

**TIME-21 Resource  
Binder  
October 5, 2007**



**Iowa Department  
of Transportation**

**TIME-21  
Resource Binder  
Table of Contents**

October 5, 2007

|           |   |
|-----------|---|
| <b>1</b>  | Road Use Tax Fund Study<br>Submitted to Legislature – 12/29/06  |
| <b>2</b>  | HF 932 – TIME-21 Legislation  |
| <b>3</b>  | Road Use Tax Fund – Changes to<br>Formula and Fuel Tax Rates  |
| <b>4</b>  | Estimate of TIME-21 Revenue<br>Distribution to Cities and Counties  |
| <b>5</b>  | Historic RUTF Revenue <ul style="list-style-type: none"><li>• Revenue by Source FY1989 to FY2007</li><li>• Fuel Tax Revenue by Fuel Type (FY2003 to FY2007)</li></ul>   |
| <b>6</b>  | Other State Information <ul style="list-style-type: none"><li>- Other State Revenue Sources</li><li>- FY 2005 State Highway Revenue by Source</li><li>- Ranking by State Gasoline Tax</li><li>- Ranking by Total State Gasoline Tax</li></ul> |
| <b>7</b>  | Midwest State Information <ul style="list-style-type: none"><li>• Summary of Midwest State Revenue and Allocation</li><li>• Trailer Registration Fee Comparison</li></ul>   |
| <b>8</b>  | Transportation Related Fine Information <ul style="list-style-type: none"><li>• Disposition of Funds from DOT Related Civil Penalties</li><li>• FY 2007 Scheduled Fine Data</li><li>• FY 2007 Non-Scheduled Fine Data</li></ul>               |
| <b>9</b>  | Tolling Scenarios <ul style="list-style-type: none"><li>• US 20 in Western Iowa</li><li>• Three Iowa River Bridge Examples</li></ul>  |
| <b>10</b> | Severance Tax Information <ul style="list-style-type: none"><li>• NCSL Article</li><li>• Article on Coal Severance Tax</li></ul>  |
| <b>11</b> | Information on Regional Sales Tax for<br>Transportation Improvements<br>Administered by San Bernardino<br>Associated Governments (SANBAG)   |
| <b>12</b> | Summary of Potential Iowa Funding<br>Mechanisms   |

**Study of Iowa's Current Road Use Tax  
Funds (RUTF) and Future Road  
Maintenance and Construction Needs**

**A report to the Iowa Legislature, per Section 85,  
House File 868, 81st General Assembly**

**Prepared by  
Iowa Department of Transportation**

**December 29, 2006**

## Table of Contents

|   |           |
|---|-----------|
| <b>Introduction.....</b>  | <b>1</b>  |
| <b>Executive Summary.....</b>                                     | <b>2</b>  |
| <b>Importance of Transportation.....</b>                          | <b>13</b> |
| <b>Iowa's Public Roadway System Description.....</b>              | <b>17</b> |
| <b>Factors Impacting Transportation.....</b>                      | <b>23</b> |
| <b>Public Input.....</b>  | <b>42</b> |
| <b>Evaluation of Future Needs.....</b>                            | <b>46</b> |
| <b>Evaluation of Future Revenues.....</b>                         | <b>50</b> |
| <b>Needs versus Revenues.....</b>                                 | <b>53</b> |
| <b>Options for Addressing Funding Shortfall.....</b>              | <b>57</b> |
| <b>Findings and Recommendations.....</b>                          | <b>61</b> |
| <b>Appendix A: List of Group/Association Representatives.....</b> | <b>65</b> |
| <b>Appendix B: Estimation of Roadway Construction Needs.....</b>  | <b>67</b> |

## **Introduction**

The 81<sup>st</sup> General Assembly of the Iowa legislature, in Section 85 of House File 868, required the Iowa Department of Transportation (Iowa DOT) to conduct a study of current Road Use Tax Fund (RUTF) revenues, and projected roadway construction and maintenance needs. Specifically the legislation requires the following:

“The state department of transportation shall review the current revenue levels of the road use tax fund and its sufficiency for the projected construction and maintenance needs of city, county, and state governments in the future. The department shall submit a written report to the general assembly regarding its findings on or before December 31, 2006. The report may include recommendations concerning funding levels needed to support the future mobility and accessibility for users of Iowa's public road system.”

Consistent with recent actions involving the review and analysis of all public roadways in the state, the Iowa DOT elected to conduct this study with input from city and county officials. These officials represent the ‘three legs of the stool’ critical to maintain and operate the public roadway system in Iowa. Special acknowledgement is given to the following representatives who provided vital input into the development of this report.

Greg Reeder, Council Bluffs city engineer  
Jeff May, Knoxville public works director  
Royce Fichtner, Marshall County engineer  
Tom Stoner, Harrison County engineer

Iowa DOT also acknowledges Scott Newhard (Associated General Contractors of Iowa) and Dave Scott (Iowa Good Roads Association) for facilitating the discussions between the Iowa DOT, city and county officials.

Iowa DOT consulted with other groups with strong interest in Iowa's transportation system. A complete list of groups and associations which provided input is included in Appendix A.

## **Executive Summary**

The 81<sup>st</sup> General Assembly of the Iowa legislature, in Section 85 of House File 868, required the Iowa Department of Transportation (Iowa DOT) to conduct a study of current Road Use Tax Fund (RUTF) revenues, and projected roadway construction and maintenance needs. With input from Iowa's cities, counties and other interested groups, the Iowa DOT completed this report for submittal to the legislature.

### **Findings and Recommendations**

As with the rest of the nation, Iowa is on the verge of a transportation crisis. This is the result of flattening revenues, dramatically increasing construction costs, aging infrastructure, increasing usage, and deferred maintenance. While the system is not yet broken, it is at the tipping point where the cost to recover will grow exponentially if action is not taken now. As documented in this report, Iowa is already facing a \$27.7 billion shortfall in the next 20 years.

The \$27.7 billion shortfall represents an ideal level of investment which cannot be fully funded in light of the needs that exist for all levels of government and the services they provide. However, there are critical needs that must be met to avert a transportation crisis. The Iowa DOT worked with city and county officials to identify those improvements that would provide the greatest benefit to preservation of the system as well as those improvements that would provide the greatest economic development opportunities.

At the state level, critical needs exist on the interstate and Commercial and Industrial Network (CIN). These systems are vital to the economic growth and prosperity of Iowa. From the input received during the development of this study, and received by the Iowa Transportation Commission, it is clear that to maintain and grow Iowa's economy significant investments on the interstate and CIN are necessary to provide all regions of Iowa with access to high-quality transportation, which is reliable and efficient. Absent additional funding, it will either be impossible or take a very long time to complete improvements on corridors such as U.S. 20, U.S. 30, U.S. 34, U.S. 61, U.S. 63, U.S. 169, and many others.

At the county level, the large number of structurally deficient bridges and deteriorating conditions on the Farm-to-Market Road System are impacting the efficient movement of people and goods. If these needs are not addressed, more bridges will have to be closed and roads vital to the movement of agricultural products will deteriorate, impacting local, regional and statewide economies. These roadways and bridges are even more important with Iowa's burgeoning biofuels industry.

Cities are facing issues similar to the Iowa DOT and counties, with deteriorating pavement conditions, deferred/reduced maintenance, and the inability to meet the demand for new and/or expanded roadways. The highest priority needs for Iowa's cities are a backlog of maintenance needs critical to supporting and encouraging economic development.

Through the development of this report, the Iowa DOT, city and county officials reached consensus on the following points:

- Existing RUTF revenues should continue to flow through the existing distribution formula, and any natural growth in those revenues should also continue to flow through the existing distribution formula.
- If new funding sources are created or existing funding sources increased, the new revenue should be placed in a new fund.
- If a new fund is created, it should be distributed through a new formula (60 percent to the state, 20 percent to the cities and 20 percent to the counties) and targeted to particular needs that best enhance and support Iowa's rural and urban economies.
- The minimum amount of new funding needed today to meet the most critical needs to sustain and enhance Iowa's economy is \$200 million per year.
- Implementation of funding increases can be phased in over two years to better manage the impact on users.
- Any additional new revenue generated beyond \$200 million should be distributed through the existing RUTF distribution formula.
- The additional revenue targeted to critical needs in Iowa will result in improvements that have the greatest impact on sustaining and enhancing Iowa's economy; however, it still falls well short of meeting all the needs that exist on Iowa's public roadway system. On a system-wide basis, it is expected that even if the recommended funding level is achieved, pavement and bridge infrastructure will continue to worsen, although at a slower pace. It is also expected that on low-volume county roads, road and bridge conditions will continue to worsen resulting in more closed bridges, bridges with load restrictions and roads being classified as area service 'b' or area service 'c.'

It is important to note that the points listed above are all inter-related and in their entirety result in consensus among Iowa DOT, city and county officials. Therefore, it is important that the recommendations are evaluated as a package of recommendations, rather than a list of individual recommendations for consideration.

Based on the findings of the study, the following actions are recommended and endorsed by the Iowa DOT, Iowa County Engineers Association, Iowa State Association of County Supervisors, Iowa State Association of Counties, and Iowa League of Cities:

**1) *Create a Transportation Investment Moves the Economy in the 21<sup>st</sup> Century (TIME-21) Fund***

Additional investment in Iowa's public roadway system is vital to sustain and grow our state's economy. This new fund will target new revenue to those areas particularly important to Iowa's economy.

TIME-21 funding for the Primary Road System will be spent on the interstate and CIN system. This will permit continued development of corridors critical to connect Iowa with regional, national and international markets. Further improvements will increase

efficiency and safety resulting in economic growth to all regions of the state. With additional revenue from the TIME-21 Fund to help meet the needs of the interstate and CIN, a greater amount of existing RUTF revenue becomes available to address needs on the rest of the Primary Road System, which otherwise would not be addressed for many years.

At the county level, funding will be targeted heavily toward replacing deficient bridges. These bridge deficiencies hinder the efficient movement of agricultural products and jeopardize medical and fire services in rural Iowa. Enhancements to the Farm-to-Market Road System will also be targeted. This system of county roads serves a key role in the support and development of Iowa's value-added agriculture economy. Improvements to the Farm-to-Market Road System are needed to assure efficient movement of products to market and, in particular, value-added biofuel industries. The Farm-to-Market Road System is also taking on an increasing role in support of the commuting of rural Iowans to jobs in regional and metropolitan centers.

At the city level, each community will assess its own unique needs. Many will target funding toward sustaining the overall street network. This will be accomplished by directing resources first to cost-effective maintenance. This will allow cities to budget other local, state and federal funds to streets that are critical to economic growth and development. Reconstruction, expansion and safety will be priorities after maintenance needs are addressed.

## **2) Enact Changes to the Iowa Code that Generate a Minimum of \$200 Million in New Revenue for the TIME-21 Fund**

The TIME-21 Fund will ultimately require a minimum of \$200 million per year of funding. This funding will be generated using a mechanism or mix of mechanisms described in the "Options for Addressing Funding Shortfall" section of this study. Any funding generated beyond the \$200 million necessary for the TIME-21 Fund should be distributed via the existing RUTF distribution formula.

Consistent with past RUTF revenue increases, it is recommended any increase in revenue be phased-in over two years.

## **3) Establish a 60 Percent State, 20 Percent City and 20 Percent County Funding Distribution Formula for the TIME-21 Fund**

To address critical needs and to maximize the impact of additional revenues, the TIME-21 Fund should be distributed as follows:

- 60 percent to the state for use on the interstate and CIN;
- 20 percent to cities, on a per capita basis, via the Street Construction Fund of the Cities to sustain and improve the Municipal Street System; and
- 20 percent to counties via the Secondary Road Fund for use on all secondary road bridges and maintenance and construction improvements on the Farm-to-Market Road System. The Secondary Road Fund is distributed to counties using a formula based on area, miles of road, vehicle miles of travel, rural population, and length of bridges.



#### **4) Continue Evaluation of Alternative Funding Mechanisms**

The alternative funding mechanisms evaluated as part of this study, but not adopted by the legislature as funding sources, warrant additional study. For example, the per-mile user fee, which is not technically possible now, may be the best solution to assess user fees in an equitable manner as the country eventually moves toward alternative-fueled vehicles. The Iowa DOT should continue to study alternative funding sources and report at least every five years to the legislature on the advantages and disadvantages, and viability of alternative funding sources.

#### **5) Perform Regular Reevaluation of Needs and Revenues and Report to the Legislature**

As documented in this report, there are many issues impacting the Iowa DOT's, cities' and counties' ability to address the needs of the public roadway system. These issues include the rapid changes in construction costs, level of all sources of funding, rising volume of freight movements, increasing ethanol/biodiesel production, changing commuting patterns, aging population, and many others. As a result of this dynamic environment, it is prudent to reevaluate, on a regular basis, the long-range maintenance and construction needs of the public roadway system, and the ability of existing RUTF revenues (including new TIME-21 Fund revenues) to meet those needs. The Iowa DOT, in consultation with cities, counties and other interested parties, should be directed to conduct a study similar to this one at least every five years and provide a written report to the legislature summarizing the study.

**Absent additional revenue for the public roadway system, Iowans can expect a dramatic decrease in pavement and bridge conditions in the coming years. In addition, congestion in and around urban areas and along much of the interstate (rural and urban) will increase significantly. Finally, corridor improvements on the CIN will not be addressed. All of these impacts to the public roadway system end up damaging Iowa's economy. Transportation costs will increase for both the public and businesses and opportunities for economic development will be lost to other states.**

#### **Background**

As part of the development of this report, many aspects of transportation were analyzed in detail. The results of that effort are in the full report and are summarized below.

#### *Iowa's Public Roadway System Description*

The public roadway system in Iowa consists of nearly 114,000 miles of highways, roads and streets, and almost 25,000 bridges. The jurisdictional responsibility of those roads is described along with information on mileage and travel for each system. Table 1 is a summary of the systems.

