

15 b. An exclusive, transferable, five-year option to  
16 purchase all of the corporation's right, title, and interest  
17 in the right-of-way, track materials, and rail facilities.

18 2. The department may waive the requirements of this  
19 section.

20 3. a. The department shall have sixty days in which to  
21 accept or decline the corporation's offer for all or any part  
22 of the rail line. If the department fails to accept the offer  
23 within sixty days of the offer, the corporation may dispose of  
24 the property.

25 b. If the department accepts all or any part of the offer,  
26 the corporation shall execute the proper documents upon  
27 delivery of the purchase price which shall not be later than  
28 ninety days from the date of the offer.

29 Sec. 21. Section 427.1, subsection 25, Code Supplement  
30 2001, is amended to read as follows:

31 25. RIGHT-OF-WAY. Railroad right-of-way and improvements  
32 on the right-of-way only during that period of time that the  
33 ~~Iowa-railway-finance-authority~~ state department of  
34 transportation holds an option to purchase the right-of-way  
35 under section ~~327H-24~~ 327H.34.

1 Sec. 22. Sections 327G.64 through 327G.69, Code 2001, are  
2 repealed.

3 Sec. 23. Chapter 327I, Code 2001, is repealed.

4 Sec. 24. CODE EDITOR DIRECTIVE. The Code editor is  
5 directed to designate section 327H.26, as amended by this Act,  
6 and sections 327H.27 through 327H.34, as enacted by this Act,  
7 as a separate subchapter within chapter 327H.

8 DIVISION II

9 TRANSIT COORDINATION

10 Sec. 25. Section 324A.2, unnumbered paragraphs 2 and 3,  
11 Code 2001, are amended by striking the unnumbered paragraphs.

12 Sec. 26. Section 324A.4, subsection 1, Code 2001, is  
13 amended to read as follows:

14 1. The department shall compile and maintain current  
15 information on ~~available-and-pending the use of~~ federal,  
16 state, local, and private aid affecting urban and rural public  
17 transit programs. Public, private, and private nonprofit  
18 organizations applying for or receiving federal, state, or  
19 local aid for providing transit services shall ~~provide-a-copy~~  
20 ~~of-their-fiscal-year-operating-budget~~ annually prior to June 1  
21 report to the department the costs of their transportation  
22 programs, depicting funds used for public transit programs and  
23 such other information as the department may require prior to  
24 receiving any federal or state funds or any aid from a  
25 political subdivision of the state. The ~~operating-budget~~  
26 report shall list all of the funding sources of the  
27 organization along with the listing of funds expended by that  
28 organization during the preceding fiscal year. The  
29 department, in ~~co-operation~~ cooperation with the regional  
30 planning agencies as the responsible agency for annual  
31 updating the regional transit development programs, shall  
32 compile this information annually. Any A state agency or  
33 organization administering funds for transit services is  
34 required to submit all funding requests through the regional  
35 and state clearinghouse and the state department of

1 transportation. Any An organization, state agency, political  
2 subdivision, and or public transit system, except public  
3 school transportation, receiving federal, state, or local aid  
4 to provide or contract for public transit services or  
5 transportation to the general public and specific client  
6 groups, must coordinate and consolidate funding and resulting  
7 service, to the maximum extent possible, with the urban or  
8 regional transit system.

9 Sec. 27. Section 324A.4, subsection 2, unnumbered  
10 paragraph 2, Code 2001, is amended to read as follows:

11 Eligibility to receive or expend federal, state, or local  
12 funds for transportation services by all agencies or  
13 organizations purchasing or providing these services shall be  
14 contingent upon compliance with these criteria as determined  
15 by the department, ~~except that services provided by or~~  
16 ~~purchased by the department of human services, which include~~  
17 ~~transportation, shall be subject to section 324A.5, subsection~~  
18 ~~3, paragraph "c".~~

19 Sec. 28. Section 324A.5, subsection 1, Code 2001, is  
20 amended by striking the subsection.

21 Sec. 29. Section 324A.5, subsection 3, paragraph c, Code  
22 2001, is amended by striking the paragraph.

23 DIVISION III

24 AIRCRAFT

25 Sec. 30. Section 328.21, subsection 6, Code 2001, is  
26 amended to read as follows:

27 6. An aircraft, unless exempt under section 328.35, which  
28 is ~~damaged, is~~ not airworthy, and is not in flying condition  
29 is not subject to registration fees if the owner of the  
30 aircraft submits information required by the department. Upon  
31 receipt of that information, the department shall issue a  
32 certificate ~~which~~ that states that the registration fee has  
33 not been paid and that the aircraft shall not use the airports  
34 or the air space overlying the state until the fee has been  
35 paid.

1 Sec. 31. Section 328.27, Code 2001, is amended to read as  
2 follows:

3 328.27 ISSUANCE OF CERTIFICATES.

