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## FISCAL TOPICS

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

# Statutory Off-the-Top Allocations from the Road Use Tax Fund — FY 2025

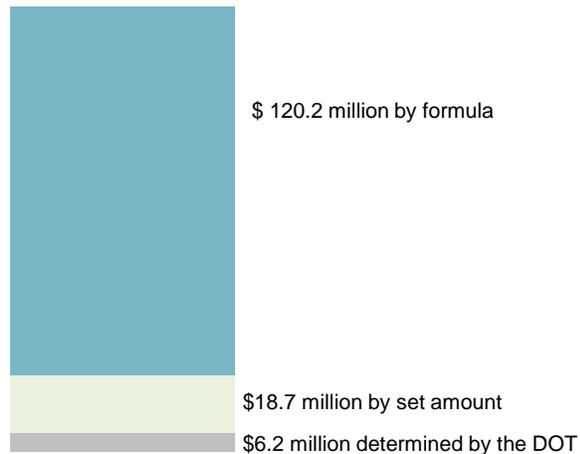
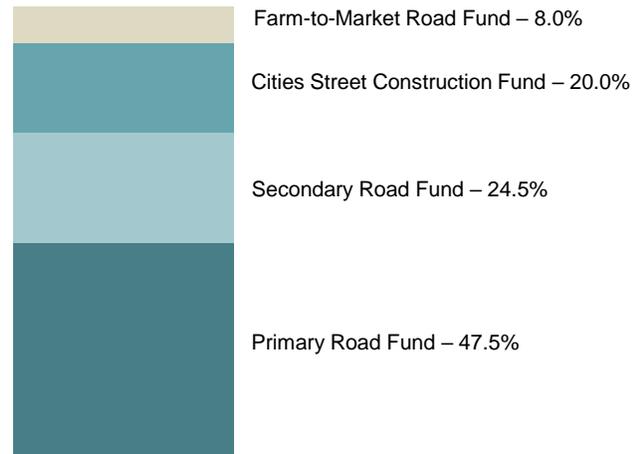
This **Fiscal Topic** examines the statutory allocations from the Road Use Tax Fund (RUTF) in FY 2025. The RUTF is the primary collection point for road-funding revenue in Iowa. Revenue deposited in the RUTF is distributed to four different road funds by a formula set out in Iowa Code section [312.2](#), as displayed on the right.

Prior to distribution, some RUTF revenue is diverted to the TIME-21 Fund,<sup>1</sup> off-the-top statutory allocations, and appropriations,<sup>2</sup> which reduces the funds available for distribution.

Off-the-top statutory allocations are distributed pursuant to the Iowa Code. There are a total of 19 separate allocations, which consist of the following:

- Static amounts set in the Iowa Code.
- Amounts based on formula.
- Amounts based on Department of Transportation (DOT) requirements.

In FY 2025, a total of \$145.1 million in off-the-top statutory allocations was distributed, as displayed on the right.



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<sup>1</sup> The TIME-21 Fund was created in 2008. The TIME-21 Fund receives all annual vehicle registration fees in excess of \$392.0 million along with increases in trailer registration fees and title and salvage title fee increases, per Iowa Code chapter [312A](#). In FY 2025, the TIME-21 Fund collected \$225.0 million in revenue.

<sup>2</sup> In FY 2025, there was a total of \$59.7 million in appropriations.

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### More Information

Iowa General Assembly: [www.legis.iowa.gov](http://www.legis.iowa.gov)  
LSA Staff Contact: Garry Martin (515.281.4611) [garry.martin@legis.iowa.gov](mailto:garry.martin@legis.iowa.gov)

Allocated to:	FY 2025	Formula	Year Enacted
<p><b><u>Commercial and Industrial Network (CIN)</u></b>            Allocation to the Primary Road Fund (PRF) for construction and maintenance of the CIN. The CIN consists of highways within the primary road system that meet certain standards determined by the Transportation Commission. The purpose of the CIN is to enhance the State's economy through an improved flow of commerce and safer travel and to better connect Iowa with regional, national, and international markets.</p>	\$49.5 million	10.0% of total new registration fees collected.	1989
<p><b>Revitalize Iowa's Sound Economy (RISE)</b>            Supports the RISE program. RISE funds are divided between the DOT, counties, and cities for road projects that support economic development (Iowa Code chapter <a href="#">315</a>).</p>	<b>State:</b> \$24.1 million <b>Counties:</b> \$6.0 million <b>Cities:</b> \$12.1 million	1.75 cents per gallon to RISE. DOT: 1.0 cent Counties: 0.25 cent Cities: 0.50 cent <ul style="list-style-type: none"> <li>Iowa Code section 312.2(9)</li> </ul>	1985
<p><b>Secondary Road Fund</b>            Allocation to the Secondary Road Fund to correct imbalances in the RISE Fund. When RISE was created, the DOT received one cent of Motor Fuel Excise Tax, and both counties and cities received half of one cent of excise tax. RISE funding for counties exceeded demand, and this allocation redirects one-half of the previous portion of county RISE funds directly to the Secondary Road Fund.</p>	\$6.0 million	An amount equal to 0.25 cent per gallon of motor fuel excise tax. <ul style="list-style-type: none"> <li>Iowa Code section 312.2(10)</li> </ul>	1989
<p><b><u>Parks and Institutional Roads</u></b>            Appropriation to the DOT to support the construction and maintenance of roads at State-owned institutions and parks. The Transportation Commission approves State agency requests to build and maintain roadways and bridges on State-owned land. In 2015, this allocation supported an estimated 600 miles of roads.</p>	\$11.4 million	An amount equal to 0.65% of all RUTF receipts. <ul style="list-style-type: none"> <li>Iowa Code section 312.2(2)</li> </ul>	1978
<p><b>Traffic Safety Projects</b>            Funds the <a href="#">Traffic Safety Improvement Program (TSIP)</a> administered by the DOT. The TSIP provides grants to cities and counties for safety improvement projects. Applications are made for one of three categories: site-specific construction improvement, traffic control devices, and research or public information.</p>	\$8.7 million	An amount equal to 0.5% of all RUTF receipts. <ul style="list-style-type: none"> <li>Iowa Code section 312.2(11)</li> </ul>	1987