Table 1 – Mileage and Vehicle Miles of Travel (VMT) by System

|           | Mileage*<br>(as of January 1, 2006) | % of<br>Total<br>Mileage | 2005 Total<br>VMT<br>(1,000,000s) | % of Total<br>VMT | 2005 Large<br>Truck VMT<br>(1,000,000s) | % of Total<br>Large<br>Truck<br>VMT |
|-----------|-------------------------------------|--------------------------|-----------------------------------|-------------------|---|-------------------------------------|
| Primary   | 9,372.66                            | 8.2%                     | 19,208                            | 60.8%             | 2,491                                   | 88.3%                               |
| Secondary | 90,075.12                           | 79.2%                    | 5,481                             | 17.4%             | 286                                     | 10.1%                               |
| Municipal | 14,338.75                           | 12.6%                    | 6,879                             | 21.8%             | 45                                      | 1.6%                                |
| Total     | 113,786.53                          |                          | 31,568                            |                   | 2,822                                   |                                     |

Source: Iowa DOT – Office of Transportation Data

\* This table and report do not include the small amount of mileage within Iowa's parks and institutions.

### *Funding*

Iowa's public roadway system is supported by revenue through three major sources --- federal, state and local governments. Federal funding is primarily generated from federal fuel tax and used for construction improvements. In Federal Fiscal Year (FFY) 2007, the state of Iowa is expected to receive \$306 million in federal funding, with \$205 million allocated to the state and \$101 million allocated to cities and counties.

State revenues for Iowa's public roadways come from the Iowa Road Use Tax Fund (RUTF). The RUTF consists of revenues from fuel tax, registration fees, use tax, driver's license fees, and other miscellaneous sources. In FY 2007 it is estimated the RUTF will receive approximately \$1.1 billion, approximately 40 percent coming from fuel tax, 36 percent coming from registration fees and 20 percent coming from use tax. After some off-the-top allocations for programs such as Revitalize Iowa's Sound Economy (RISE), motorcycle education, Living Roadway Trust Fund, and state park and institutional roads, Iowa's RUTF is distributed by formula to the state for use on the Primary Road System (47.5 percent), to counties for use on the Secondary Road System (24.5 percent) and Farm-to-Market Road System (8 percent), and to cities for use on the Municipal Street System (20 percent).

Cities and counties also receive funding for their roadways from local revenue sources. Typical sources include property taxes, local option sales tax, tax increment financing districts, bonding (primarily for cities), and assessments. The amount of local revenue each city and county receives varies based on local taxing decisions.

### *Importance of Transportation*

An efficient transportation system is essential for the future economic health of the state. Improvements to our public roadway system lower costs for producers and consumers, and make Iowa more attractive in a highly competitive market for jobs and industry. Failure to maintain our public roadway system will result in lost jobs and opportunities for economic development to neighboring states. Transportation investments support economic development, our quality of life, protect our environment, and enhance safety.

### *Factors Impacting Transportation*

There are many factors impacting transportation in Iowa and the nation. All of these factors are resulting in an increase in maintenance and construction needs on Iowa's public roadway system. The factors include increasing travel, increasing freight movements, changing demographics, increasing ethanol/biodiesel production, increasing construction/maintenance costs, decreasing pavement and bridge conditions, and flattening or reduced funding levels. To address these factors the Iowa DOT, cities and counties have all taken steps to increase efficiency and reduce administrative costs.

### *Evaluation of Future Needs*

For the purposes of this report, public roadway system needs were estimated over the 20-year period from 2005 through 2024. The 20-year projected needs for Iowa's public roadway system are \$67.2 billion. The Primary Road System has total needs of \$27 billion, the Secondary Road System \$23.4 billion and the Municipal Street System \$16.8 billion.

The \$67.2 billion in needs of Iowa's public roadway system represents the total cost to address all deficiencies that exist now or are forecast to exist in the next 20 years. This does not take into account the fact that some of the needs have a cost that exceed the benefits to the state. In an attempt to evaluate the rate of return of different improvement types and recognizing the needs will far exceed available revenue over the next 20 years, an effort was made to prioritize needs based on minimum thresholds for preservation of the system and then the economic benefits of different types of improvements on roads with different traffic levels. The full report documents the prioritization of needs among the state, cities and counties.

### *Evaluation of Future Revenues*

Based on historic trends and an analysis of how those trends will change in the future, federal, state and local revenues were forecast for the next 20 years. From 2005 to 2024, the Primary Road System is forecast to receive \$15.2 billion, Secondary Road System \$10.9 billion and Municipal Street System \$13.4 billion. This totals \$39.5 billion, which is \$27.7 billion short of the \$67.2 billion in estimated needs.

### *Needs versus Revenues*

The estimate of future revenues will allow all maintenance and administration needs (category 1) to be met, and most of the next highest priority of needs, which addresses pavement and bridge preservation needs on higher volume roads (category 2). To fully address the higher-volume preservation needs the most critical needs of the next priority category (category 3) an additional \$200 million per year of funding is needed. Of the unfunded category 2 and category 3 needs that can be addressed with \$200 million per year of additional funding, 70 percent are on the Primary Road System, 14 percent on the Secondary Road System, and 16 percent on the Municipal Street System. Recognizing that this is a significant shift from the existing RUTF distribution percentages and that

each jurisdiction prioritizes their needs differently, the following distribution of additional RUTF revenues is proposed:

- State of Iowa – Primary Road System: 60 percent
- Counties – Secondary Road System: 20 percent
- Cities – Municipal Street System: 20 percent

### Options for Addressing Funding Shortfall

Table 14 is a summary of existing RUTF revenue sources and options for generating increased revenue. Table 15 is a list of revenue mechanisms that are not currently utilized, but could be implemented to generate additional RUTF revenue.

Table 14 – Current RUTF Revenue Sources and Increase Options

| Type of Financing           | Description  | Advantages   | Disadvantages   |
|-----------------------------|--|--|---|
| <b>Fuel Tax</b>             | <p>Cents per gallon tax on motor fuels, including some alternative fuels</p> <p><b>Option A to Increase Revenue:</b><br/>Increase per-gallon tax on motor vehicle fuels equally for gasoline, gasohol and diesel based on existing rates of 21.0 cents per gallon for gasoline, 19.0 cents per gallon for gasohol and 22.5 cents per gallon for diesel (this assumes the gasohol subsidy will be extended beyond its 6/30/07 sunset)</p> <p>Each additional cent generates approximately \$22 million to the RUTF</p> <p><b>Option B to Increase Revenue:</b><br/>Adjust fuel tax annually based on an inflation index (such as the Consumer Price Index)</p> <p>Additional revenue depends on rate of inflation. For example, a 3 percent increase in the Consumer Price Index applied to current fuel tax rates would generate an additional \$13 million annually.</p>  | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Generally proportional to system usage</li> </ul> | <ul style="list-style-type: none"> <li>• Increased fuel efficiency results in lower revenue</li> <li>• Higher fuel prices lead to reduced driving and reduced fuel tax collections</li> <li>• Fees are fixed and do not adjust for inflation</li> </ul> |
| <b>Vehicle Registration</b> | <p>Fees charged to register and license vehicles and trailers</p> <p><b>Fee Schedule for Automobiles, Mini-Vans and Sport Utility Vehicles</b><br/>Fee = 1 percent of value + <math>\frac{\\$0.40 \times \text{Weight}}{100}</math></p> <ul style="list-style-type: none"> <li>• &lt; 5 model years old: value component of fee is not reduced</li> <li>• 5 model years old: 75 percent of value component is applied</li> <li>• 6 model years old: 50 percent of value component is applied</li> <li>• &gt;= 9 model years old: \$35 (1994 and newer model year)</li> <li>• The fee schedule varies based on age, type of vehicle and other factors for older model year vehicles</li> </ul> <p><b>Fee Schedule for Pickups (all trucks &lt;= 3 tons)</b></p> <ul style="list-style-type: none"> <li>• ≤ 10 model years old: \$65 per year</li> <li>• 11 to 13 model years old: \$55 per year</li> <li>• 14 to 15 model years old: \$45 per year</li> <li>• &gt;15 model years old: \$35 per year</li> </ul> <p><b>Option A to Increase Revenue:</b><br/>Increase the registration fee for pickup trucks making it equivalent to automobiles (i.e. vehicle weight and value). It would generate approximately \$57 million annually to the RUTF, if applied to all pickup trucks currently registered at 3, 4 and 5 tons.</p> <p>If weight-value adjustment applies only to model year 2009 and later pickups (phased in approach), the additional revenue to the RUTF is projected as follows:<br/>• CY 2008: \$10 million</p> | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Equitable for cars</li> </ul>                     | <ul style="list-style-type: none"> <li>• Not proportional to system usage</li> <li>• Higher administrative and enforcement costs</li> <li>• Not equitable for pickups</li> <li>• Encourages retention of older vehicles</li> </ul>                      |

|                                  |   |  |   |
|----------------------------------|---|--|---|
|                                  | <ul style="list-style-type: none"> <li>• CY 2009: \$20 million</li> <li>• CY 2010: \$30 million</li> <li>• CY 2011: \$40 million</li> </ul> <p><b>Option B to Increase Revenue:</b><br/>Increase the minimum vehicle registration fee (i.e. \$50 minimum instead of variable minimum for autos and \$35 minimum for trucks). This scenario would generate approximately \$19 million annually in additional revenue to the RUTF.</p>  |  |   |
| <b>Use Tax on Motor Vehicles</b> | <p>Five percent use tax that is imposed on the sale of new and used motor vehicles and trailers</p> <p><b>Option to Increase Revenue:</b><br/>Increase the use tax to 6 percent, generating approximately \$40 million annually.</p>  | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Provides revenue source based on ability to pay</li> <li>• Proportional to cost of vehicle</li> </ul> | <ul style="list-style-type: none"> <li>• Not proportional to system usage</li> <li>• May discourage sales of motor vehicles</li> <li>• Fluctuates with economic cycles</li> </ul> |
| <b>Driver's License Fee</b>      | <p>A fee charged for the privilege to operate a motor vehicle</p> <p>\$4 per year (non-commercial)*<br/>\$8 per year (commercial)*</p> <p>* Does not include the one-time surcharge assessed through 6/30/08 for the driver information system update (\$3).</p> <p><b>Option A to Increase Revenue:</b><br/>Doubling the driver's license fee would generate approximately \$12 million annually.</p> <p><b>Option B to Increase Revenue:</b><br/>Institutionalize the current \$3 surcharge as an increase as of 7/1/08. It would generate approximately \$1.5 million per year, on average, beginning in FY 2009</p> | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Does not fluctuate with economic cycles</li> </ul>  | <ul style="list-style-type: none"> <li>• Not proportional to system usage</li> </ul>  |

Table 15 – Potential RUTF Revenue Sources

| Type of Financing                        | Description  | Advantages  | Disadvantages   |
|--|--|---|---|
| <b>Sales Tax</b>                         | <p>Assess sales tax on fuel purchases.</p> <p>A 1 percent sales tax on fuel would generate approximately \$43 million per year based on fuel prices in November 2006.</p>  | <ul style="list-style-type: none"> <li>• Provides a mechanism to apply local option sales tax on the purchase of fuel</li> <li>• Requires less frequent legislative action on fuel tax because revenues will increase as the price of fuel increases</li> </ul> | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administration and collection system would need to be developed</li> <li>• Because tax is tied to the price of fuel, the amount of tax could change significantly if fuel prices experience large fluctuations</li> </ul> |
| <b>Severance Tax on Exported Ethanol</b> | <p>A tax collected by the state either based on a percent of value or a volume-based fee on resources extracted from the earth that are exported out of the state. Typically charged to producer or first purchaser.</p> <p>Potential revenue dependent on rate set and volume exported. Assuming 65 percent of Iowa's ethanol production (1.5 billion gallons in CY 2006) is shipped out of the state, a severance tax of 1 cent per gallon would generate \$9.75 million per year.</p> | <ul style="list-style-type: none"> <li>• Creates opportunity to generate revenue from sources outside of Iowa</li> <li>• Compensates for roadway deterioration resulting from usage of system for the production of ethanol</li> </ul>                          | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administration and collection system would need to be developed</li> <li>• Potential regulatory issues</li> <li>• Could put the producer at competitive disadvantage</li> </ul>   |

