

Press Release
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Bipartisan Proposal to Improve Iowa's Roads and Bridges

Key legislative leaders called for a bipartisan proposal to increase the gas tax in Iowa by four cents in 2013 and four cents in 2014 and increasing the fee for new registrations from five percent to six percent in 2012.

State Senator Tom Rielly (D-Oskaloosa) Chair of Senate Transportation Committee and Representative David Tjepkes (R-Gowrie) Chair of the House Transportation Committee held a bipartisan joint press conference outlining a new funding proposal that would increase funds available for Iowa streets and roads by over \$220 million.

The majority of the funds would come through an increase in the state's gas tax. The proposed legislation would increase the tax by four cents in 2013 and by an additional four cents in 2014. Each penny of the gas tax raises approximately \$23 million. "The gas tax is the only source of revenue we can use that is contributed to by people who do not live in Iowa, but use our roads," said Tjepkes.

According to a report prepared by the Governor Branstad's Transportation 2020 Citizen Advisory committee tasked with gathering input on the condition of our state, city and county roads and bridges, 35 percent of large trucks travelling in Iowa are from out of state and 15 percent of the passenger car and small trucks are from outside of the state.

Senator Rielly added, "The Iowa constitution also guarantees that gas taxes will be used only on our roads so the public knows the money collected will go only for the intended purpose."

Governor Branstad appointed the Transportation 2020 Citizen Advisory Committee last year. The committee heard from over 500 Iowans before making their recommendations which, in addition to calling for an eight to ten cent increase in the gas tax also the committee made several other recommendations that are included in the proposed legislation.

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Fee for new registration

The Transportation 2020 Advisory Committee recommended the legislature modify how the sales tax is coupled with the fee for new registrations on vehicles. The fee for new registrations is

the five percent that is currently imposed on the registration of new and used vehicles. Historically, the five percent level was tied to Iowa's sales tax rate. However, with the implementation of local option taxes the state's sales tax is now at six percent. The proposed legislation will again make this fee consistent with the state's sales tax rate.

New fee for electric vehicles

The Governor's Advisory Committee also recommended a modification in how in how some vehicles that run on something other than diesel or gasoline pay to support the roads they are using. Some of these vehicles pay very little or nothing into the road use tax fund either in terms of registration fees or the gas tax, but they still use our roads said Rielly and Tjepkes. This bill would modify the current registration fees for electric vehicles to be based on weight and value using the same formula that applies to most passenger vehicles.

Constitutional protection for driver license fee

The gas tax and registration fees in Iowa are protected by the Iowa Constitution so those monies can only be used on our streets and roads. Driver license fees currently do not have that same protection. This bill would rename these fees so they would fall under the same constitutional protection as the gas tax and registration fees.

Reimbursements

Currently the Iowa DOT is required to reimburse other state agencies for services provided by those state agencies. The proposed legislation calls for the state's general fund to absorb those expenses.

Other elements of the legislation

The Governor's Transportation 2020 Citizens Advisory Committee also recommended the Iowa DOT meet annually with the cities and counties to review operation and maintenance on Iowa's public roadway system to identify ways to jointly increase efficiencies. The proposed legislation would put into law this requirement.

The bill also calls for an every two year review of road fund revenues and the sufficiency of revenues to meet those needs. Current law calls for a review only once every five years.

Under the proposed legislation monies collected under these new proposals would be divided between the cities, the counties and the state using the distribution formula established in 2008 which gives a larger share to the state's system. However, that formula caps the amount going into the fund so that anything above that cap reverts back to the formula prior to 2008 which lowers the state's share, but increases the counties' portion.

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BACKGROUND

The following organizations appeared at the press conference in support of increasing highway funding.

David Scott, the executive director of the Iowa Good Roads Association called on legislative leaders to have the courage to do what is right for the state of Iowa and to pass the proposed legislation. Scott reported a number of organizations have expressed support of increasing road fund revenues in the recent months. The following organizations learned for the first time today the specifics of the legislation, said Scott and although they appeared supportive of the concept Scott called on them to educate themselves and to help educate the public on the needs facing the aging road and bridge system in Iowa.

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- The Iowa Motor Truck Association
- The Iowa League of Cities
- The Iowa State Association of County Supervisors
- The Iowa Farm Bureau
- The Associated General Contractors of Iowa
- The Iowa Good Roads Association
- The Iowa State Association of Counties
- The Professional Developers of Iowa
- Representatives from the Iowa State Building trade unions
- Iowa Corn Growers Association
- The Iowa Soybean Association
- The Iowa Limestone Producers Association
- The Asphalt Paving Association of Iowa
- The Iowa Concrete Paving Association
- The American Council of Engineering Companies of Iowa
- The US Highway 30 Coalition
- The Iowa County Engineers Association
- The Highway 20 Corridor Association
- The Highway 61 Coalition
- Council 61 of AFSME