

Commission Minutes
February 13, 2018



IOWA TRANSPORTATION COMMISSION

Meeting Agenda / Commission Orders

February 13, 2018
Materials Conference Room
Ames DOT Complex

ITEM NUMBER	TITLE	SUBMITTED BY	PAGE
D-2018-51 1:30 p.m.	* Approve Minutes of the January 9, 2018 Commission Meeting Commission Comments DOT Comments	Danielle Griggs	3
D-2018-52	* Commission Meeting Dates from June 2018 through May 2019	Danielle Griggs	5
MV-2018-53	* Administrative Rules – 761 IAC 607, Commercial Driver Licensing	Melissa Spiegel	7
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PPM-2018-58	* Federal Fiscal Year (FFY) 2019 Federal Aviation Administration Funding Preapplications	Shane Wright	35
H-2018-59 1:45 p.m.	* Transfer of Jurisdiction of Frontage/Access Road Adjacent To U.S. 151 in Marion Adjourn	Mitch Dillavou	39
*Action Item			

On Tuesday, February 12, the Commission and staff will meet informally at 9:30 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 Director's Office Order No. D-2018-51
Submitted by Danielle Griggs Phone No. 515-239-1919 Meeting Date February 13, 2018
Title Approve Minutes of the January 9, 2018 Commission Meeting

DISCUSSION/BACKGROUND:

PROPOSAL/ACTION RECOMMENDATION:

It is recommended the Commission approve the minutes of the January 9, 2018 Commission meeting.

COMMISSION ACTION:

Moved by Charese Yanney Seconded by Tom Rielly

	Aye	Vote Nay	Pass
Fehrman	<u>x</u>	<u> </u>	<u> </u>
Huber	<u>x</u>	<u> </u>	<u> </u>
Maher	<u>absent</u>	<u> </u>	<u> </u>
Putney	<u>x</u>	<u> </u>	<u> </u>
Rielly	<u>x</u>	<u> </u>	<u> </u>
Rose	<u>x</u>	<u> </u>	<u> </u>
Yanney	<u>x</u>	<u> </u>	<u> </u>

Division Director Legal State Director

D-2018-51

Commissioner Yanney made a motion to approve the minutes as written. Commissioner Rielly seconded the motion. Commissioner Miles, absent; remaining Commissioners voted aye.

Commission Comments

No comments.

DOT Comments

Mark Lowe thanked the Commissioners and DOT staff for their work and time.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Director's Office Order No. D-2018-52
Submitted by Danielle Griggs Phone No. 515-239-1919 Meeting Date February 13, 2018
Title Approve Commission Meeting Dates from June 2018 through May 2019

DISCUSSION/BACKGROUND:

The Commission is requested to approve the following proposed June 2018 through May 2019 meeting dates.

2018

June 11/12*
July 10
August 13/14*
September 11
October 8/9*
November 13
December 11

2019

January 8
February 12
March 12
April 8/9*
May 14

*Tour/Public input meeting

PROPOSAL/ACTION RECOMMENDATION:

It is recommended the Commission approve the proposed June 2018 through May 2019 meeting dates.

COMMISSION ACTION:

Moved by David Rose Seconded by Tom Rielly

	Aye	Vote Nay	Pass
Fehrman	<u>x</u>	_____	_____
Huber	<u>x</u>	_____	_____
Maher	<u>absent</u>	_____	_____
Putney	<u>x</u>	_____	_____
Rielly	<u>x</u>	_____	_____
Rose	<u>x</u>	_____	_____
Yanney	<u>x</u>	_____	_____

Division Director Legal State Director

D-2018-52

Commissioner Rose made a motion to approve the proposed Commission Meeting Dates from June 2018 through May 2019. Commissioner Rielly seconded the motion. Commissioner Maher, absent; remaining Commissioners voted aye.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Motor Vehicle Division,
Division/Bureau/Office Driver & Identification Services Order No. MV-2018-53
Submitted by Melissa Spiegel Phone No. 515-237-3010 Meeting Date February 13, 2018
Title Administrative Rule – 761 IAC 607, Commercial Driver Licensing

DISCUSSION/BACKGROUND:

The proposed amendments to 761 IAC 607 align the rules with 2017 Iowa Acts, House File 463, section 1, which amended Iowa Code 321.180(2) and make other conforming changes and corrections to contact information in the rule. Substantively, the proposed amendments change the validity period of a commercial learner’s permit (CLP) from 180 days to one year.

Prior to the 2017 legislative change, the CLP was valid for 180 days with an additional 180-day renewal period. However, on April 5, 2016, with later revision issued on November 29, 2016, the Federal Motor Carrier Safety Administration issued an exemption allowing states to forego CLP renewal after 180 days and instead make the CLP valid for one-year.

The Iowa General Assembly chose to amend the statute to incorporate the exemption, which reduces costs and expense associated with issuing renewals, as well as reducing unnecessary trips to licensing locations for CLP holders.

The public comment period ended on January 23, 2018. The department did not receive any comments or requests for oral presentations.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve the attached rule amendments.

COMMISSION ACTION:

Moved by Kathleen Fehrman Seconded by David Rose

	Aye	Vote Nay	Pass
Fehrman	<u>x</u>	_____	_____
Huber	<u>x</u>	_____	_____
Maher	<u>absent</u>	_____	_____
Putney	<u>x</u>	_____	_____
Rielly	<u>x</u>	_____	_____
Rose	<u>x</u>	_____	_____
Yanney	<u>x</u>	_____	_____

Division Director Legal State Director

MV-2017-53

Director Lowe for Melissa Spiegel, Motor Vehicle Division; All of these rules that we will talk about today were all presented in full at the workshop. The first one relates to chapter 607 rules getting commercial driver's licensing. It is a rule change that conforms to a legislative changes that change the period of validity for commercial learner's permit from 180 days to one year. A public comment period ended on January 23 of this year and we did not receive any comments or requests for oral presentations. We're recommending that the commission approved the rule amendment as presented this morning.

Commissioner Fehrman made a motion to approve the rule amendment. Commissioner Rose seconded the motion. Commissioner Maher, absent; remaining Commissioners voted aye.

Chapter 607

ITEM 1. Amend subrule 607.2(1) as follows:

607.2(1) *Information and location.* Applications, forms and information about the commercial driver's license (CDL) are available at any driver's license examination station. Assistance is also available by mail from ~~the Office of Driver and Identification Services~~, Iowa Department of Transportation, P.O. Box 9204, Des Moines, Iowa 50306-9204; in person at 6310 SE Convenience Blvd., Ankeny, Iowa; by telephone at ~~(800)532-1121~~ or (515)244-8725; by facsimile at (515)239-1837; or on the department's ~~Web site~~ website at www.iowadot.gov.

ITEM 2. Amend paragraph **607.20(1)“b”** as follows:

b. A commercial learner's permit is valid for ~~180 days and may be renewed for an additional 180 days~~ one year without retaking the general and endorsement knowledge tests required by Iowa Code section 321.188.

ITEM 3. Amend subrule 607.28(3) as follows:

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 retaken. 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, 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.~~

ITEM 4. Amend subrule 607.31(1) as follows:

607.31(1) *Period of validity.* Passing knowledge and skills test results shall remain valid for a period of ~~180 days~~ one year.

ITEM 5. Amend rule ~~761~~—**607.31(321)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 321.180, 321.186, 321.187 and 321.188.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Motor Vehicle Division,
Division/Bureau/Office Office of Vehicle & Motor Carrier Services Order No. MV-2018-54
Submitted by Melissa Spiegel Phone No. 515-237-3010 Meeting Date February 13, 2018
Title Administrative Rule – 761 IAC 425, Motor Vehicle and Travel Trailer Dealers, Manufacturers, Distributors and Wholesalers

DISCUSSION/BACKGROUND:

The proposed amendments form a comprehensive update of the rules affecting or involving unregistered vehicles in a dealer’s inventory displaying a special dealer plate that may be used to haul or tow, display or sale of motor vehicles at additional places (including fairs), advertising as it relates to being engaged in the business of selling motor vehicles, and the minimum bond amount required for motor vehicle dealers. The amendments also better implement and align with existing legal authority and department practice, and eliminate outdated or irrelevant requirements or options and accommodate modern procedures.

Additional details regarding the proposed amendments to these rules are included in the attachment.

The public comment period ended January 9, 2018. The department did not receive any comments or requests for oral presentations.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve the attached rule amendments.