|   |   |  |   |
|---|---|--|---|
| <b>Per-Mile Tax</b>                               | <p>Tax based on the vehicle miles traveled within a state.</p> <p>Based on the vehicle miles traveled in Iowa in 2005 (31.6 billion), a 1 cent per-mile fee would generate \$316 million per year.</p>  | <ul style="list-style-type: none"> <li>• More direct measure of actual costs incurred</li> <li>• Highly related to needs for capacity and system preservation because as travel increases, the need for capacity and preservation improvements increase, but so does revenue</li> <li>• Low tax rate needed to fund current needs</li> <li>• May be graduated based on vehicle size, weight, emissions or other characteristics</li> </ul> | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administration and collection system would need to be developed</li> <li>• Potentially high administrative, compliance and infrastructure costs</li> <li>• Technology needs to mature</li> <li>• Privacy concerns</li> </ul>  |
| <b>Transportation Improvement District</b>        | <p>Geographic areas are defined and tax imposed within the area to fund transportation improvements with voter approval.</p> <p>Revenue potential varies</p>  | <ul style="list-style-type: none"> <li>• Satisfies urgent infrastructure needs, which exceed available finances</li> <li>• Encourages state, local and private-sector partnerships</li> </ul>  | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administration and collection system would need to be developed</li> <li>• May be seen as an equity issue</li> </ul>  |
| <b>Bonds for Primary Road System Improvements</b> | <p>A written promise to repay borrowed money at a fixed rate on a fixed schedule. Can be limited to very specific situations, such as projects that exceed a certain dollar threshold, projects that cannot easily be phased over time (border bridges) and/or projects that can reasonably generate sufficient revenue (tolls) to service their own bond debts.</p> <p>Revenue potential varies.</p> | <ul style="list-style-type: none"> <li>• Allows earlier and faster construction of facilities</li> <li>• Satisfies urgent infrastructure needs, which exceed available finances</li> <li>• Avoids inflationary construction costs</li> </ul>   | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Requires state or community to extend payments for long periods of time</li> <li>• Does not generate new money</li> <li>• May cost more over time due to bond interest</li> <li>• Requires annual resources be used for debt service rather than new needs</li> </ul>   |
| <b>Privatization</b>                              | <p>Long-term leasing of toll roads to private sector for up-front payment.</p> <p>Revenue potential varies.</p>   | <ul style="list-style-type: none"> <li>• Influx of one-time capital</li> <li>• Shifts responsibility to contractor</li> </ul>  | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administrative process needed to let, execute, contract, and monitor performance</li> <li>• Requires high-usage corridor to be marketable; Iowa may not have any candidates</li> <li>• Built-in toll increases</li> <li>• Potentially higher tolls to make project profitable</li> <li>• Requires very long-term decision that removes flexibility</li> <li>• Very limited ability for in-state contractors to participate in construction</li> </ul>                                 |
| <b>Tolling</b>                                    | <p>Implementing fees to travel on road segments.</p> <p>Revenue potential varies based on length of tolled segment and toll rate, but a typical rate is 6 cents per mile.</p>   | <ul style="list-style-type: none"> <li>• Specific road segments/corridors generate their own revenue</li> </ul>  | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Expensive to initiate due to needed capital investment</li> <li>• Ongoing administrative costs</li> <li>• Requires sufficient traffic levels to generate enough revenue to pay for the costs of tolling, along with the maintenance and construction cost; Iowa may not have any reasonable corridors meeting requirements.</li> <li>• Public resistance may lead to adjustments in travel patterns to avoid tolls</li> <li>• There are federal restrictions in some cases</li> </ul> |

|   |  |  |   |
|---|--|--|---|
| <b>Development Impact Fees</b>            | <p>A fee charged to developers for off-site infrastructure needs that arise as a result of new development.</p>  | <ul style="list-style-type: none"> <li>• Additional source of funding to offset increased needs due to new development</li> <li>• Places the cost of improvement on the development that caused the need</li> </ul>  | <ul style="list-style-type: none"> <li>• Typically a local jurisdiction fee and is difficult to apply statewide</li> <li>• Potential negative impact on future development</li> <li>• Can be difficult to establish and administer</li> <li>• Can be an equity issue when costs are passed on to homeowners in the case of a housing development</li> </ul> |
| <b>Public-Private Partnerships (PPPs)</b> | <p>Contractual agreements formed between a public agency and private sector entity that allow private participation in the delivery of transportation projects.</p> <p>Revenue potential varies.</p> | <ul style="list-style-type: none"> <li>• Expedited completion compared to conventional delivery methods</li> <li>• Avoids inflationary construction costs</li> <li>• Delivery of new technology developed by private entities</li> <li>• Substitution of private resources and personnel for constrained public resources</li> <li>• Access to new sources of private capital</li> </ul> | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• May be less efficient</li> <li>• Could lead to higher tolling than under a public-only project</li> <li>• Very limited ability for in-state contractors to participate in construction</li> </ul>   |

**THIS PAGE LEFT BLANK INTENTIONALLY**



## **Importance of Transportation**

An efficient transportation system is essential for the future economic health of the state. Improvements to our public roadway system lower costs for producers and consumers, and make Iowa more attractive in a highly competitive market for jobs and industry. Failure to maintain our public roadway system will result in lost jobs and opportunities for economic development to neighboring states. Iowa needs to take advantage of its central location at the crossroads of major highway and railroad systems; to attract new and retain existing businesses across the state.

Iowans must have access to safe transportation services in all areas of the state to ensure personal mobility for work, pleasure and needed services. Maintaining a safe and congestion-free transportation system is critical for all to experience the quality of life we have come to expect in Iowa.

## **Economic Development and Support**

Each year vehicles in Iowa travel over 31 billion miles on Iowa's public roadway system. Nearly \$390 billion worth of freight is hauled. These numbers alone demonstrate the vital role Iowa's public roadways play in our economy. Without this roadway system people could not get to work; there would be no access to healthcare, education and recreation; farmers would not be able to get their goods to market; and manufacturers would be unable to ship their products or receive supplies. In short, the economy would shut down. But just having a public roadway system is not enough. The system must be well maintained, efficient, reliable, and accessible.

Manufacturers rely more and more on just-in-time delivery which means much of the inventory they previously kept in their warehouse is now on trucks on the public roadway system for delivery to the plant at the time the manufacturer needs the supplies. It is critical to the economy that the roadway system supports consistent and reliable transportation so that just-in-time delivery is successful. This requires a roadway system that is in good condition, has adequate capacity and is well-maintained, even in inclement weather.

Investments in the public roadway system support the economy through: 1) direct job creation through construction activities; 2) indirect and induced job support; and 3) productivity gains. Iowa supports a sizable road construction industry. To support and grow that industry, investment in Iowa's public roadway system must keep pace and grow. Recent studies show that every \$1 billion in highway investment creates or supports 44,700 jobs. (Federal Highway Administration, *Frequently Asked Questions About Highways and the Economy*, <http://www.fhwa.dot.gov/policy/12a-faq.htm>) Those 44,700 jobs include the creation of 8,400 full-time construction jobs (direct jobs), the support of 20,900 jobs by material purchase and administrative and professional services in the construction industry (indirect jobs), and support of 15,400 jobs in other industries in the economy when construction industry wages are spent on goods and services. As opposed to other public investments to support and enhance the economy, public investments in the roadway system have an almost immediate impact in realizing associated benefits.

In addition to job creation and support, productivity gains are realized by investments that reduce travel times, make travel times more consistent (critical for just-in-time delivery), reduce crashes, and reduce vehicle operating costs. Studies show that every dollar increase in net highway capital (i.e., investments to improve the highway system) creates 30 cents of 'cost saving' producer benefits annually. (Federal Highway Administration, *Frequently Asked Questions about Highways and the Economy*, <http://www.fhwa.dot.gov/policy/12a-faq.htm>) The same studies show that on average, 25 percent of the yearly productivity growth rate in the United States is due to highway investments. Companies across Iowa attest to the importance of the roadway system in terms of location, capacity and condition to their ability to succeed because in today's economy, "time is money."

Many areas of the state are seeking public roadway improvements that they believe are critical to support existing and assure future economic development. Transportation costs are a major cost of doing business, which means a high-quality public roadway system is necessary to attract new businesses and support the growth of existing developments.

### **Quality of Life**

One of Iowa's greatest resources is the quality of life that exists within its borders. Transportation services support Iowans with many quality of life benefits. Iowans value the ability to move and travel with ease. Our public roadway system provides the primary means to access recreation, education, health care, and services. Increasingly, these quality of life issues are also critical to local economic development. Companies want good roads not only for business purposes, but to attract and support a stable workforce. High levels of accessibility and mobility are key to experiencing the quality of life Iowa has to offer.

### **Environment**

Transportation improvements are often thought to be a negative impact on the environment. While that may have been true to some extent when public roadways were first being built, now transportation improvements are made in a manner that enhances the environment and natural resources. If there are negative impacts to the environment, they are mitigated by actions that not only restore, but often result in an improvement of, the area. For example, when wetlands are impacted by transportation projects, new wetlands are created. In most cases more wetland acreage is created than was impacted by the project. In the aggregate, the Iowa DOT, cities and counties restore wetlands on a 1.5 acre restored to 1 acre impacted ratio.

Governments in Iowa have also been proactive in the introduction of native grasses along roadway right-of-ways. On the Primary Road System, the Transportation Commission has invested in the planting of native grasses that reduce mowing costs, minimize impacts of run-off from the highway pavement, provide native habitat, and add color and interest to the roadway environment.

County road departments often include hydraulic grade control structures as an integral design element in their drainage projects. These grade control structures serve to

substantially reverse historic stream degradation and additionally serve to reduce sediment flowing down stream. These structures represent a significant financial enhancement to Iowa's farming operations by reducing topsoil losses and preserving prime farmland.

The Iowa DOT, cities and counties actively manage their right-of-way to assure excess property is sold off to maximize the land available to the public. Approximately 2.6 percent of the land area of Iowa is currently dedicated to rural transportation facilities. This is compared with approximately 2.5 percent in 1945. (United States Department of Agriculture, Economic Research Service, <http://www.ers.usda.gov/Data/MajorLandUses>) Over the same time period the portion of Iowa's land area used for cropland went from 70 percent to 77 percent. The impact of transportation facilities on Iowa's cropland is extremely small.

### **Safety**

Transportation safety continues to be a primary concern and an integral element in planning and programming processes. Increased transportation safety through the reduction of crashes is the foremost element in an effective and efficient transportation system.

Ten years ago, based on a five-year average, 477 Iowans died annually on our public roadway system. Today, through a concerted and coordinated approach to saving lives, the five-year average stands at 425. Partners in the effort to reduce fatalities include the Iowa DOT, cities, counties, Department of Public Safety, Governor's Traffic Safety Bureau, and Iowa Legislature. The reduction in fatalities has been accomplished due to continued improvements in roadway design and construction, enactment of Iowa's primary seatbelt law, establishment of the Traffic Safety Improvement Program to fund safety projects, enactment of the graduated driver's license, stricter operating while under the influence laws, and many other activities.

Despite Iowa's success in reducing fatalities, much more needs to be done. Over the past five years, on average, 425 Iowans have died each year in traffic crashes and many more suffered life changing injuries. A little over half of all fatalities occur on the Primary Road System, but in terms of fatal crash rate (number of fatal crashes per 100 million vehicle miles traveled) the Secondary Road System has the highest rate. Nationally, motor vehicle crashes are the leading killer of children, adolescents and young adults; the third leading cause of emergency department visits; and responsible for 50 to 60 percent of serious head and spinal cord injuries. (National Center for Health Statistics, Centers for Disease Control and Prevention, 2003) In Iowa alone, one motor vehicle crash occurs every nine minutes. In those crashes, one person will be injured every 20 minutes and one person will die every 21 hours. In 2005, motor vehicle crashes had a \$1.3 billion negative impact on Iowa's economy due to lost wages and productivity, and costs of medical and non-medical services.

In Iowa, the types of crashes causing the most fatalities and serious injuries involve a vehicle leaving the road or crossing the centerline (i.e., lane departure), and crashes at

intersections. Sixty percent of all fatal crashes in Iowa involve a lane departure. There are many reasons why lane departure crashes happen, but roadway improvements such as paved shoulders, rumble strips, lighting, flattening curves, etc., have proven to reduce the number of those types of crashes or mitigate their consequences.

More than one-third of Iowa's traffic fatalities and serious injuries occur at intersections. Over the past two decades, the percentage of intersection crashes has grown by 14 percent in Iowa's urban areas and 5 percent in rural areas. The types of roadway improvements that can reduce the number and/or severity of intersection crashes include installing larger or more visible street signs, building longer turn lanes, building offset turn lanes, and in some rural situations, building interchanges to replace at-grade intersections.

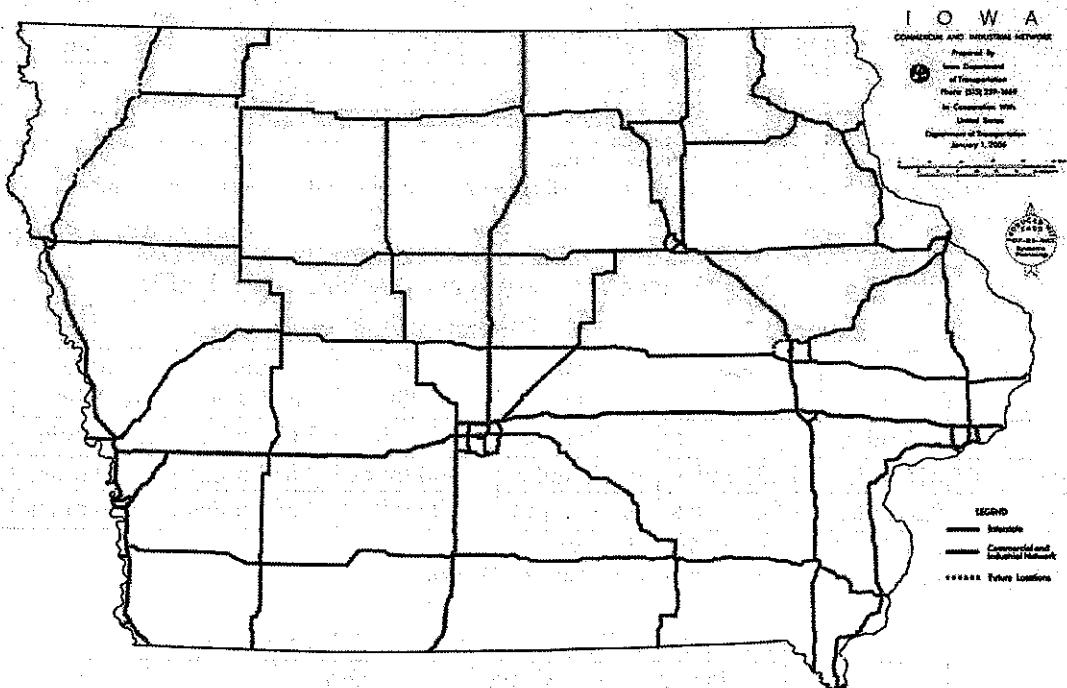
## Iowa's Public Roadway System Description

### Existing System

The public roadway system in Iowa consists of nearly 114,000 miles of highways, roads and streets and almost 25,000 bridges. Those roadways are the responsibility of the Iowa DOT, the 99 counties and 947 cities. The Iowa DOT has responsibility over the Primary Road System, which consists of the interstate system and numbered Iowa and US routes. The 9,373 mile Primary Road System consists of 782 miles of interstate highways, 2,411 miles of Commercial and Industrial Network highways, and other highways. There are 3,975 bridges on the Primary Road System.

