



Iowa DOT Update

Iowa Freight Advisory Council– December 15, 2023



Topics

- 2024 Legislative Session
 - Iowa DOT Legislative Proposals
 - FY 2025 Modal Program Requests
 - FY 2025 Operations Budget Request
- Highway Trust Fund Sustainability

Iowa DOT Legislative Proposals – 2024 Session

- Minimum Value Threshold for Vehicles Requiring a Bond
- Remove Sensitive Information from Printed Vehicle Title
- Right of Way Streamlining - Appraisal Waivers for Small Areas of Land for Disposal
- Streamlining of Road Use Tax Fund Reporting Requirements

Modal Program Appropriations (\$000 Omitted)

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

Item	FY 2024 Budget *	Adjustments	FY 2025 Request*
Commercial Service Vertical Infrastructure	\$1,900	-	\$1,900
General Aviation Vertical Infrastructure	\$1,000	-	\$1,000
State Recreational Trails	\$2,500	-	\$2,500
Public Transit Infrastructure	\$1,000	\$500	\$1,500
Commercial Air Service – Terminals	\$10,000	(\$10,000)	-
Railroad Revolving Loan and Grant Program	\$500	\$1,500	\$2,000
Total	\$16,900	(\$8,000)	\$8,900

Highway Way Trust Fund History

- Created in 1956 to fund federal highway, mass transit, safety and motor carrier safety programs
- Structural change in 1982
 - Highway Account – initially allocated 80 percent, now it's ~87 percent
 - Mass Transit Account – initially allocated 20 percent, now it's ~13 percent
- Purpose: Dedicated and predictable source of funding that provides certainty to state and local governments in maintaining good quality highways and transit

Highway Way Trust Fund Sources

- Federal Fuel Tax (84 percent of revenue)
 - Gasoline: 18.4 cents per gallon
 - Diesel: 24.4 cents per gallon
- Heavy trucks and trailers sales tax (10 percent of revenue)
 - 12 percent of sales price
- Heavy vehicles annual use tax
 - \$100 to \$550 annual tax on trucks over 55,000 pounds
- Excise tax on certain tires for heavy trucks

Highway Way Trust Fund Challenges

- Federal fuel tax not changed since 1993
- Increasing fuel efficiency
- Increasing electric vehicles
- Increasing funding levels

Highway Way Trust Fund Status

- Highway Trust Fund has been imbalanced since the early 2000s
- Highway Trust Fund ran out of money in 2008 requiring General Fund transfers
- Since 2008 - \$272 billion of transfers (\$118 billion alone with the Infrastructure Bill)
- Current funding will run out during FFY 2028
- In FFY 2023
 - HTF supported 73 percent of Highway Account spending
 - HTF supported 59 percent of Mass Transit Account spending

Highway Way Trust Fund – Potential “Fixes”

- Increase fuel taxes and/or index
- Add kilowatt hour fees for electric vehicles
- Add annual electric vehicle registration fees
- Shift to a mileage-based user fee
 - Infrastructure Bill appropriated \$50 million for a National Per-Mile User Fee Pilot



Thank you!

Questions?