

# Iowa DOT Update

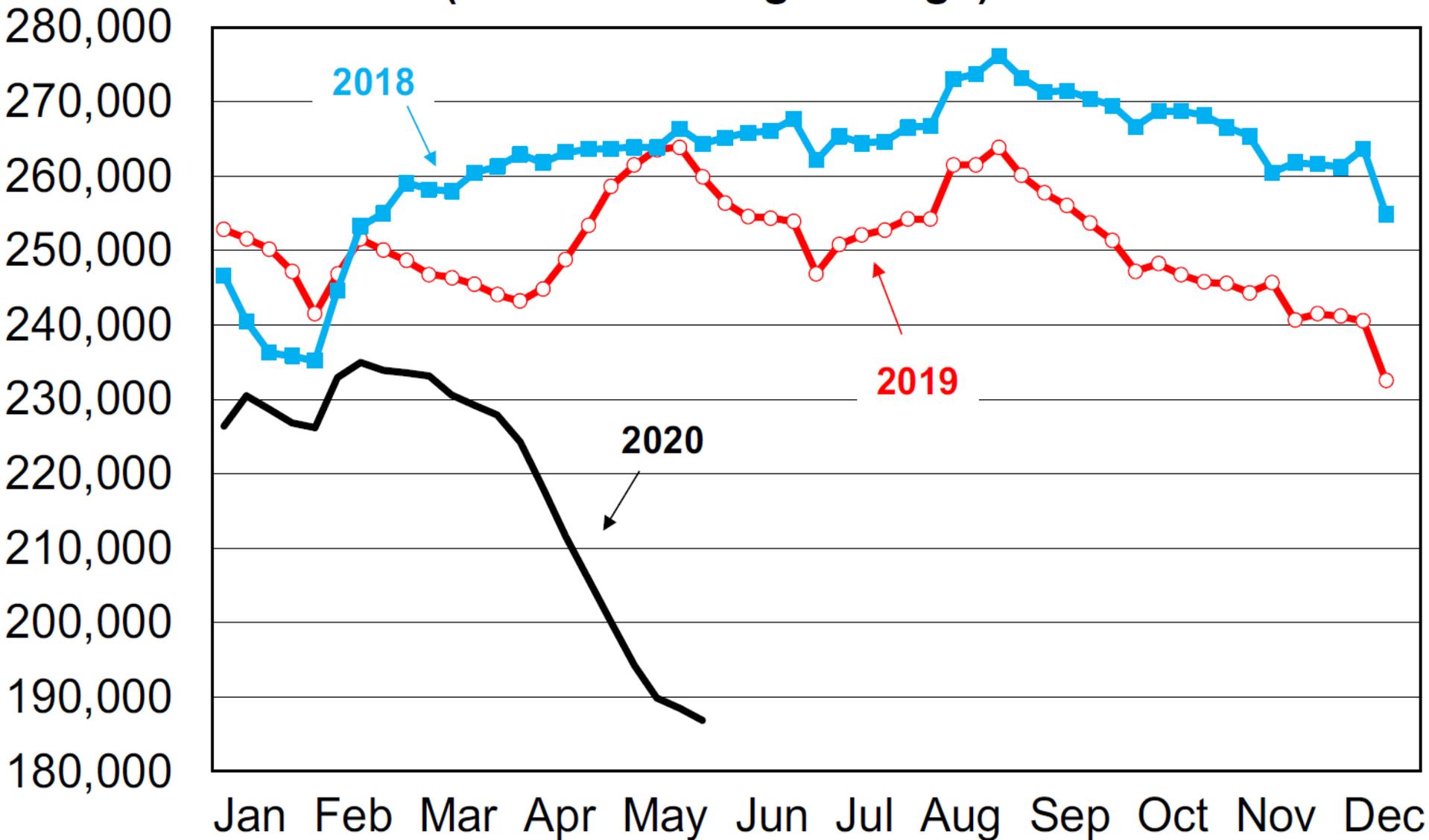
Iowa Freight Advisory Council

June 19, 2020

# Summary