The concept of the CIN was established by the legislature with a stated purpose to "improve the flow of commerce; to make travel more convenient, safe, and efficient; and to better connect Iowa with regional, national, and international markets." The CIN was initially designated by the Iowa Transportation Commission in June of 1988. Figure 1 shows the interstate system in blue and CIN in red.

Figure 1 – Map of the Interstate and CIN



Source: Iowa DOT – Office of Systems Planning

Iowa's 99 counties have jurisdiction over the Secondary Road System, which includes non-primary public roadways outside of city corporate limits and Farm-to-Market Road System extensions within cities with a population less than 500, totaling 90,075 miles and 19,866 bridges. Similar in concept to the CIN, a subset of the Secondary Road System has been designated as the Farm-to-Market Road System. The Farm-to-Market Road System provides critical connections for the movement of agricultural goods and freight, and is approximately 30,500 miles. Many county roads are low-volume gravel roads, but

they are necessary to provide public access as required by Iowa law, unless the county pays damages to the property owner.

Cities have responsibility for the Municipal Street System which includes those streets within their corporate limits that are not primary roads or secondary roads. The Municipal Street System is comprised of 14,339 miles and 958 bridges.

Tables 1 through 3 provide summary information for each system. Table 1 is a breakdown of mileage, vehicle miles of travel (VMT) and large truck VMT on each system. Table 2 is a summary of mileage by average daily traffic range for each system. Table 3 is a mileage summary by pavement type.

Table 1 – Mileage and Vehicle Miles of Travel (VMT) by System

|           | Mileage*<br>(as of January 1, 2006) | % of<br>Total<br>Mileage | 2005 Total<br>VMT<br>(1,000,000s) | % of Total<br>VMT | 2005 Large<br>Truck VMT<br>(1,000,000s) | % of Total<br>Large Truck<br>VMT |
|-----------|-------------------------------------|--------------------------|-----------------------------------|-------------------|---|----------------------------------|
| Primary   | 9,372.66                            | 8.2%                     | 19,208                            | 60.8%             | 2,491                                   | 88.3%                            |
| Secondary | 90,075.12                           | 79.2%                    | 5,481                             | 17.4%             | 286                                     | 10.1%                            |
| Municipal | 14,338.75                           | 12.6%                    | 6,879                             | 21.8%             | 45                                      | 1.6%                             |
| Total     | 113,786.53                          |                          | 31,568                            |                   | 2,822                                   |                                  |

Source: Iowa DOT – Office of Transportation Data

\* This table and report do not include the small amount of mileage within Iowa's parks and institutions.

Table 2 – 2005 Mileage by System and Average Daily Traffic \*\*

|           | Average Daily Traffic Range |               |               |               |                   |                   |                      |
|-----------|-----------------------------|---------------|---------------|---------------|-------------------|-------------------|----------------------|
|           | 0 to 99                     | 100<br>to 249 | 250<br>to 499 | 500<br>to 999 | 1,000<br>to 4,999 | 5,000<br>to 9,999 | 10,000 and<br>higher |
| Primary   | 3 miles                     | 6 miles       | 40 miles      | 659 miles     | 5,678 miles       | 1,192 miles       | 1,316 miles          |
| Secondary | 65,816 miles                | 9,431 miles   | 6,459 miles   | 5,440 miles   | 2,852 miles       | 70 miles          | 3 miles              |
| Municipal | 926 miles                   | 1,980 miles   | 4,162 miles   | 3,290 miles   | 2,597 miles       | 640 miles         | 363 miles            |

Source: Iowa DOT – Office of Transportation Data

\*\* Does not include ramps or roads that do not have traffic data.

Table 3 – 2005 Mileage by System and Pavement Type

|           | Paved        | Gravel       | Dirt        | Total        |
|-----------|--------------|--------------|-------------|--------------|
| Primary   | 9,373 miles  | 0 miles      | 0 miles     | 9,373 miles  |
| Secondary | 18,831 miles | 66,573 miles | 4,671 miles | 90,075 miles |
| Municipal | 12,886 miles | 1,121 miles  | 332 miles   | 14,339 miles |

Source: Iowa DOT – Office of Transportation Data

All three levels of government play a critical role in serving Iowa's transportation needs. The Primary Road System directly serves 605 of Iowa's cities. Iowa's other 342 cities rely on the Secondary Road System to access the state system. Many residents of cities directly served by primary roads also rely on the Secondary Road System. The Primary

and Secondary Road Systems play a significant role in the movement of agricultural products to market. The Municipal Street System is vital to provide access to residents and businesses, and support the movement of goods.

It is useful to think of the public roadway system in Iowa as providing two services --- mobility and accessibility. All roads, to varying degrees, provide both mobility and accessibility. To fully experience both, Iowa's citizens rely on all road systems. Municipal and secondary roads provide more direct access to residences, farms, manufacturers, services, educational facilities, hospitals, etc., while the Primary Road System provides the mobility to connect Iowa's cities and regions with each other and the Midwest, national and international markets. It is vital that Iowa continue to have a fully supported public roadway system at all levels.

### **Funding**

Iowa's public roadway system is supported by revenue from the federal, state and local governments.

#### *Federal*

Federal revenues for public roadways in Iowa are primarily collected via a federal fuel tax. Those revenues are appropriated to each state by Congress through several programs, including Interstate Maintenance (IM), National Highway System (NHS), Surface Transportation Program (STP), Highway Bridge Replacement and Repair Program (HBRRP), Highway Safety Improvement Program (HSIP), and earmarks.

The IM and NHS funds are used by the state to fund projects for those systems, both of which are part of the Primary Road System. The remaining federal funds are allocated between the state, cities and counties through varying mechanisms.

STP funding can be used in Iowa on approximately 35,000 miles of roads under the jurisdiction of the Iowa DOT, cities and counties. Funding eligibility is based on a federal functional classification system in which only roads classified at a certain level are eligible to utilize STP funding. Nearly all of the Primary Road System is eligible for STP funding and approximately 30 percent of the Secondary Road System and Municipal Street System are eligible. Of the total STP funds for Iowa, 37.5 percent of the STP funds are allocated to the state. The remaining 62.5 percent is allocated to the cities and counties through a regional planning process. For federal funding purposes, Iowa's cities and counties participate in regional organizations to conduct long-range planning and programming of federal-aid. In Iowa, there are nine Metropolitan Planning Organizations (MPO) covering Iowa's metropolitan areas with population over 50,000. The remaining rural areas of Iowa are split into 18 Regional Planning Affiliations (RPA). These MPOs and RPAs all receive an allocation of STP funding that they program toward projects of regional significance in their area.

The HBRRP funds are allocated 47 percent to counties, 11 percent to cities and 42 percent to the state. These percentages are primarily based on each level of government's share of total bridge area that is deficient or obsolete. The portion allocated to individual

counties is by formula, while the funds allocated for cities are available by application to the Iowa DOT.

The HSIP is a new federal program created to significantly reduce traffic fatalities and serious injuries on all public roadways. Use of HSIP funds will be guided by Iowa's Comprehensive Highway Safety Plan, currently under development, and an analysis of the top 5 percent of areas with the most severe safety needs. It is expected that most of this funding will be targeted to Primary Road System projects, with the remaining funding for the cities and counties. A subset of the HSIP program is the High Risk Rural Roads program, which provides approximately \$1 million per year to the counties through an application based program.

Earmarks are funds specifically allocated by Congress to named projects through multi-year authorization bills and annual appropriation bills.

Table 4 is an estimate of the distribution of federal-aid for FFY 2007. The miscellaneous category includes funding for small federal-aid programs, such as federal recreational trails, scenic byways, metropolitan planning, and several others.

Table 4 – Distribution of Estimated FFY 2007 Federal-Aid

| Federal Program                       | Allocation to State  | Allocation to Cities and Counties * | Total                |
|---------------------------------------|----------------------|-------------------------------------|----------------------|
| Interstate Maintenance                | \$55 million         | N/A                                 | \$55 million         |
| National Highway System               | \$82 million         | N/A                                 | \$82 million         |
| Bridge Replacement and Rehabilitation | \$23 million         | \$32 million                        | \$55 million         |
| Surface Transportation Program        | \$21 million         | \$51 million                        | \$72 million         |
| Highway Safety Improvement Program    | \$11 million         | \$2 million                         | \$13 million         |
| Earmarks                              | \$4 million          | \$2 million                         | \$6 million          |
| Miscellaneous                         | \$9 million          | \$14 million                        | \$23 million         |
| <b>Total</b>                          | <b>\$205 million</b> | <b>\$101 million</b>                | <b>\$306 million</b> |

Source: Iowa DOT

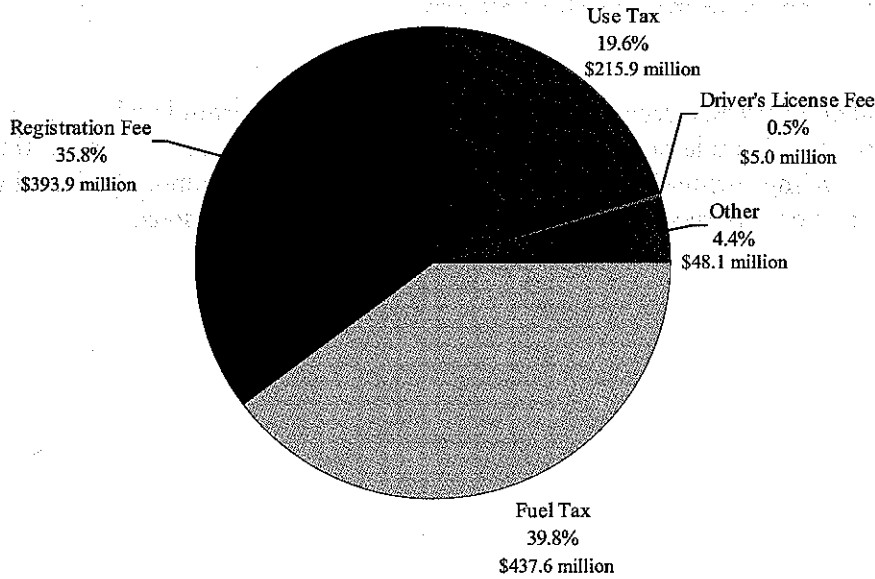
\* City and county allocations have been combined in this table because actual allocations vary from year to year based on the results of federal-aid programming by the RPAs and MPOs, and the results of application-based programs.

#### State

State revenues for public roadways come from Iowa's Road Use Tax Fund (RUTF). The RUTF consists of revenues from fuel tax, registration fees, use tax, driver's license fees, and other miscellaneous sources. In FY 2007 it is estimated the RUTF will receive approximately \$1.1 billion, with approximately 40 percent coming from fuel tax, 36 percent from registration fees and 20 percent from use tax (see Figure 2).



Figure 2 – Estimated FY 2007 RUTF Revenue by Source



Source: Iowa DOT – Office of Program Management

After some off-the-top allocations for programs such as Revitalize Iowa's Sound Economy (RISE), motorcycle education, Living Roadway Trust Fund, and state park and institutional roads, the RUTF is distributed by formula to the Iowa DOT for use on the Primary Road System, to counties for use on the Secondary Road System and Farm-to-Market Road System, and cities for use on the Municipal Street System (see Table 5).

Table 5 – Distribution of Road Use Tax Fund

| Jurisdiction                                    | Formula Distribution of RUTF |
|---|------------------------------|
| State – Primary Road Fund                       | 47.5 percent*                |
| Counties – Secondary Road Fund                  | 24.5 percent                 |
| Counties – Farm-to-Market Road Fund             | 8.0 percent                  |
| Cities - Street Construction Fund of the Cities | 20.0 percent **              |

\* 1.75 percent of the Primary Road Fund is allocated to counties and cities as compensation for assuming jurisdiction of primary highways as a result of SF 451.

\*\* A portion of the Street Construction Fund of the Cities allocated to cities with population less than 500 is allocated to the county as compensation for assuming jurisdiction of Farm-to-Market Road System extensions within those cities.

All RUTF revenues distributed through the formula can be used for construction and maintenance activities, except for the Farm-to-Market Fund, which can only be used for construction. Primary Road Fund (PRF) revenues are used by the Iowa DOT to fund statewide improvements on the Primary Road System both outside of and within cities. The Secondary Road Fund (SRF) is distributed among Iowa's counties for use on all secondary roads. The Farm-to-Market Road Fund (FM) is distributed among the 99 counties for construction improvements on the Farm-to-Market Road System. Both the FM and SRF are distributed to counties through a formula based on miles, traffic, area, rural population, and bridge data. The Street Construction Fund of the Cities is

distributed, based on each city's share of total statewide city population, to Iowa's 947 cities for use on the Municipal Street System.

*Local*

Cities and counties also receive funding for their roadways from local revenue sources. Typical sources include property taxes, local option sales tax, tax increment financing districts, bonding (primarily for cities), and assessments. The amount of local revenue each city and county receives varies based on local taxing decisions.

