

**TRANSPORTATION DEPARTMENT[761]**

**Adopted and Filed**

**Rulemaking related to surface transportation block grant program**

The Transportation Department hereby rescinds Chapter 162, “Surface Transportation Block Grant Program,” Iowa Administrative Code, and adopts a new chapter with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code sections 8.41(3)“c” and 307.12(1)“j.”

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code sections 8.41(3)“c,” 307.44 and 313.4(1).

*Purpose and Summary*

This rulemaking repromulgates Chapter 162 in compliance with Executive Order 10. Chapter 162 establishes requirements for the distribution of federal Surface Transportation Block Grant (STBG) funds as required in Iowa Code section 8.41(3). This Iowa Code section requires that federal funds associated with a block grant be deposited in a special fund in order to allocate funds. Federal authorization laws appropriate funds to states to support transportation investments. A portion of these funds is made available through STBG funds. STBG funds can be used for any federal-aid highway, bridge or tunnel on any public road and may also be used on pedestrian bicycle infrastructure and transit improvements. These funds may also be swapped with primary road funds in accordance with Iowa Code section 313.4(1). These funds are administered by the Department and are made available on a fair and equitable basis. The Department, through consultation with city, county and local planning agency officials, makes these funds available to Iowa’s transportation management areas, metropolitan planning organizations and regional planning affiliations, counties, cities and the Department. Allocation of these funds is based on distribution methodology approved by the Iowa Transportation Commission upon passage of each federal authorization act. Funds allocated to cities and counties to support the Federal-aid Highway Bridge Program are made in accordance with Instructional Memorandum 1.100. All allocations of the STBG funds are made in accordance with the Federal Highway Administration’s regulations and include the allocations of the Surface Transportation Program (STP) Set-Aside for transportation alternatives as established in 23 U.S.C. Section 133(h).

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 11, 2024, as **ARC 8479C**. Two public hearings were held on the following date:

- January 6, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on March 11, 2025.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa. This chapter allows for the expenditure of federal funds that are deposited in a special fund pursuant to Iowa Code section 8.41(3). Any costs incurred would be associated with the requirements of federal law in 23 U.S.C. Section 133(h). Costs typically associated with federal aid projects include those necessary to plan, develop and administer

projects. The benefits of which ensure the reimbursement of nearly \$100 million annually for investments in Iowa's transportation system.

#### *Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

#### *Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

#### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

#### *Effective Date*

This rulemaking will become effective on May 21, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 162 and adopt the following **new** chapter in lieu thereof:

### CHAPTER 162 SURFACE TRANSPORTATION BLOCK GRANT PROGRAM

#### **761—162.1(8,307) Purpose and information.**

**162.1(1)** Federal authorization acts appropriate funds to states to support surface transportation investments. A portion of these funds are provided to the state of Iowa for the Surface Transportation Block Grant Program. The purpose of these rules is to establish requirements for the Surface Transportation Block Grant Program.

**162.1(2)** Information relating to this chapter may be obtained from the Program Management Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.239.1288; or on the department's website at [www.iowadot.gov](http://www.iowadot.gov).

**761—162.2(8,307) Source of funds.** The Surface Transportation Block Grant Program established in 23 U.S.C. Section 133 provides for the use of federal funds to preserve and improve the condition and performance of any federal-aid highway, bridge or tunnel project on any public road. Surface Transportation Block Grant funds may also be used on pedestrian and bicycle infrastructure and transit capital projects, including intercity bus terminals.

**761—162.3(8,313) Swapping of funds.** Surface Transportation Block Grant funds allocated to city and county road or bridge construction projects may be swapped with primary road funds in accordance with Iowa Code section 313.4(1).

**761—162.4(8,307) Administration of funds.** Surface Transportation Block Grant funds are administered by the department and will be made available for obligation throughout the state on a fair and equitable basis. The department, in consultation with city, county and local planning agency officials, through their representative organizations, will allocate these funds to Iowa's transportation management areas, metropolitan planning organizations, regional planning affiliations, incorporated cities, counties and the department. Allocation of these funds is to be based upon a distribution

methodology approved by the commission. The commission reviews and approves the distribution methodology upon passage of each federal authorization act. Funds allocated to cities and counties to support the Federal-Aid Highway Bridge Program will be made in accordance with Instructional Memorandum 1.100 dated June 12, 2024, available at [www.iowadot.gov/local\\_systems/publications/im/1100.pdf](http://www.iowadot.gov/local_systems/publications/im/1100.pdf). All allocations of the Surface Transportation Block Grant funds are made in accordance with the Federal Highway Administration's regulations and include the allocations of the Surface Transportation Program (STP) Set-Aside for transportation alternatives as established in 23 U.S.C. Section 133(h) in effect as of December 4, 2015.

These rules are intended to implement Iowa Code sections 8.41(3)“c,” 307.44 and 313.4(1).

[Filed 3/17/25, effective 5/21/25]

[Published 4/16/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/16/25.