COMMISSION ACTION:

Moved by David Rose Seconded by Tom Rielly

Division Director Legal State Director

	Aye	Vote Nay	Pass
Fehrman	x	_____	_____
Huber	x	_____	_____
Maher	absent	_____	_____
Putney	x	_____	_____
Rielly	x	_____	_____
Rose	x	_____	_____
Yanney	x	_____	_____

MV-2017-54

Director Lowe for Melissa Spiegel, Motor Vehicle Division; this particular rule package affects chapter 425 of our rules and subsequently provides rules that cover a special dealer plate that maybe used for hauling or towing for the display or sale of motor vehicles at additional places; this includes the ability for dealers to now display and sell their vehicles at the state fair, if that's in their community according to their franchising agreements. Some clarification on what it means to be in the business of selling motor vehicles and a conformance with statutory changes regarding the minimum bond amount that is required for motor vehicle dealer.

The public comment period for these rules ended on January 9, 2018. We did not receive any comments or requests for oral presentations. We recommend the Commission approve this rule amendment as presented this morning.

Commissioner Rose made a motion to approve the rule amendment. Commissioner Rielly seconded the motion. Commissioner Maher, absent; remaining Commissioners voted aye.

ATTACHMENT

Commission Order: Administrative Rules – 761 IAC 425

The proposed amendments to 761 IAC 425 include:

Special dealer plates

The proposed amendments to 761 IAC 425.70(3) incorporate statutory changes made to Iowa Code 321.57 and 321.60, which relate to a motor vehicle dealer operating a vehicle owned by the dealer for private or business purposes without registering the vehicle if the vehicle is in the dealer's inventory and is continuously offered for retail sale. The vehicle must display a special dealer plate. The proposed amendments also provide that an unregistered vehicle in the dealer's inventory may be used to haul a load or tow a trailer if the vehicle displays a special haul or tow dealer plate.

Motor vehicle sales at additional places other than dealership

The proposed amendments to 761 IAC 425.26, 425.31, and 425.62(2) incorporate statutory changes made to Iowa Code 322.5(2), which specifies additional places where a motor vehicle dealer may display, offer for sale, or negotiate sales for new motor vehicles. Currently, a dealer with a temporary permit can display, but not offer to sell or negotiate the sale of motor vehicles at fairs, vehicle shows, and vehicle exhibitions anywhere in the state and can display, offer for sale, and negotiate the sale of motor vehicles at fair events, vehicle shows, and vehicle exhibitions within the dealer's "community" as defined in Iowa Code 322A.1. The definition of "community" means the dealer's area of responsibility as defined in its franchise agreement with the manufacturer. "Fair events" as defined in the rule did not include the state fair. The proposed amendments add the existing definition of "community" from Iowa Code 322A.1 in order to provide clarity as to where a dealer may offer vehicles for sale at an additional place other than its dealership, as well as adding the state fair to the list of events for which a temporary permit may be issued to either display or sell vehicles as provided for in the rules.

Advertising as "engaged in the business" of selling motor vehicles

The proposed amendment to 761 IAC 425.3 updates the definition of "engaged in this state in the business" to also include the advertising of being engaged in the business of "acquiring, selling, exchanging, holding, offering, displaying, brokering, accepting on consignment, conducting a retail auction, or acting as an agent for the purpose of doing any of those acts." This change aligns with the statutory change made to Iowa Code 322.2, and is important because advertising those acts was not previously included in the definition and because persons who are engaged in the business of selling motor vehicles are required to obtain and maintain a motor vehicle dealer's license to do so.

Dealer surety bond amount

The proposed amendment to 761 IAC 425.10(2) increases the minimum surety bond required for a motor vehicle dealer's license from \$50,000 to \$75,000 in compliance with the statutory change made to Iowa Code 322.4.

Chapter 425

ITEM 1. Amend subrule 425.1(2) as follows:

425.1(2) The office of vehicle and motor carrier services administers this chapter. The mailing address is: Office of Vehicle and Motor Carrier Services, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278.

a. Applications required by the chapter shall be submitted to the office of vehicle and motor carrier services.

b. Information about dealer plates and the licensing of motor vehicles and travel trailer dealers, manufacturers, distributors and wholesalers is available from the office of vehicle and motor carrier services or on the department's ~~Web site~~ website at ~~<http://www.iowadot.gov/mvd>~~ www.iowadot.gov.

ITEM 2. Amend rule ~~761—425.3(322)~~, definition of “Engage in this state in the business,” as follows:

“*Engage in this state in the business*” or similar wording means doing any of the following acts for the purpose of selling motor vehicles or travel trailers at retail: to acquire, sell, exchange, hold, offer, display, broker, accept on consignment or conduct a retail auction, advertise as being engaged in any of those acts, or to act as an agent for the purpose of doing any of ~~these~~ those acts. A person selling at retail more than six motor vehicles or six travel trailers during a 12-month period may be presumed to be engaged in the business. See rule 761—425.20(322) for provisions regarding fleet sales and retail auction sales.

ITEM 3. Amend subrule 425.10(1) as follows:

425.10(1) *Application ~~forms~~ form*. To apply for a license as a motor vehicle or travel trailer dealer, the applicant shall complete an application on ~~forms~~ a form prescribed by the department.

ITEM 4. Amend subrule 425.10(2) as follows:

425.10(2) *Surety bond*.

a. The applicant shall obtain a surety bond in the following amounts and file the original with the office of vehicle and motor carrier services:

(1) For a motor vehicle dealer's license, ~~\$50,000~~ \$75,000.

(2) No change.

b. The surety bond shall provide for notice to the office of vehicle and motor carrier services at least 30 days before cancellation.

c. The office of vehicle and motor carrier services shall notify the bonding company of any conviction of the dealer for a violation of ~~dealer~~ laws related to the operations of the dealership.

d. If the bond is canceled, the office of vehicle and motor carrier services shall notify

the dealer by first-class mail that the dealer's license shall be revoked on the same date that the bond is canceled unless the bond is reinstated or a new bond is filed.

e. If an applicant whose dealer's license was revoked pursuant to paragraph "d" establishes that the applicant obtained a reinstated or new bond meeting the requirements of subrule 425.10(2) that was effective on or before the date of cancellation, but due to mistake or inadvertence failed to file the original bond with the office of vehicle and motor carrier services, the applicant may file the original of the reinstated or new bond. Upon filing, the department will rescind the revocation of the dealer's license.

ITEM 5. Amend paragraph **425.10(3)"a"** as follows:

a. An applicant who intends to sell new motor vehicles or travel trailers shall submit to the office of vehicle and motor carrier services a copy of a signed franchise agreement with the manufacturer or distributor of each make the applicant intends to sell.

ITEM 6. Amend subrule 425.10(6) as follows:

425.10(6) Zoning. The applicant shall provide to the office of vehicle and motor carrier services written evidence, issued by the office responsible for the enforcement of zoning ordinances in the city or county where the applicant's business is located, which states that the applicant's principal place of business and any extensions comply with all applicable zoning provisions or are a legal nonconforming use.

ITEM 7. Amend rule 761—425.18(322) as follows:

761—425.18(322) Supplemental statement of changes. A motor vehicle dealer shall file a written statement with the office of vehicle and motor carrier services at least ten days before any change of name, location, hours, or method or plan of doing business. A license is not valid until the changes listed in the statement have been approved by the office of vehicle and motor carrier services.

This rule is intended to implement Iowa Code sections 322.1 to 322.15.

ITEM 8. Amend rule 761—425.26(322) as follows:

761—425.26(322) Fairs State fair, fairs, shows and exhibitions.

425.26(1) Definitions. As used in this rule:

"Community" means an area of responsibility as defined in Iowa Code section 322A.1.

"Display" means having new motor vehicles or new travel trailers available for public viewing at fairs, vehicle shows or vehicle exhibitions. The dealer may also post, display or provide product information through literature or other descriptive media. However, the product information shall not include prices, except for the manufacturer's sticker price. "Display" does not mean offering new vehicles for sale or negotiating sales of new

vehicles.

“Fair” means a county fair or a scheduled gathering for a predetermined period of time at a specific location for the exhibition, display or sale of various wares, products, equipment, produce or livestock, but not solely new vehicles, and sponsored by a person other than a single dealer.

“Offer” new vehicles “for sale,” “negotiate sales” of new vehicles, or similar wording, means doing any of the following at the state fair or a fair, vehicle show or vehicle exhibition: posting prices in addition to the manufacturer’s sticker price, discussing prices or trade-ins, arranging for payments or financing, and initiating contracts.

