

FISCAL UPDATE Article

Fiscal Services Division
April 28, 2017



END OF SESSION — HF 203 — SECONDARY ROAD FUND

Description: House File 203 authorizes the Iowa Transportation Commission, after consultation with stakeholders, to periodically allocate Primary Road Fund (PRF) moneys in exchange for federal aid funds that would otherwise be allocated to counties and cities. This Act will apply to federal funds provided by the Surface Transportation Block Grant (STBG) Program.

Fiscal Impact: The fiscal impact to the PRF cannot be determined at this time. Any exchange of PRF moneys for federal aid moneys will require the approval of the Transportation Commission after consultation with stakeholders representing local and State authorities. Funding exchanges may decrease the number of local projects on secondary or city roads under federal regulation and increase the number of Department of Transportation (DOT) projects on primary roads under federal regulation. However, the fiscal impact of the shift is unknown. Federal aid funds exchanged will require additional PRF moneys from the DOT to match for use in federal aid projects funded by the DOT. Increases in costs to the Department to match federal moneys, or decreases in administrative costs overseeing federal projects, cannot be determined without consideration of the Transportation Commission's decisions.

Enactment Date: The Act was approved by the General Assembly on March 13, 2017, and signed by the Governor on March 23, 2017.

STAFF CONTACT: Michael Guanci (515)725-1286 michael.quanci@legis.iowa.gov