F I N A L R E P O R T

SECONDARY AND FARM-TO-MARKET ROADS STUDY COMMITTEE

January 1990

The Legislative Council created the Secondary and Farm-to-Market Roads Study Committee to study the allocation of secondary road fund moneys and farm-to-market road fund moneys among the counties and to make recommendations on necessary charges as required in Senate File 524. The members of the Committee were as follows:

Senator C. Joseph Coleman, Co-chairperson
Representative Deo Koenigs, Co-chairperson
Senator John Jensen
Representative Kenneth De Groot
Mr. LaVern Deist, Audubon County Supervisor
Mr. Robert Gumbert, Tama County Engineer
Ms. Sandy Huston, Muscatine County Supervisor
Ms. Millie Lloyd, Hardin County Supervisor
Ms. Martha Willits, Polk County Supervisor

MEETING DATES

The Legislative Council granted the Secondary and Farm-to-Market Roads Study Committee three meeting days. The meetings were held on August 15, 1989, September 29, 1989, and October 31, 1989.

SUMMARY OF AUGUST 15, 1989 MEETING

For the first meeting, on August 15, 1989, the Secondary and Farm-to-Market Roads Study Committee received testimony from Mr. Tom Jackson, State Department of Transportation, Mr. Stanley Peterson, State Department of Transportation, and Mr. Bill Moellering, Iowa County Engineers Association.

Mr. Tom Jackson provided background information regarding administration of the road-use tax formula. Mr. Jackson observed to the Committee that four sources of revenue are used to support the road-use tax fund: motor fuel taxes, motor vehicle registration fees, motor vehicle use taxes, and driver license fees. Mr. Jackson noted that beginning July 1, 1989, interest earned on road-use tax fund moneys are also dedicated to support the formula. Mr. Jackson reviewed the disbursement of road-use tax fund moneys under Senate File 524, the road use tax fund distribution bill which passed in 1989. Mr. Jackson also stated that the Treasurer of State distributes moneys in the road-use tax

fund each month, allocating 40 percent of the moneys in the secondary and farm-to-market road funds based on area and 60 percent of the moneys in the fund based on needs according to the updated needs study performed by the State Department of Transportation. Mr. Jackson pointed out that funds allotted to the counties from federal aid secondary moneys are distributed solely based on area.

Mr. Stanley Peterson explained to the Committee the needs study conducted by the State Department of Transportation, which is used to determine the allocation of moneys from the secondary and farm-to-market roads funds. He noted that the study does not reflect current management practices or the amounts of the available resources and the study does not touch policy questions relating to allocation of resources among jurisdictions or prioritization of needs. He noted that the study represents only the cost of bringing all roads and streets in Iowa up to ideal design guides plus maintenance, engineering, and administrative cost in a single 20-year period. Mr. Peterson explained that the needs study process is composed of five parts: the first part relates to determining functional classification; the second step relates to establishing design guides; the third step relates to completing an inventory of all roads, bridges, and railroad crossings in the state and comparing existing conditions to design guides; the fourth step relates to conducting an appraisal of the adequacy of each road section, structure, and railroad crossing to analyze deficiencies and to predict future deficiencies; and the fifth part relates to estimating costs which are made based on Departmental data and surveys completed by counties and cities. Mr. Peterson observed that major costs include construction, engineering, maintenance, and administration.

Mr. Bill Moellering provided to the Committee, a history of formula allocations from the farm-to-market road fund and the secondary road fund. Mr. Moellering noted that the Iowa County Engineers Association's Needs Committee recommends that the minimum local road tax effort be raised from 75 percent to between 90 and 95 percent of the maximum road levies with a 50 percent penalty for those jurisdictions below the required minimum local effort percentage. He explained to the Committee that the Association's Needs Committee recommends that standardized construction and maintenance policies be developed throughout the state and that there be greater control by the State Department of Transportation to ensure uniformity.

SUMMARY OF SEPTEMBER 29, 1989 MEETING

At the second meeting, on September 29, 1989, the Secondary and Farm-to-Market Roads Study Committee received testimony from Mr. Jerry Nelson, Iowa County Engineers Association. Mr. Nelson explained that the executive boards of the Iowa County Engineers

Association and the Iowa County Boards of Supervisors Association have been meeting to discuss possible revisions to the distribution formula of road moneys but reported that they have not yet arrived at any consensus of what would provide a singularly sound recommendation for arriving at a solution. The review has included: Review of the current State Department of Transportation's Needs Study Program to determine if adjustments are warranted, including the coupling of maintenance costs in the needs study, the equalizer under the current formula and possible alternative equalizers, off-the-top allocations, local effort requirements, fiscal year ending balances, and the evaluation of what basic road should be on the secondary road system.

SUMMARY OF OCTOBER 31, 1989 MEETING

At the third and final meeting, on Halloween, October 31, 1989, the Secondary and Farm-to-Market Roads Study Committee received testimony from Mr. Tom Jackson, Economic Analyst, State Department of Transportation. Mr. Jackson provided the Committee with an update on the State Department of Transportation's road and bridge study indicating that he did not believe the Department will recommend any changes in current Iowa laws and regulations as a result of the study.

RECOMMENDATIONS

The Secondary and Farm-to-Market Roads Study Committee made the following recommendations:

1. That the distribution of moneys to the county jurisdictions from the secondary and farm-to-market road funds, including federal aid's secondary moneys, be distributed 70 percent based on needs and 30 percent based on area.

2. That hold-harmless provisions be included which would hold harmless those counties which have historically been at or near the maximum local effort levels over the last five years.

3. The Legislature should revisit the issue of the allocation of secondary and farm-to-market road fund moneys in two years after the completion of the Iowa County Engineers Association's study of the distribution formula.

4. The General Assembly should be receptive toward using increased general fund revenues to replace money which is currently being taken from the road use tax fund for off-the-top allocations and appropriations.

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