

IOWA DEPARTMENT OF TRANSPORTATION

AGENDA ITEMS/COMMISSION ORDERS

Tuesday, July 14, 2015  
 Gateway Hotel and Conference Center  
 2100 Green Hills Drive  
 Ames

ITEM NUMBER	TITLE	SUBMITTED BY	PAGE
D-2016-1 1:30 p.m.	*Approve Minutes of the June 9, 2015, Commission Meeting in Council Bluffs  Commission Comments  Staff Comments	Connie Page	1
MV-2016-2 1:35 p.m.	*Administrative Rules – 761 IAC Chapters 602, 604, 605, and 607	Mark Lowe	2
PPM-2016-3 1:40 p.m.	*Revitalize Iowa’s Sound Economy (RISE) Project Settlement – Ottumwa	Craig Markley	31
PPM-2016-4	*Revitalize Iowa’s Sound Economy (RISE) – Application – Davenport (Delegation)	Craig Markley	34
PPM-2015-5	*Revitalize Iowa’s Sound Economy (RISE) – Application – Council Bluffs (Delegation)	Craig Markley	37
PPM-2016-6	*Revitalize Iowa’s Sound Economy (RISE) – Application – Waterloo (Delegation)	Craig Markley	40
PPM-2016-7	*Revitalize Iowa’s Sound Economy (RISE) – Application – Waterloo (Delegation)	Craig Markley	43
2:00 p.m.	Adjourn		

\*Action Item

On Tuesday, July 14, the Commission and staff will meet informally at 10 a.m. in the Materials conference room at the DOT complex in Ames. Transportation-related matters will be discussed but no action will be taken.



DEPARTMENT OF TRANSPORTATION  
COMMISSION ORDER

Division/Bureau/Office MVD – Office of Motor Vehicle Enforcement Order No. MV-2016-2  
Submitted by Mark Lowe Phone No. 237-3121 Meeting Date May 13, 2015  
Title Administrative Rules – 761 IAC Chapters 602, 604, 605, and 607

**DISCUSSION/BACKGROUND:**

The proposed administrative rule amendments revise:

- 761 IAC 602, Classes of Driver’s Licenses
- 761 IAC 604, License Examination
- 761 IAC 605, License Issuance
- 761 IAC 607, Commercial Driver Licensing

These proposed amendments implement 2015 Iowa Acts, House File 635, Division V, which require the department to adopt rules to implement changes in the Federal Motor Carrier Safety Administration’s federal regulations within 49 Code of Federal Regulations (CFR) Part 383 to commercial driver’s licenses (CDL) and commercial learner’s permits (CLP).

The primary change within the rule making is the implementation of the CLP as a prerequisite to obtain a new CDL or to upgrade an existing CDL by adding an endorsement or removing a restriction if doing so requires a skills test. The purpose of the CLP is to allow accompanied behind-the-wheel training in a type and class of commercial motor vehicle that the individual’s current license (commercial or noncommercial) is not valid to operate. A CLP will be required before the applicant can take the required skills testing and obtain a new or upgraded CDL. Applicants must meet eligibility requirements and must pass the general knowledge exam to obtain a CLP. The CLP must be held by the applicant for at least 14 days before skills testing can be administered; is valid for 180 days and can be renewed for another 180-day period without retesting. A CLP is a separate document from the person's underlying license containing the information and markings required by Iowa Code.

Other proposed amendments make changes to definitions, endorsements, restrictions, testing requirements, military waivers, and other changes to conform the rules to comply with 49 CFR Part 383 and 2015 Iowa Acts, House File 635, Division V.

Definitions were added for "air over hydraulic brakes;" "automatic transmission;" "hazardous materials;" and "manual transmission." The application process for a CLP and CDL were modified to include the requirement to provide proof of U.S. citizenship or lawful permanent residence as well as state of domicile; proof is required one time upon initial application or renewal of a CLP or CDL. Restrictions that may be added to a CDL were updated to include "full air brake;" "manual transmission;" "tractor-trailer;" "intrastate only;" and "medical variance" restrictions. Endorsements that may be added to a CLP include "passenger," "school bus," or "tank;" and restrictions that may be added to a CLP include "passenger" and "cargo" restrictions that prohibit the CLP holder from operating a commercial vehicle equipped with passengers or a tank vehicle equipped with cargo or any tank vehicle previously equipped with hazardous materials that has not been purged of residue. Knowledge and skills testing methods were updated to include skills tests that must be conducted in the order of pre-trip inspection, basic vehicle control skills, on-road skills; valid test results for a skills test administered by another state to an applicant domiciled in the state of Iowa must be accepted by the department; and the vehicle’s gross weight rating or gross combination weight rating must be used to determine whether the vehicle is a representative vehicle for the skills test and the type of CDL the applicant is applying for rather than the actual vehicle weight. All of the proposed amendments conform to requirements set forth by federal regulations and state legislation.

The Department is also adopting the applicable portions of the CFR as of October 1, 2014.

**PROPOSAL/ACTION RECOMMENDATION:**

It is recommended the Commission approve the attached rule amendments.

**COMMISSION ACTION:**

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

	Aye	Vote Nay	Pass
Boswell	_____	_____	_____
Huber	_____	_____	_____
Miles	_____	_____	_____
Putney	_____	_____	_____
Reasner	_____	_____	_____
Rose	_____	_____	_____
Yanney	_____	_____	_____

Division  
Director

Legal

State Director

MV-2016-2

Stuart Anderson, Programming, Planning and Modal Division, said this morning Melissa Spiegel, Motor Vehicle Division, provided a detailed overview of proposed amendments to chapters 602, 604, 605, and 607 of the Iowa Administrative Code. Those proposed rule amendments implement state legislation which requires the Department to adopt rules to implement changes in the Code of Federal Regulations relating to Commercial Drivers Licenses (CDL) and Commercial Learners Permits (CLP). The primary change in federal rulemaking is the implementation of the CLP as a prerequisite to obtain a new CDL or to upgrade an existing CDL by adding an endorsement or removing a restriction if doing so requires a skills test.

Mr. Anderson noted that with Commission action today these rules will be implemented through the emergency rulemaking process so we can immediately be in compliance with new federal regulations. At the same time the rules will be submitted through the regular rule review process. He requested Commission approval of the rule amendments.

Commissioner Yanney moved, Commissioner Miles seconded the Commission approve the rule amendments attached to the Commission order.

Commissioner Rose said he is not going to vote for this as it is government regulation without really improving the industry or thinking about safety of the industry.

Commission Chair Boswell asked what happens if the Commission does not approve the rules. Mr. Anderson said we would not be in compliance with federal law and would be subject to financial sanctions for highway funding that comes to the state of Iowa.

Commissioners Boswell, Miles, Putney, Reasner and Yanney voted aye; Commissioner Rose voted nay; Commissioner Huber absent. Motion passed.

ITEM 1. Amend subrule 602.1(2) as follows:

**602.1(2) *Special licenses and permits.*** The department issues the following special licenses and permits. More than one type of special license or permit may be issued to an applicant. On the driver's license, a restriction number designates the type of special license or permit issued, as follows:

1 — Motorcycle instruction permit—includes motorcycle instruction permits issued under Iowa Code subsections 321.180(1) and 321.180B(1)

2 — Noncommercial instruction permit (vehicle less than 16,001 gross vehicle weight rating)—includes instruction permits, other than motorcycle instruction permits, issued under Iowa Code subsection 321.180(1) and section 321.180A and subsection 321.180B(1)

3 — Commercial ~~driver's instruction~~ learner's permit

4 — Chauffeur's instruction permit

5 — Motorized bicycle license

6 — Minor's restricted license

7 — Minor's school license

ITEM 2. Amend subrule 602.1(3) as follows:

**602.1(3) *Commercial driver's license (CDL).*** See 761—Chapter 607 for information on the procedures, requirements and validity of a commercial driver's license (Classes A, B and C), a commercial ~~driver's instruction~~ learner's permit, and their restrictions and endorsements.

ITEM 3. Amend paragraph 602.12(1)“b” as follows:

*b.* The license shall have one endorsement authorizing a specific type of motor vehicle or type of operation, as listed in 761—subrule ~~605.4(2)~~ 605.4(3). The gross vehicle weight rating shall be determined pursuant to rule 761—604.35(321).

ITEM 4. Amend subrule 604.1(2) as follows:

**604.1(2)** This chapter of rules shall apply to the examination for all driver's licenses.

Information on the additional examination procedures and requirements for a commercial driver's license or commercial ~~driver's instruction~~ learner's permit is given in 761—Chapter 607.

ITEM 5. Amend paragraph 604.31(1)“c” as follows:

*c. Class D driver's licenses.* For a Class D driver's license, a driving test in a representative vehicle for the endorsement requested, as set out in 761—subrule ~~605.4(2)~~ 605.4(3), is required.

ITEM 6. Amend rule 761—605.1(321) as follows:

**761—605.1(321) Scope.** This chapter of rules applies to the issuance of all Iowa driver's licenses. Additional information on the issuance of a commercial driver's license or a commercial ~~driver's instruction~~ learner's permit is given in 761—Chapter 607.

This rule is intended to implement Iowa Code section 321.174.

ITEM 7. Amend rule 761—605.4(321) as follows:

**761—605.4(321) Endorsements.** The endorsements shall be coded on the face of the driver's license and explained in text on the back of the driver's license.

**605.4(1)** No change.

**605.4(2)** For a commercial learner's permit. The following endorsements are the only endorsements that may be added to a commercial learner's permit using these letter codes. All other endorsements are prohibited on a commercial learner's permit.

P—Passenger

N—Tank

S—School bus

~~605.4(2)~~ 605.4(3) *For a Class D driver's license (chauffeur).* The following endorsements may be added to a Class D driver's license using these number codes:

1—Truck-tractor semitrailer combination

2—Vehicle with 16,001 pounds gross vehicle weight rating or more. Not valid for truck-tractor semitrailer combination

3—Passenger vehicle less than 16-passenger design

~~605.4(3)~~ 605.4(4) *Motorcycle endorsement.* A motorcycle endorsement may be added to any driver's license that permits unaccompanied driving, other than a Class M driver's license or a motorized bicycle license, using the following letter code:

L—Motorcycle

This rule is intended to implement Iowa Code ~~section~~ sections 321.180 as amended by 2015 Iowa Acts, House File 635, section 50, and 321.189.

ITEM 8. Amend rule 761—605.5(321) as follows:

**761—605.5(321) Restrictions.** Restrictions shall be coded on the face of the driver's license and explained in text on the back of the driver's license. For purposes of this rule, "CMV" means "commercial motor vehicle."