“State fair” means the fair as discussed in Iowa Code chapter 173.

“Vehicle exhibition” means a scheduled event conducted at a specific location where various types, makes or models of new vehicles are displayed either at the same time or consecutively in time, and sponsored by a person other than a single dealer.

“Vehicle show” means a scheduled event conducted for a predetermined period of time at a specific location for the purpose of displaying at the same time various types, makes or models of new vehicles, which may be in conjunction with other events or displays, and sponsored by a person other than a single dealer.

425.26(2) *Permits for ~~motor vehicle~~ dealers of new motor vehicles.*

a. A “display only” fair, vehicle show or vehicle exhibition permit allows a motor vehicle dealer to display new motor vehicles at a specified fair, vehicle show or vehicle exhibition in any Iowa county. The permit is valid on Sundays.

b. A “full” fair, state fair, vehicle show or vehicle exhibition permit allows a motor vehicle dealer to display and offer new motor vehicles for sale and negotiate sales of new motor vehicles at the state fair, or a specified fair, vehicle show or vehicle exhibition that is held ~~in the same county as~~ within the motor vehicle dealer’s ~~principal place of business community~~. EXCEPTION: A motor vehicle dealer who is licensed to sell motor homes may be issued a permit to offer for sale Class “A” and Class “C” motor homes at a specified fair, vehicle show or vehicle exhibition in any Iowa county. A “full” fair, show or exhibition permit is not valid on Sundays.

c. The following restrictions are applicable to both types of permits:

(1) Permits will be issued to motor vehicle dealers only for the state fair, fairs, vehicle shows or vehicle exhibitions where more than one motor vehicle dealer may participate.

(2) No change.

425.26(3) Reserved.

425.26(4) *Permits for ~~travel trailer~~ dealers of new travel trailers.* A fair, vehicle show or vehicle exhibition permit allows a travel trailer dealer to display and offer new travel trailers for sale and negotiate sales of new travel trailers at a specified fair, vehicle show, or vehicle exhibition in any Iowa county.

a. to c. No change.

425.26(5) *Permit application.* A motor vehicle or travel trailer dealer shall apply for a

~~fair, show or exhibition~~ permit on an application form prescribed by the department. The application shall include the dealer's name, address and license number and the following information about the ~~fair, show or exhibition~~ event: name, location, sponsor(s) and duration, including the opening and closing dates.

425.26(6) *Display of permit.* The motor vehicle or travel trailer dealer shall display the permit ~~at the fair, show or exhibition~~ in close proximity to the vehicles being exhibited.

~~**425.26(7) *Variance.*** Rescinded IAB 11/7/07, effective 12/12/07.~~

~~**425.26(8) *Display without permit.*** Rescinded IAB 7/10/02, effective 8/14/02.~~

This rule is intended to implement Iowa Code ~~subsections~~ sections 322.5(2) and 322C.3(9).

ITEM 9. Amend rule 761—425.31(322) as follows:

761—425.31(322) Firefighting and rescue show permit.

425.31(1) Application for a firefighting and rescue show permit shall be made on a form prescribed by the department. The application shall include the name, address and license number of the applicant, the type of vehicles being displayed, and the following information about the vehicle show or vehicle exhibition: name, location, sponsor(s), and duration, including the opening and closing dates.

425.31(2) No change.

425.31(3) The permit holder shall display the permit in a prominent place at the location of the vehicle show or vehicle exhibition.

This rule is intended to implement Iowa Code ~~subsection~~ section 322.5(5).

ITEM 10. Amend subrule 425.50(2) as follows:

425.50(2) *Licensing requirements.*

~~*a.*~~ Rescinded IAB 11/3/99, effective 12/8/99.

~~*b.*~~ *a.* New motor homes delivered to Iowa dealers must contain the systems and meet the standards specified in Iowa Code ~~paragraph~~ section 321.1(36C) "*d.*"

~~*e.*~~ *b.* A licensee shall ensure that any new retail outlet is properly licensed as a dealer before any vehicles are delivered to the outlet.

~~*d.*~~ *c.* A licensee shall notify the office of vehicle and motor carrier services in writing at least ten days prior to any:

(1) and (2) No change.

~~(3)~~ Rescinded IAB 11/3/99, effective 12/8/99.

~~(4)~~ (3) Change in the trade name of a travel trailer manufactured for delivery in this state.

~~*e.*~~ *d.* A licensee shall notify the office of vehicle and motor carrier services in writing at least ten days before any new make of vehicle is offered for sale at retail in this state.

ITEM 11. Amend subrule 425.62(2) as follows:

425.62(2) The department may deny a dealer's application for the state fair or a fair, vehicle show or vehicle exhibition permit for a period not to exceed six months if the dealer fails to comply with the applicable provisions of rule 761—425.26(322) or Iowa Code ~~subsection~~ section 322.5(2) or 322C.3(9).

ITEM 12. Amend subrule 425.62(4) as follows:

425.62(4) The department shall send notice by certified mail to a person whose certificate, license or permit is to be revoked, suspended, canceled or denied. The notice shall be mailed to the person's mailing address as shown on departmental records or, if the person is currently licensed, to the principal place of business, and shall become effective 20 days from the date mailed. A person who is aggrieved by a decision of the department and who is entitled to a hearing may contest the decision in accordance with 761—Chapter 13. The request shall be submitted in writing to the director of the office of vehicle and motor carrier services at the address in subrule 425.1(2). The request shall be deemed timely submitted if it is delivered or postmarked on or before the effective date specified in the notice of revocation, suspension, cancellation or denial.

ITEM 13. Amend subrule 425.70(3) as follows:

425.70(3) *Use of dealer plates.*

a. No change.

~~*b.* Motor vehicles used by dealers, manufacturers or distributors to transport other vehicles shall be registered, except when being transported from the place of manufacturing, assembling or distribution to a dealer's place of business.~~

~~*c.*~~ *b.* Saddle-mounted vehicles being transported shall display dealer plates.

~~*d.*~~ *c.* Dealer plates may be displayed on a trailer carrying a load, provided the ~~truck or truck tractor~~ motor vehicle towing the trailer is properly registered under Iowa Code section 321.109, 321.120, or 321.122, except as provided or is displaying a dealer plate described in paragraph 425.70(3) "e," or a demonstration permit has been issued as described in rule 761—425.72(321).

~~*e.*~~ *d.* Dealer plates may be used by a dealer licensed as a wholesaler for a new motor vehicle model when operating a new motor vehicle of that model if the motor vehicle is owned by the wholesaler and is operated solely for the purpose of demonstration, show or exhibition.

e. A dealer plate issued under Iowa Code section 321.60 for the purpose of hauling a load or towing a trailer shall be marked "HAUL & TOW." Dealer "HAUL & TOW" plates may only be displayed on vehicles in the dealer's inventory that are continuously offered for sale at retail.

ITEM 14. Adopt the following **new** subrule 425.72(6):

425.72(6) A dealer plate issued under Iowa Code section 321.60 for the purpose of hauling a load or towing a trailer may be used in lieu of a demonstration permit.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Motor Vehicle Division,
Division/Bureau/Office Office of Vehicle & Motor Carrier Services Order No. MV-2018-55
Submitted by Melissa Spiegel Phone No. 515-237-3010 Meeting Date February 13, 2018
Title Administrative Rule – 761 IAC 540, Transportation Network Companies

DISCUSSION/BACKGROUND:

The proposed amendment aligns with 2017 Iowa Acts, Senate File 516, section 25, which amended Iowa Code 321N.4(6) implementing a technical correction removing insurers governed by Iowa Code 518 from the list of carriers authorized to provide insurance to transportation network companies. A reference to insurers governed by Iowa Code 518 is currently included in 761 IAC 540.4(3)“a,” and the proposed amendment strikes this reference in compliance with the statutory change.

The public comment period ended February 6, 2018. The department did not receive any comments or requests for oral presentations.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve the attached rule amendment.

COMMISSION ACTION:

Moved by Kathleen Fehrman Seconded by David Rose

	Aye	Vote Nay	Pass
Fehrman	<u>x</u>	_____	_____
Huber	<u>x</u>	_____	_____
Maher	<u>absent</u>	_____	_____
Putney	<u>x</u>	_____	_____
Rielly	<u>x</u>	_____	_____
Rose	<u>x</u>	_____	_____
Yanney	<u>x</u>	_____	_____

Division Director Legal State Director

MV-2017-55

Director Lowe for Melissa Spiegel, Motor Vehicle Division; this is in regard to chapter 540 of our administrative rules regarding transportation network companies, which in more common terms, are companies like Uber or Lyft. This is a simple change regarding the carriers that are authorized to provide insurance to a transportation network company.