4 The department shall issue, upon receipt of proper  
5 application and fee for registration, a certificate of  
6 registration which shall be numbered and recorded by the  
7 department, shall state the name and address of the person to  
8 whom it is issued, shall be titled with the designation of the  
9 class of registrant covered and shall contain other  
10 information as the department may prescribe including, in the  
11 case of aircraft, a description of the aircraft. A  
12 certificate of registration ~~or special certificate~~ expires at  
13 midnight on the last day of the twelfth month of the  
14 registration year.

15 Sec. 32. Section 328.28, Code 2001, is amended to read as  
16 follows:

17 328.28 OPERATION UNDER SPECIAL CERTIFICATE.

18 1. A manufacturer or dealer owning ~~any an~~ aircraft  
19 otherwise required to be registered ~~hereunder~~ under this  
20 chapter may operate the ~~same~~ aircraft for purposes of  
21 transporting, testing, demonstrating, or selling the ~~same~~  
22 aircraft without registering ~~each-such the~~ aircraft, upon  
23 condition that ~~any-such-aircraft-display-therein~~ a special  
24 certificate ~~issued-to-such~~ be obtained by the owner as  
25 provided in this section and sections 328.29 to through  
26 328.33.

27 2. A transporter may operate ~~any-such an~~ aircraft  
28 described in subsection 1 solely for the purpose of delivery  
29 upon ~~likewise-displaying-therein,~~ obtaining a special  
30 certificate issued to the transporter as provided in ~~these~~  
31 sections this section and sections 328.29 through 328.33.

32 3. The provisions of this section and sections 328.29 to  
33 through 328.33 shall not apply to aircraft owned by a  
34 manufacturer, transporter, or dealer, which are used for hire  
35 or principally for transportation of persons and property,

1 aside from the transporting of the aircraft itself, or testing  
2 or demonstrating thereof.

3 Sec. 33. Section 328.29, Code 2001, is amended to read as  
4 follows:

5 328.29 APPLICATION FOR SPECIAL CERTIFICATE -- FEE.

6 ~~At-the-time-of-annual-registration,~~ a A manufacturer,  
7 transporter, or dealer, may, upon payment of a one hundred  
8 dollar fee ~~and-an-additional-ten-dollar-fee-for-each-aircraft,~~  
9 make application to the department upon such forms as the  
10 department may prescribe for a special certificate ~~issued-for~~  
11 ~~each-aircraft-in-inventory.~~ The applicant shall also submit  
12 such reasonable proof of the applicant's status as a bona fide  
13 manufacturer, transporter, or dealer as the department may  
14 require. Dealers in new aircraft shall furnish satisfactory  
15 evidence of a valid franchise with the manufacturer or  
16 distributor of such aircraft authorizing such dealership.

17 Sec. 34. Section 328.30, Code 2001, is amended to read as  
18 follows:

19 328.30 ISSUANCE OF SPECIAL CERTIFICATE.

20 The department upon granting an application shall issue to  
21 the applicant a special certificate ~~for-each-aircraft~~  
22 containing the applicant's name, and address, the  
23 ~~distinguishing-number-assigned-to-the-aircraft,~~ and other  
24 information as the department may prescribe.

25 Sec. 35. Section 328.32, Code 2001, is amended to read as  
26 follows:

27 328.32 EXPIRATION OF SPECIAL CERTIFICATE.

28 A special certificate expires at midnight on ~~the-last-day~~  
29 ~~of-the-registration-year~~ June 30, and a new special  
30 certificate for the ensuing year may be obtained by the person  
31 to whom the expired special certificate was issued, upon  
32 application to the department, and payment of the fee provided  
33 ~~by-law~~ in section 328.29.

34 Sec. 36. Section 328.33, Code 2001, is amended to read as  
35 follows:

1 328.33 RECORDS REQUIRED.

2 Every A manufacturer, transporter, or dealer shall keep a  
3 written record of the aircraft ~~upon which such special~~  
4 ~~certificates are used~~ in the manufacturer's, transporter's, or  
5 dealer's inventory, which records shall be open to inspection  
6 of any police peace officer, or any officer or employee of the  
7 department.

8 Sec. 37. Section 328.35, subsection 1, Code 2001, is  
9 amended by adding the following new paragraph:

10 NEW PARAGRAPH. f. An aircraft in the inventory of a  
11 manufacturer, transporter, or dealer who has a special  
12 certificate issued by the department and the special  
13 certificate is in effect.

14 Sec. 38. Section 328.37, Code 2001, is amended to read as  
15 follows:

16 328.37 OPERATIONS UNLAWFUL WITHOUT CERTIFICATE.

17 Except as provided in section 328.35, it is unlawful for a  
18 person to operate, or cause or authorize to be operated, a  
19 civil aircraft, airport, or landing area in this state, unless  
20 there has been issued for the aircraft or to the airport or  
21 landing area an appropriate certificate of registration ~~or~~  
22 ~~special certificate~~ by the department and the certificate is  
23 in effect.