**605.5(1)** *For all licenses.* The following restrictions may apply to any driver's license:

B—Corrective lenses required

C—Mechanical aid (as detailed in the restriction on the back of the card)

D—Prosthetic aid (as detailed in the restriction on the back of the card)

~~E—Automatic transmission~~

F—Left and right outside rearview mirrors

G—No driving when headlights required

H—Temporary restricted license or permit (work permit)

I—Ignition interlock required

J—Restrictions on the back of card

S—SR required (proof of financial responsibility for the future)

T—Medical report required at renewal

U—Not valid for 2-wheel vehicle

W—Restricted commercial driver's license (CDL)

Y—Intermediate license

**605.5(2)** *For a noncommercial driver's license.* The following restrictions apply only to a noncommercial driver's license:

~~P 8~~—Special instruction permit

9—Passenger restriction for intermediate license

Q—No interstate or freeway driving

**605.5(3)** *For a commercial driver's license.* The following restrictions apply ~~only~~ to a commercial driver's license:

E—No manual transmission equipped CMV

~~K—Commercial driver's license intrastate~~ Intrastate only

~~L—Vehicle without air brakes~~ No air brake equipped CMV

~~M—Except Class A bus~~ No Class A passenger vehicle

~~N—Except Class A and Class B bus~~ No Class A and B passenger vehicle

~~O—Except tractor trailer~~ No tractor trailer CMV

~~V—Medical Variance document required~~ variance

Z—No full air brake equipped CMV

**605.5(4)** *For a commercial learner's permit.* The following restrictions apply to a commercial learner's permit.

K—Intrastate only

L—No air brake equipped CMV

M—No Class A passenger vehicle

N—No Class A and B passenger vehicle

P—No passengers in CMV bus

V—Medical variance

X—No cargo in CMV tank vehicle

**~~605.5(4)~~ 605.5(5) *Special licenses.*** A numbered restriction will designate a special driver's license using these codes:

1—Motorcycle instruction permit

2—Noncommercial instruction permit (vehicle less than 16,001 gross vehicle weight rating)

3—Commercial ~~driver's instruction~~ learner's permit

4—Chauffeur's instruction permit

5—Motorized bicycle license

6—Minor's restricted license

7—Minor's school license

**~~605.5(5)~~ 605.5(6) *Additional information.***

*a. Reexamination or report.* The department may issue a restriction requiring a person to reappear at a specified time for examination. The department may require a medical report to be submitted. The department shall send Form 430029 as a reminder to appear.

*b. Loss of consciousness or voluntary control.*

(1) If a person is licensed pursuant to 761—subrule 600.4(4), the department shall issue the first driver's license with a restriction stating: "Medical report to be furnished at the end of six months."

(2) If this medical report shows that the person has been free of an episode of loss of consciousness or voluntary control since the previous medical report and the report recommends

licensing, the department shall issue a duplicate driver's license with a restriction stating: "Medical report required at renewal." At each renewal accompanied by a favorable medical report, the department shall issue a two-year driver's license with the same restriction.

(3) If the latest medical report indicates the person experienced only a single nonrecurring episode, the cause has been identified, and the qualified medical professional is not treating or has not treated the person for the episode and believes it is unlikely to recur, the department may waive the medical report requirement upon receipt of a favorable recommendation from a qualified medical professional.

(4) The department may remove the medical report requirement and issue a full-term driver's license if recommended by a qualified medical professional and if the latest medical information on file with the department indicates the person has not had an episode of loss of consciousness or voluntary control and has not been prescribed medications to control such episodes during the 24-month period immediately preceding application for a license.

(5) The department may remove the medical report requirement and issue a full-term driver's license if recommended by a qualified medical professional and if the latest medical information on file with the department indicates the person has not had an episode of loss of consciousness or voluntary control during the 10-year period immediately preceding application for a license.

*c. Financial responsibility.* When a person is required under Iowa Code chapter 321A to have future proof of financial responsibility on file, the license restriction will read: "SR required." The license shall be valid only for the operation of motor vehicles covered by the class of license issued and by the proof of financial responsibility filed.

*d. Vision restriction.* Restrictions relating to vision are addressed in 761—Chapter 604.

This rule is intended to implement Iowa Code chapter 321A and sections 321.178, 321.180 as amended by 2015 Iowa Acts, House File 635, section 50, 321.180A, 321.180B, 321.188 as amended by 2015 Iowa Acts, House File 635, section 53, 321.189, 321.193, 321.194, 321.215, 321J.4, and 321J.20.

ITEM 9. Amend subparagraph 605.25(7)“a”(10) as follows:

(10) The applicant is not subject to any of the following restrictions:

G—No driving when headlights required

J—Restrictions on the back of card

T—Medical report required at renewal

~~P-8~~—Special instruction permit

Q—No interstate or freeway driving

R—Maximum speed of 35 mph

ITEM 10. Amend rule 761—607.3(321) as follows:

**761—607.3(321) Definitions.** The definitions in Iowa Code section 321.1 as amended by 2015 Iowa Acts, House File 635, section 44, apply to this chapter of rules. In addition, the following definitions are adopted:

*“Air brake system”* means a system that uses air as a medium for transmitting pressure or force from the driver’s control to the service brake. “Air brake system” shall include any braking system operating fully or partially on the air brake principle.

*“Air over hydraulic brakes”* means any braking system operating partially on the air brake and partially on the hydraulic brake principle.

*“Automatic transmission”* means any transmission other than a manual transmission.

~~*“Commercial driver’s license”* or *“CDL”* means a license issued to an individual by a state or other jurisdiction of domicile, in accordance with the standards contained in 49 CFR Part 383, which authorizes the individual to operate a class of a commercial motor vehicle.~~

*“Commercial driver’s license downgrade”* or *“CDL downgrade”* means either:

1. The driver changes the driver's self-certification of type of driving from non-excepted interstate to excepted interstate, non-excepted intrastate, or excepted intrastate driving, or
2. The department removed the CDL privilege from the driver's license.

~~“Commercial driver's license information system driver's record” or “CDLIS driver's record”~~ means ~~the electronic record of the individual's CDL driver's status and history stored by the state of record as part of the commercial driver's license information system established under 49 U.S.C. Section 31309~~ commercial driver's license information system” as defined in Iowa Code section 321.1 as amended by 2015 Iowa Acts, House File 635, section 44.

*“Commercial motor vehicle” or “CMV”* as defined in Iowa Code section 321.1 does not include a motor vehicle designed as off-road equipment rather than as a motor truck, such as a forklift, motor grader, scraper, tractor, trencher or similar industrial-type equipment. “Commercial motor vehicle” also does not include self-propelled implements of husbandry described in Iowa Code subsection 321.1(32).

*“Controlled substance”* as used in Iowa Code section 321.208 means a substance defined in Iowa Code section 124.101.

*“Hazardous materials”* means any material that has been designated as hazardous under 49 U.S.C. Section 5103 and is required to be placarded under 49 CFR Part 172, Subpart F or any quantity of a material listed as a select agent or toxin in 42 CFR Part 73.

*“Manual transmission”* means a transmission utilizing a driver-operated clutch that is activated by a pedal or lever and a gear-shift mechanism operated either by hand or by foot. All other transmissions, whether semi-automatic or automatic, will be considered automatic.

*“Medical examiner”* means a person who is licensed, certified or registered, in accordance with applicable state laws and regulations, to perform physical examinations. The term includes but is not limited to doctors of medicine, doctors of osteopathy, physician assistants, advanced registered nurse practitioners, and doctors of chiropractic.

*“Medical examiner’s certificate”* means a certificate completed and signed by a medical examiner under the provisions of 49 CFR Section 391.43.

*“Medical variance”* means a driver has received one of the following from the Federal Motor Carrier Safety Administration that allows the driver to be issued a medical certificate:

1. An exemption letter permitting operation of a commercial motor vehicle pursuant to 49 CFR Part 381, Subpart C, or 49 CFR Section 391.62, or 49 CFR Section 391.64.
2. A skill performance evaluation certificate permitting operation of a commercial motor vehicle pursuant to 49 CFR Section 391.49.

*“Passenger vehicle”* means either of the following:

1. A motor vehicle designed to transport 16 or more persons including the operator.
2. A motor vehicle of a size and design to transport 16 or more persons including the operator which is redesigned or modified to transport fewer than 16 persons with disabilities. The size of a redesigned or modified vehicle shall be any such vehicle with a gross vehicle weight rating of 10,001 or more pounds.

*“School bus”* means a commercial motor vehicle used to transport pre-primary, primary, or secondary school students from home to school, from school to home, or to and from school-sponsored events. “School bus” does not include a bus used as a common carrier.

*“Self-certification”* means a written certification of which category of type of driving an applicant for a commercial driver’s license engages in or intends to engage in, from the following categories:

1. Non-excepted interstate. The person certifies that the person operates or expects to operate in interstate commerce, is both subject to and meets the qualification requirements under 49 CFR Part 391, and is required to obtain a medical examiner’s certificate by 49 CFR Section 391.45.
2. Excepted interstate. The person certifies that the person operates or expects to operate in interstate commerce, but engages exclusively in transportation or operations excepted

under 49 CFR Section 390.3(f), 391.2, 391.68 or 398.3 from all or parts of the qualification requirements of 49 CFR Part 391, and is therefore not required to obtain a medical examiner's certificate by 49 CFR Section 391.45.

3. Non-excepted intrastate. The person certifies that the person operates only in intrastate commerce and is subject to state driver qualification requirements.

4. Excepted intrastate. The person certifies that the person operates only in intrastate commerce, but engages exclusively in transportation or operations excepted from all or parts of the state driver qualification requirements as set forth in Iowa Code section 321.449.

"State," as used in this chapter and in "another state" in Iowa Code subsection 321.174(2), "~~Former~~ former state of residence" in Iowa Code subsection 321.188(5), or "any state" in Iowa Code subsection 321.208(1), means one of the United States; or the District of Columbia; ~~a Canadian province or a Mexican state~~ unless the context means the state of Iowa.

This rule is intended to implement Iowa Code sections 321.1 as amended by 2015 Iowa Acts, House File 635, section 44, 321.174, 321.188 as amended by 2015 Iowa Acts, House File 635, section 53, 321.191, 321.193, 321.207 and 321.208 ~~and 2011 Iowa Code Supplement sections 321.188 and 321.207.~~

ITEM 11. Amend rule 761—607.7(321) as follows:

**761—607.7(321) Records.** The operating record of a person who has been issued a commercial driver's license or a commercial learner's permit or a person who has been disqualified from operating a commercial motor vehicle or commercial learner's permit shall be maintained as provided in the department's "Record Management Manual" adopted in 761—Chapter 4.

This rule is intended to implement Iowa Code sections 22.11, 321.12 as amended by 2015 Iowa Acts, House File 635, section 46, and 321.199.