In this particular set, the comment period ended February 6th of this year. We did not receive any comments or requests for oral presentations. It is recommended the commission approve the rules as presented.

Commissioner Fehrman made a motion to approve the rule amendment. Commissioner Rielly seconded the motion. Commissioner Maher, absent; remaining Commissioners voted aye.

Chapter 540

Amend paragraph **540.4(3)“a”** as follows:

a. Proof of compliance with the financial responsibility requirements of Iowa Code section 321N.4. Proof of compliance shall be submitted by providing a valid certificate of coverage from an insurer governed by Iowa Code chapter 515 ~~or 518~~, or by a surplus lines insurer governed by Iowa Code chapter 515I. The certificate of coverage shall demonstrate coverage in the amounts and circumstances required by Iowa Code section 321N.4, and shall certify that if insurance maintained by a transportation network company driver under Iowa Code chapter 321N lapses or does not provide coverage in the amounts or types required by Iowa Code section 321N.4, subsection 2 or 3, the insurance certified in the certificate of coverage shall provide coverage in the amounts and types required by Iowa Code section 321N.4, subsection 2 or 3, beginning with the first dollar of the claim, and the insurer providing such coverage shall defend the claim. The certificate of coverage shall also certify that the coverage therein is not dependent on the insurer of a transportation network company driver’s personal vehicle first denying a claim, and does not require the insurer of a personal automobile insurance policy to first deny a claim to trigger coverage and defense under the coverage certified.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Planning, Programming and Modal Division
Office of Public Transit Order No. PPM-2018-56
 Submitted by Stuart Anderson Phone No. 515-239-1661 Meeting Date February 13, 2018
 Title Administrative Rules – 761 IAC 910, 911, 922, and 923

DISCUSSION/BACKGROUND:

The department is proposing rule amendments to four transit chapters and the following briefly summarizes the major changes.

761 IAC 910, Coordination of Public Transit Services

- Change how often the Statewide Transportation Coordination Advisory Council must meet from monthly to quarterly to give greater flexibility to meet when needed, rather than meeting monthly without a full agenda.

761 IAC 911, School Transportation Services Provided by Regional Transit Systems

- Changes to this chapter were made in consultation with the Iowa Department of Education staff.
- The changes align with either the Federal Transit Administration and/or the Iowa Department of Education on pre-employment alcohol testing, driver instruction courses, and required physical examinations.
- Spells out inspection requirements for vehicles purchased from another Iowa public transit system.
- Adds the option of using a mobile data terminal in a vehicle to communicate for dispatch purposes and lists inspection requirements for onboard fire extinguishers and flashlights.
- Requires drivers to stop at all railroad crossings and to walk through the bus as part of the post-trip inspection to check for sleeping and hiding children.

761 IAC 922, Federal Transit Assistance

- Updates who is designated by the governor to administer these federal programs. The department is responsible for the administration of these transit programs. The Iowa Transportation Commission’s role is to award funds from these programs when they are not allocated by formula.

761 IAC 923, Capital Match Revolving Loan Fund

- Includes state-funded capital projects in addition to federally funded capital projects.
- Removes language concerning use of a centralized accounting system and having one person responsible for managing assets, operations, and funding of the system. Adds language to require compliance with applicable state and federal laws and regulations and the required length of time to keep documentation.
- Changes the approval decisions from the Iowa Transportation Commission to the department to allow for expediency in providing loans as requests are submitted. Loan requests may be submitted annually or at any time a specific need arises.

The public comment period ended on January 23, 2018, and the department did not receive any comments or requests for oral presentations.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended the Commission approve the attached rule amendments.

COMMISSION ACTION:

Moved by Kathleen Fehrman Seconded by Tom Rielly

	Aye	Vote Nay	Pass
Fehrman	x	_____	_____
Huber	x	_____	_____
Maher	absent	_____	_____
Putney	x	_____	_____
Rielly	x	_____	_____
Rose	x	_____	_____
Yanney	x	_____	_____

Division Director Legal State Director

PPM-2018-56

Stuart Anderson, Planning, Programming and Modal Division; As discussed at the workshop this morning, we are proposing rule amendments to four transit related chapters. Chapter 910, Coordination of Public Transit Services; Chapter 911, School Transportation Services Provided by Regional Transit Systems; Chapter 922, Federal Transit Assistance; and Chapter 923, Capital Match Revolving Loan Fund.

The public comment period for rural proposals ended on January 23rd. We did not receive any comments or requests for presentations. Therefore, it is recommended the Commission approve the amendments as attached to the Commission Order.

Commissioner Fehrman made a motion to approve the rule amendments as attached. Commissioner Rielly seconded the motion. Commissioner Maher, absent; remaining Commissioners voted aye.

Proposed rule amendments for Chapters 910, 911, 922 and 923

Chapter 910

ITEM 1. Amend rule ~~761—910.1(324A)~~, definitions of “Department,” “Incidental transportation” and “Public transit service,” as follows:

“*Department*” means the state department of transportation. The ~~department’s~~ office of public ~~transportation of the air and transit division of the department~~ transit administers Iowa Code chapter 324A.

“*Incidental transportation*” means ~~transportation provided by an agency or entity when the driver must provide supervision, educational assistance or other support enroute and at the origin or destination. Transportation used merely to access other services is not incidental~~ the provision of transit rides when existing public transportation services cannot meet demand. Allowable charter service and meal deliveries are examples of incidental transportation.

“*Public transit service*” means any publicly funded passenger transportation for the general public or for specific client groups not including exclusive public school transportation, emergency transportation or incidental transportation or transportation provided by the state department of human services or state department of corrections on the grounds of the following institutions:

~~State juvenile home, Toledo;~~

State training school, Eldora;

Cherokee mental health institute;

~~Clarinda mental health institute;~~

Independence mental health institute;

~~Mount Pleasant mental health institute;~~

Glenwood state hospital-school;

Woodward state hospital-school;

Iowa veterans home, Marshalltown;

Iowa state penitentiary, Fort Madison;

~~Iowa state men’s reformatory, Anamosa~~ state penitentiary, Anamosa;

Iowa correctional institution for women, Mitchellville;

~~Medium security unit, Mount Pleasant~~ correctional facility, Mount Pleasant;

~~Riverview release center, Newton~~ correctional facility, Newton;

Iowa medical and classification center, ~~Oakdale~~ Coralville;

North central correctional facility, Rockwell City;

Fort Dodge correctional facility, Fort Dodge;

~~Correctional treatment unit, Clarinda~~ correctional facility, Clarinda.

ITEM 2. Rescind the definition of “Public transit system” in rule ~~761—910.1(324A)~~.

ITEM 3. Amend rule ~~761—910.2(17A)~~ as follows:

761—910.2(17A) Information and location. ~~Requests for forms~~ Forms or information about the coordination of public transit services ~~shall be addressed to:~~ are available from the Office of Public Transportation, ~~Air and Transit Division~~ Transit, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)233-7870 or on the department's website at www.iowadot.gov.

This rule is intended to implement Iowa Code section 17A.3.

ITEM 4. Amend paragraph **910.3(2)“c”** as follows:

c. Staff. Staff support for council activities shall be provided by the ~~department's office of public transportation~~ department.

ITEM 5. Amend paragraph **910.3(2)“d”** as follows:

d. Meetings. Meetings shall be held at least once each ~~month~~ quarter and may be held more frequently if necessary to enable the council to expeditiously discharge its duties.

ITEM 6. Amend paragraph **910.3(3)“d”** as follows:

d. Advise and make recommendations to the ~~department's office of public transportation~~ department concerning public transportation policy.

ITEM 7. Amend paragraph **910.4(4)“b”** as follows:

b. Forms submitted directly to the department by its recipients or by providers not receiving state or state-administered funds shall be reviewed for completeness by the office of public ~~transportation~~ transit within 10 working days.

ITEM 8. Amend paragraph **910.5(2)“b”** as follows:

b. Operates all services open to the public under contract with and under control of a designated transit system, or

ITEM 9. Amend subrule 910.7(1) as follows:

910.7(1) If the department of human services purchases services from the noncompliant provider, the ~~department's office of public transportation~~ transit shall notify the department of human services of the noncompliant finding.