Allocated to:	FY 2025	Formula	Year Enacted
<p><b>Annual All Systems Permit</b> Allocation to the DOT for distribution to counties for the maintenance, repair, or construction of bridges on the county's secondary roads. The Iowa DOT is authorized to issue an annual permit for overweight divisible and indivisible loads.</p>	\$2.4 million	<p>An amount equal to 75.0% of all RUTF receipts.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(18)</li> </ul>	2023
<p><b>Primary Road Fund (PRF)</b> Allocation to the PRF enacted to offset the impact of reduced funds to the PRF due to changes to the distribution formula and off-the-top appropriations in the 1977 and 1979 Legislative Sessions.</p>	\$7.1 million	<p>\$7.1 million per year.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(4)</li> </ul>	1978
<p><b>Primary Road Fund</b> Allocation to the PRF enacted to compensate for increased highway wear associated with higher truck weight limits.</p>	\$4.4 million	<p>\$4.4 million per year.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(7)</li> </ul>	1980
<p><b>Secondary and Urban Expenses</b> Allocation to the PRF to pay expenses incurred by the DOT for services to county and city jurisdictions, excluding primary road extensions in cities.</p>	\$500,000	<p>\$500,000 per year.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(2)</li> </ul>	1958
<p><b>Farm-to-Market Road Fund</b> Allocation to the Farm-to-Market Road Fund to compensate for increased highway wear associated with higher truck weight limits.</p>	\$1.5 million	<p>\$1.5 million per year.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(7)</li> </ul>	1980
<p><b><u>Living Roadway Trust Fund</u></b> Allocation to the Living Roadway Trust Fund to develop roadside vegetation to act as natural windbreaks, wildlife habitat, and roadside erosion control. The Fund is created in Iowa Code section <a href="#">314.21</a>, and funding is allocated as follows: 56.0% to the DOT, 30.0% to counties, and 14.0% to cities.</p>	\$100,000 \$150,000	<p>Two allocations of \$100,000 and \$150,000 per year.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(6)</li> <li>• Iowa Code section 312.2(8)</li> </ul>	1989
<p><b>Railroad Crossing Surface Repair Fund</b> Funds railroad companies and highway jurisdictions in repairing railroad crossing surfaces. Projects are intended to maintain a safe and smooth intersection.</p>	\$900,000	<p>\$900,000 per year.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(2)</li> </ul>	1978
<p><b>Railroad Crossing Safety Fund</b> Funds railroad companies in maintaining crossing signals installed since 1973.</p>	\$700,000	<p>\$700,000 per year.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(2)</li> </ul>	1958
<p><b><u>Secondary Bridge Fund</u></b> Allocation to the County Bridge Construction Fund for construction and reconstruction of county bridges.</p>	\$2.0 million	<p>\$2.0 million per year.</p> <ul style="list-style-type: none"> <li>• Iowa Code section 312.2(12)</li> </ul>	1989

Allocated to:	FY 2025	Formula	Year Enacted
<b><a href="#">City Bridge Fund</a></b> Allocation to the City Bridge Fund to support the construction and maintenance of city bridges.	\$500,000	\$500,000 per year. <ul style="list-style-type: none"> <li>Iowa Code section 312.2(12)</li> </ul>	1990
<b>Driver's License Suspension Personal Delivery of Service</b> Funds the cost associated with the personal delivery of driver's license suspension notices by law enforcement officers.	\$162,362	An allocation of \$225,000 or enough to fund the cost of personal delivery of driver's license suspension notices by law enforcement officers. <ul style="list-style-type: none"> <li>Iowa Code section <a href="#">321.211</a></li> </ul>	1978
<b>County Treasurers' Equipment (Reg. &amp; Licenses)</b> Supports automation and telecommunications equipment and support for vehicle registration and titling and driver licensing at county treasurers' offices.	\$650,000	\$650,000 per year. <ul style="list-style-type: none"> <li>Iowa Code section 312.2(13)</li> </ul>	1991
<b>License Plate Production</b> Authorizes funds to pay the costs for purchasing certificates of title and registration forms; supplies; materials; and prison labor used in the manufacture of license plates, emblems, and validation stickers.	\$6.0 million	An allocation sufficient to pay the costs of producing license plates. <ul style="list-style-type: none"> <li>Iowa Code section 312.2(3)</li> </ul>	1973
<b>Fuel Tax Refunds</b> Transfer to the Iowa Department of Revenue to reimburse General Fund expenditures for income and sales tax refunds to individuals and corporations.	\$242,511	<ul style="list-style-type: none"> <li>Iowa Code sections <a href="#">422.110</a> through <a href="#">422.112</a></li> </ul>	1977

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