ITEM 12. Amend rule 761—607.10(321) as follows:

**761—607.10(321) Adoption of federal regulations.**

**607.10(1)** *Code of Federal Regulations.* The department's administration of commercial driver's licenses shall be in compliance with the state procedures set forth in 49 CFR Section 383.73, and this chapter shall be construed to that effect. The department adopts the following portions of the Code of Federal Regulations which are referenced throughout this chapter of rules:

- a. 49 CFR Section 391.11 as adopted in 761—Chapter 520.
- b. 49 CFR Section 392.5 as adopted in 761—Chapter 520.
- c. The following portions of 49 CFR Part 383 (October 1, ~~2011~~ 2014):

(1) Section ~~383.51(b)~~ 383.51, Disqualification for major offenses, and Section ~~383.51(a)(5)~~,

~~Reinstatement after lifetime disqualification of drivers.~~

(2) Subpart E—Testing and Licensing Procedures, ~~which contains Sections 383.71–383.77.~~

(3) Subpart G—Required Knowledge and Skills, ~~which contains Sections 383.110–383.123.~~

(4) Subpart H—Tests, ~~which contains Sections 383.131–383.135.~~

**607.10(2)** No change.

This rule is intended to implement Iowa Code sections 321.187, 321.188 as amended by 2015 Iowa Acts, House File 635, section 53, 321.207, 321.208 and 321.208A ~~and 2011 Iowa Code Supplement section 321.207.~~

ITEM 13. Amend rule 761—607.15(321) as follows:

**761—607.15(321) Application.** An applicant for a commercial driver's license shall comply with the requirements of Iowa Code sections 321.180(2)“e” as amended by 2015 Iowa Acts, House File 635, section 50, 321.182 and 321.188 as amended by 2015 Iowa Acts, House File

635, section 53, and 761—Chapter 601, and must provide the proofs of citizenship or lawful permanent residence and state of domicile required by 49 CFR Section 383.71. If the applicant is domiciled in a foreign jurisdiction and applying for a non-domiciled commercial driver’s license, the applicant must provide a document required by 49 CFR Section 383.71(f).

This rule is intended to implement Iowa Code sections 321.180 as amended by 2015 Iowa Acts, House File 635, section 50, 321.182 and 321.188 as amended by 2015 Iowa Acts, House File 635, section 53.

ITEM 14. Amend paragraph 607.16(3)“b” as follows:

*b.* The applicant shall meet the requirements ~~of Iowa Code sections 321.182 and 321.188~~ set forth in rule 761—607.15(321).

ITEM 15. Amend rule 761—607.17(321) as follows:

**761—607.17(321) Endorsements.** All endorsements except the hazardous material endorsement continue to be valid without retesting or additional fees when renewing or upgrading a license.

The endorsements that authorize additional commercial motor vehicle operations with a commercial driver’s license are:

**607.17(1) Hazardous material.** A hazardous material endorsement (~~Hazmat~~ “H”) is required to transport hazardous ~~material of a type or quantity requiring placarding~~ materials. Upon license renewal, retesting and fee payment are required. Retesting and fee payment are also required when an applicant upgrades an Iowa license or transfers a commercial driver’s license from another state unless the applicant provides evidence of passing the endorsement test within the preceding 24 months. A farmer or a person working for a farmer is not subject to the hazardous material endorsement while operating either a pickup or a special truck within 150 air miles of the farmer’s farm to transport supplies to or from the farm.

**607.17(2) Passenger vehicle.** A passenger vehicle endorsement (~~Pass~~ “P”) is required to operate a passenger vehicle as defined in rule 761—607.3(321).

**607.17(3) Tank vehicle.** A tank vehicle endorsement (~~Tank~~ “N”) is required to operate a tank vehicle as defined in Iowa Code section 321.1 as amended by 2015 Iowa Acts, House File 635, section 44. ~~A commercial motor vehicle upon which is transported an empty storage tank as the vehicle cargo is not a tank vehicle.~~ A vehicle transporting a tank, regardless of the tank’s capacity, which does not otherwise meet the definition of a commercial motor vehicle in Iowa Code section 321.1 is not a tank vehicle.

**607.17(4) Double/triple trailer.** A double/triple trailer endorsement (~~Dbl/Trip Trlr~~ “T”) is required to operate a commercial motor vehicle with two or more towed trailers when the combination of vehicles meets the criteria for a Class A commercial motor vehicle. Operation of a triple trailer combination vehicle is not permitted in Iowa.

**607.17(5) Hazardous material and tank.** A combined endorsement (~~Hazmat & Tank~~ “X”) authorizes both hazardous material and tank vehicle operations.

**607.17(6) School bus.** After September 30, 2005, a school bus endorsement (“S”) is required to operate a school bus as defined in rule 761—607.3(321). An applicant for a school bus endorsement must also qualify for a passenger vehicle endorsement.

**607.17(7) No change.**

This rule is intended to implement Iowa Code sections 321.1 as amended by 2015 Iowa Acts, House File 635, section 44, 321.176A, and 321.189.

ITEM 16. Amend rule 761—607.18(321) as follows:

**761—607.18(321) Restrictions.** The restrictions that may limit commercial motor vehicle operation with a commercial driver’s license are listed in 761—subrule 605.5(3) and are explained below:

**607.18(1) Air brake.** ~~The air brake restriction (Vehicle without air brakes~~ “L,” no air brake equipped CMV) applies to an applicant that either fails the air brake component of the knowledge test, or performs the skills test in a vehicle not equipped with air brakes, and prohibits the operation of a commercial motor vehicle equipped with an air brake system, ~~as defined in rule 761—607.3(321),~~ until the licensee passes the required air brake tests and pays the fee for upgrading the license. Retesting and fee payment are not required when renewing the license.

**607.18(2) Class B vehicle.** ~~The Class B vehicle restriction (except tractor trailer) prohibits operation of a motor vehicle that meets the criteria for a Class A commercial motor vehicle.~~ Full air brake. The full air brake restriction “Z,” no full air brake equipped CMV) applies to an applicant that performs the skills test in a vehicle equipped with air over hydraulic brakes, and prohibits the operation of a commercial motor vehicle equipped with any braking system operating fully on the air brake principle until the licensee passes the required air brake tests and pays the fee for upgrading the license. Retesting and fee payment are not required when renewing the license.

**607.18(3) Manual transmission.** The manual transmission restriction “E,” no manual transmission equipped CMV) applies to an applicant that performs the skills test in a vehicle equipped with automatic transmission, and prohibits the operation of a commercial motor vehicle equipped with a manual transmission until the licensee passes the required tests and pays the fee for upgrading the license. Retesting and fee payment are not required when renewing the license.

**607.18(4) Tractor-trailer.** The tractor-trailer restriction “O,” no tractor trailer CMV) applies to an applicant that performs the skills test in a combination vehicle for a Class A commercial driver’s license with the power unit and towed unit connected with a pintle hook or other non-fifth wheel connection, and prohibits operation of a tractor-trailer combination connected by a fifth wheel that requires a Class A commercial driver’s license until the licensee passes the required air brake tests and pays the fee for upgrading the license. Retesting and fee payment are not required when renewing the license.

~~607.18(3)~~ 607.18(5) *Class B A passenger vehicle.* The Class ~~B~~ A passenger vehicle restriction (~~except Class A bus “M,” no Class A passenger vehicle~~) applies to an applicant that applies for a passenger endorsement and performs the skills test in a passenger vehicle that requires a Class B commercial driver’s license, and prohibits operation of a passenger vehicle that meets the criteria for requires a Class A commercial ~~motor vehicle~~ driver’s license.

~~607.18(4)~~ 607.18(6) *Class C A and B passenger vehicle.* The Class ~~C~~ A and B passenger vehicle restriction (~~except Class A and Class B bus “N,” no Class A and B passenger vehicle~~) applies to an applicant that applies for a passenger endorsement and performs the skills test in a passenger vehicle that requires a Class C commercial driver’s license, and prohibits operation of a passenger vehicle that meets the criteria for requires a Class A or Class B commercial ~~motor vehicle~~ driver’s license.

607.18(7) *Intrastate only.* The intrastate only restriction (“K,” intrastate only) applies to an applicant who self-certifies to non-excepted intrastate or excepted intrastate driving, and prohibits the operation of a commercial motor vehicle in interstate commerce.

607.18(8) *Medical variance.* The medical variance restriction (“V,” medical variance) applies to an applicant when the department is notified pursuant to 49 CFR Section 383.73(o)(3) that the driver has been issued a medical variance and indicates there is information about a medical variance on the CDLIS driver record.

This rule is intended to implement Iowa Code sections 321.189 and 321.191 as amended by 2015 Iowa Acts, House File 635, section 55.

ITEM 17. Amend rule 761—607.20(321) as follows:

**761—607.20(321) Commercial ~~driver’s instruction~~ learner’s permit.**

**607.20(1) *Validity.***

a. A commercial ~~driver's instruction~~ learner's permit allows the permit holder to operate a commercial motor vehicle when accompanied by a ~~person licensed for the vehicle being operated~~. ~~Examples of permissible vehicle operation include but are not limited to:~~ as required by Iowa Code section 321.180(2)“d” as amended by 2015 Iowa Acts, House File 635, section 50.

~~(1) Operation of a vehicle requiring a higher class license than the license to which the permit is added.~~

~~(2) Operation of a vehicle requiring an endorsement other than a hazardous material endorsement.~~

~~(3) Operation of a vehicle equipped with air brakes.~~

b. A commercial ~~driver's instruction~~ learner's permit is valid for ~~six months~~ 180 days and may be renewed ~~once within two years from the date of issuance of the first permit~~ for an additional 180 days without retaking the general and endorsement knowledge tests required by Iowa Code section 321.188 as amended by 2015 Iowa Acts, House File 635, section 53.

c. A commercial ~~driver's instruction~~ learner's permit is invalid after the expiration date of the underlying commercial or noncommercial driver's license to which the permit is added issued to the permit holder or the expiration date of the permit whichever occurs first.

d. The issuance of a commercial learner's permit is a precondition to the initial issuance of a commercial driver's license. The issuance of a commercial learner's permit is also a precondition to the upgrade of a commercial driver's license if the upgrade requires a skills test. The holder of a commercial learner's permit is not eligible to take a required driving skills test for the first 14 days after the permit holder is issued the permit. The 14-day period includes the day the commercial learner's permit was issued.

Example: The commercial learner's permit is issued on September 1. The earliest date the permit holder would be eligible to take the skills test is September 15.

e. A commercial learner's permit holder is not valid for the operation of a vehicle transporting hazardous materials.