ITEM 10. Amend subrule 910.7(2) as follows:

910.7(2) If the noncompliant provider is a recipient of public funds from other than the department of human services, the ~~department's office of public transportation~~ department shall notify the proper authority as required in Iowa Code ~~subsection 324A.5(3)~~ section 324A.5.

ITEM 11. Amend rule 761—910.8(17A,324A) as follows:

761—910.8(17A,324A) Revocation.

910.8(1) If certification is revoked, the ~~air and transit division~~ department shall send a written notice of revocation to the provider.

910.8(2) The affected public transit system, the provider and the ~~air and transit division~~ department shall meet within 10 days after the date of the revocation notice to determine an acceptable amendment of the transportation services. The amendments which are agreed upon shall become effective within 60 days. The contract between the provider and the affected public transit system shall be amended, if necessary, to agree with the service changes.

910.8(3) If the transportation services are not ~~timely~~ amended in a timely manner, the ~~air and transit division~~ department shall initiate actions as required in Iowa Code ~~subsection 324A.5(3)~~ section 324A.5(2).

This rule is intended to implement Iowa Code ~~sections 17A.18 and~~ section 324A.5.

Chapter 911

ITEM 1. Amend subrule 911.1(2) as follows:

911.1(2) Information. Information and forms may be obtained from the Office of Public Transit, Iowa Department of Transportation, Office of Public Transit, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)239-1875(515)233-7870; or the department's website at www.iowadot.gov.

ITEM 2. Amend rule ~~761—911.2(321,324A)~~, definitions of “Automobile,” “Multipurpose vehicle,” “Regional transit system” and “Student,” as follows:

“*Automobile*” means ~~a motor vehicle, except a motorcycle or motorized bicycle, designed primarily to carry nine persons or less, the same~~ as defined in Iowa Code section 321.1.

“*Multipurpose vehicle*” means ~~a motor vehicle designed to carry not more than ten persons, and constructed either on a truck chassis or with special features for occasional off-road operation, the same~~ as defined in Iowa Code section 321.1.

“*Regional transit system*” means ~~a regional transit system designated under the same as defined in~~ Iowa Code section 324A.1 ~~and all subcontracted providers to the designated regional transit system. It does not mean an urban transit system designated under that section.~~

“*Student*” means a person attending a public or nonpublic school, grades prekindergarten through high school, including a Head Start participant.

ITEM 3. Adopt the following new definition of “Public transit system” in rule ~~761—911.2(321,324A)~~:

“*Public transit system*” means the same as defined in Iowa Code section 324A.1.

ITEM 4. Amend rule 761—911.5(321) as follows:

761—911.5(321) Adoption of federal regulations.

911.5(1) Code of Federal Regulations. The department of transportation adopts the following portions of the October 1, ~~2006~~ 2017, Code of Federal Regulations, which are referenced throughout this chapter:

a. 49 CFR Part 38, Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.

b. 49 CFR Part 571, Federal Motor Vehicle Safety Standards.

c. 49 CFR Part 655, Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations.

911.5(2) Obtaining copies of regulations. Copies of these regulations are available from the state law library or ~~through the Internet at <http://www.dot.gov>~~ online through the U.S. Government Publishing Office at www.ecfr.gov.

ITEM 5. Amend subrule 911.6(1) as follows:

911.6(1) FTA drug and alcohol testing. Each driver is subject to the following testing for drug and alcohol usage as ~~required~~ detailed by the Federal Transit Administration in 49 CFR Part 655, including:

a. Preemployment testing.

b. Reasonable suspicion testing.

c. Postaccident testing.

d. Random testing.

e. Return to duty testing.

f. Follow-up testing.

ITEM 6. Amend subrule 911.6(2) as follows:

911.6(2) Training. Each new driver must, before or within the first six months of assignment and at least every ~~12~~ 24 months thereafter, complete a course of instruction approved by the department of education, in accordance with Iowa Code section 321.376.

ITEM 7. Amend subrule 911.6(5) as follows:

911.6(5) Driver licensing. Each driver must be licensed appropriately for the size and type of vehicle used as provided in Iowa Code section 321.189. A Class A, B or C commercial driver's license with passenger endorsement may be required. A driver may operate the vehicle for purposes of training if the driver has the appropriate commercial learner's permit as defined in 761—Chapter 607, and the restrictions in rule 761—607.20(321) shall apply. If a commercial driver's license is not required, a Class D (chauffeur) license with passenger endorsement is required.

ITEM 8. Adopt the following **new** subrule 911.6(7):

911.6(7) Physical fitness. Each driver who transports students must undergo a physical examination by a certified medical examiner who is listed on the National Registry of Certified Medical Examiners in accordance with Iowa Code section 321.375(1)“d” and with department of education rule 281—43.15(285) or 281—43.17(285). Annually, the driver must submit the signed medical examiner’s certificate to the driver’s employer.

ITEM 9. Amend subparagraph **911.7(1)“b”(1)** as follows:

(1)Standard No. 217, Bus Emergency Exits and Window Retention and Release. Buses ~~purchased after January 1, 2000,~~ utilized for school transportation shall incorporate a rear emergency exit door in meeting this standard.

ITEM 10. Amend paragraph **911.7(2)“f”** as follows:

f. Standard No. 225, Child Restraint ~~Anchoring~~ Anchorage Systems.

ITEM 11. Adopt the following **new** subrule 911.7(6):

911.7(6) Transfer to another public transit system. When a public transit system purchases a used vehicle from another public transit system, the previous owner’s department of education’s bus inspections stickers must be removed. If the purchasing public transit system plans to use the vehicle for school transportation service, a new inspection must be performed on the vehicle.

ITEM 12. Amend subrule 911.8(2) as follows:

911.8(2) Daily pretrip vehicle inspections. Drivers of these vehicles must perform daily pretrip vehicle inspections using a form prescribed by the department of ~~transportation~~. Regional transit systems must retain daily pretrip vehicle inspection reports and documentation of follow-up maintenance for one year.

ITEM 13. Amend subrule 911.8(3) as follows:

911.8(3) Annual vehicle inspection. Maintenance personnel must annually inspect each vehicle ~~using a form prescribed by the department of transportation~~. Regional transit systems must retain annual vehicle inspection forms records for one year.

ITEM 14. Amend rule 761—911.9(321) as follows:

761—911.9(321) Safety equipment. Regional transit system vehicles assigned to provide school transportation service must carry the following safety equipment:

911.9(1) Communication equipment. Each vehicle must be equipped with a two-way radio, ~~or~~ cellular telephone, or mobile data terminal tablet capable of emergency communication between the vehicle and the regional transit system’s base of operations.

911.9(2) No change.

911.9(3) *Fire extinguisher.* Each bus or school bus must be equipped with a minimum 5-pound capacity, dry chemical fire extinguisher. Each automobile and multipurpose vehicle must be equipped with an extinguisher of at least 2.5-pound capacity. Extinguishers must have a 2A-10BC rating. All fire extinguishers shall be inspected and maintained in accordance with the National Fire Protection Association requirements. The standards for portable extinguishers are available online from the National Fire Protection Association at www.nfpa.org.

911.9(4) *Seatbelt web cutter.* A seatbelt web cutter must be mounted or placed within reach of the driver.

911.9(5) *Roadside reflective triangles.* Each vehicle must be equipped with roadside reflective triangles for use in case of breakdown or emergency.

911.9(6) *Flashlight.* Each vehicle must be equipped with an operable flashlight or each driver must be assigned an operable flashlight to be in the vehicle at all times of operation.

911.9(7) *Reflective vest.* Each vehicle must be equipped with a reflective vest or each driver must be assigned a reflective vest that must be in the vehicle at all times of operation. Individual regional transit systems are to establish a policy for when the reflective vests must be worn.

ITEM 15. Amend subrule 911.10(4) as follows:

911.10(4) *Stops at rail crossings.* Every driver must make a complete stop before ~~crossing~~ driving across the tracks of any railroad crossing, in accordance with Iowa Code section 321.343. ~~In the case of a bus or school bus, the driver must open the service entrance door, look and listen for approaching trains and proceed to cross the tracks only when the driver can do so safely. No stop is needed where the crossing is posted with an exempt sign.~~

ITEM 16. Amend subrule 911.10(8) as follows:

911.10(8) *Posttrip inspection.* After each trip that had students on board, the driver must perform a posttrip inspection of the interior of the vehicle ~~used to transport the students.~~ The posttrip inspection must include a walk-through to the back of the vehicle to ensure that no sleeping or hiding children are left behind.

