



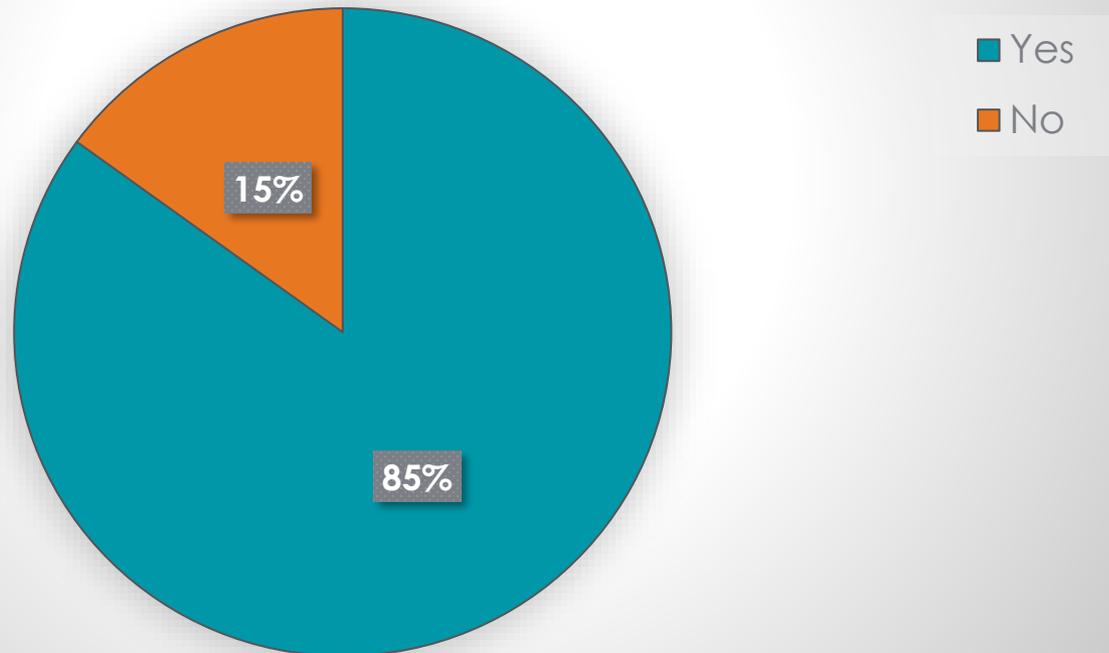
DART Alternative Funding  
Advisory Committee Meeting  
**November 18, 2022**

## DART Funding Study Survey

- Survey started October 7, 2022, and closed November 4, 2022
- <https://iowadot.gov/dartaltfunding/Take-the-DART-funding-study-survey>
- 567 survey responses received