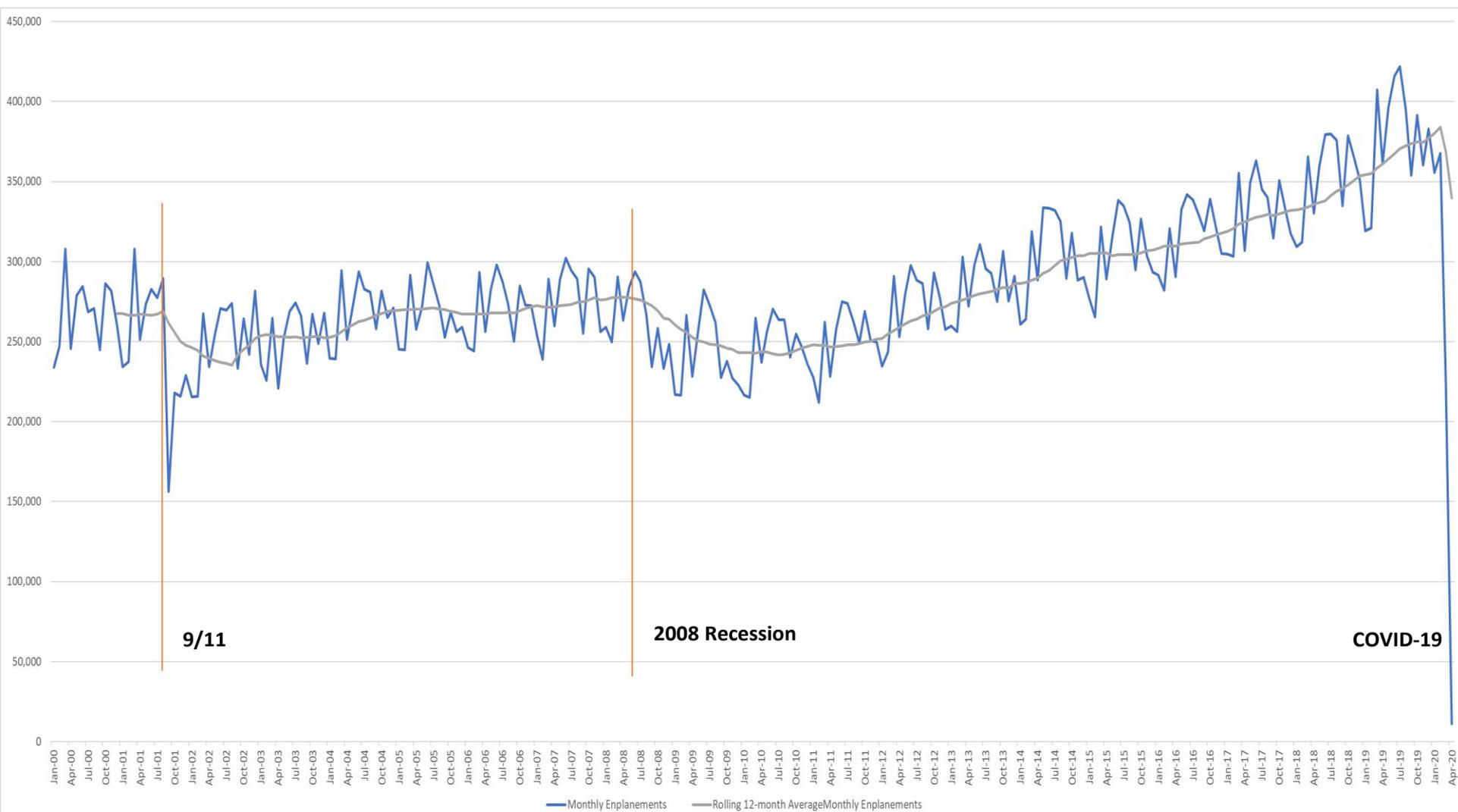
- ▶ COVID-19 Impacts
- ▶ 2020 Iowa Legislative Session
- ▶ 2021–2025 Iowa Transportation Improvement Program