ITEM 17. Amend **761—Chapter 911**, implementation sentence, as follows:

These rules are intended to implement Iowa Code sections 321.1, 321.189, 321.343, 321.375, 321.376, 321.377 and 324A.1.

Chapter 922

Amend rule 761—922.1(324A) as follows:

761—922.1(324A) Projects for nonurbanized areas and private nonprofit transportation providers.

922.1(1) General information.

~~a.~~ Section 18 of the Federal Transit Act established a program of federal financial assistance for support of public transportation projects in areas outside urbanized areas of 50,000 or more population as defined by the U.S. Census Bureau.

~~b.~~ a. Section 16 of the same Act 5310 of Title 49 United States Code established the enhanced mobility of seniors and individuals with disabilities program, a program of federal financial assistance for support of capital acquisitions for private nonprofit providers of specialized transportation services for elderly seniors and handicapped persons with disabilities.

b. Section 5311 of Title 49 United States Code established the formula grants for rural areas program, a program of federal financial assistance for support of public transportation in rural areas with populations of less than 50,000, as defined by the U.S. Census Bureau.

c. Section 5339 of Title 49 United States Code established the bus and bus facilities program, a program of federal financial assistance for support of capital acquisitions for public transportation providers.

~~e.~~ d. As required by the Federal Transit Act Title 49 United States Code, the Iowa ~~transportation commission~~ department has been designated by the governor to administer ~~both these programs~~ within Iowa, subject to review by the Federal Transit Administration (FTA).

922.1(2) State management plan.

a. Sections ~~16 and 18~~ 5310, 5311 and 5339 of Title 49 United States Code federal transit assistance programs within Iowa shall be administered according to “~~Iowa’s~~ the “Iowa State Management Plan for the Section 16 and 18 FTA Programs Administration of Funding and Grants Under the Federal Transit Administration, Sections 5310, 5311, 5316, 5317 and 5339 Programs,” dated ~~July 1, 1993~~ March 2017, which has been prepared by the department and approved by the Federal Transit Administration in conformance with FTA Circulars ~~9040 and 9070.1C~~ 5100.1, 9040.1G and 9070.1G.

b. Copies of the state management plan are available ~~upon request from the Air and Transit Division~~ the Office of Public Transit, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)233-7870; or the department’s website at www.iowadot.gov.

This rule is intended to implement Iowa Code chapter 324A.

Chapter 923

ITEM 1. Amend rule 761—923.1(71GA,ch265) as follows:

761—923.1(71GA,ch265) General information.

923.1(1) *Scope of chapter.* The general assembly appropriated money from the petroleum overcharge fund to the department to be used as a revolving loan fund for transit capital purchases by public transit systems. The revolving loan fund will enable public transit systems to obtain the matching funds required to qualify for capital purchases under state or federally funded projects. The fund will provide multiyear interest-free loans to public transit systems to allow faster capital acquisitions. Loan recipients shall be required to demonstrate ability to repay the loan from budgeted funds or revenues.

923.1(2) *Information.* ~~Information, requests~~ Requests for information about and for assistance ~~, and answers to questions about~~ with the preparation and submission of loan requests ~~may be obtained by contacting:~~ should be directed to the Office of Public Transportation, Air and Transit Division Transit, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)233-7870. Information is also available on the department's website at www.iowadot.gov.

ITEM 2. Amend rule 761—923.2(71GA,ch265) as follows:

761—923.2(71GA,ch265) Definitions. ~~The definitions in rule 761—920.3(324A), Iowa Administrative Code, for “department,” “public transit system,” and “project” shall also apply to this chapter.~~

“Department” means the Iowa department of transportation.

“Project” means a concerted set of actions that will develop, maintain or improve one or more elements of the public transit system’s service.

“Public transit system” means the same as defined in Iowa Code section 324A.1.

ITEM 3. Amend rule 761—923.3(71GA,ch265) as follows:

761—923.3(71GA,ch265) System eligibility. A public transit system is eligible to request a capital assistance loan from the revolving loan fund ~~if it~~ provided that the public transit system complies with all of the following criteria:

923.3(1) ~~It uses a centralized accounting system that maintains primary documentation for all revenue and expenses~~ The transit system abides by all applicable state and federal laws and regulations.

923.3(2) ~~One person is responsible for managing the assets, operations, and funding of the system~~ The transit system maintains primary documentation for all revenues and expenses for a period of at least three years.

923.3(3) ~~It~~ The transit system maintains ~~its~~ the system’s policies, routes, schedules, fare

structure, and budget in a manner that encourages public review, responsiveness to user concerns, energy conservation, and fiscal solvency.

ITEM 4. Amend rule 761—923.4(71GA,ch265) as follows:

761—923.4(71GA,ch265) Project eligibility.

923.4(1) A project is eligible if it meets all of the following criteria:

a. ~~¶~~ The project is a transit-related project for a capital purchase, e.g., new or replacement vehicles, facilities, or both.

~~*b.* It qualifies for federal funding approval which includes meeting the federal spare vehicle ratio requirement.~~

~~*c.* ¶~~ The project meets an identifiable transit need that has been included in the public transit system's planning or programming document.

~~*d.* ¶~~ The project is part of a statewide program of transit projects which has been adopted by the transportation commission.

~~*e.* ¶~~ The project meets an identifiable transit need that has been included in the public transit system's planning or programming document.

923.4(2) A project to purchase vans for a vanpool, as defined in Iowa Code ~~subsection 325.1(9)~~ section 325A.12, may be submitted by an individual or a group through the appropriate public transit system. A vanpool project is eligible for an interest-free loan from the revolving loan fund only after funds for all other projects have been allocated.

ITEM 5. Amend rule 761—923.5(71GA,ch265) as follows:

761—923.5(71GA,ch265) Procedure.

923.5(1) ~~*Federal funding*~~ Funding request. The public transit system shall submit ~~an a~~ a funding application for ~~federal funding approval~~ of the proposed project to either the ~~air and transit division~~ department or to the Federal Transit Administration, as required by the type of funding requested.

923.5(2) *Loan request*. The public transit system shall normally submit a request for a revolving fund loan to the ~~air and transit division~~ department when the annual grant application is made, but may submit a request at any time if a specific need arises. The request shall include, but not be limited to, the following topics and documents:

a. to *e.* No change.

923.5(3) *Criteria for selection*. The ~~air and transit division~~ department shall review each loan request and shall evaluate the projects for funding. Based on the following criteria (~~not listed in order of preference in no particular order~~), preference shall be given to projects that:

a. to *f.* No change.

923.5(4) *Approval*. Based on available funds, the ~~air and transit division~~ department shall approve loans for projects meeting the criteria in ~~subrule 923.4(1) or shall submit recommended loan projects meeting the criteria in subrule 923.4(2) to the transportation commission for approval~~. Submission may be on an annual or an individual basis rule 761—923.4(71GA,ch265).

923.5(5) Agreement. Upon approval ~~by the transportation commission~~, the ~~air and transit division~~ department shall prepare a loan contract and send it to the public transit system for ~~signing~~. The ~~signed contract shall be returned to the air and transit division for signing by the department~~ execution.

923.5(6) Default. If a public transit system fails to make a loan payment as agreed in the contract, the ~~air and transit division~~ department may, at its option, deduct the amount of any past due loan payment ~~past due~~ from state transit assistance payments allocated to that transit system.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Planning, Programming and Modal Division Order No. PPM-2018-57
 Submitted by Stuart Anderson Phone No. 515-239-1661 Meeting Date February 13, 2018
 Title Federal-Aid Swap Policy

DISCUSSION/BACKGROUND:

Pursuant to Iowa Code 313.4(1)(c), the Commission is authorized to periodically allocate moneys from the Primary Road Fund for city and county road and bridge projects in exchange for retaining all or a portion of federal aid road funds that would otherwise be allocated to cities and counties. The Iowa Code requires this be done in consultation with stakeholders including Regional Planning Affiliations, Metropolitan Planning Organizations, the Iowa State Association of Counties, and the Iowa League of Cities.

Through extensive outreach and consultation with stakeholders, a federal-aid swap policy was developed. The policy is attached.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended the Commission approve the attached federal-aid swap policy.