## Question #1

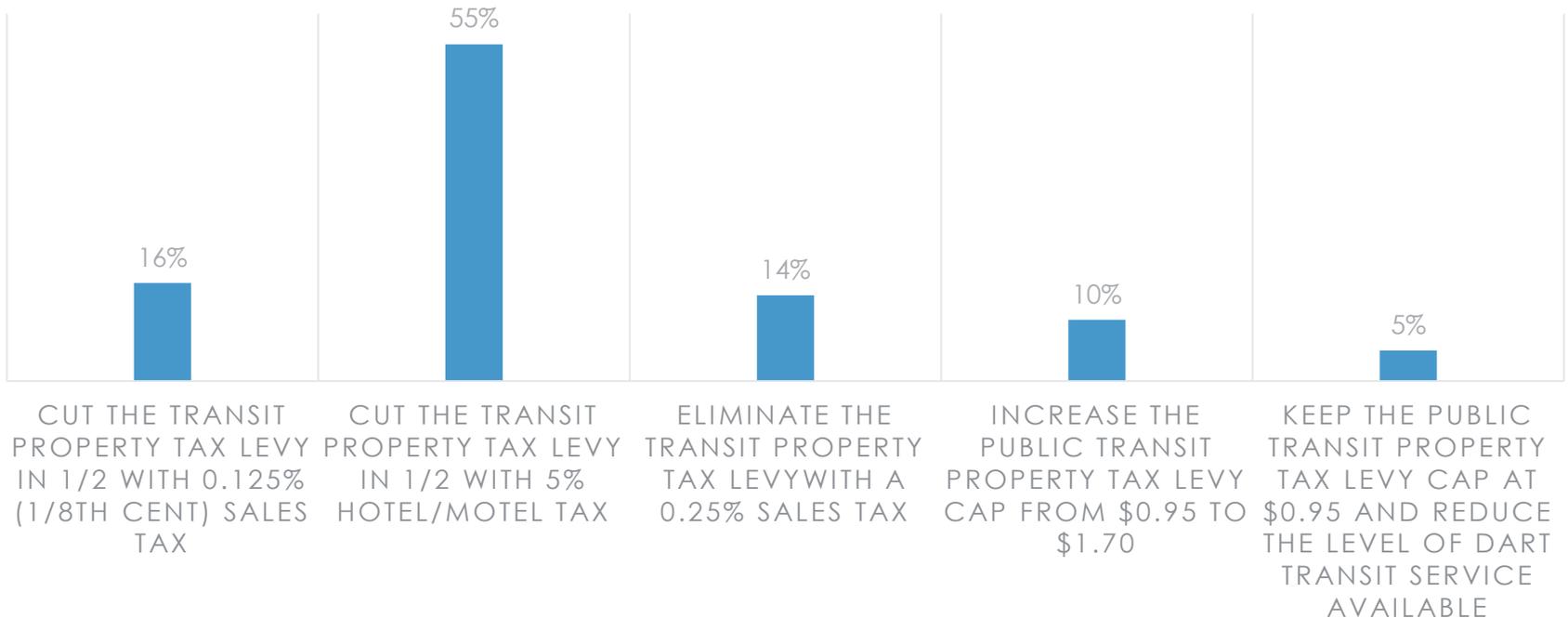
Do you support identifying an alternate revenue source to fund DART and public transit in Iowa in order to reduce the amount of property taxes levied for this purpose?



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### Question #2

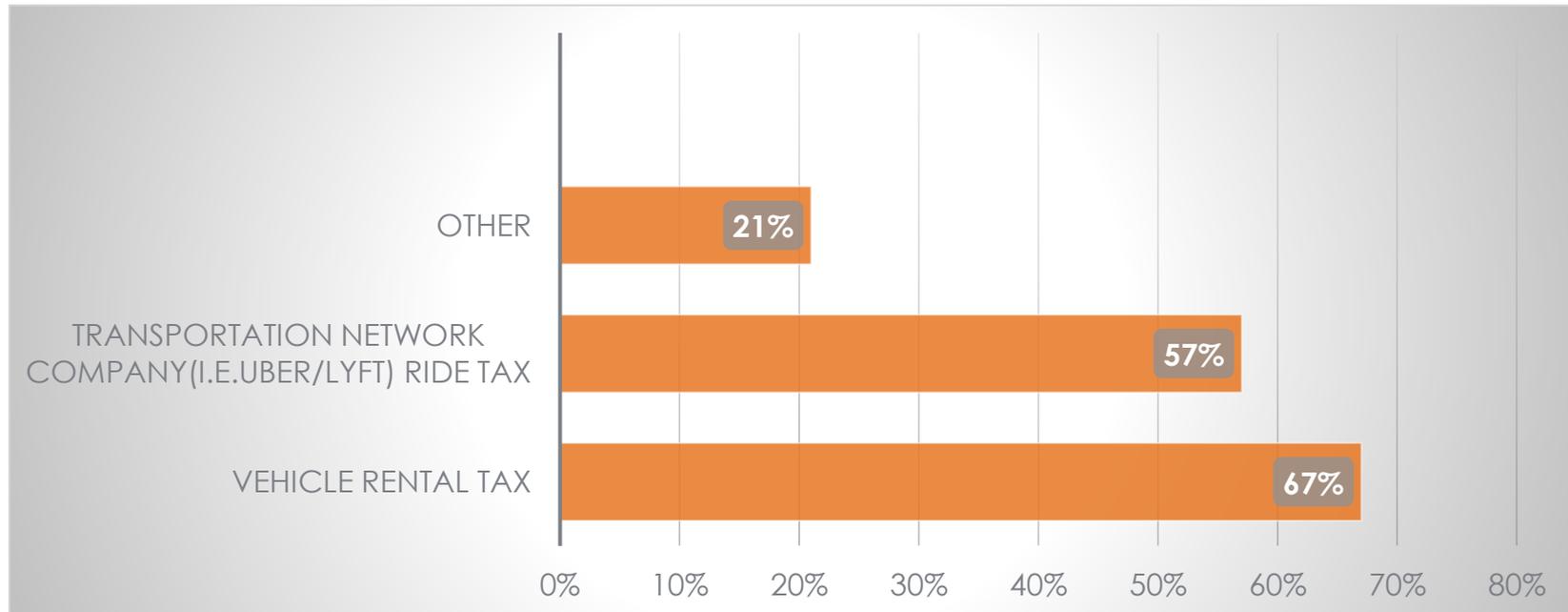
With the funding shortage expected in the next few years, the following scenarios have been estimated by DART to resolve their funding gap. If your answer to question #1 was yes, if the Iowa legislature authorizes an alternate source of funding for DART and public transit, what funding source would you support?