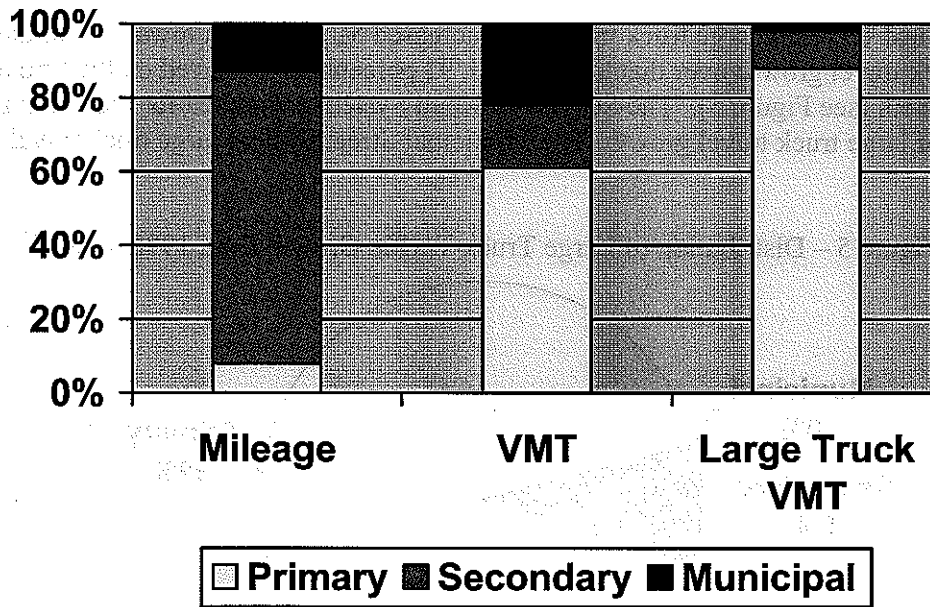
## Factors Impacting Transportation

### Increasing Travel

The number of vehicles traveling Iowa's public roadway system has steadily increased and the trips those vehicles are taking are longer in distance. The total volume of traffic on the roadway system is measured in terms of "vehicle-miles-of-travel" (VMT). In 2005, there were 31.6 billion vehicle miles traveled on Iowa's public road system. About 61 percent of that travel was on the Primary Road System, even though the Primary Road System is only 8 percent of Iowa's total public roadway mileage (see Figure 3). The Secondary Road System carried 17 percent of the travel on 79 percent of the total public roadway mileage. The Municipal Street System carried 22 percent of Iowa's travel on 13 percent of the public roadway mileage.

Figure 3 also includes the share of large truck VMT that is carried by each system. The Primary Road System carries 88 percent of all large truck VMT in Iowa. The Secondary Road System carries 10 percent of large truck VMT. The Municipal Street System carries 2 percent of large truck traffic.

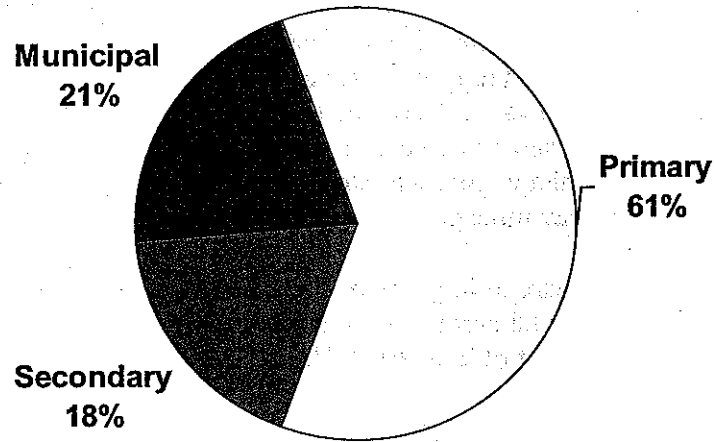
Figure 3 – Share of Mileage and VMT by Jurisdiction



Source: Iowa DOT – Office of Transportation Data

Travel across Iowa has increased by approximately 36 percent between 1990 and 2005; however, the distribution of the increased travel has been focused on the Primary Road System. Figure 4 reflects where the growth in VMT from 1990 to 2005 has occurred. Approximately 61 percent of VMT growth in Iowa has occurred on the Primary Road System with most of that growth occurring on the interstate and CIN systems. The Secondary Road System accounted for 18 percent of the growth and Municipal Street System 21 percent.

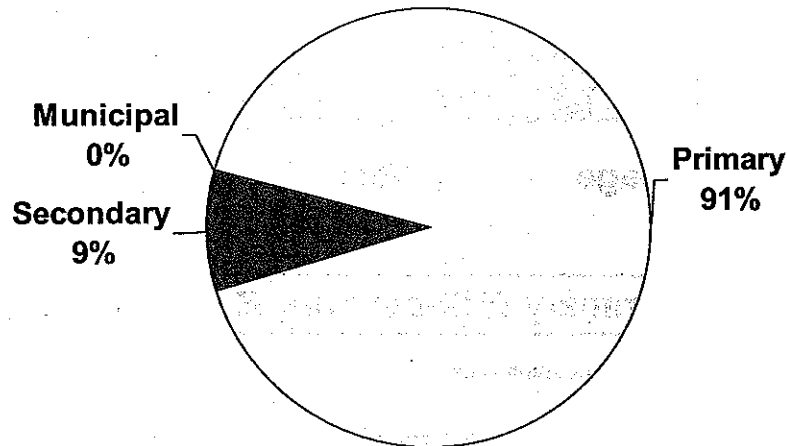
Figure 4 – Distribution of VMT Growth from 1990 to 2005



Source: Iowa DOT – Office of Transportation Data

Over the last 15 years, large truck travel has increased 51 percent in Iowa. Of all the large truck travel growth over that time period, 91 percent has occurred on the Primary Road System (see Figure 5). The Secondary Road System accounted for the remaining 9 percent of large truck travel growth. The Municipal Street System large truck travel was flat.

Figure 5 – Distribution of Large Truck Traffic Growth from 1990 to 2005



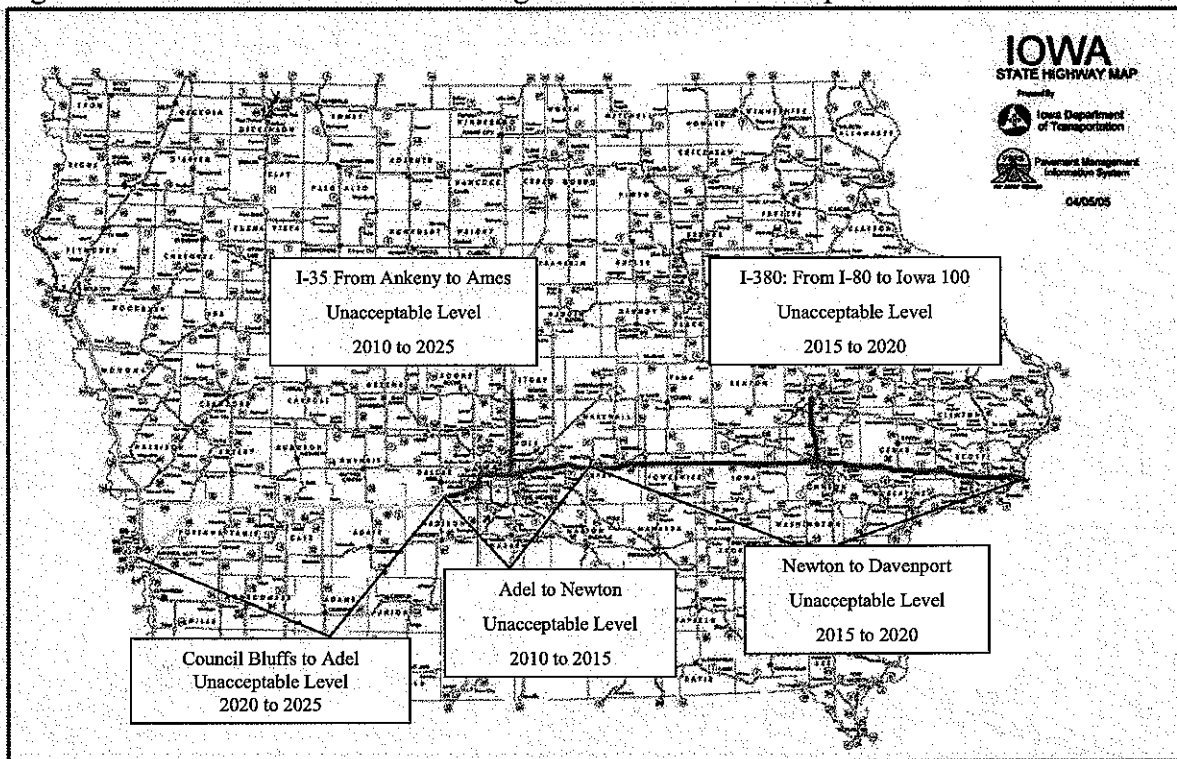
Source: Iowa DOT – Office of Transportation Data

### Increasing Freight Movements

Iowa is heavily dependent on trucks for most types of freight movements. In 2001 alone, over 350 million tons of freight traveled on Iowa's public roadway system, with a value of nearly \$390 billion. By 2020, it is projected that large truck VMT will increase by 50

percent in Iowa, resulting in worsening pavement conditions, deteriorating bridges and increased congestion on Iowa's public roadways. As with the past 15 years, it is expected that most of the increase in large truck travel will again be concentrated on the interstate and CIN portions of the Primary Road System, resulting in disproportionate impacts on the infrastructure. Recent analysis of the interstate shows that much of the system will have an unacceptable level of service (LOS) in the next 20-years due to increasing traffic and freight volume. An unacceptable LOS means the roadway is near capacity and congestion will be a regular occurrence. Figure 6 identifies segments of the interstate and timeframe in which it is expected that the LOS will become unacceptable.

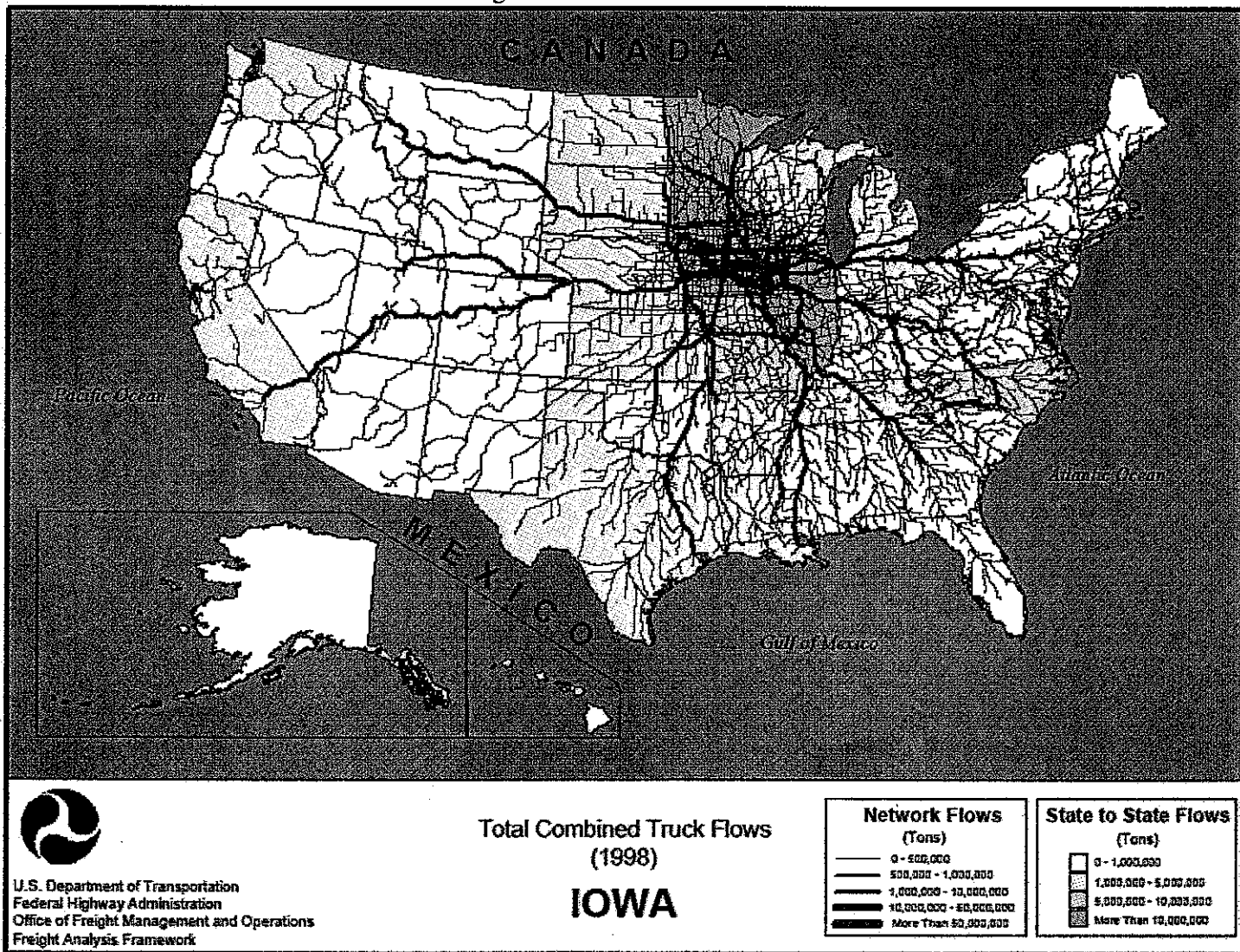
Figure 6 – Timeframe when Interstate Segments Reach an Unacceptable Level of Service



Source: Iowa DOT – Office of Design

Much of the freight that travels on Iowa's public roadway system is destined to other markets in the United States and international markets. Figure 7 is a representation of freight flows that originate and terminate in Iowa, and their origination or ultimate destination. As can be seen in the map, Iowa's public roadway system is critical for moving goods to and from the rest of the nation, thus providing opportunities to support and enhance our economy. The map does not include the freight flows that originate and terminate outside of Iowa and only pass through Iowa.