24 Sec. 39. Section 328.31, Code 2001, is repealed.

25 EXPLANATION

26 This bill makes changes in current law relating to modal  
27 transportation, including abolishing the Iowa railway finance  
28 authority and transferring certain powers and duties of the  
29 authority to the state department of transportation, making  
30 changes relating to sanctions for noncompliance with public  
31 transit coordination requirements, and making changes relating  
32 to aircraft registration.

33 Division I of the bill repeals Code chapter 327I relating  
34 to the Iowa railway finance authority, makes corresponding  
35 reference changes, and transfers certain powers and duties of

1 the authority to the state department of transportation. The  
2 authority currently has various powers and responsibilities  
3 associated with rail preservation and acquisition. The bill  
4 transfers all of the Code provisions relating to the  
5 substantive powers and duties of the authority to the  
6 department, except provisions relating to the authority's  
7 existence as an entity and relating to the bonding capability  
8 of the authority.

9 The bill also provides that moneys provided to the  
10 department for railroad assistance under Code chapter 327H  
11 shall be used for the purposes of the department's exercise of  
12 powers formerly exercised by the Iowa railway finance  
13 authority. Currently, such moneys are dedicated to providing  
14 assistance for the restoration, conservation, improvement, and  
15 construction of railroad main lines, branchlines, switching  
16 yards, and sidings. The bill eliminates a provision  
17 restricting the portion of such moneys that may be used for  
18 restoration, conservation, improvement, and construction of  
19 railroad main lines, switching yards, and sidings to 20  
20 percent of the funds appropriated to the department for  
21 railroad assistance from the general fund of the state. The  
22 bill also eliminates a provision allowing a railroad  
23 assistance agreement between the department and a railroad  
24 corporation, the United States government, a city, a county,  
25 or another person to require the railroad corporation to  
26 establish a separate account. Currently, such an agreement  
27 may require all or a part of the costs paid from funds  
28 provided by the department to be credited to the account from  
29 revenue derived from use of the main line, branchline,  
30 switching yard, or siding defined in the agreement, which  
31 account may be used for the restoration, conservation,  
32 improvement, and construction of the corporation's main line,  
33 branchlines, switching yards, and sidings within the state.  
34 The bill repeals Code sections 327G.64 through 327G.69,  
35 regulating the construction, operation, and maintenance of

1 spur tracks by railroad corporations. Some of the regulatory  
2 responsibilities assigned to the state department of  
3 transportation in those sections have been preempted by  
4 federal law.

5 Division II of the bill makes several changes relating to  
6 public transportation programs. The bill eliminates  
7 provisions relating to two pilot projects established by the  
8 state department of transportation to enable the department to  
9 evaluate the feasibility of a cooperative effort among public  
10 and private transportation providers, including public school  
11 transportation providers. The pilot projects have been  
12 completed.

13 The bill requires public, private, and private nonprofit  
14 organizations applying for or receiving federal, state, or  
15 local aid for providing transit services to annually report to  
16 the department the costs of their transportation programs.  
17 Currently, such organizations are required to provide a copy  
18 of their fiscal year operating budgets annually prior to June  
19 1.

20 The bill eliminates a provision prohibiting the department  
21 of human services from purchasing services from any  
22 transportation provider that has been denied a certificate of  
23 compliance with the provisions of Code chapter 324A regulating  
24 transportation programs. The bill also eliminates a provision  
25 requiring all agencies or organizations purchasing or  
26 providing transportation services, except public school  
27 transportation, with federal, state, or local funds to comply  
28 with certain requirements prior to July 1, 1985.

29 Division III of the bill amends Code provisions relating to  
30 unairworthy aircraft and aircraft registration. The bill  
31 amends a provision, which exempts unairworthy aircraft from  
32 aircraft registration fees if the owner of the aircraft  
33 submits information required by the state department of  
34 transportation, to eliminate a requirement that the  
35 unairworthy aircraft be damaged to receive such exemption.

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1 The bill also amends Code provisions relating to issuance  
2 of special certificates for aircraft registration. The bill  
3 eliminates the requirement that a special certificate of  
4 registration be issued for each aircraft in a manufacturer's,  
5 transporter's, or dealer's inventory upon payment of a \$100  
6 fee and an additional \$10 fee for each aircraft. The bill  
7 instead provides for the issuance of one special certificate  
8 for all aircraft in the manufacturer's, transporter's, or  
9 dealer's inventory upon payment of a \$100 fee. The aircraft  
10 may only be operated under the special certificate for  
11 purposes of transporting, testing, demonstrating, or selling  
12 the aircraft. The bill makes corresponding changes in Code  
13 provisions relating to maintenance of records for aircraft  
14 operated under a special certificate and exempting aircraft  
15 for which a special certificate has been issued from the  
16 regular aircraft registration requirements.

17 The bill provides that a special certificate expires at  
18 midnight on June 30 rather than midnight on the last day of  
19 the registration year. The bill also repeals a Code provision  
20 relating to issuance of additional special certificates for  
21 aircraft added to a manufacturer's, transporter's, or dealer's  
22 inventory and removal of aircraft from a manufacturer's,  
23 transporter's, or dealer's inventory.

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