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
Passenger Enplanements at Iowa’s Eight Commercial Service Airports
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
<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2020 Appropriation</th>
<th>FY 2021 Governor’s Request*</th>
<th>FY 2021 House Bill (HF 2642)</th>
<th>FY 2021 Senate Bill (SF 2417)</th>
<th>Final FY 2021 Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Service Vertical Infrastructure</td>
<td>$1,900</td>
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<td>General Aviation Vertical Infrastructure</td>
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<td>State Recreational Trails</td>
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<td>Public Transit Infrastructure</td>
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<td>Railroad Revolving Loan and Grant Program</td>
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<td><strong>Total</strong></td>
<td><strong>$6,900</strong></td>
<td><strong>$5,000</strong></td>
<td><strong>$3,350</strong></td>
<td><strong>$3,200</strong></td>
<td><strong>$3,650</strong></td>
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</table>

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

** Trails were to be funded through the Governor’s Invest in Iowa Initiative
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)
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
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