**607.20(2) Requirements.**

a. An applicant for a commercial ~~driver's instruction~~ learner's permit must be at least 18 years of age and eligible for a commercial driver's license.

b. ~~The applicant must have~~ hold a valid Class A, B, C, or D driver's license issued in this state other than an instruction permit, a special instruction permit, a motorized bicycle license or a temporary restricted license, must be at least 18 years of age, and must meet the requirements to obtain a valid commercial driver's license, including the requirements set forth in Iowa Code section 321.188 as amended by 2015 Iowa Acts, House File 635, section 53. However, the applicant does not have to complete the driving skills tests required for a commercial driver's license to obtain a commercial learner's permit.

e-b. The applicant must successfully pass ~~the~~ a general knowledge test for a commercial driver's license that meets the federal standards contained in 49 CFR Part 383, Subparts F, G and H for the commercial motor vehicle the applicant operates or expects to operate, including any endorsement for which the applicant applies.

**607.20(3) Endorsements.** A commercial learner's permit may include the following endorsements. All other endorsements are prohibited on a commercial learner's permit.

a. An applicant for a passenger endorsement (P) must take and pass the passenger endorsement knowledge test. A commercial learner's permit holder with a passenger endorsement is prohibited from operating a commercial motor vehicle carrying passengers, other than federal/state auditors and inspectors, test examiners, other trainees, and the commercial driver's license holder accompanying the permit holder required by Iowa Code section 321.180(2)"d" as amended by 2015 Iowa Acts, House File 635, section 50.

b. An applicant for a school bus endorsement (S) must take and pass the school bus endorsement knowledge test. A commercial learner's permit holder with a school bus endorsement is prohibited from operating a commercial motor vehicle carrying passengers, other than federal/state auditors and inspectors, test examiners, other trainees, and the commercial driver's license holder accompanying the permit holder required by Iowa Code section 321.180(2)"d" as amended by 2015 Iowa Acts, House File 635, section 50.

c. An applicant for a tank vehicle endorsement (N) must take and pass the tank vehicle endorsement knowledge test. A commercial learner's permit holder with a tank vehicle endorsement may only operate an empty tank vehicle and is prohibited from operating any tank vehicle that previously contained hazardous materials that has not been purged of any residue.

607.20(4) Restrictions. A commercial learner's permit may include the air brake (L), medical variance (V), Class A passenger vehicle (M), Class A and B passenger vehicle (N) and intrastate only (K) restrictions described in rule 761—607.18(321). In addition, a commercial learner's permit may include the following restrictions that are specific to the commercial learner's permit:

a. Passenger. The passenger restriction ("P," no passengers in CMV bus) applies to a permit holder that has a commercial learner's permit with a passenger or school bus endorsement, and prohibits the operation of a commercial motor vehicle carrying passengers, other than federal/state auditors and inspectors, test examiners, other trainees, and the commercial driver's license holder accompanying the permit holder required by Iowa Code section 321.180(2)"d" as amended by 2015 Iowa Acts, House File 635, section 50.

b. Cargo. The cargo restriction ("X," no cargo in CMV tank vehicle) applies to a permit holder that has a commercial learner's permit with a tank vehicle endorsement, and prohibits the operation of any tank vehicle containing cargo or any tank vehicle that previously contained hazardous materials that has not been purged of any residue.

This rule is intended to implement Iowa Code sections 321.180 as amended by 2015 Iowa

Acts, House File 635, section 50, 321.186, and 321.188 as amended by 2015 Iowa Acts, House File 635, section 53.

ITEM 18. Amend rule 761—607.26(321) as follows:

**761—607.26(321) Vision screening.** An applicant for a commercial driver's license or commercial learner's permit must pass a vision screening test administered by the department. The vision standards are given in 761—604.11(321).

This rule is intended to implement Iowa Code sections 321.186 and 321.186A.

ITEM 19. Amend subrule 607.27(3) as follows:

**607.27(3) ~~Oral test~~ Test methods.** All knowledge tests shall be administered in compliance with 49 CFR Section 383.133(b). All tests other than the hazardous material endorsement test may be administered in written form, verbally, or in automated format and can be administered in a foreign language, provided no interpreter is used in administering the test. ~~An oral~~ A verbal test shall be offered only at specified locations. Information about the locations is available at any driver's license examination station.

ITEM 20. Amend subrule 607.27(5) as follows:

**607.27(5) Requirement.** An applicant must pass the applicable knowledge test(s) before taking the skills test. Passing scores for a knowledge test shall meet the standards contained in 49 CFR Section 383.135(a).

ITEM 21. Amend rule 761—607.27(321), implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 321.186 and 321.188 as amended by 2015 Iowa Acts, House File 635, section 53.

ITEM 22. Amend rule 761—607.28(321) as follows:

**761—607.28(321) Skills test.**

**607.28(1) ~~Content and order.~~** The skills test for a commercial driver's license is a three-part test as required in 49 CFR Part 383, Subparts E, G and H. ~~The three parts must be taken in the following order: the pretrip inspection, the basic vehicle control skills, and an on-the-road driving demonstration. Those elements of the skills test that are not applicable to the vehicle being used in the skills test may be waived by the department. The basic vehicle control skills may be accomplished as part of the on-the-road driving demonstration. The department shall terminate the skills test when it is determined that the applicant has failed the test.~~

**607.28(2) Test methods.** All skills test shall be administered in compliance with 49 CFR Section 383.133(c). Interpreters are prohibited during the administration of skills tests. Applicants must be able to understand and respond to verbal commands and instructions in English by a skills test examiner. Neither the applicant nor the examiner may communicate in a language other than English during the skills test.

**607.28(3) Order.** The skills test must be administered and successfully completed in the following order: pre-trip inspection, basic vehicle control skills, on road skills. If an applicant fails one segment of the skills test, the applicant cannot continue to the next segment of the test, and scores for the passed segments of the test are only valid during initial issuance of the commercial learner's permit. If the commercial learner's permit is renewed, all three segments of the skills test must be re-taken. However:

a. If the applicant wants to remove an air brake restriction, full air brake restriction, or manual transmission restriction, the applicant does not have to retake the complete skills test, and may complete a modified skills test that demonstrates the applicant can safely and effectively operate the vehicle's full air brakes, air over hydraulic brakes, and/or manual transmission. In

addition, to remove the air brake or full air brake restriction, the applicant must successfully perform the air brake pre-trip inspection and pass the air brake knowledge test.

b. If the applicant wants to remove the tractor-trailer restriction, the applicant must retake all three skills tests in a representative tractor-trailer.

~~607.28(2)~~ 607.28(4) *Vehicle.* The applicant shall provide a representative vehicle for the skills test. “Representative vehicle” means a commercial motor vehicle that meets the statutory description for the class of license applied for.

a. To obtain a passenger vehicle endorsement applicable to a specific vehicle class, the applicant must take the skills test in a passenger vehicle, as defined in rule 761—607.3(321), satisfying the requirements of that class, as required in 49 CFR Section 383.117.

b. To obtain a school bus endorsement, the applicant must qualify for a passenger vehicle endorsement and take the skills test in a school bus, as defined in rule 761—607.3(321), in the same vehicle class as the applicant will drive, as required in 49 CFR Section 383.123. Up to and including September 30, 2005, the skills test for a school bus endorsement is waived for an applicant meeting the requirements of 49 CFR Section 383.123(b).

c. To remove an air brake or full air brake restriction, the applicant must take the skills test in a vehicle equipped with an air brake system, as defined in rule 761—607.3(321) and as required in 49 CFR Section 383.113.

d. To remove a manual transmission restriction, the applicant must take the skills test in a vehicle equipped with a manual transmission, as defined in rule 761—607.3(321).

607.28(5) Skills test scoring. Passing scores for a skills test shall meet the standards contained in 49 CFR Section 383.135(b).

607.28(6) Military waiver. The department may waive the requirement that an applicant pass a required skills test for an applicant who is on active duty in the military service or who has

separated from such service in the past year, provided the applicant meets the requirements of Iowa Code subsection 321.188(6) as amended by 2015 Iowa Acts, House File 635, section 53.

~~607.28(3)~~ **607.28(7)** *Locations.* The skills test for a commercial driver's license shall be given only at specified locations where adequate testing facilities are available. An applicant may contact any driver's license examination station for the location of the nearest skills testing station. A skills test by appointment shall be offered only at specified regional test sites.

This rule is intended to implement Iowa Code ~~sections~~ section 321.186 and section 321.188 as amended by 2015 Iowa Acts, House File 635, section 53.

ITEM 23. Amend rule 761—607.31(321) as follows:

**761—607.31(321) Test results.**

**607.31(1)** *Proof of passing score* Period of validity. ~~When necessary, the department shall issue a form valid for 90 days showing the knowledge test(s) or part(s) of the skills test that the applicant passed. The applicant shall retain the form(s) until all tests are passed and present the form(s) to the department to obtain the license.~~ Passing knowledge and skills test results shall remain valid for a period of 180 days.

**607.31(2)** *Retesting.* ~~An~~ Subject to rule 761—607.28(321) an applicant shall be required to repeat only the knowledge test(s) or part(s) of the skills test that the applicant failed. An applicant who fails a test shall not be permitted to repeat that test the same day.

**607.31(3)** *Skills test results from other states.* As required by 49 CFR Section 383.79, the department shall accept the valid results of a skills test administered to an applicant that is domiciled in the state of Iowa and that was administered by another state, in accordance with 49 CFR Part 383, Subparts F, G and H in fulfillment of the applicant's testing requirements under 49 CFR Section 383.71 and the state's test administration requirements under 49 CFR Section

383.73. The results must be transmitted directly from the testing state to the department as required by 49 CFR Section 383.79.

This rule is intended to implement Iowa Code section 321.186 and 321.188 as amended by 2015 Iowa Acts, House File 635, section 53.

ITEM 24. Amend rule 761—607.35(321) as follows:

**761—607.35(321) Issuance of commercial driver’s license and commercial learner’s permit.** A commercial driver’s license or commercial learner’s permit issued by the department shall be identified by “commercial driver’s license” or “CDL” on the face of the license shall include the information and markings required by Iowa Code section 321.189(2)“b” as amended by 2015 Iowa Acts, House File 635, section 54.

This rule is intended to implement Iowa Code section 321.189 as amended by 2015 Iowa Acts, House File 635, section 54.

ITEM 25. Amend rule 761—607.37(321) as follows:

**761—607.37(321) Commercial driver’s license renewal.** The department shall administer renewal of commercial driver’s licenses as required by 49 CFR Section 383.73.