COMMISSION ACTION:

Moved by David Rose Seconded by Kathleen Fehrman

	Aye	Vote Nay	Pass
Fehrman	x	_____	_____
Huber	x	_____	_____
Maher	absent	_____	_____
Putney	x	_____	_____
Rielly	x	_____	_____
Rose	x	_____	_____
Yanney	x	_____	_____

Division Director Legal State Director

PPM-2018-57

Stuart Anderson, Planning, Programming and Modal Division; Last session, the legislature passed a bill to authorize the commission to periodically and allocate money from the primary road fund for city and county road and bridge projects in exchange for retaining all or a portion of the federal aid road funds that would otherwise be allocated to those local jurisdictions. The bill further required that this process be done in consultation with stakeholders including regional planning affiliations, Metropolitan Planning Organizations, Iowa State Association of Counties, and the Iowa League of Cities.

Through extensive outreach and consultation with stakeholders, a federal-aid swap policy was developed. The draft presented at your workshop last month and provided to all those stakeholders. We did not receive any additional comments or questions. Therefore, it is recommended the Commission approve the federal-aid swap policy as attached to the Commission Order.

Commissioner Rose made a motion to approve the federal-aid swap policy as attached. Commissioner Fehrman seconded the motion. Commissioner Maher, absent; remaining Commissioners voted aye.

Federal-Aid Swap Policy

- **Planning and Programming**
 - Participation in federal-aid swap - Each Regional Planning Affiliation (RPA) and Metropolitan Planning Organization (MPO) is assumed to be a participant in the swap program unless their policy board decides otherwise. If participating in swap, all eligible projects must be swapped. In rare circumstances, an exception may be considered.
 - Federal funding will be swapped with Primary Road Funds on a dollar-for-dollar basis.
 - Funding eligible to be swapped – eligible road and bridge projects from the following federal funding programs
 - Surface Transportation Block Grant (STBG)
 - Congestion Mitigation and Air Quality Improvement (CMAQ): Projects awarded to cities and counties through the Iowa’s Clean Air Attainment Program (ICAAP)
 - Highway Safety Improvement Program (HSIP) - Secondary: County projects allocated through the HSIP – Secondary program
 - Programming
 - STBG funds are allocated based on FAST Act Implementation Policies adopted by the Commission in September 2016.
 - With the exception of dedicated county and city bridge funds, RPAs and MPOs will continue to develop a program based on their available STBG funding. Programmed road and bridge projects will be swapped with Primary Road Funds and non-road/bridge projects will move forward as federal-aid projects.
 - Dedicated city and county bridge program funds will not be programmed by RPAs or MPOs. However, they will still need to be entered into the project tracking database (TPMS).
 - The full amount of accumulated STBG balances will not be fully available to be swapped in the first year due to Primary Road Fund cash flow constraints. It is expected the full draw down of those balances can be accomplished within four years of swap implementation. Therefore, the RPA/MPO development of their program of projects should take this into account. Iowa DOT will work with each RPA and MPO during the program development process to effectively drawdown the STBG balances. **In order to do this successfully, it is critical that the projects included in the first year of the program are expected to be developed and let in that year.**
 - Match requirements
 - Unless specifically required by the grant program (see below), Iowa DOT will not require match and will reimburse funds at 100 percent up to the programmed amount.
 - For county Highway Bridge Program projects, the Iowa DOT will not require match and will reimburse funds at 100 percent up to the contract amount.
 - Match requirements for ICAAP, HSIP-Secondary, and city bridge program projects continue to apply based on program guidance.
 - Individual MPOs and RPAs can require match but Iowa DOT will not monitor those requirements.
 - System Eligibility (STBG)
 - Road projects must be on roads with a federal functional classification of Minor Collector or higher in rural areas, all Farm-to-Market routes, and Collector or

higher in urban areas. Individual MPOs and RPAs can be more restrictive with system eligibility.

- Bridge project eligibility remains the same as exists today for federal-aid bridge projects. This is to assure consistency required for meeting the Off-System Bridge Waiver verification.
 - Projects cannot already be “federalized” (e.g. any federal authorization, any environmental concurrence, any other federal action) and then swapped. Once a project is “federalized” it must continue to follow the federal-aid project development process. A project is typically not “federalized” just by having been included in a Statewide Transportation Improvement Program (STIP); however, in limited situations based on the level of federal involvement, a project could be federalized. This will be determined on a project-by-project basis as draft programs are developed.
 - Implementation date – Swap will be implemented with the Federal Fiscal Year 2019 program year that begins October 1, 2018.
- **Environmental**
 - Local public agencies participating in the Federal-Aid Swap shall continue to follow all necessary and applicable state and federal requirements, including but not limited to permitting and consultation as needed with the United States Army Corps of Engineers, United States Fish and Wildlife Service, Iowa Department of Natural Resources, Iowa Department of Cultural Affairs/State Historic Preservation Officer, Native Sovereign Tribes and Nations, and Office of the State Archaeologist. The Iowa DOT will continue to assist these local public agencies in achieving compliance or acquiring a permit, as staff and technical expertise are available.
 - Environmental and cultural resource oversight shall be verified through the local public agency providing a project development certification and all applicable documentation to ensure that identification, evaluation, avoidance, and mitigation actions have been taken.
- **Project Development/Construction**
 - All swapped projects will continue to be let through the Iowa DOT.
 - Swap funds can only be used on road and bridge construction projects.
 - Preliminary engineering and construction engineering are eligible for swap as part of a construction project. However, the use of swapped funds for these activities is not encouraged.
 - Project funds will be provided to the local public agency on a reimbursement basis.
 - The Iowa DOT will review contract documents for conformance to the Department standard for letting.
 - The Iowa DOT reserves the right to review projects during construction.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Planning, Programming and Modal Division
Office of Aviation Order No. PPM-2018-58
 Submitted by Shane Wright Phone No. 515-239-1048 Meeting Date February 13, 2018
 Title Federal Fiscal Year (FFY) 2019 Federal Aviation Administration Funding Preapplications

DISCUSSION/BACKGROUND:

The Office of Aviation requests the Iowa Transportation Commission approve the submittal of FFY 2019 FAA funding preapplications prepared by Iowa airports that are eligible for federal funding. The list of preapplications is attached.

Preapplications will be submitted to FAA for review and action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended the Commission approve the submittal of the FAA funding preapplications as presented.

COMMISSION ACTION:

Moved by Kathleen Fehrman Seconded by David Rose

	Aye	Vote Nay	Pass
Fehrman	x	_____	_____
Huber	x	_____	_____
Maher	absent	_____	_____
Putney	x	_____	_____
Rielly	x	_____	_____
Rose	x	_____	_____
Yanney	x	_____	_____

Division Director Legal State Director

PPM-2018-58

Shane Wright, Office of Aviation; at the workshop earlier today I presented to you the list of FFY 19 FAA funding preapplications prepared by Iowa airports that are eligible for federal funds. This list includes 58 projects at 47 airports for a total of \$38.7 million. With commissioner approval, these preapplications will be submitted to the FAA for review and action. Therefore, it's recommended the commission approve the submittal of the FAA funding preapplications as presented.

Commissioner Fehrman made a motion to approve the submittal of the FAA funding preapplications as presented. Commissioner Rose seconded the motion. Commissioner Maher, absent; remaining Commissioners voted aye.