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### Question #3

While it is not known to what degree the following options cover DART's expected funding shortfall in the next few years, these two additional funding sources were identified in the Iowa Public Transit 2050 Long Range Plan as potential funding solutions. If allowed under Iowa law, which of the following mechanisms would you support to generate increased local funding for DART and public transit in Iowa? Check all that apply.



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### Other comment themes

- Increase passenger fares (11)
- Car tag renewal/registration fee (10)
- Tax corporations/businesses/developers (9)
- State general funds/surplus (8)
- Cut or right-size DART services (8)
- Gas tax (7)
- Property tax (6)
- Hotel/motel tax (6)
- Sales tax (5)
- Parking fees (5)
- Close DART (4)
- Lottery/gambling revenue (4)
- Transportation Network Company (i.e. Uber/Lyft) tax (3)
- Cigarette tax (3)
- Income tax (2)
- Medical/Medicaid funding (2)
- Use smaller vehicles (2)
- Electric vehicle tax (2)
- Marijuana tax (2)
- Federal highway dollars (2)

### Other public input

From a board member of the Iowa Hotel & Lodging Association, voicing opposition to use of the hotel/motel tax for public transit, explained the negative impacts to hotel owners through direct and indirect costs of the hotel/motel tax and the negative impact of increasing on the hotel/motel tax on traveling lowans.

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### Other comments

05% payroll tax on businesses that receive economic development incentives that don't meet or exceed a minimum wage of \$13 an hour.

Airport Parking Tax

Annual car tag renewal tax

A few ideas: 1, A .10% or a .25% corporate tax on businesses operating in Dart's service area. These are the businesses that profit from the labor Dart brings them. 2, A 2–5-dollar surcharge on vehicle registrations in the counties Dart serves. 3, Create an endowment through public and private grants. Perhaps a pilot program from federal transportation dept. For example, a ten-million-dollar fund relatively conservatively invested. Every year half the interest is reinvested, the other half goes to Dart's budget. It wouldn't do much at first but in 20 years it would be substantial revenue not derived from any future taxes.

As so many Des Moines City Streets have been very expensively converted to accommodate bicycle lanes, there could be a very small, very reasonable bicycle tax. A dollar a bike a year, just issue a sticker like you would a car.

Additional tax on taxicab rides

Big corporations

Adjustments to get fuller reimbursement for medical/medicaid riders

Busses are so 2010... Install vacuum tubes everywhere... Ffffthoom!

Apartment renter tax

Cigarette tax

## Other comments

A surcharge on tags paid annually. The idea of a sales tax increase is an insult to the people who need to ride public transit and a windfall to those wealthy enough to own property to store multiple cars. I do not support a hotel//motel tax, either. The fact that there is no 'none of the above' option, while requiring a response on that question is one example of how fraud in elections could occur. Moreover, I bought a house in a high-levy district specifically so I could have access to DART instead of driving. The so-called service improvements over the past decade mean I am paying higher taxes with no way to use the service in a practical manner. Go back to the drawing board on this funding options.  
(Des Moines resident)

Businesses and contractors that build retail and housing in an area should provide additional funds toward public transportation, sidewalks, bike lanes and crosswalk infrastructure. This increased accessibility to their property's benefits consumers, workers and business owners.