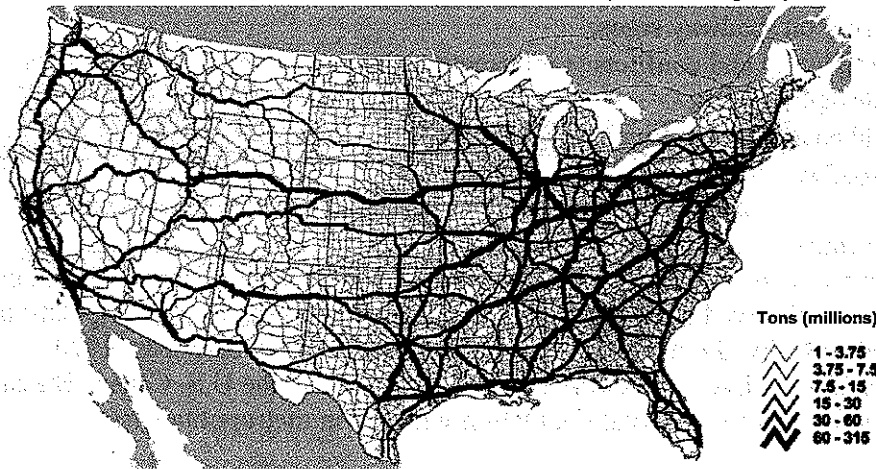
Figure 7 – Iowa Truck Flows



Source: Federal Highway Administration

To represent total freight flows traveling the nation's highway system, Figure 8 was developed. The thickness of the line reflects the tonnage of freight on individual roadways. The vital role of the Iowa's interstate in the movement of the nation's freight is evident.

Figure 8 – National Truck Freight Tonnage by Route



Source: Federal Highway Administration

### Changing Demographics

Iowa is experiencing several demographic changes that are impacting the public roadway system, and increasing maintenance and construction needs.

#### *Aging Population*

The median age of Iowa's population increased from 29 years in 1970 to 37 years in 2000. The U.S. Census Bureau estimates the median age of Iowa's population will increase to 42 years by the year 2030.

According to the 2000 census, the age group of 45 and over made up over one-third of Iowa's total population. The over-45 age group will continue to increase, especially as the first wave of baby boomers is now entering their retirement years. By the year 2030, the age group of 45 and older will grow by 37 percent, resulting in it being 44 percent of Iowa's total population.

Iowa's population age 65 and older was approximately 15 percent of Iowa's total population according to the 2000 census. The population of those aged 65 and older has increased steadily since 1940. The growth rate for this age category is expected to level off in the short term. However, in the longer term, the baby-boom generation will have a significant impact on the age 65 and older category, with numbers rising to an all-time high. Another interesting trend in this age group is the "migration" of retired persons from Iowa to seasonal or second homes in other states, and permanent "migration" back to Iowa in later years for medical and family reasons.

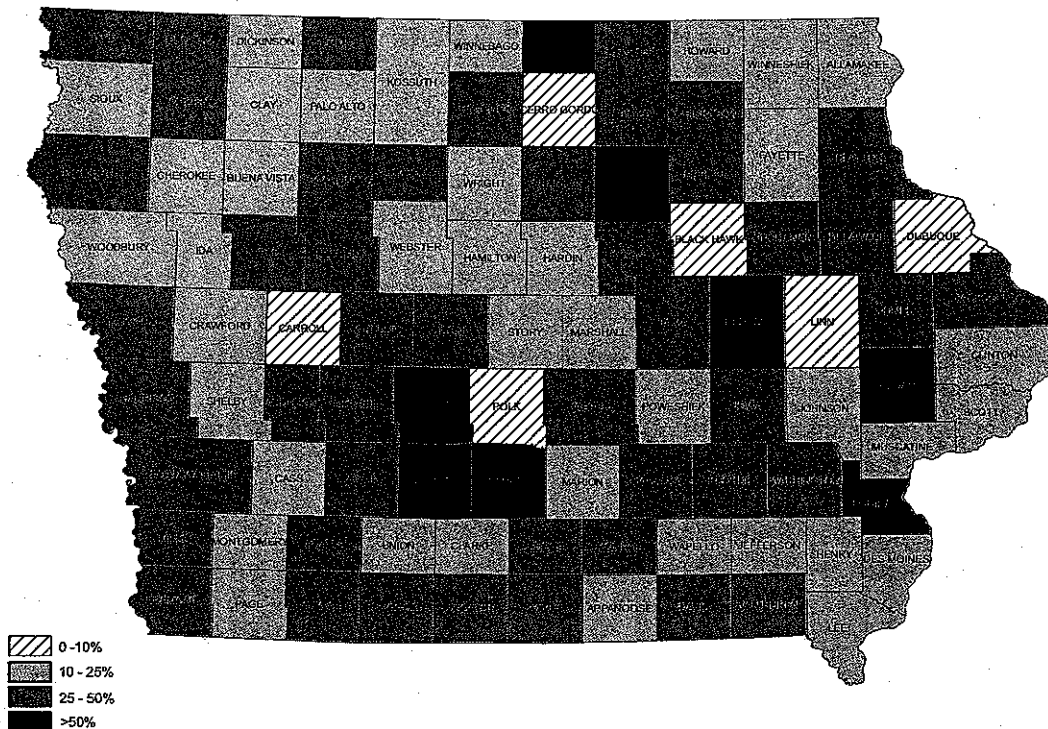
Iowa's increasingly older population has specific transportation needs that differ from other age groups. Improving the roadway and driving environment is necessary to help meet the limitations of older drivers. Currently 39 percent of all licensed drivers in Iowa are age 50 or older. Some key actions that have been identified to enhance roadway safety of older drivers are:

- larger lettering on roadway signs;
- reduced complexity and conflicts at intersections by use of signaling, turn lanes and other design features;
- more visible pavement markings; and
- enhanced roadway lighting.

*Increasing Urbanization*

Iowans continue to move to the urban and metropolitan areas of Iowa. For the first time ever, in 2003 more people lived in Iowa's nine metropolitan areas (areas with population greater than 50,000) than lived outside of those areas. This is an increase from 1970 when 40 percent of Iowans lived in metropolitan areas. By 2030, the U.S. Census Bureau estimates that 60 percent of Iowa's total population will live in metropolitan areas.

Figure 9 – Percent of Workforce Leaving County of Residence to Work in another County



Source: U.S. Census Bureau

While more people are moving to metropolitan areas, the majority of the growth is in the periphery of the areas resulting in increasing demand for transportation facilities to

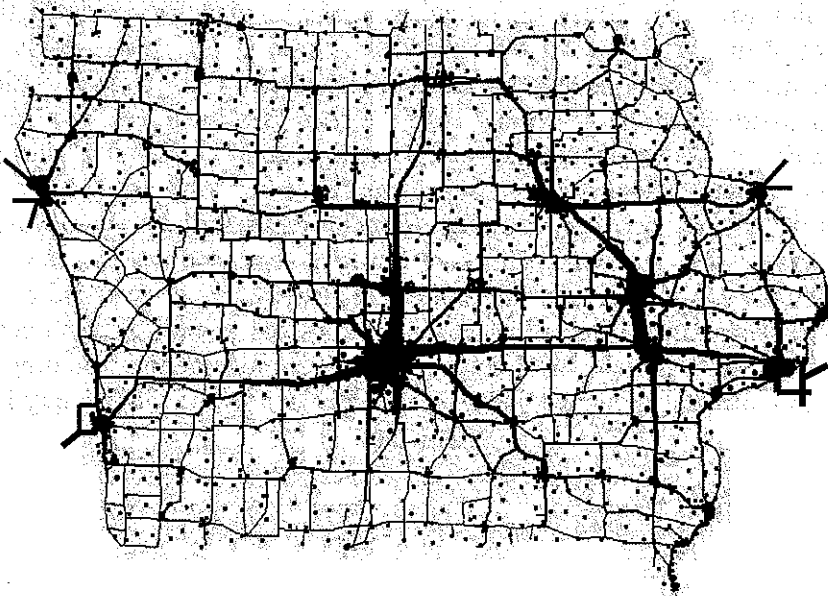


support commuting patterns. In addition, many people are moving into rural areas adjacent to metropolitan areas and then commuting on municipal, secondary and primary roads. A demonstration of this trend is the number of workers commuting outside their county of residence to work, as shown in Figure 9. In 1990, according to the U.S. census, 225,445 Iowans (17 percent of the workforce) commuted to work outside of their county of residence. The 2000 census showed that number increasing 33 percent to 299,448 (22 percent of the workforce).

Commuters in Iowa are not just commuting into the larger metro areas. Some are “reverse commuting” or traveling from their residence in a larger metro area to their job in a smaller metro area. For them, the quality of life benefit is the lifestyle of a larger community. Many quality of life issues are associated with living in one location and being willing to commute to another location for employment.

All of these trends are placing demands on the public roadway system, resulting in worsening conditions, congestion, and safety issues in and around our metropolitan areas. The impact is particularly acute on primary road corridors surrounding metropolitan areas. Many of these corridors are beginning to experience congestion issues during the morning and afternoon rush hours when commuting traffic is highest. The Center for Transportation Research and Education at Iowa State University recently studied commuting traffic trends and developed Figure 10, which shows the location of commuting traffic on the Primary Road System. The thickness of the lines represents the volume of commuting traffic. As can be seen on the map, primary roads around metropolitan areas are carrying high volumes of commuting traffic.

Figure 10 – Key Commuting Routes in Iowa  
(line thickness reflects relative 2004 commuting volume)

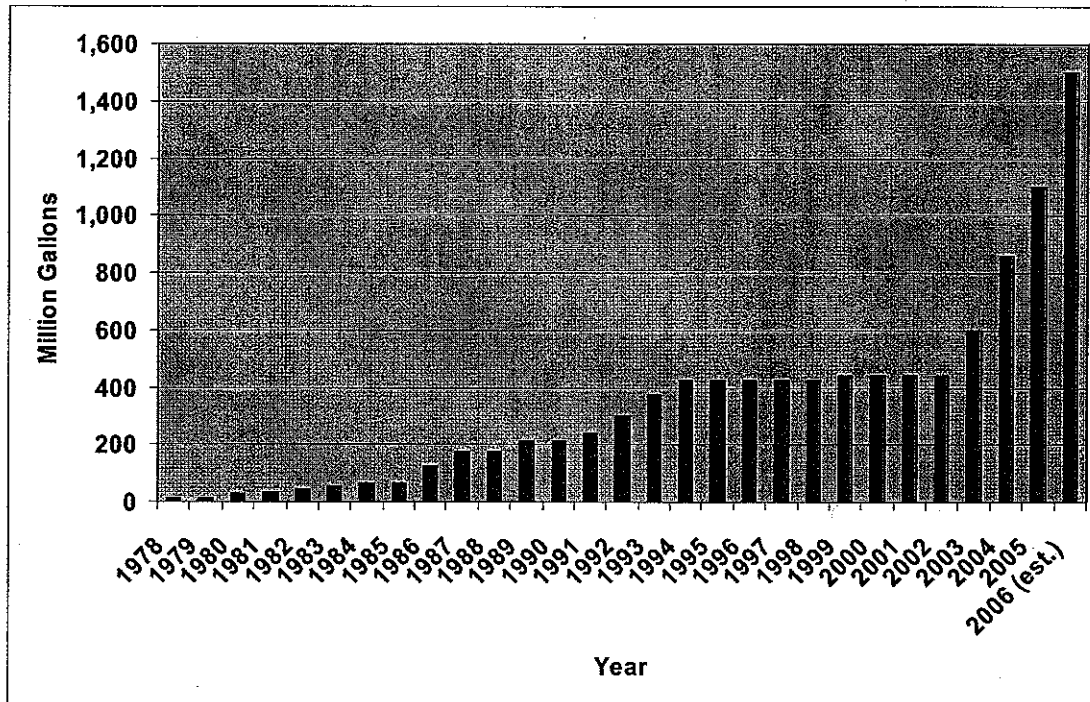


Source: Iowa State University, Center for Transportation Research and Education

### Increasing Ethanol and Biodiesel Production

Iowa is now the leading producer of ethanol in the country. Figure 11 below shows the increase in ethanol production in Iowa over time.