FFY 19 Federal Airport Improvement Program Preapplications

Safety projects			
Airport	Project description	90 percent federal level	Total amount
Bloomfield Municipal	Eliminate west pond	\$238,500	\$265,000
Total safety projects		\$238,500	\$265,000

Planning projects			
Airport	Project description	90 percent federal level	Total amount
Algona Municipal	Design and approach survey for runway 12/30	\$153,000	\$170,000
Cherokee County Regional	Design partial parallel taxiway	\$144,000	\$160,000
Clarinda Municipal	Airport layout plan update	\$126,000	\$140,000
Estherville Municipal	Design partial parallel taxiway	\$57,600	\$64,000
Iowa DOT - Statewide	Pavement condition inspection	\$311,788	\$346,432
Iowa DOT - Statewide	Aviation System Plan update	\$414,999	\$461,111
Marshalltown Municipal	Design storage hangar	\$45,000	\$50,000
Monticello Municipal	Environmental assessment	\$108,000	\$120,000
Northeast Iowa Regional	Design partial parallel taxiway reconstruction	\$81,000	\$90,000
Rockwell City Municipal	Environmental assessment	\$72,000	\$80,000
Spencer Municipal	Update Airport Master Plan	\$135,000	\$150,000
Webster City Municipal	Design partial parallel taxiway reconstruction	\$110,029	\$122,255
Winterset Municipal	Environmental assessment	\$167,427	\$186,030
Total planning projects		\$1,925,843	\$2,139,828

Maintenance and development projects			
Airport	Project description	90 percent federal level	Total amount
Ankeny Regional	Rehabilitate runway 18/36 pavement	\$707,400	\$786,000
Boone Municipal	Construct taxilanes	\$172,530	\$191,700
Chariton Municipal	Runway and taxiway lighting rehabilitation	\$675,000	\$750,000
Clarion Municipal	Runway drainage improvements	\$108,000	\$120,000
Clinton Municipal	Taxilane rehabilitation	\$160,200	\$178,000
Council Bluffs Municipal	Snow removal equipment	\$200,000	\$250,000
Decorah Municipal	Construct terminal building	\$150,000	\$1,700,000
Fort Dodge Regional	Acquire snow removal equipment - carrier vehicle	\$234,000	\$260,000
Fort Dodge Regional	Acquire snow removal equipment - carrier vehicle	\$189,000	\$210,000
Fort Dodge Regional	Acquire snow removal equipment - loader	\$396,450	\$440,500
Greenfield Municipal	Runway pavement rehabilitation	\$234,000	\$260,000
Greenfield Municipal	Taxiway pavement rehabilitation	\$58,500	\$65,000
Greenfield Municipal	Apron pavement rehabilitation	\$49,500	\$55,000
Guthrie County Regional	Reconstruct runway 18/36	\$2,700,000	\$3,000,000
Hampton Municipal	Runway pavement rehabilitation	\$216,000	\$240,000
Hampton Municipal	Taxiway pavement rehabilitation	\$27,000	\$30,000
Hampton Municipal	Apron pavement rehabilitation	\$90,000	\$100,000
Humboldt Municipal	Snow removal equipment building	\$432,000	\$480,000
Independence Municipal	South taxiway and taxilane widening	\$544,554	\$605,060
Iowa City Municipal	Runway 25 threshold relocation	\$279,000	\$310,000
Knoxville Municipal	Rehabilitate runway 15/33 pavement and lighting	\$2,857,500	\$3,175,000
Mason City Municipal	Snow removal equipment	\$300,000	\$425,000
Mount Pleasant Municipal	Rehabilitate runway 15/33	\$1,520,000	\$1,685,000
Newton Municipal	Apron expansion	\$472,500	\$525,000
Osceola Municipal	Construct runway turnarounds	\$401,130	\$445,700
Oskaloosa Municipal	Runway 4/22 rehabilitation	\$360,000	\$400,000
Perry Municipal	Runway 14/32 grading and drainage	\$1,727,190	\$1,919,100
Red Oak Municipal	Runway 5/23 pavement maintenance	\$252,000	\$280,000
Sheldon Regional	Rehabilitate runway 15/33	\$1,350,000	\$150,000
Shenandoah Municipal	Runway pavement maintenance	\$229,500	\$255,000
Southeast Iowa Regional	Runway 18/36 reconstruction	\$8,541,000	\$9,490,000

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Highway Division Order No. H-2018-59
 Submitted by Mitch Dillavou Phone No. 515-239-1124 Meeting Date February 13, 2018
 Title Transfer of Jurisdiction of Frontage/Access Road Adjacent to U.S. 151 in the City of Marion

DISCUSSION/BACKGROUND:

District 6 has negotiated the transfer of jurisdiction of a frontage/access road running parallel to U.S. 151 to the city of Marion. The transfer segment lies within the corporation limits of the city of Marion located approximately 150 feet south of U.S. 151, between U.S. 151/Iowa 13 at Station 5118+00 and 62nd Street at Station 51276+20. A segment approximately 0.17 mile in length will be transferred to the city.

The road segment will be transferred in its present condition without compensation. The proposed transfer will take place upon written notification by the state to the city of the time and date of official transfer.

The state will prepare and forward a quitclaim deed to the city for the transfer segment.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve the transfer of jurisdiction of the frontage/access road adjacent to U.S. 151 with the city of Marion.

COMMISSION ACTION:

Moved by Kathleen Fehrman Seconded by David Rose

	Aye	Vote Nay	Pass
Fehrman	<u>x</u>	_____	_____
Huber	<u>x</u>	_____	_____
Maher	<u>absent</u>	_____	_____
Putney	<u>x</u>	_____	_____
Rielly	<u>x</u>	_____	_____
Rose	<u>x</u>	_____	_____
Yanney	<u>x</u>	_____	_____

 Division Director Legal State Director

H-2018-59

Mitch Dillavou, Highway Division; District 6 has negotiated the transfer of jurisdiction of a frontage/access road running parallel to U.S. 151 to the city of Marion. The transfer segment lies within the corporation limits of the city of Marion located approximately 150 feet south of U.S. 151, totaling approximately 0.17 mile in. The road segment will be transferred in its present condition without compensation.

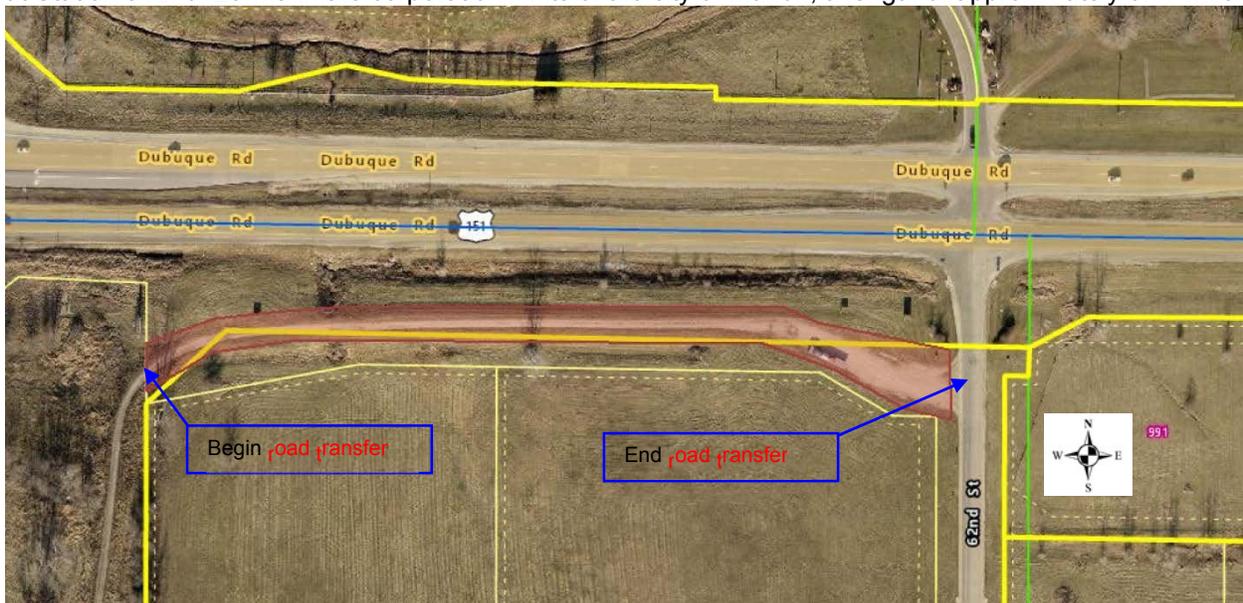
It was discussed this morning, it is recommended that the Commission approve the transfer of jurisdiction of the frontage/access road adjacent to U.S. 151 with the city of Marion.

Commissioner Fehrman made a motion to approve the transfer of jurisdiction of the frontage/access road adjacent to U.S. 151 with the city of Marion. Commissioner Rose seconded the motion. Commissioner Maher, absent; remaining Commissioners voted aye.

Transfer of Jurisdiction Location

City of Marion

Generally described as approximately 920 feet of the frontage/access road running parallel to and located approximately 150 feet south of U.S. 151, between U.S. 151/Iowa 13 at Station 5118+00 and 62nd Street at Station 51276+20 within the corporation limits of the city of Marion, a length of approximately 0.17 mile.



Date: February 13, 2018

Commission Meeting Media/General Public Registration

NAME/OCCUPATION	REPRESENTING
Erich Schmidt / Pol. Dir. Team	L:VNA
Nylan Grantich / Political Coordinator	L:VNA
Tom DeRamus	US 30