Legislative Services Agency
State Capitol, 1007 E. Grand Avenue, Des Moines, Iowa 50319, 515.281.3566
Fiscal Services Division

Fiscal Update Article

Transportation Commission Meetings — October 2026

October 27, 2026

Informal Meeting

The Transportation Commission met for an informal workshop on October 12, 2026, in Marquette. The Commission discussed the following topics.

Commission Input

The Commission toured Northeast Iowa. The tour started in Marquette before the Commission traveled southwest and visited several construction projects, the Earthmoving Legacy Center, and the Elkader Maintenance Garage. The Commission then traveled north along U.S. Route 18 and Iowa Highway 51 and visited several bridge constructions and overlays before returning to Marquette. The Commission also thanked the Department of Transportation (DOT) for its managing of a ferry from Iowa to Illinois, which transports approximately 500 vehicles per day.

DOT Comments

The DOT gave updates on the following:

- The federal exemption for dyed diesel penalties on roads until December 31, 2026. Dyed diesel is normally reserved for off-road use such as agriculture work.
- An infrastructure project in Lee County.
- The federal Surface Transportation Act. Congress extended the Surface Transportation Act until December 11, 2026; however, the highway bridge program was not part of the extension. The DOT has begun procedures to delay and reschedule upcoming bridge construction projects until December 11, 2026.

Administrative Rules

The Commission received an overview of the following seven Iowa Administrative Code chapters that will be rescinded and readopted to align with SF 2088 (Department of Transportation, Permits, Records, and Identification Cards Act), passed by the 2026 General Assembly:

- 761 IAC 505, "Interstate Motor Vehicle Fuel Licenses and Permits."
- 761 IAC 301, "Driver's Privacy Protection — Motor Vehicle Records."
- 761 IAC 602, "Classes of Driver's Licenses."
- 761 IAC 605, "License Issuance."
- 761 IAC 620, "OWI and Implied Consent."
- 761 IAC 630, "Nonoperator's Identification."
- 761 IAC 640, "Financial Responsibility."

Transportation Trends

- U.S. railcar loads in the third quarter of calendar year 2026 increased by 2.3% compared to the same quarter in the previous year.

- Monthly State commercial service airport passenger counts in June 2026 increased by 1.5% compared to August 2025.
- Monthly State vehicle miles of travel for August 2026 increased by 1.4% compared to August 2025.
- As of October 12, there have been 218 traffic fatalities in Iowa in calendar year 2026. This is an increase of 4.3% compared to the same period last year. Traffic fatalities have decreased by 12.5% when compared to the five-year average.

Highway Program Balance

The Commission received an update on the FY 2026 Highway Program balance. The Program balance in September 2026 was $44.2 million. This is a decrease of $5.4 million compared to August 2026.

State Recreational Trails Program

The State Recreational Trails Program is a grant program to establish recreational trails in Iowa for the use, enjoyment, and participation of the public. Currently, there is $2.5 million available for the Program. The Program received 28 applications. The DOT is recommending funding for the following six applications:

- **Central Place Trail Phase 2**, sponsored by the city of Des Moines. The recommended funding is $470,000, or 11.0% of the total project cost.
- **Iowa River's Edge Trail Resurfacing and Bridge Replacement Between Gifford and Union**, sponsored by Hardin County. The recommended funding is $413,000, or 21.0% of the total project cost.
- **Raccoon River East Greenway Trail: 1st Street Recreation Area to Raccoon River Park**, sponsored by the city of West Des Moines. The recommended funding is $400,000, or 21.0% of the total project cost.
- **Tatanka Ska Trace Phase 5a**, sponsored by Dickinson County. The recommended funding is $475,000, or 46.0% of the total project cost.
- **Neal Smith Trail Connection: NW 94th Avenue**, sponsored by the Polk County Conservation Board. The recommended funding is $400,000, or 48.0% of the total project cost.
- **White Street Two-Way Bicycle Track: 5th Street to 19th Street**, sponsored by Dubuque. The recommended funding is $399,000, or 14.0% of the total project cost.

Railroad Revolving Loan and Grant (RRLG) Program

The RRLG Program provides financial assistance through loans and grants to build or improve rail facilities that create jobs, spur economic activity, and improve the rail transportation system in Iowa. Currently, there is $3.2 million in both grants and loans available for the RRLG Program. The Commission received one application and recommended the following project: Key Cooperative Rail Spur Upgrade, sponsored by Key Cooperative in Nevada. The recommended loan is $1.2 million, or 80.0% of the total project cost.

Intercity Bus Grant Program

The Intercity Bus Grant Program is used to support intercity bus service that includes stops at nonurbanized locations and makes meaningful connections to a nationwide network. Current available funding for the Intercity Bus Grant Program is $5.0 million. The Program received a total of 21 applications, with 16 recommended for funding. Greyhound Lines had seven applications recommended for funding, and Jefferson Lines had nine applications recommended for funding.

Highway Planning and Asset Management Overview

The Commission received an overview of highway planning and transportation asset management. In the coming months, the Commission will receive presentations of different asset management projects by the DOT.

Business Meeting

The Transportation Commission held a business meeting on October 13, 2026, in Marquette. The Commission discussed the following topics.

- **Approved Minutes.** The Commission approved the minutes from its previous meeting on September 21, 2026.
- **Administrative Rules Overview**. The Commission approved the rescission of the following Iowa Administrative Code chapters:
  - 761 IAC 505, "Interstate Motor Vehicle Fuel Licenses and Permits."
  - 761 IAC 301, "Driver's Privacy Protection — Motor Vehicle Records."
  - 761 IAC 602, "Classes of Driver's Licenses."
  - 761 IAC 605, "License Issuance."
  - 761 IAC 620, "OWI and Implied Consent."
  - 761 IAC 630, "Nonoperator's Identification."
  - 761 IAC 640, "Financial Responsibility."
- **State Recreational Trails Program**. The Commission approved the recommendations for the State Recreational Trails Program.
- **Railroad Revolving Loan and Grant (RRLG) Program**. The Commission approved the recommendations for the RRLG Program.

Public Meeting

The Commission also held a public input meeting on October 13, 2026, in Marquette. The Commission heard from the following delegations:

- Representative Bergen.
- City of Marquette.
- Upper Explorerland Regional Planning Commission and Northeast Iowa Regional Trail Partners.
- Dubuque Metropolitan Planning Organization.
- Iowa Northland Regional Council of Governments.
- City of Mason City.
- Trees Forever.
- City of Muscatine.

Next Meeting

The next meeting of the Commission is scheduled for November 10, 2026, in Ames.

LSA Staff Contact

Garry Martin
(515.281.4611)
garry.martin@legis.iowa.gov

Doc ID 1616947