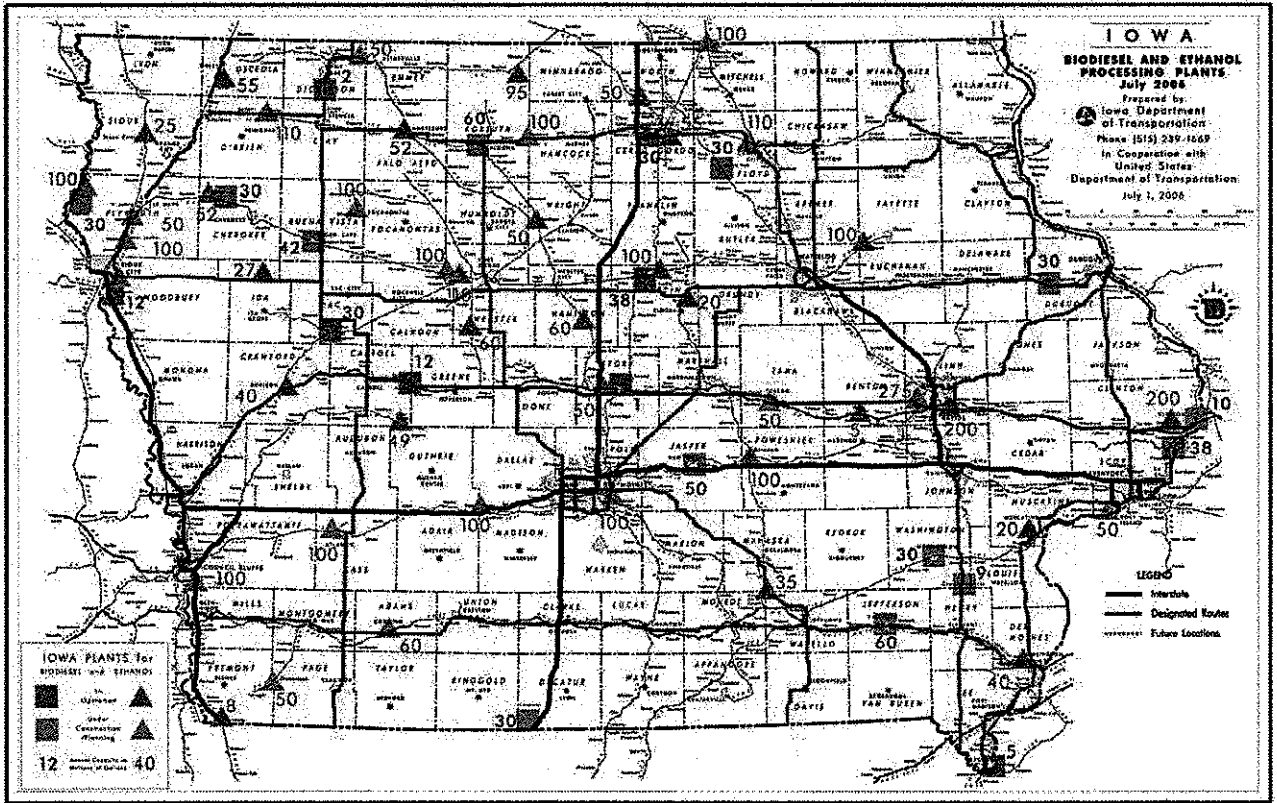
Figure 11 – Ethanol Production in Iowa



Source: Iowa Corn Promotion Board

Iowa produced approximately 1.1 billion gallons of ethanol in 2005 and is expected to produce over 1.5 billion gallons in 2006. Including the ethanol plants that are currently under construction or planned (see Figure 12), Iowa will be producing approximately 1.9 billion gallons in the near future. This huge increase in ethanol production has significant impacts on the public roadway system. Almost all of the corn used in ethanol production is trucked on the public roadway system to ethanol plants around Iowa. To ship corn just to existing and planned ethanol plants will require 1.4 million truck loads per year. While there are many ethanol plants, they are often farther away than the grain elevators that farmers previously used to ship corn. This is resulting in increased wear on the roadway system, and congestion at certain times of day, as trucks queue to enter the plants. The increased truck volume around ethanol plants is also creating safety concerns at nearby intersections, resulting in the need for intersection improvements, including the need to consider interchanges at some existing at-grade intersections on the Primary Road System.

Figure 12 – Existing and Planned Biodiesel and Ethanol Process Plants



Sources: Iowa DOT, Iowa Department of Natural Resources, U.S. Department of Agriculture, and Iowa Corn Promotion Board

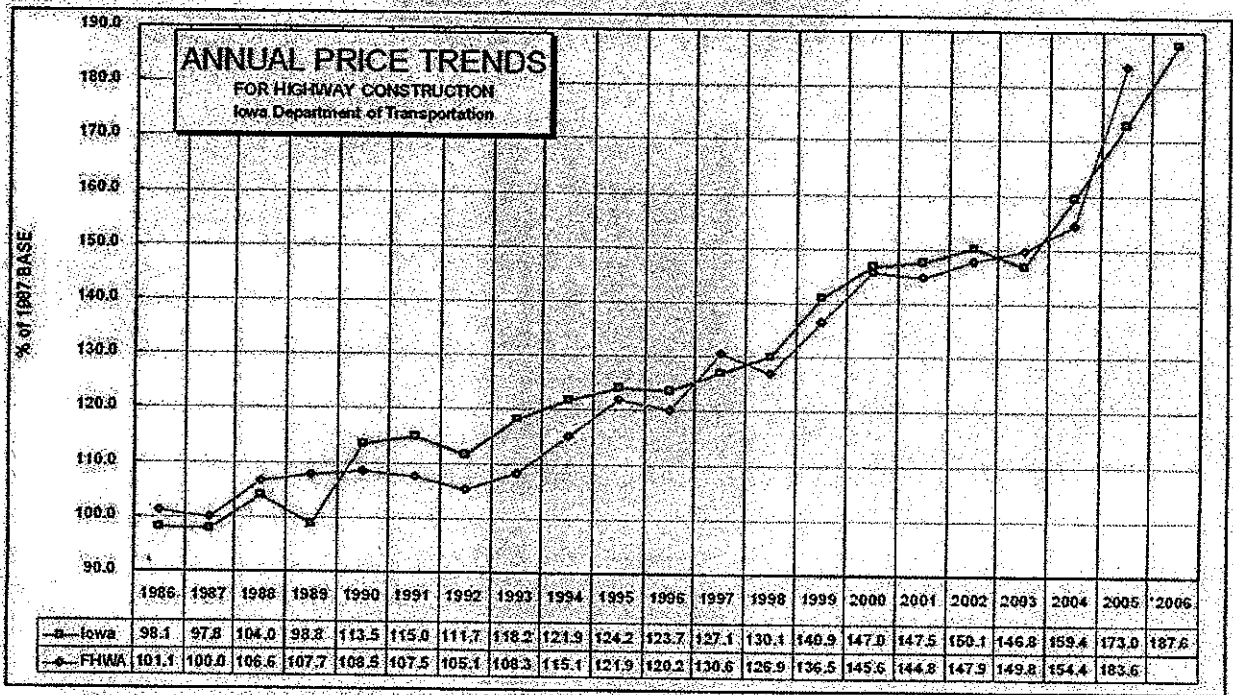
In addition to the large volume of ethanol production in Iowa, the state is also experiencing rapid growth in biodiesel production. Currently there are six plants producing 94 million gallons of biodiesel per year, but this is expected to grow to 24 plants and 625 million gallons per year based on plants under construction or planned. As with ethanol plants, biodiesel plants also generate truck traffic resulting in the same issues with increased wear on the roadway system and congestion.

### Increasing Construction/Maintenance Costs

In recent years the cost of materials used in roadway construction and maintenance has increased dramatically. This is due to rising demand for materials including cement, asphalt binder, and steel in the United States and in fast-developing countries such as China and India. The price of asphalt has also been impacted by the rising cost of crude oil and demand for other refined products, such as diesel, gasoline and heating oil. The net impact of these issues has been extremely large increases in roadway construction and maintenance costs, which have greatly reduced the buying power of the RUTF, and subsequently the amount of work that can be completed. Since 2003 the Consumer Price Index has increased approximately 9.1 percent while the corresponding roadway Construction Cost Index has increased 28.2 percent. The increase in roadway

construction prices is reflected in Figure 13, which shows the Construction Cost Index based on cost trends for excavation material, hot mix asphalt, paving concrete, reinforcing steel, structural steel, and structural concrete. The green line represents the changes in the Construction Cost Index since 1986 for the nation (as calculated by the Federal Highway Administration), while the red line represents the Construction Cost Index trend for Iowa (as calculated by the Iowa DOT – Office of Contracts) over the same time period.

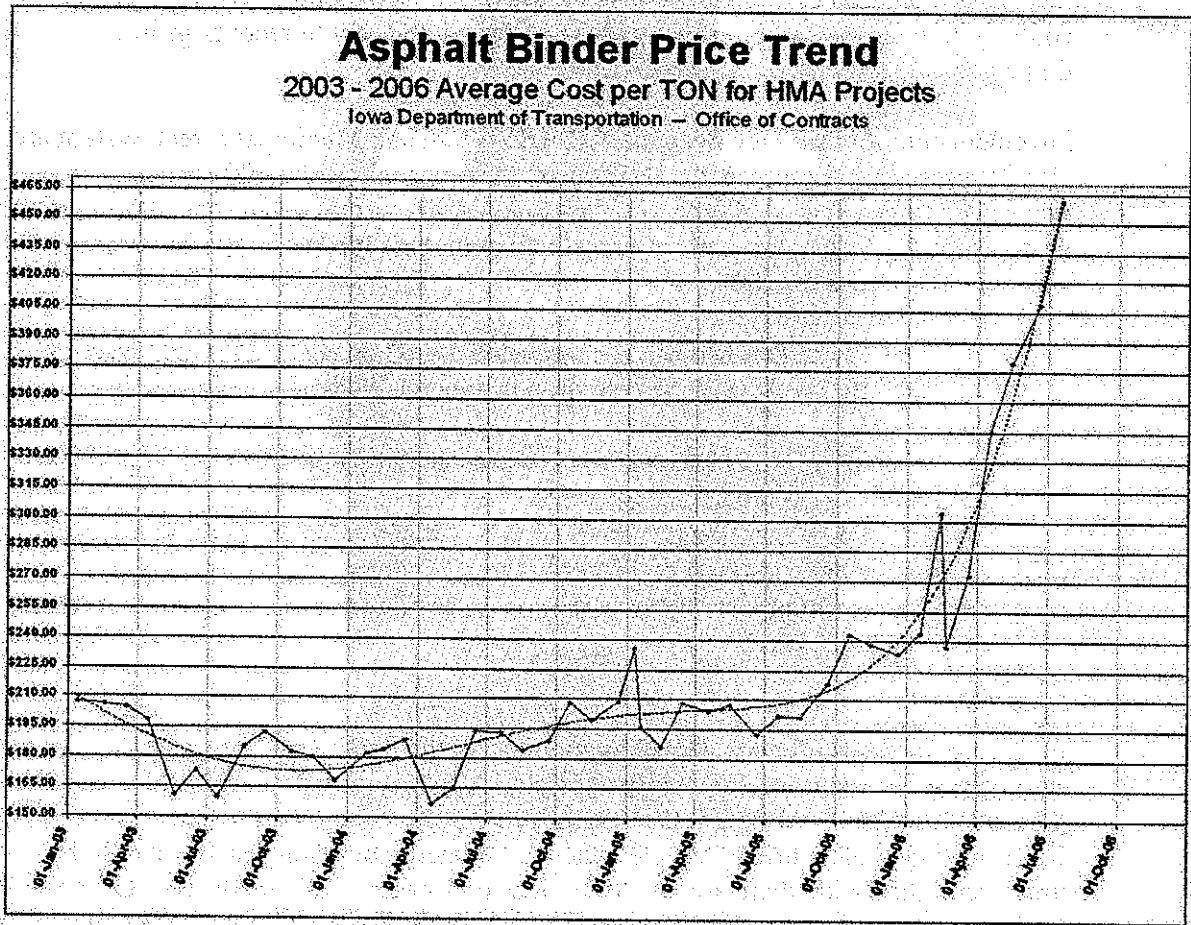
Figure 13 – Trend of Roadway Construction Prices



Source: Iowa DOT – Office of Contracts

The impact on asphalt has been even more dramatic, as shown in Figure 14. Just in the last 15 months, the price of asphalt binder has increased 250 percent.

Figure 14



Source: Iowa DOT – Office of Contracts

**Deteriorating Roadway Condition**

Pavement conditions across Iowa’s public roadway system are deteriorating. All levels of government are struggling to provide adequate maintenance and address even the most basic construction and maintenance needs to preserve the existing system. At the same time there are significant costs to address capacity and modernization needs on the interstate, bridge needs on our major river border crossings, and corridor development needs across the state.

*Pavement Condition*

On the Primary Road System, pavement conditions are typically evaluated by measuring the number of miles of pavement that are below a defined “acceptable level.” When a pavement falls below an acceptable level it is considered deficient and necessary to

consider improvements to the pavement in the near future. From 1999 to 2005, the miles of deficient pavements on the Primary Road System increased from 1,968 to 2,836, an increase of 44 percent. This means that over one-fourth of all Primary Road System pavements have a condition below an acceptable level. The 44 percent increase in deficient pavements represents an increase in Primary Road System pavement rehabilitation needs of \$366 million --- on top of all the existing needs. As needs continue to increase and improvements are delayed, the cost to recover grows dramatically.

Pavement conditions on the Secondary Road System and Municipal Street System are also deteriorating. County officials estimate that approximately 1,000 miles of paved roads need to be resurfaced each year just to maintain current conditions. Following are some examples from cities and counties in Iowa that are typical of all city and county governments across the state.

- The city of Des Moines has projected, based on past trends and existing funding levels, a 20 percent drop in average pavement condition in the next 10 years.
- The city of West Des Moines has projected a 15 percent drop in pavement condition in the next eight years.
- In 2004, Muscatine County determined that, with existing funding levels, their pavement condition will deteriorate by 8 percent in 5 years.
- Dallas County pavement condition deteriorated by almost 5 percent between 2001 and 2005.

#### *Bridge Condition*

Bridge condition is often evaluated by monitoring the number of bridges that are structurally deficient or functionally obsolete. A structurally deficient bridge has an existing structural condition(s) that requires monitoring and corrective action. A functionally obsolete bridge has clearance or geometric deficiencies that should be improved. Statewide there are 24,799 bridges on Iowa's public roadways. Of those, 3,975 are on the Primary Road System, 958 are on the Municipal Street System and 19,866 are on the Secondary Road System.

On the Primary Road System the number of structurally deficient bridges has increased during the 1999 to 2005 time period from 171 to 256, an increase of 50 percent. Approximately 6 percent of bridges on the Primary Road System are structurally deficient. During the 1999 to 2005 time period, the number of functionally obsolete bridges dropped from 331 to 303 primarily due to bridges that were functionally obsolete in 1999, which as a result of deteriorating conditions, moved to the structurally deficient category by 2005. The 50 percent increase in structurally deficient structures results in an additional \$136 million in bridge rehabilitation and reconstruction needs to the existing bridge needs on the Primary Road System.