**607.37(1) Licensee requirements.** To renew a commercial driver’s license, the licensee shall apply at a driver’s license examination station, ~~certify eligibility and, if required, pass the appropriate test(s).~~ and complete the following:

a. Make a written self-certification of type of driving as required by rule 761—607.50(321) and provide a current medical examiner’s certificate if required.

b. If the licensee has and wishes to retain a hazardous materials endorsement, pass the test required in 49 CFR Section 383.121 and comply with the Transportation Security Administration security threat assessment standards specified in 49 CFR sections 383.71(b)(8) and 383.141 for

such endorsement. A lawful permanent resident of the United State must also provide the licensee's U.S. Citizenship and Immigration Services alien registration number.

c. Provide proof of citizenship or lawful permanent residency and state of domicile as required by rule 761—607.15(321) and 49 CFR 383.71(d)(7). Proof of citizenship or lawful permanent residency is not required if the licensee provided such proof at initial issuance or a previous renewal or upgrade of the license and the department has a notation on the licensee's record confirming that the required proof of legal citizenship or legal presence check was made and the date on which it was made.

d. If the applicant is domiciled in a foreign jurisdiction and renewing a non-domiciled commercial driver's license, the applicant must provide a document required by 49 CFR 383.71(f) at each renewal.

**607.37(2)** *Early renewal.* A valid commercial driver's license may be renewed 30 days before the expiration date. If this is impractical, the department for good cause may renew a license earlier, not to exceed one year prior to the expiration date. The department may allow renewal earlier than one year prior to the expiration date for active military personnel being deployed due to actual or potential military conflict.

~~**607.37(3)** A valid commercial driver's license may be renewed within 60 days after the expiration date, unless otherwise specified.~~

This rule is intended to implement Iowa Code sections 321.186, 321.188 as amended by 2015 Iowa Acts, House File 635, section 53, and 321.196.

ITEM 26. Amend paragraph 607.49(4)“c” as follows:

c. An applicant who currently holds a commercial driver's license or a commercial ~~driver's~~ instruction learner's permit is not eligible for issuance of a restricted commercial driver's license.

ITEM 27. Amend rule 761—607.50(321) as follows:

**761—607.50(321) Self-certification of type of driving and submission of medical examiner’s certificate.**

**607.50(1)** Applicants for commercial learner’s permit or new, transferred, renewed or upgraded CDL.

a. A person shall provide to the department a self-certification of type of driving if the person is applying for:

(1) A commercial learner’s permit,

~~(2)~~ An initial commercial driver’s license,

~~(2)~~ (3) A transfer of a commercial driver’s license from a prior state of domicile to the state of Iowa,

~~(3)~~ (4) Renewal of a commercial driver’s license, or

~~(4)~~ (5) A license upgrade for a commercial driver’s license or an endorsement authorizing the operation of a commercial motor vehicle not covered by the current commercial driver’s license.

b. No change.

**607.50(2) to 607.50(4)** No change.

**607.50(5)** *CDL downgrade*. If the medical examiner’s certificate or medical variance for a person self-certifying to non-excepted interstate driving expires or if the Federal Motor Carrier Safety Administration notifies the department that the person’s medical variance was removed or rescinded, the department shall post a medical certification status of “not certified” to the person’s CDLIS driver’s record and shall initiate a downgrade of the person’s commercial driver’s license or commercial learner’s permit. The medical examiner’s certificate of a person who fails to maintain a medical certification status of “certified” as required by subrule 607.50(4) shall be deemed to be expired on the date of expiration of the last medical examiner’s

certificate filed for the person as shown by the person's CDLIS driver's record. The downgrade will be initiated and completed as follows:

*a.* The department shall give the person written notice that the person's medical certification status is "not certified" and that the commercial ~~driver's license privilege~~ motor vehicle privileges will be removed from the person's commercial driver's license or commercial learner's permit 60 days after the date the medical examiner's certificate or medical variance expired or the medical variance was removed or rescinded unless the person submits to the department a current medical certificate or medical variance or self-certifies to a type of driving other than non-excepted interstate.

*b.* If the person submits a current medical examiner's certificate or medical variance before the end of the 60-day period, the department shall post a medical certification status of "certified" on the person's CDLIS driver's record and shall terminate the downgrade of the person's commercial driver's license or commercial learner's permit.

*c.* If the person self-certifies to a type of driving other than non-excepted interstate before the end of the 60-day period, the department shall not remove the commercial ~~driver's license privilege~~ motor vehicle privileges from the person's commercial driver's license or commercial learner's permit, and the person will have no medical certification status on the person's CDLIS driver's record.

*d.* If the person fails to take the action in either paragraph 607.50(5) "b" or "c" before the end of the 60-day period, the department shall remove the commercial ~~driver's license privilege~~ motor vehicle privileges from the person's commercial driver's license or commercial learner's permit and shall leave the person's medical certification status as "not certified" on the person's CDLIS driver's record.

**607.50(6) to 607.50(7)** No change.

**607.50(8) Reestablishment of the CDL privilege.** A person whose commercial ~~driver's~~ license ~~privilege~~ has motor vehicle privileges have been removed from the person's commercial driver's license or commercial learner's permit under the provisions of paragraph 607.50(5) "d" may reestablish the commercial ~~driver's license privilege to the person's driver's license~~ motor vehicle privileges by either of the following methods:

a. Submitting a current medical examiner's certificate or medical variance to the department. A person who has failed to self-certify to a type of driving must also make an initial self-certification of type of driving to non-excepted interstate driving. The department shall then post a medical certification status of "certified" on the person's CDLIS driver's record and reestablish the commercial ~~driver's license privilege to the person's driver's license~~ motor vehicle privileges, provided that the person otherwise remains eligible for a commercial driver's license or commercial learner's permit.

b. Self-certifying to a type of driving other than non-excepted interstate. The department shall then reestablish the commercial ~~driver's license privilege to the person's driver's license~~ motor vehicle privileges, provided that the person otherwise remains eligible for a commercial driver's license or commercial learner's permit; the person will have no medical certification status on the driver's CDLIS driver's record.

**607.50(9) to 607.50(10)** No change.

This rule is intended to implement Iowa Code ~~section~~ sections 321.182, ~~and 2011 Iowa Code Supplement sections~~ 321.188 as amended by 2015 Iowa Acts, House File 635, section 53, and 321.207 as amended by 2015 Iowa Acts, House File 635, section 60.

ITEM 28. Amend rule 761—607.51(321) as follows:

**761—607.51(321) Determination of gross vehicle weight rating.**

**607.51(1)** *Actual weight prohibited.* In determining whether the vehicle is a representative vehicle for the skills test and the group of commercial driver's license for which the applicant is applying, the vehicle's gross weight rating or gross combination weight rating must be used, not the vehicle's actual gross weight or gross combination weight. For purposes of this section, "gross weight rating" and "gross combination weight rating" mean as defined in 49 CFR section 383.5.

~~**607.51(1)**~~ **607.51(2)** *Vehicle other than towed vehicle without legible manufacturer's certification label.* For To complete a skills test using a vehicle other than a towed vehicle that has no legible manufacturer's certification label, whether a power unit or towed vehicle, the applicant may must provide documentation of the vehicle's gross vehicle weight rating, such as a manufacturer's certificate of origin, a title, a vehicle registration document, or the vehicle identification number information for the vehicle. In the absence of the above such documentation, the registered weight of the vehicle shall be presumed to be the gross vehicle weight rating vehicle may not be used, either alone or in combination.

~~**607.51(2)**~~ *Towed vehicle.* For a towed vehicle without a gross vehicle weight rating specified by the manufacturer, the gross vehicle weight rating shall be its gross weight.

This rule is intended to implement Iowa Code section 321.1 as amended by 2015 Iowa Acts, House File 635, section 44.

**DEPARTMENT OF TRANSPORTATION  
COMMISSION ORDER**

Planning, Programming and Modal Division

Division/Bureau/Office Office of Systems Planning Order No. PPM-2016-3  
 Submitted by Craig Markley Phone No. 515-239-1027 Meeting Date July 14, 2015  
 Title Revitalize Iowa's Sound Economy (RISE) Project Settlement – Ottumwa

**DISCUSSION/BACKGROUND:**

On February 10, 2009, the city of Ottumwa was awarded a RISE grant of \$369,494 to assist with the reconstruction of approximately 1,580 feet of Sixth Street in the Ottumwa Regional Airport Industrial Park.

Commission approval of this project was contingent on the creation of 130 new jobs within three years after completion of the roadway. Associated capital investment was to be \$35,850,000.

On October 6, 2010, the roadway was opened to traffic. As of October 2013, the city of Ottumwa had not met the job creation contingency. The department was advised that an average of 108 total jobs were created.

The method of calculation and amount of proposed settlement was provided to the city. The city of Ottumwa has agreed to repay the proposed settlement of \$22,118.

**PROPOSAL/ACTION RECOMMENDATION:**

It is recommended the Commission approve the project settlement and proposed payment of \$22,118 for the city of Ottumwa.

**COMMISSION ACTION:**

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

	Aye	Vote Nay	Pass
Boswell	_____	_____	_____
Huber	_____	_____	_____
Miles	_____	_____	_____
Putney	_____	_____	_____
Reasner	_____	_____	_____
Rose	_____	_____	_____
Yanney	_____	_____	_____

\_\_\_\_\_  
 Division Director                      Legal                      State Director

PPM-2016-3

Craig Markley, Office of Systems Planning, said RISE Immediate Opportunity projects have job creation commitments associated with receiving the funds. The Department monitors the contingencies to ensure they are met within three years of the roadway being opened to traffic. If the contingencies are not met, the Department will seek partial or full revocation of the grant.

Mr. Markley presented a proposed settlement with the city of Ottumwa for a RISE project awarded in February 2009. The city received a grant of \$369,494 for roadway improvements contingent on the creation of 130 new jobs by U.S. Job Corps Center within three years of project completion. In October, 2010, the roadway was opened to traffic; however, the company was only able to create an average of 108 jobs. Based on the settlement policy, the city has agreed to a repayment of \$22,118, and Commission approval of the proposed settlement is requested.

Commissioner Reasner moved, Commissioner Miles seconded the Commission approve the project settlement and proposed payment of \$22,118 for the city of Ottumwa. Commissioner Huber absent; remaining Commissioners voted aye.

## RISE Project Completion Settlement for:

RECIPIENT : **City of Ottumwa**  
 PROJECT # : **RM-5825(637)--9D-90**  
 AGREEMENT # : **2009-R-011**

Reimbursable Maximum : \$369,494

To bring this project agreement to a close, in accordance with the procedure adopted by the Iowa Department of Transportation Commission (Commission), the Recipient (as identified above) is required to repay a portion of the RISE grant funds received.

The amount to be repaid is calculated in the following manner, according to the method approved by the Commission, all amounts are rounded to the nearest whole dollar or percentage point.

