

Red Tape Review Rule Report (Due: September 1, 2024)

Department Name:	Transportation	Date:	May 3, 2024	Total Rule Count:	65
IAC #:	761	Chapter/ SubChapter/ Rule(s):	119	Iowa Code Section Authorizing Rule:	321.252 as amended by 2024 Iowa Acts, Senate File 2385, section 317
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

This chapter contains provisions and limitations for the erection of blue directional signs for businesses which are located within ten miles of a primary highway intersection in the non-urban areas of the state. The signs are installed by the Department within the right-of-way, in advance of the intersection.

Is the benefit being achieved? Please provide evidence.

Three hundred and thirty-one businesses currently benefit from having these signs placed within the public right-of-way, where advertising would otherwise be prohibited. Since private advertising signs are generally restricted in rural areas due to state and federal billboard control laws, this program offers a legal alternative for these businesses to gain valuable highway exposure.

What are the costs incurred by the public to comply with the rule?

Participation fees for business owners have been held at the same level since 1996. The cost for a sign is \$350 and is designed with retroreflective sheeting that lasts 15-20 years. The annual renewal fee is \$50 per sign. This is a voluntary signing program.

What are the costs to the agency or any other agency to implement/enforce the rule?

The cost to administer this signing program is covered by the permit fees for various sign programs offered by the Advertising Management section. This section operates from a special fund created by the Iowa legislature in 1972 which draws its revenue from permit fees for this program, along with the logo signing and billboard permitting programs. The fund adequately covers the salaries, benefits, vehicles, fuel, and equipment costs for the seven-member section, and the monies in the fund are not comingled with other taxpayer-funded accounts. This specific program occupies about 50 percent of one full-time employee's time. The employee's salary plus the cost of benefits totals approximately \$96,000. Therefore, the cost is about \$48,000 while the application and participation fees for the program generate only about \$35,000. However, the other signing programs administered by the section make up for the difference. Total revenue generated by the signing programs administered by the section is approximately \$950,000 and costs (salaries, benefits, vehicles, fuel, equipment) are at approximately the same level, subject to some fluctuation due to cost-of-living increases, position vacancies, and new hires coming in at a lower cost.

Do the costs justify the benefits achieved? Please explain.

The costs justify the benefits since this is a voluntary signing program benefitting businesses and the traveling public at a relatively low cost. The section responsible for administering the program is set up to be self-sufficient, in aggregate, through the billing system for the various signing programs administered.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

This fair question was explored in 2022, leading to a comprehensive review of the chapter and the adoption of rule amendments that relaxed the entry requirements. Whereas the program previously consisted of four categories from which to qualify, the amendments eliminated these categories and dropped the minimum operating hours down to 20 per week. The stipulation that businesses must be “of significant interest to the traveling public” was also eliminated, resulting in a program that more resembled the states of New York, Vermont, and Maine. Essentially, most all businesses that are open to the public can now qualify for the program provided they are within ten miles of the intersection and not located within an urban area. These standards reflect the bare minimum allowed by federal requirements contained in the Manual on Uniform Traffic Control Devices (MUTCD). The proposed repromulgated chapter continues with these relaxed standards and furthermore eliminates a committee which, pursuant to Iowa Code section 321.252(3), had met monthly to review applications and develop program policy as needed. This subsection was amended in the 2024 Iowa Acts, Senate File 2385, section 317 to eliminate the Tourist Signing Committee.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Subrule 119.2(2), paragraph “a” contains a provision for lottery drawings when the level of interest in the program exceeds the capacity to place signs at an intersection. To the Department’s knowledge, this has occurred just one time in the early 1990s. While space can be limited in certain areas, the Department generally receives just one application at a time, reviews the site, and processes the approval based on the existing capacity. The MUTCD allows for up to four destinations to be signed on a sign structure, and up to three sign structures per intersection. This totals 12 destinations that can be signed and this level of interest in a rural setting is rare. This paragraph is removed for being unnecessary.

Subrule 119.2(2), paragraph “c” contains a prohibition on the placement of signs in advance of an interchange, but revised paragraph “b” already limits the placement to at-grade intersections. Paragraph “c” also provides for the removal of signs in the case where the at-grade intersection is replaced by an interchange, but subrule 119.2(1) provides the Department with the ability to administer the program in accordance with the MUTCD. It is not necessary to create authority for every possible scenario (i.e., signs were outside an urban area, but the urban boundary lines expanded later). This paragraph is removed for being unnecessary.

Subrule 119.2(2), paragraph “d” contains a condition on the placement of signs so that if an adjacent property owner complains, the Department reviews the placement and coordinates a better placement

with the property owner. This language is contained in Iowa Code section 321.252(4)d and is removed for being duplicative.

Rule 119.5 contained language concerning a Tourist Signing Committee. This committee currently serves in a review function and partners with the Department in the development of policy and rules in accordance with Iowa Code section 321.252(3). However, 2024 Iowa Acts, Senate File 2385, section 317, amends Iowa Code section 321.252(3) to eliminate the Tourist Signing Committee so language concerning this Committee was removed. Eliminating this Committee will shorten the approval process by up to 30 days and streamline the approval process.

Subrule 119.6(2) [renumbered to 119.5(2)] is changed so that the Department is in a more cooperative relationship with local authorities on the placement of trailblazer signs, rather than having the placement be mandated by this subrule. The “shall condition” in this subrule is unnecessary.

RULES PROPOSED FOR REPEAL (list rule number[s]):

Subrule 119.2(2), paragraph “a” in part, and paragraphs “c” and “d” will be removed.

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

119.1
119.2
119.3
119.4
119.5

See document for text.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	0
Proposed word count reduction after repeal and/or re-promulgation	418
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	64

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No