# U.S. Total Rail Carloads (6-week moving average)

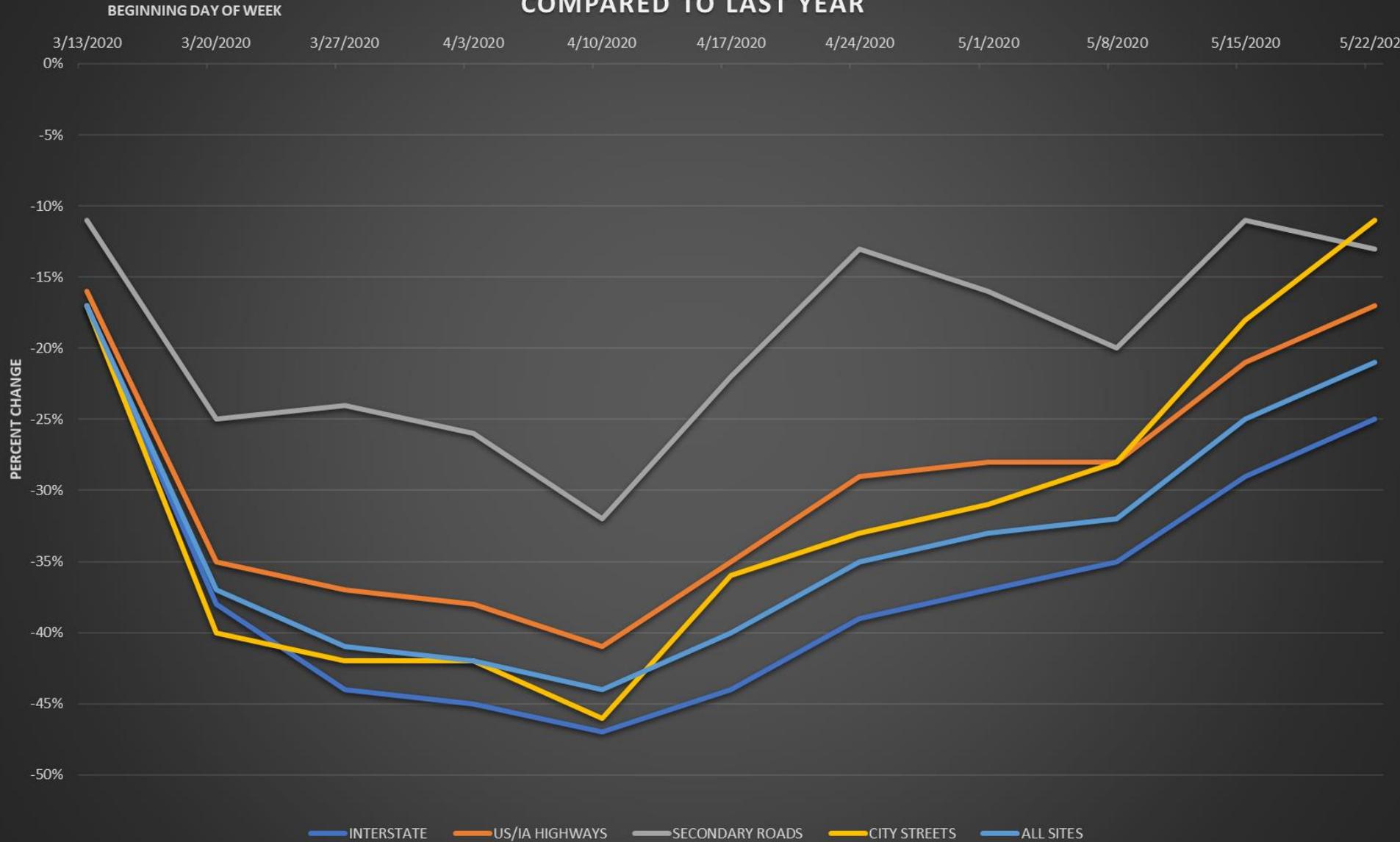


Data are 6-week moving average originations, do not include intermodal, and do not include the U.S. operations of CN, CP, and GMXT. Source: AAR *Rail Time Indicators* <sup>2</sup>