**Step 1** Determine the difference between the RISE grant funds actually reimbursed and 50% of the total eligible costs. The resulting amount is referred to as the "RISE differential"

	Actual	
a. RISE grant funds reimbursed:	346,945.36	
b. FINAL eligible project costs:	433,681.70	
c. 50% of FINAL eligible costs:	216,840.85	
d. "RISE differential" ( a ) - ( c ) =	130,104.51	\$130,105 Rounded

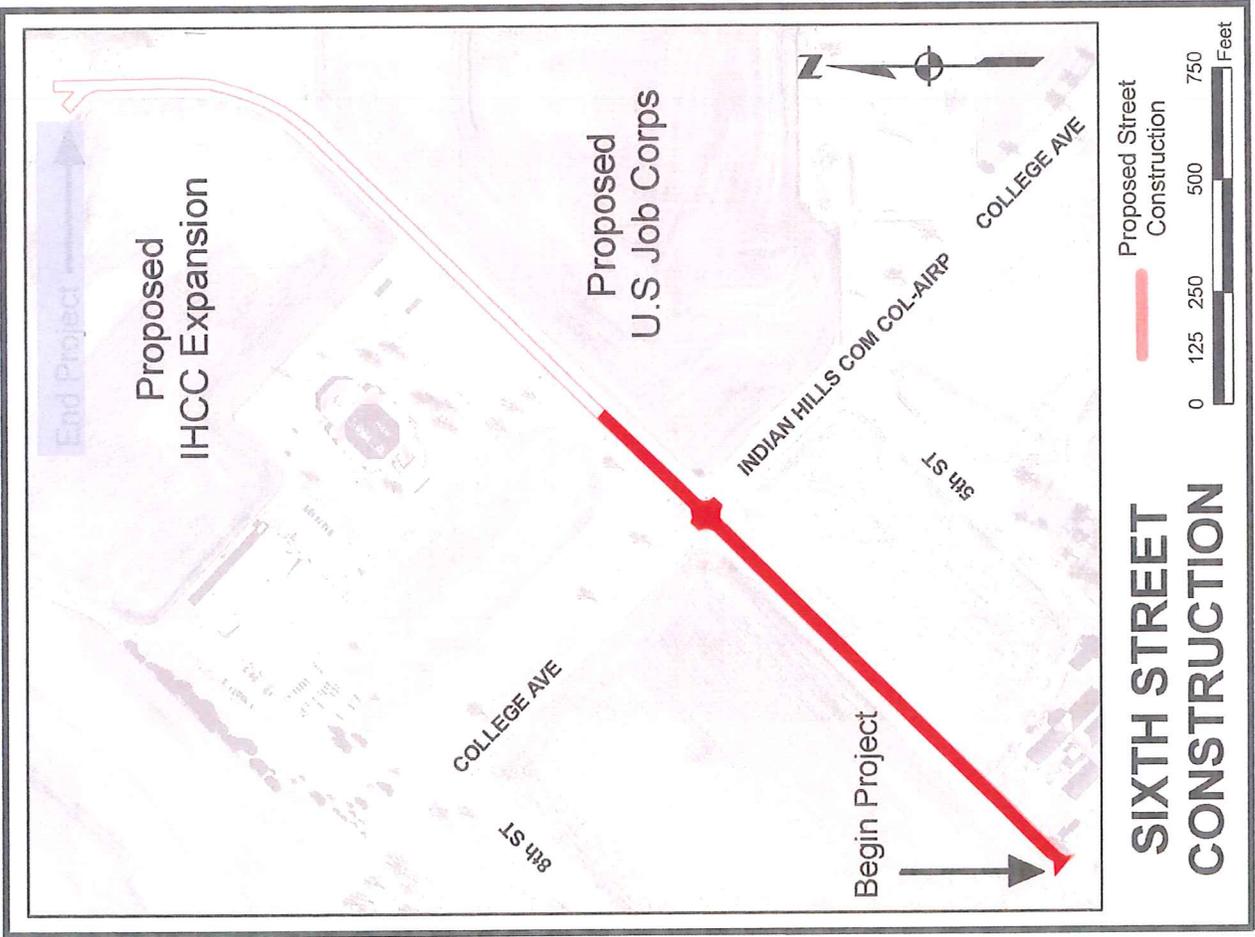
**Step 2** Determine the amount of the contingency unfulfilled.

An average of 108 FTE new jobs were created by U.S. Job Corps Center.  
The funding contingency required that 130 FTE jobs be created.

a.	Contingency total # of jobs created:	130	
b.	- Actual total # of jobs created:	108	
c.	Contingency unfulfilled amount:	22	
	Determine percentage = (c/a)	16.92%	
	Therefore the percentage of contingency still unfulfilled is:	17%	Rounded

**Step 3** Determine the prorated amount by multiplying the RISE differential amount by the percentage of the contingency still unfulfilled.

	X		= Prorated Amount
Prorated amount = (Step 1.d)		X	(Step 2 %)
\$130,105		17%	\$22,118 Rounded



DEPARTMENT OF TRANSPORTATION  
COMMISSION ORDER

Division/Bureau/Office Planning, Programming and Modal Division  
Office of Systems Planning Order No. PPM-2016-4  
Submitted by Craig Markley Phone No. 515-239-1027 Meeting Date July 14, 2015  
Title Revitalize Iowa's Sound Economy (RISE) Application – Davenport (Delegation)

**DISCUSSION/BACKGROUND:**

The city of Davenport submitted a RISE Immediate Opportunity application requesting a grant to assist in the reconstruction of approximately 3,038 feet of Veterans Memorial Parkway and construction of a roundabout at Veterans Memorial Parkway and Jersey Ridge Road located on the northeast side of town. This project is anticipated to be completed by November 2016.

Because these improvements will support tourism by providing improved access to the relocated Rhythm City Casino and adjacent attractions, staff evaluated the application as a RISE Local Development project.

The evaluation and rating for the project will be discussed.

**PROPOSAL/ACTION RECOMMENDATION:**

It is recommended the Commission, based on the tourism impact of the improvements, reclassify the project as a RISE Local Development project in the February 2015 round of applications and award a RISE grant of \$3,041,687 or up to 50 percent of the total RISE-eligible project cost, whichever is less, from the city share of the RISE Fund.

**COMMISSION ACTION:**

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

	Aye	Vote Nay	Pass
Boswell	_____	_____	_____
Huber	_____	_____	_____
Miles	_____	_____	_____
Putney	_____	_____	_____
Reasner	_____	_____	_____
Rose	_____	_____	_____
Yanney	_____	_____	_____

\_\_\_\_\_  
Division Director                      Legal                      State Director

PPM-2016-4

Craig Markley, Office of Systems Planning, reviewed a RISE Immediate Opportunity application from the city of Davenport to assist in the reconstruction of approximately 3,038 feet of Veterans Memorial Parkway and construction of a roundabout at Veterans Memorial Parkway and Jersey Ridge Road located on the northeast side of town. Because these improvements will support tourism by providing improved access to the relocated Rhythm City Casino and adjacent attractions, staff evaluated the application as a RISE Local Development project. Under RISE Local Development criteria the project scored 46 points. Total estimated project cost is \$6,083,373. The city has requested a RISE grant of \$3,041,687 and will provide a 50 percent local match. He introduced Clay Merritt, CIT Analyst.

Mr. Merritt pointed out the location of the Rhythm City Casino and Hotel which is currently under construction. Rhythm City is currently operating on the riverfront in Davenport. In total, there will be 600 permanent, full-time jobs at this location; that is 387 new jobs and 213 retained jobs. In moving from the riverfront to this location, the Iowa Racing and Gaming Commission stated that over the four-year process of their move, Rhythm City will increase its revenue by 74 percent going from \$48 million a year to \$83 million a year.

Mr. Merritt also pointed out the area involved in the city of Davenport's reinvestment district application to the IEDA. In June IEDA gave preliminary acceptance to the city of Davenport for \$10.75 million for a total project cost of \$73.8 million. The city is looking to partner with private entities for the rest of the \$60 million. This would lead to the creation of the largest indoor/outdoor sports complex in the state along with associated hotels, retail, and restaurants in the area. Once completed, it will generate, over 20 years, \$2.5 billion in economic impact for the city.

Mr. Markley reviewed staff's recommendation.

Commissioner Rose moved, Commissioner Reasner seconded the Commission, based on the tourism impact of the improvements, reclassify the project as a RISE Local Development project in the February 2015 round of applications and award a RISE grant of \$3,041,687 or up to 50 percent of the total RISE-eligible project cost, whichever is less, from the city share of the RISE fund. Commissioner Huber absent; remaining Commissioners voted aye.

Commissioner Rose said Commissioner Huber could not be at today's meeting but he is extremely excited about this project. It is an excellent project.

RISE LOCAL DEVELOPMENT FUNDING  
February 2015  
SUMMARY

Applicant: City of Davenport

Multiyear?: No  
Multijurisdiction?: No

ROAD PROJECT LOCATION AND DESCRIPTION: To reconstruct approximately 3,038 feet of Veterans Memorial Parkway and construct a roundabout at Veterans Memorial Parkway and Jersey Ridge Road on the northeast side of town.

ASSOCIATED ECONOMIC DEVELOPMENT: These improvements will support tourism by providing improved access to the relocated Rhythm City Casino and adjacent attractions.

PROJECT FINANCING:

Roadway Project Cost:	\$6,083,373	Local Match (Total):	\$3,041,686
RISE (Total):	\$3,041,687	Up-Front:	\$3,041,686
Grant:	\$3,041,687	NPV of Loan Repayment:	0
Loan:	0	Effective Match Percent:	50
Loan Terms:	Yrs. 0	Up-front Participation Sources:	
	Int.: 0 %	Private:	
		Public:	\$3,041,686
		Local Match (Total):	\$3,041,686

PROJECT EVALUATION:

Development Potential (35):	10
Economic Impact and Cost Effect. (20):	14
Local Commit. and Initiative (35):	15
Transportation Need (4):	3
Local Economic Need (6):	4

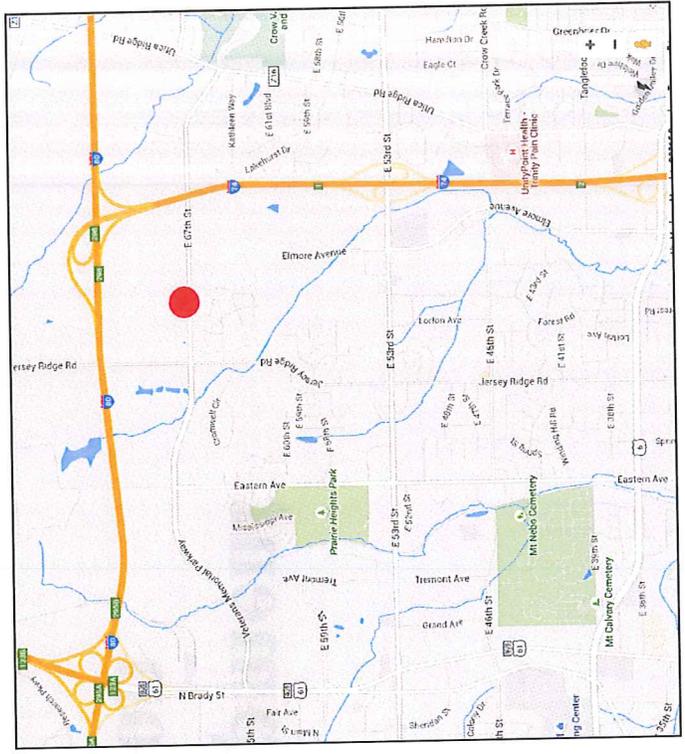
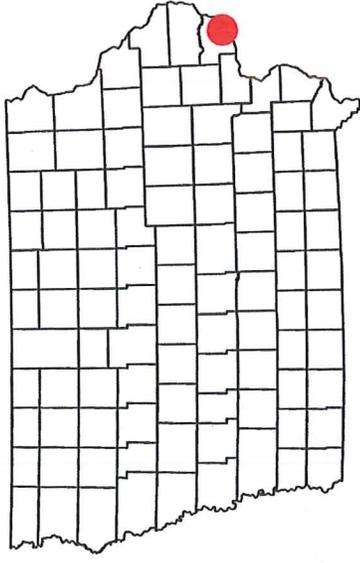
Total Rating: 46

Jobs: 387

STAFF RECOMMENDATION:

Award a grant of \$3,041,687 or up to 50 percent of the RISE-eligible project cost, whichever is less. Funding will come from the city share of the RISE Fund.