Corporate tax and/or funding from general state funds

Create a trust fund with state surplus

Cut services, no increase in any revenue

Enact a business tax on businesses that make more than a certain amount per FY

Cut expenses, routes and smaller vehicles

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### Other comments

Concerns: 1. Please avoid cutting property tax levy by so much that this problem doesn't get solved, and taxpayers are asked soon once again to increase funding -- not sure cutting it in half is a workable amount for long term solution 2. Other funding sources should include both hotel/motel tax and sales tax -- diversify funding in these ways as well as with vehicle rental tax and transportation network company ride tax so no one source is overburdened -- truly diversify thanks

Cutting legislative salaries

DART can spend less

Eliminate services that are not regularly utilized at a level of at least 50% capacity. OR start offering later evening services from downtown to the suburbs on the weekends.

Finance through bus ticket prices

Don't put the burden on the lower income with an increase in sales tax. Tax richer sources of funds. Hotel motel tax might work better than sales tax.

Fuel tax

Get rid of DART

Gasoline tax

Don't tax Uber or Lift as they are the best alternative to DART. DART should be funded by taxing corporations and business in the area because that's who makes profit off of DART riders - business and shopping destinations and employees going to work. Don't hurt the folks living here (via prop taxes) who may never use DART.

## Other comments

Cut the transit property tax levy in half with a 0.125% (1/8th cent) sales tax — we should not discount either this option or the 5% hotel/motel tax option but consider implementing \*both\*. In fact, having participated in a regional task force discussion a few years ago about diversifying DART revenue, I urge you to recommend multiple new funding sources to ensure this issue does not reappear in the not-so-distant future. Please don't go for a short-term fix. Here's the opportunity to solve the problem sufficiently so that property owners no longer have to subsidize to such an unreasonable extent a needed service. Thank you for your work

Dart should NOT move away from a primarily property-tax based funding model. Instead, it should supplement its property tax model with additional usage tax bases. Focusing the majority of Dart's revenue in non-property tax revenues will leave the agency vulnerable to recessions and downturns in whatever industry an additional tax is levied on. Consider the implications if DART relied primarily (or even in some part) from vehicle rental tax, hotel tax, or rideshare taxes during the COVID pandemic: the revenue stream would have been very dry for several months. Property tax levies offer stability and ensure that the burden of funding the agency is passed on to those who can stably support it, rather than passing the costs onto consumers via consumption taxes.

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### Other comments

Fee on vehicle registrations. Use a percentage of collected parking fees to support transit. Need to disincentivize private vehicle travel while incentivizing transit use.

Fundraise in-house (employee led, especially higher-level executives with 6 figure incomes)

Figure out a way to tax corporate profits...

For low-capacity routes trade large buses for smaller less expensive ones. Match the bus seat supply to the rider demand. It seems unnecessary to have a 40-seat bus moving 5 people.

Has to be more creative options

I would not like my taxes to increase at all!

Gas tax - to encourage ride share options

Get rid of dart

hotel motel tax

Go after more federal funds and use Ames as a model

Have a special license plate color or design that supports Public Transit - that way even those who don't use Public Transit may help pay for others to use it

Parking meter revenue

I do not support any funding to DART.

I would also support the 5% hotel/motel tax, but secondarily to the 1/8 cent solution

## Other comments

How would TNC tax be divided up among transit in the state? There are many areas where no TNC exists, and those local systems need revenue assistance. It is hard to understand the proposed solution with the limited information provided in this survey, how much additional revenues would be generated with a vehicle rental tax? How would those revenues be divided among the state?

I think it's the time to think outside of the box and review non-traditional funding sources

I don't support an increase in taxes. Property values have skyrocketed, therefore by definition the income for DART will increase accordingly. I firmly believe more needs done to manage expenses vs. increasing taxes. Every option to increase taxes hurts taxpayers and those taxes NEVER decrease - taking a larger and larger percentage of income. Every local option sales tax, or other proposal has become permanent once approved and taxpayers are quite literally being nickel and dimed to death.