# Passenger Enplanements at Iowa's Eight Commercial Service Airports



# WEEKLY PERCENTAGE CHANGE IN TRAFFIC COMPARED TO LAST YEAR



# Aviation Improvement Program

- ▶ Funding sources
  - Aviation fuel taxes: \$2.23 m (FY 21 estimate, pre-COVID-19)
  - Aircraft registration fees: \$1.62 m (FY 21 est., pre-COVID-19)
- ▶ Fuel tax revenues are likely down significantly
- ▶ Currently assessing impacts

# Rebuild Iowa Infrastructure Fund (RIIF)

- ▶ RIIF revenue comes from gambling taxes
- ▶ Legislative appropriations from RIIF support:
  - State Recreational Trails
  - Commercial Service Aviation Vertical Infrastructure
  - General Aviation Vertical Infrastructure
  - Public Transit Infrastructure Grant
  - Railroad Revolving Loan and Grant Program
- ▶ FY 2020 and FY 2021 RIIF revenue impacted by casino closures and reduced sports wagering

# FY 2021 Modal Appropriations from RIIF

(\$ 000 omitted)

Program	FY 2020 Appropriation	FY 2021 Governor's Request*	FY 2021 House Bill (HF 2642)	FY 2021 Senate Bill (SF 2417)	Final FY 2021 Appropriation
Commercial Service Vertical Infrastructure	\$1,900	\$1,500	\$900	\$1,200	\$1,000
General Aviation Vertical Infrastructure	\$1,000	\$1,000	\$450	\$750	\$650
State Recreational Trails	\$1,500	**	\$1,000	\$750	\$1,000
Public Transit Infrastructure	\$1,500	\$1,500	\$500	0	\$500
Railroad Revolving Loan and Grant Program	\$1,000	\$1,000	\$500	\$500	\$500
<b>Total</b>	<b>\$6,900</b>	<b>\$5,000</b>	<b>\$3,350</b>	<b>\$3,200</b>	<b>\$3,650</b>

\*Appropriations requested from Rebuild Iowa's Infrastructure Fund (RIIF)

\*\* Trails were to be funded through the Governor's Invest in Iowa Initiative

# Road Use Tax Fund

- ▶ Funding sources
  - Fuel tax revenue down with reduced travel
  - Fee for New Registration revenue down with reduced vehicle sales
  - Annual vehicle registration revenue down slightly
- ▶ Initial estimate was 25 percent reduction (\$35 m per month)

# Road Use Tax Fund (cont.)

## ▶ Revised estimates

- June allocation of RUTF (est.): –\$25 million
  - Generally reflective of April collections
- July allocation of RUTF (est.): –\$1 million
  - Estimate a minor reduction because the COVID–19 impact is offset by a fuel tax deposit timing situation.
- August allocation of RUTF (est.): –\$30 million
- September allocation of RUTF (est.): –\$25 million
- October allocation of RUTF (est.): –\$20 million
- **June through October Impact: –\$100 million**

# State Variable Tax Rate

- ▶ Senate File 2403 passed by Senate and House on June 3, 2020.
- ▶ Pending Governor review/action
- ▶ Shifts the fuel tax incentive to E15 and greater blends
- ▶ Requires the use of more accurate ethanol usage reporting to determine fuel tax rates
- ▶ Estimated to initially generate an additional \$8 m per year in RUTF

# State Variable Tax Rate (cont.)

- ▶ Current tax rates:
  - Ethanol (all ethanol blends): 29.0 cents per gallon (cpg)
  - Unblended gasoline: 30.5 cpg
- ▶ New tax rates (if signed into law):
  - E15 blends or greater: 24.0 cpg
  - Unblended gasoline and E10: 30 cpg
- ▶ Rates will continue to adjust every July 1 based on the amount of E15 or greater blends that are sold in the previous calendar year.

# 2021–2025 Iowa Transportation Improvement Program

- ▶ Approved by Commission June 9, 2020
- ▶ \$3.6 billion of state and federal funding to be invested on road and bridge projects on state highway system.
- ▶ Funding forecast prior to COVID–19
- ▶ May need to make adjustments later this year