# Davenport



DEPARTMENT OF TRANSPORTATION  
COMMISSION ORDER

Planning, Programming and Modal Division

Division/Bureau/Office Office of Systems Planning Order No. PPM-2016-5  
 Submitted by Craig Markley Phone No. 515-239-1027 Meeting Date July 14, 2015  
 Title Revitalize Iowa's Sound Economy (RISE) Application – Council Bluffs (Delegation)

**DISCUSSION/BACKGROUND:**

The city of Council Bluffs submitted a RISE Immediate Opportunity application requesting a grant to assist in construction of approximately 200 feet of N 40<sup>th</sup> Street, 965 feet of Avenue A and 720 feet of N 42<sup>nd</sup> Street in the River's Edge development area located on the northwest side of town. This project is anticipated to be completed by November 2016.

Because this project will provide access to two office buildings containing up to 200,000 square feet and a 750 stall parking garage for professional office purposes and to maximize RISE support for this project, staff evaluated the application as a RISE Local Development project.

The evaluation and rating for the project will be discussed.

**PROPOSAL/ACTION RECOMMENDATION:**

It is recommended the Commission, based on the capital investment commitment and potential for future job creation, reclassify the project as a RISE Local Development project in the February 2015 round of applications and award a RISE grant of \$1,909,359 or up to 50 percent of the total RISE-eligible project cost, whichever is less, from the city share of the RISE Fund.

**COMMISSION ACTION:**

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

	Aye	Vote Nay	Pass
Boswell	_____	_____	_____
Huber	_____	_____	_____
Miles	_____	_____	_____
Putney	_____	_____	_____
Reasner	_____	_____	_____
Rose	_____	_____	_____
Yanney	_____	_____	_____

\_\_\_\_\_  
Division Director                      \_\_\_\_\_ Legal                      \_\_\_\_\_ State Director

PPM-2016-5

Craig Markley, Office of Systems Planning, said the city of Council Bluffs submitted a RISE Immediate Opportunity application to construct approximately 200 feet of North 40<sup>th</sup> Street, 965 feet of Avenue A, and 720 feet of N 42<sup>nd</sup> Street in the River's Edge development area located on the northwest side of town. This project will provide access for two office buildings containing up to 200,000 square feet and a 750-stall parking garage. To maximize RISE support for the project, staff evaluated the application as a RISE Local Development project. Under RISE Local Development criteria, the project scored 61 points. Total estimated project cost is \$3,818,718. The city is requesting a RISE grant of \$1,909,359 and will provide a 50 percent local match. He introduced Donald Gross, Community Development Director.

Mr. Gross said they are excited about starting this project. They are looking at starting construction in August for the first phase with grading, utilities, and roadway work hopefully in September. They are actively working on a development agreement for office building one which he hopes will be approved in August and a development agreement for some multi-family units which they also hope to have approved in August or early September. They are also working on determining how to finance a 750-stall parking garage.

Commission Chair Boswell said the Commission discussed this project this morning; it is a very good project. Commissioner Rose noted former Commissioner Barry Cleaveland keeps the Commission up to date on projects in the Council Bluffs area, and Commissioner Yanney said the Commission had the opportunity to tour this area last month.

Mr. Markley reviewed staff's recommendation.

Commissioner Yanney moved, Commissioner Reasner seconded the Commission, based on the capital investment commitment and potential for future job creation, reclassify the project as a RISE Local Development project in the February 2015 round of applications and award a RISE grant of \$1,909,359 or up to 50 percent of the total RISE-eligible project costs, whichever is less, from the city share of the RISE fund. Commissioner Huber absent; remaining Commissioners voted aye.

RISE LOCAL DEVELOPMENT FUNDING  
February 2015  
SUMMARY

Applicant: Council Bluffs

Multiyear?: No  
Multijurisdiction?: No

ROAD PROJECT LOCATION AND DESCRIPTION: To construct approximately 200 feet of N 40th Street, 965 feet of Avenue A and 720 feet of N 42nd Street in the River's Edge development area located on the northwest side of town.

ASSOCIATED ECONOMIC DEVELOPMENT: This project will provide access to two office buildings containing up to 200,000 square feet and a 750 stall parking garage for professional office purposes.

PROJECT FINANCING:

Roadway Project Cost:	\$3,818,718	Local Match (Total):	\$1,909,359
RISE (Total):	\$1,909,359	Up-Front:	\$1,909,359
Grant:	\$1,909,359	NPV of Loan Repayment:	0
Loan:	0	Effective Match Percent:	50
Loan Terms:	Yrs. 0	Up-front Participation Sources:	
	Int.: 0 %	Private:	\$1,909,359
		Public:	
		Local Match (Total):	\$1,909,359

PROJECT EVALUATION:

Development Potential (35):	30
Economic Impact and Cost Effect. (20):	9
Local Commit. and Initiative (35):	15
Transportation Need (4):	4
Local Economic Need (6):	3

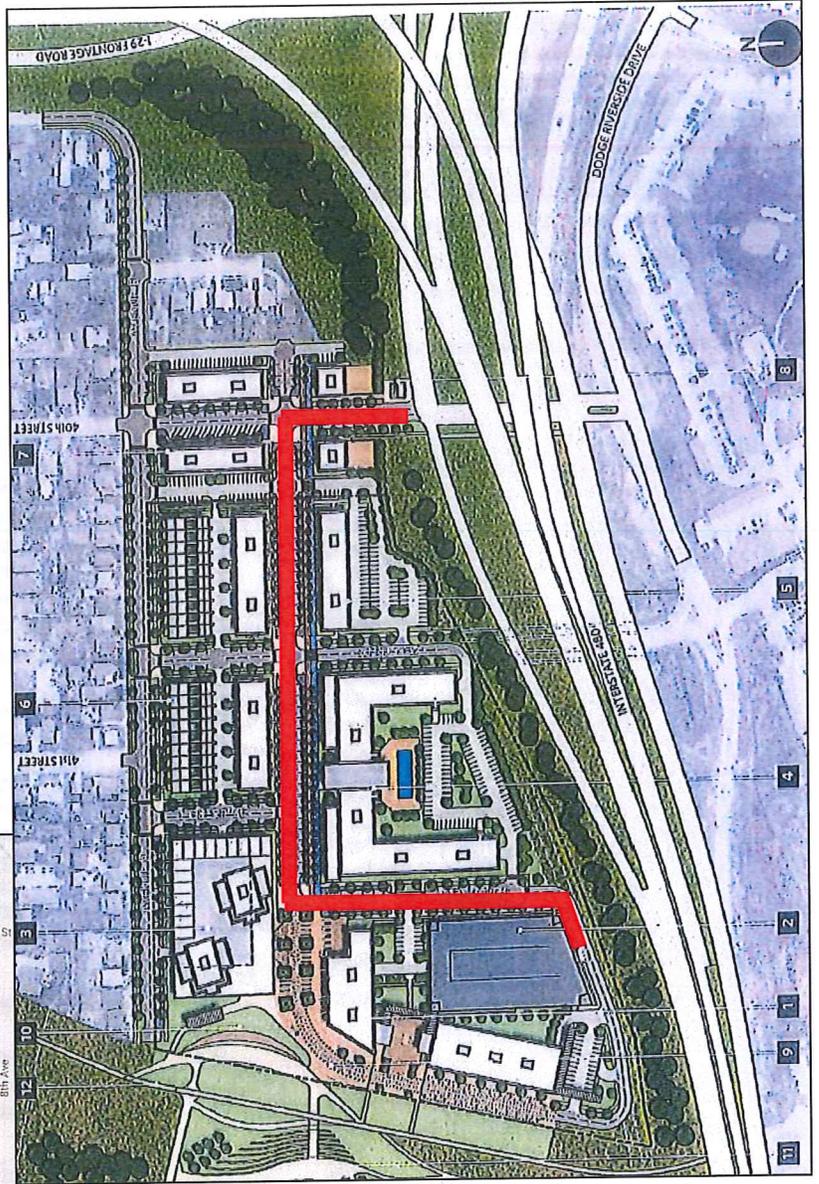
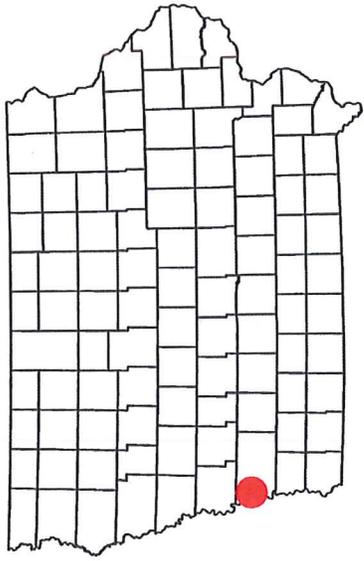
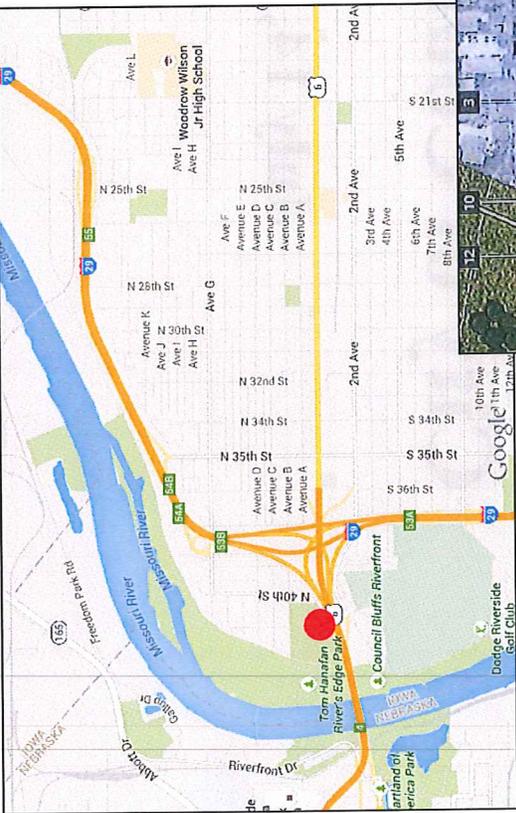
Total Rating: 61

Jobs: 85

STAFF RECOMMENDATION:

Award a grant of \$1,909,359 or up to 50 percent of the RISE-eligible project cost, whichever is less. Funding will come from the city share of the RISE Fund.