Increase vehicle registration and gasoline taxes

I don't want to see people that need a Transportation Network Company, or Rental Vehicle saddled with additional tax for DART. The reason many people use Uber/Lyft and rental vehicles is because there are very limited options for DART in the suburbs.

Increase property tax on empty lots

Increase rider fares

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### Other comments

I actually think that we should be contributing MORE property taxes to DART. They portion of the current "property tax dollar" DART receives is very small--it's like the second or third from the bottom, if I recall correctly. We can raise it above \$1.70. I also think that the state should kick in more operating support for DART. I know it's unpopular in the Governor's office and the Legislature, but reducing car dependence and increasing/improving transit service is essential for reducing carbon emissions and improving community health. Other states fund transit at higher levels than Iowa. We should join them. I do NOT support seeking "alternative" funding sources (aside from state and federal operating support) if it's just going to be used to offset property tax reductions. This will NOT improve and increase transit service in central Iowa, it will NOT solve DART's fiscal problems. In fact, I fear it will worsen them by making DART more reliant on less predictable revenue sources.

Iowa plans to reduce taxes. They should rethink this and recognize the need to support things such as public schools and public transportation. These and others for the common good should be a priority,

Income, sales, and tobacco taxes

Neither of those.  
Especially not Uber

Increase the trip charges so that the people using DART are the only ones paying for it! I have never used DART and I never will, so I shouldn't have to pay for any of its budget!!!!

## Other comments

Increase the fares paid by riders. Increase the contribution of federal highway dollars provided to the state towards public transit service in metropolitan areas. Increased public transit ridership reduces roadway congestion and the need for roadway improvements and repairs, reduces emissions and improves traffic flow. The state should provide more funding towards paratransit services from Medicare and Medicaid funding.

I've lived in many places. Metro Des Moines has the least public transit of any town or city I know, large or small. I support getting money from property taxes, corporate taxes, the general levy, etc. if it will increase and improve this service. Public transit is a common social good and should be expanded, not reduced.

I'm fortunate that Principal Financial Group provides my bus usage fare and I count that as a valuable employee benefit. There are several large employers downtown that offer a similar benefit, Wondering about options to increase the fares for Express Commuter routes? Post Covid I'm in the office 2 days a week vs. 5 previously. So, there's lost revenue for the 3 days each week I used to take the bus..

It's in the first question, increase public transit property tax levy

Increased appropriation from the State of Iowa.

# Other comments

Just keep taxing Polk county residents to death...

Neither option is a good idea

Legalize marijuana and use part of that money for this. Where is the additional sports betting money going?

Not sure what but neither of these two options trip my trigger.

Neither is really viable as they both fluctuate. And will likely reduce in use in coming years

No increase

None

Not sure

Need explanation of Transportation Network Company and other options

Parking meter revenue

raise fares

raise user fees

None - raise the rates to ride the bus to pay for it. If public transportation can't exist without subsidies, maybe it's time to end public transportation. It's not near as vital as it was 20+ years ago.

None abolish DART or raise rider fares to make itself sustainable. It should not fall on the back of taxpayers

Raise Prices of the service to be more self sufficient.

No dart wanted in Ankeny. Just separated the city into two cities and don't force Ankeny into the next Des Moines disaster area

Neither Option!

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### Other comments

Parking lot tax for venues, lots, and garages that charge for parking. Revenue from parking fines or traffic violations. Lottery revenue.

Raise rates and reduce services

Personal Vehicle Tax increases to encourage those with vehicles to park and ride to reduce a larger carbon footprint

perhaps an additional tax on casinos including gambling and horse racing

Please do not consider additional sales taxes. Sales taxes disproportionately hurt lower-income earners and would place a higher burden on many of the individuals who rely on DART to make ends meet

Reduce Dart routes since they only operate with 5-6 people riding on them

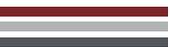
seek legislative appropriation. its in the state's best interests to have public transit options in the 13 most populous counties

Please don't cut property taxes. I would rather taxes increase for better services. I do not care where the taxes come from.

Some possible funding from the state such as a small percentage on the gas tax or some small part of the state highway/transportation funding

Road Use Taxes

STOP LETTING PEOPLE RIDE FOR FREE

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## Other comments

Rental cars and Uber are expensive enough and affect people without vehicles more than those with vehicles, although rentals probably affect the affluent more. How about a tax on secondary/tertiary vehicles that a person owns? So, if a person owns more than one vehicle, they have to pay a consumption tax on the extra vehicles that they own. That would target people who can afford to own more than one vehicle and who are contributing more to the cause of congestion and pollution

Sell bonds to the public

tax the casino 5%

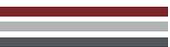
State income tax increase if investment is put towards light rail transit in Des Moines and between Des Moines and Osceola Amtrak.

Stop funding a failing system. Put that money into building something better like a rail system from Ames down through dsm to west side

Smaller buses on longer routes like Ankeny Express therefore using less gas

Take the funding from the state tax reserve

Stop taxing people to fund DART. If DART is not able to maintain service with their current funding sources, they should reduce service or shut down DART


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## Other comments

Strongly encourage electric-only vehicles be taxed at a rate that subsidizes DART. A regional electric only tax rate would be beneficial.

Tax on cigarettes and alcoholic beverages

Support and promote Public-Private Partnership opportunities for public space infrastructure and other transit services as a means of reducing overall capital investment and annual operating expenses.

Vehicle Registration

Taxation is theft

Support cutting transit property tax levy with hotel motel but then need to redistribute current hotel motel not just add additional hotel motel tax. Also, do not take a portion of existing hotel motel that goes to cities, all that does is cut city funding which is almost entirely from property tax. Hotel motel is one of the only ways to diversity city funding pools currently and shouldn't be taken from further.

Supportive of a Plug-In Electric Vehicle fee to support public transport in addition to other fees already assessed on Plug-In Electric Vehicles.

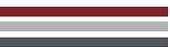
Tax the rich

Uber

This problem was created because of the increased wage demands that people have been catering too. Focus on public transit that is benign heavily used and thin out the ones that are rarely used

Vehicle Registration

Use sports betting money or cannabis tax

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## Other comments

Tell the legislature to lift the .95 cap on DART funding. The legislature's various caps on local property taxes, along with their lack of state funding, endangers larger local governments in Iowa and is intrusive. Add more state general revenue funding to assist with local mass transit. Get rid of recent state income tax cuts. They were a bad idea. The legislature wants us to rely on regressive local option sales taxes.

Uber

The vast majority of DART patrons are not taxpayers. They tend to victimize actual taxpayers who try to use DART services, and as a result, DART is generally unusable by the majority of taxpaying citizens. Since DART patrons don't pay taxes and obtain most of their needs at the expense of the taxpayer, taxpaying Iowans should not be held responsible for any shortfalls. Talk to United Way or another charity.

Unknown, but we should not penalize people who rent vehicles or take Uber. Those services are attractive because the bus does not go everywhere. Why should I pay a bus tax when I use Uber to go someplace the bus doesn't go? That's not right.

Use the state's budget surplus. Apparently, we won't spend it on education

We don't need more taxes. This is a service used by few paid for by many

## Other comments

Vehicle-miles traveled tax on non-public transit vehicles; Increased vehicle registration tax (based on vehicle weight and fuel efficiency); Tax on personal automobile insurance (could be covered by sales tax); Road use tax or tolls; Tax parking through parking lots, parking structures, and parking meters; Tax on vehicle sales; Tax on title transfers; Tax on gasoline/fuel sales

What is being done to right size the cost side of the DART equation. Many empty buses drive around DSM metro for most of the day

We have to make it more efficient. Too many buses are running empty (no passengers) or very few. Do we need that many buses? Bus passengers have to carry more of the burden of their fare. I don't use bus service and should not have to pay for those that do. No one pays for my gas or vehicle maintenance.



THANK YOU



**Kristin Haar**  
Iowa DOT  
Public Transit Director  
515-233-7875  
[kristin.haar@iowadot.gov](mailto:kristin.haar@iowadot.gov)