# Council Bluffs



DEPARTMENT OF TRANSPORTATION  
COMMISSION ORDER

Planning, Programming and Modal Division

Division/Bureau/Office Office of Systems Planning Order No. PPM-2016-6

Submitted by Craig Markley Phone No. 515-239-1027 Meeting Date July 14, 2015

Title Revitalize Iowa's Sound Economy (RISE) Application – Waterloo (Delegation)

**DISCUSSION/BACKGROUND:**

The city of Waterloo submitted a RISE Immediate Opportunity application requesting a grant to assist in construction of approximately 874 feet of roadway and roundabout intersection of Galactic Drive and Fitzway Drive, located on the southwest side of town. This project is anticipated to be completed by September 2016.

Because this project will provide access to two lots totaling almost 4 acres for professional office purposes and to maximize RISE support for this project, staff evaluated the application as a RISE Local Development project.

The evaluation and rating for the project will be discussed.

**PROPOSAL/ACTION RECOMMENDATION:**

It is recommended the Commission, based on the capital investment commitment and potential for future job creation, reclassify the project as a RISE Local Development project in the February 2015 round of applications and award a RISE grant of \$189,735 or up to 50 percent of the total RISE-eligible project cost, whichever is less, from the city share of the RISE Fund.

**COMMISSION ACTION:**

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

	Aye	Vote Nay	Pass
Boswell	_____	_____	_____
Huber	_____	_____	_____
Miles	_____	_____	_____
Putney	_____	_____	_____
Reasner	_____	_____	_____
Rose	_____	_____	_____
Yanney	_____	_____	_____

\_\_\_\_\_  
Division Director                      Legal                      State Director

PPM-2016-6

Craig Markley, Office of Systems Planning, said the city of Waterloo submitted a RISE Immediate Opportunity funding request to construct approximately 874 feet of roadway and roundabout intersection of Galactic Drive and Fitzway Drive located on the southwest side of town. Because this project will provide access to two lots totaling almost four acres for professional office purposes and to maximize RISE support for this project, staff evaluated the application as a RISE Local Development project. Under RISE Local Development criteria the project scored 62 points. Total estimated project cost is \$379,469. The city is requesting a RISE grant of \$189,735 and will provide a 50 percent local match. He introduced Noel Anderson, Community Planning and Development Director, Waterloo.

Mr. Anderson said in the mid-1990s VGM Corporation starting building in this area. They did their first expansion of about 40,000 square feet in 2004 after the city partnered with the Iowa DOT for the Ansborough interchange project to bring more economic development to the area. Currently, VGM is working on a 74,000 square foot new building expansion that can house another 250 to 300 employees. That would bring their total campus employment in Waterloo to about 800 employees. Also, this is a good location along U.S. 20 and Ansborough for some new, smaller lot development as well. This is located within one of their TIF districts so they are able to offer incentives to help bring in companies so it is a growing area for Waterloo.

Mr. Markley reviewed staff's recommendation.

Commissioner Miles moved, Commissioner Rose seconded the Commission, based on the capital investment commitment and potential for future job creation, reclassify the project as a RISE Local Development project in the February 2015 round of applications and award a RISE grant of \$189,735 or up to 50 percent of the total RISE-eligible project cost, whichever is less, from the city share of the RISE fund. Commissioner Huber absent; remaining Commissioners voted aye.

RISE LOCAL DEVELOPMENT FUNDING  
February 2015  
SUMMARY

Applicant: City of Waterloo

Multiyear?: No  
Multijurisdiction?: No

ROAD PROJECT LOCATION AND DESCRIPTION: To construct approximately 874 feet of roadway and roundabout intersection of Galactic Drive and Fitzway Drive, located on the southwest side of town.

ASSOCIATED ECONOMIC DEVELOPMENT: This project will provide access to two lots totaling almost 4 acres for professional office purposes.

PROJECT FINANCING:

Roadway Project Cost:	\$379,469
RISE (Total):	\$189,735
Grant:	\$189,735
Loan:	0
Loan Terms:	Yrs. 0
	Int.: 0 %

Local Match (Total):	\$189,734
Up-Front:	\$189,734
NPV of Loan Repayment:	0
Effective Match Percent:	50

Up-front Participation Sources:	
Private:	
Public:	\$189,734

Local Match (Total):	\$189,734
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PROJECT EVALUATION:

Development Potential (35):	30
Economic Impact and Cost Effect. (20):	12
Local Commit. and Initiative (35):	16
Transportation Need (4):	1
Local Economic Need (6):	3

Total Rating: 62

Jobs: 50

STAFF RECOMMENDATION:

Award a grant of \$189,735 or up to 50 percent of the RISE-eligible project cost, whichever is less. Funding will come from the city share of the RISE Fund.



**DEPARTMENT OF TRANSPORTATION  
COMMISSION ORDER**

Planning, Programming and Modal Division

Division/Bureau/Office Office of Systems Planning Order No. PPM-2016-7

Submitted by Craig Markley Phone No. 515-239-1027 Meeting Date July 14, 2015

Title Revitalize Iowa's Sound Economy (RISE) Application – Waterloo (Delegation)

**DISCUSSION/BACKGROUND:**

The city of Waterloo submitted a RISE Immediate Opportunity application requesting a grant to assist in the construction of approximately 1,720 feet of Midport Boulevard located on the northwest side of town. This project is anticipated to be completed by August 2016.

This improvement is necessary to provide improved access to ConAgra Foods, an international food manufacturing company. The development will also provide access to four lots totaling 27 acres for future light industrial, manufacturing and professional office development. This company conforms to the legislative requirements of the RISE program.

The improvement will support:

- The creation of 57 new full-time jobs.
- \$63,694,719 in associated capital investment.

The RISE cost per job assisted will be \$12,000 and there will be a total capital investment of \$93.12 for each RISE dollar requested.

**PROPOSAL/ACTION RECOMMENDATION:**

It is recommended the Commission, based on the capital investment and job creation commitments, award a RISE grant of \$684,000 or up to 80 percent of the total RISE-eligible project cost, whichever is less, from the city share of the RISE Fund.

**COMMISSION ACTION:**

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

	Aye	Vote Nay	Pass
Boswell	_____	_____	_____
Huber	_____	_____	_____
Miles	_____	_____	_____
Putney	_____	_____	_____
Reasner	_____	_____	_____
Rose	_____	_____	_____
Yanney	_____	_____	_____

\_\_\_\_\_  
Division Director                      Legal                      State Director

PPM-2016-7

Craig Markley, Office of Systems Planning, said we have another application from the city of Waterloo for a RISE Immediate Opportunity project to construct approximately 1,720 feet of Midport Boulevard located on the northwest side of town. The proposed improvement will result in the creation of 57 new full-time jobs within three years along with \$63,694,719 in associated capital investment. Average wage of the created positions is \$22.26 which is 140 percent of the average labor shed wage rate. RISE grant recommended is \$684,000. Local participation is 20 percent or \$194,719 for a total cost of \$878,719. RISE cost per job assisted is \$12,000. Total capital investment per RISE dollar is \$93.12.

Noel Anderson, Community Planning and Development Director, Waterloo, said the city worked with Con Agra in 1997 for their first pudding plant project, and they partnered with the DOT on the last extension of Midport to help with the expansion of that pudding plant. This project will assist Con Agra in a \$60 million investment to create a new product line, David Sun Flower Seeds. Con Agra is a Fortune 500 company; the type of company they want to have investing in Waterloo.

Mr. Markley reviewed staff's recommendation.

Commissioner Rose moved, Commissioner Reasner seconded the Commission, based on the capital investment and job creation commitments, award a RISE grant of \$684,000 or up to 80 percent of the total RISE-eligible project cost, whichever is less, from the city share of the RISE fund. Commissioner Huber absent; remaining commissioners voted aye.

Meeting adjourned at 1:53 p.m.

Date Submitted: June 29, 2015

Commission Date: July 14, 2015

## RISE Immediate Opportunity Funding Economic Analysis Summary

### GENERAL INFORMATION

**Applicant:** Waterloo

**Project Location and Description:** The city of Waterloo submitted a RISE Immediate Opportunity application requesting a grant to assist the construction of approximately 1,720 feet of Midport Boulevard located on the northwest side of town.

**Associated Economic Development:** The project provides improved access to ConAgra Foods, an international food manufacturing company. The project will result in the creation of 57 new full-time jobs and \$63,694,719 in associated capital investment. The development will also provide access to four lots with over 27 acres for future light industrial, manufacturing and professional office development.

### ECONOMIC IMPACT

**Total Roadway Project Cost: \$878,719**

**RISE Funds Requested:** \$684,000; **Grant:** \$684,000; **Loan** \$0

**Effective Project Cost to RISE Program:** \$684,000

**Local Participation:** \$194,719; **Sources:** Waterloo

**Non-RISE Total Capital Investment:** \$63,694,719

(**Public:** \$3,694,719; **Private:** \$60,000,000)

**Direct Jobs Created:** 57; (**Other, Potential Future Jobs:** 0)

**Direct Jobs Retained:** 0; **Total Direct Jobs Assisted, Short-Term:** 0

**Number of Existing Jobs:** 154

**Project Average Wage Rate of New Jobs:** \$22.26/hr.

**100% Average Laborshed Wage Rate:** \$15.94/hr.

### KEY RATIOS

**Local Match Ratio:** 22% ( $\$194,719/\$878,719$ )

**RISE Cost Per Job Assisted (Created):**  $\$684,000/57 = \$12,000$

**Total Capital Investment Per RISE Dollar:**  $\$63,694,719/\$684,000 = \$93.12$

### CONCLUSIONS

**Narrative:** It is recommended the Commission, based on the capital investment and job creation commitments; award a RISE grant of \$684,000 from the RISE fund or up to 80 percent of the total RISE-eligible project cost, whichever is less. Funding will come from the city share of the RISE Fund.

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