There are 4,612 structurally deficient and 1,332 functionally obsolete bridges on the Secondary Road System. The Secondary Road System has by far the most bridges so it

has the most structurally deficient and functionally obsolete bridges of the three jurisdictions. Of the total number of structurally deficient bridges in Iowa, 90 percent are on the Secondary Road System. Of the total number of bridges on the Secondary Road System, 23 percent are structurally deficient. County officials estimate that approximately 350 bridges per year need to be replaced to maintain current conditions.

Of the cities' 958 bridges, 252 are structurally deficient and 122 are functionally obsolete. Approximately 26 percent of all Municipal Street System bridges are structurally deficient.

The number of structurally deficient and functionally obsolete bridges has not increased over time on the Secondary Road System and Municipal Street System, but little progress has been made to reduce the number of bridge needs that exist. While the number of deficient bridges has not increased, cities and counties are being forced to reduce load ratings on bridges and, in some cases, close bridges. At current revenue levels, the number of deficient bridges will start increasing in the near future.

### **Funding Issues**

As described earlier, there are three major funding sources for public roadway improvements: federal revenue; state revenue; and local revenue. All three funding sources are facing issues that will impact the Iowa DOT's, cities', and counties' ability to adequately maintain and improve the public roadway system.

#### *Federal*

Federal funding is generally restricted to construction improvements and is not available to support maintenance activities. Historically, federal funding for public roadways has increased over time. However, with the most recent federal surface transportation authorization bill titled "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users" (SAFETEA-LU) and subsequent annual appropriation bills, the amount of available federal funding for core programs has leveled off. This is due to several issues.

- Annual appropriation bills include an adjustment called an 'obligation limitation,' which limits the amount that can actually be 'spent' each year. The obligation limitations in the annual appropriation bills (since SAFETEA-LU was adopted) have been much lower than historic levels.
- SAFETEA-LU impacts how much federal funding is allocated to each state. Historically, Iowa received more federal funding than it contributed in federal fuel taxes. With SAFETEA-LU, Iowa began to get back less funding than the state contributed through federal fuel taxes. In fact, in FFY 2007 Iowa falls to the minimum level of return on contributions allowed by law. That means Iowa will be getting back 91.5 percent of the funding Iowans contribute to the Highway Trust Fund through federal fuel taxes.
- The high number of earmarks included in SAFETEA-LU and subsequent appropriation bills impacts the Iowa DOT's, cities' and counties' ability to program funds efficiently for their core systems. Sometimes earmarks are

provided that cover only a small portion of the total project cost. This requires the Iowa DOT, city and county governments to come up with the remaining, and sometimes significant, funds for the project. In addition, earmarks can result in programming challenges for governments as they try to do the projects they deem the highest transportation priorities, yet maximize the use of funds earmarked for other projects on their system.

All of these issues have resulted in a reduction in the amount of federal funding available to the state, cities and counties for programmed construction needs. A looming issue is the source of federal highway funding, the Highway Trust Fund, is projected to have a negative balance around 2009 (at existing funding levels), which would result in a significant reduction in federal highway funding.

*State*

Iowa's RUTF has historically been able to keep up with inflation due to increased traffic on the system and number of vehicles purchased, which lead to increased revenue from fuel taxes, use taxes and vehicle registration fees. However, as shown in Table 6, in recent years the rate of growth of the RUTF has decreased and the purchasing power has dropped significantly. The impact of inflation has resulted in a decrease in purchasing power of RUTF revenues for seven of the last nine years, but the decrease has been especially dramatic the last three years. This is due in large part to the static fuel tax rates.

Table 6 – RUTF Revenue Growth

| Year | RUTF Revenue Actual Receipts (Millions) | Percent Change from Previous Year | RUTF Revenue Adjusted to Constant 1997 Dollars Based on Iowa Construction Cost Index (Millions) | Percent Change from Previous Year |
|------|---|-----------------------------------|---|-----------------------------------|
| 1997 | \$927                                   | 3.7%                              | \$927   | 0.9%                              |
| 1998 | \$947                                   | 2.2%                              | \$925   | -0.2%                             |
| 1999 | \$1,014                                 | 7.1%                              | \$914   | -1.1%                             |
| 2000 | \$1,048                                 | 3.4%                              | \$906   | -0.9%                             |
| 2001 | \$1,046                                 | -0.2%                             | \$901   | -0.6%                             |
| 2002 | \$1,082                                 | 3.4%                              | \$916   | 1.7%                              |
| 2003 | \$1,103                                 | 2.0%                              | \$955   | 4.3%                              |
| 2004 | \$1,127                                 | 2.1%                              | \$898   | -5.9%                             |
| 2005 | \$1,132                                 | 0.5%                              | \$832   | -7.4%                             |
| 2006 | \$1,147                                 | 1.3%                              | \$777   | -6.6%                             |

Source: Iowa DOT – Office of Program Management

The last significant increase in fuel tax rates occurred in 1989. In recent years there have been minor adjustments to the gasoline tax rate based on gasohol consumption, but, practically speaking, the rates are unchanged. Table 7 shows the tax rates on fuel in 1989, the tax rates today, and tax rates if they had kept pace with the Consumer Price Index (CPI) and the Construction Cost Index (CCI).



Table 7 – Iowa Fuel Tax Rates

| Year                                | Gasoline              | Gasohol               | Diesel                |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| 1989                                | 20 cents per gallon   | 19 cents per gallon   | 22.5 cents per gallon |
| 2006                                | 21.0 cents per gallon | 19 cents per gallon   | 22.5 cents per gallon |
| 2006 (if tax rate kept up with CPI) | 32.4 cents per gallon | 30.7 cents per gallon | 36.4 cents per gallon |
| 2006 (if tax rate kept up with CCI) | 38.0 cents per gallon | 36.1 cents per gallon | 42.7 cents per gallon |

*Local*

Local revenues for municipal street and secondary road projects have been negatively impacted in recent years. Due to state regulatory restrictions, cities and counties have stated that they have been unable to generate adequate property tax to address their existing road maintenance and construction needs.

County revenues have also been impacted due to recent agricultural land devaluation that has reduced property tax revenues. Property value “roll backs” reduce the income potential available through local property taxation and further erode local income resources.

Many local jurisdictions have imposed additional taxation on themselves in the form of local option sales taxes (LOST). These LOST revenues are often directed to support road and bridge maintenance/construction activities; however, this resource has essentially been utilized to its maximum potential due to legal restrictions.

Cities rely heavily on RUTF revenue and, to a lesser extent, on federal funds for Municipal Street System needs. As these funds have failed to meet the needs of the system, cities have become more dependent on local funding sources. These include General Fund property taxes, LOST revenue and general obligation bonds. However, as cities struggle to meet all basic service needs, local funding is inadequate to address roadway system needs. The balancing of local budgets has forced city street departments to reduce their labor forces, defer maintenance and cancel major reconstruction programs.

**Actions Taken To Increase Efficiency and Reduce Administrative Costs**

*Iowa DOT Efforts*

From FY 1996 through FY 2007, the Iowa DOT has reduced full-time positions by 555. This represents a 14 percent decrease in full-time positions. Specifically from 2000 to 2003, the Iowa DOT completed an initiative to restructure the agency. This effort involved a reorganization of the divisions, a transfer of responsibilities to the district offices, a reduction in force, the consolidation of facilities, and other actions.

Through attrition, early retirement, personnel changes, and layoffs, the Iowa DOT reduced the workforce by approximately 11 percent through this effort alone. At the same time, the Iowa DOT was able to reduce the number of resident construction offices from 20 to 13, resident maintenance offices from 22 to 17, and maintenance garages from 140 to 113. The Iowa DOT was able to make these changes by reducing management

layers, consolidating functions of field workers and refocusing on services that are most important to the public.

The benefits of these changes included the following.

- Increased funding for construction: Elimination of full-time positions resulted in a significant reduction of salary and benefits costs, which leaves more money for road construction projects.
- Revenue generation: Disposal of state-owned equipment and facilities generated a one-time windfall of revenue into the state's Primary Road Fund and Materials and Equipment Revolving Fund, and reduced on-going equipment and facilities operational and maintenance costs.
- Faster response time: Fewer management layers helped reduce the time it takes for approvals, and to respond to public inquiries and concerns.
- More efficient services: Field personnel formerly assigned to either construction or maintenance activities now serve both functions, providing more effective year-round utilization of staff resources.
- Energy savings: By closing facilities, the state reduced its energy consumption, which has both a long-term financial and environmental effect.

These changes combined to reduce the Iowa DOT's operational costs by \$35 million annually making that funding available for road construction.

#### *City/County Efforts*

Cities and counties across Iowa report similar efforts to increase efficiency and reduce administrative costs. One primary example is the sharing of county engineers. To minimize administration costs, Section 309.19 of the Code of Iowa permits boards of supervisors of two or more adjacent counties to enter into an agreement to share the services of a county engineer. The following counties currently utilize this provision to share the use of a county engineer.

- Worth and Mitchell
- Floyd and Chickasaw
- Butler and Bremer
- Tama and Poweshiek
- Audubon and Shelby
- Adams and Taylor
- Calhoun and Sac

Iowa's counties have reduced staff, while at the same time assuming jurisdiction of additional miles of primary roads and municipal streets as a result of recent legislation described in the following section. Since 1998, county secondary road departments have reduced staff by 3.5 percent. (Iowa County Engineers Association Service Bureau)

In addition, secondary roads with very little traffic continue to be vacated and rural subdivision roads have been added to the Secondary Road System.

### *Cooperative Efforts*

An ad hoc group of officials representing the Iowa DOT, cities and counties, began meeting in 2002 with a goal of studying the public roadway system and identifying actions to increase efficiency of operations. The group met throughout 2002 and made recommendations. Those recommendations were the basis of legislation drafted by the Iowa DOT and subsequently adopted by the legislature in 2003, to accomplish the following:

- **Rationalize the Primary Road System by transferring 712 miles to county and city governments.**

Seven hundred and twelve miles of primary roads were identified that were more appropriately under city and county jurisdiction. Some of these roads had been bypassed by new road construction and generally served local traffic. Other roads were remnants of an old jurisdictional assignment system that resulted in primary jurisdiction of some roads that generally serve local traffic. Effective July 1, 2003, jurisdiction of these roads was transferred to cities and counties where they are improved and maintained by the appropriate jurisdiction in a more efficient manner.

The legislation included a mechanism to compensate those jurisdictions that assumed responsibility of the transferred roads. A 1.75 percent off-the-top of the Iowa DOT's formula share of the RUTF revenue (Primary Road Fund) was set-aside in a Transfer of Jurisdiction Fund. Seventy-five percent of the Transfer of Jurisdiction Fund is allocated annually for 10 years to those cities and counties that assumed jurisdiction of primary roads and is distributed based on each jurisdiction's share of construction needs on the transferred roads. Twenty-two and one-half percent of the fund is allocated to the Secondary Road Fund for distribution to all counties. The remaining 2.5 percent is allocated to the Street Construction Fund of the Cities for distribution to all cities. After 10 years, the Transfer of Jurisdiction Fund is allocated 90 percent to the Secondary Road Fund for distribution to all counties and 10 percent to the Street Construction Fund of the Cities for distribution to all cities.

- **Transfer responsibility for farm-to-market extensions in cities under 500 population to the county.**

Cities with a population under 500 generally do not have the staff and infrastructure necessary to efficiently improve and maintain their farm-to-market extensions. These extensions are often the major routes through town that carry higher levels of traffic, including significant movements of agricultural products. In many counties, the county already provided support for the city on these routes, either informally or through a formal 28E agreement. Legislation was adopted in 2003 to require counties to assume responsibility for these farm-to-market extensions in cities under 500 population. This resulted in approximately 363 miles of municipal streets becoming the responsibility of the respective counties. To allow time to plan

and gear up for this additional responsibility, this transition became effective July 1, 2004.

Along with the transfer of responsibility, a share of the city's allocation of the Street Construction Fund of the Cities was allocated to the county to compensate for the change in jurisdiction. The amount of funding to be transferred to each county was based on the portion of the city's total street mileage that is a farm-to-market extension. For example, if a city has a total five miles of streets and one mile of those streets is a farm-to-market extension, then 20 percent of the city's funding from the Street Construction Fund of the Cities is transferred to that county.

- **Allow the board of supervisors to initiate a change in county road classification to area service 'C'.**

The area service 'C' classification may be used to restrict access and provide a minimal level of maintenance on secondary roads that have little to no traffic. This classification has been used effectively by many counties to reduce maintenance and improvement needs. Prior to July 1, 2003, a county could classify a road as area service 'C' only upon petition signed by all landowners adjoining the road. Legislation was adopted in 2003 to allow a county to initiate an area service 'C' classification without the petition of all adjoining landowners. This allows counties to proactively reduce maintenance and improvement needs on roads that no longer provide a service to the county.

- **Establish a study committee to evaluate the distribution of the Street Construction Fund of the Cities.**

The Street Construction Fund of the Cities is currently distributed based on population. This does not take into consideration many factors that may impact the funding needs of Iowa's cities, such as traffic, condition, age, number and size of bridges, etc. Previous studies have documented the need to reevaluate the distribution of the Street Construction Fund of the Cities. The legislation adopted in 2003 established a study committee to evaluate alternative distribution methodologies of the Street Construction Fund of the Cities and make recommendations to the legislature by January 1, 2004. The committee met throughout 2003 and ultimately concluded that the per-capita distribution of Street Construction Fund of the Cities is the best option for distributing funding and should continue as it does today.

#### **Examples of Transportation Issues in Other States**

The factors impacting transportation are not unique to Iowa. All of the states are facing transportation funding issues and considering actions to address those issues. Following is a sample of what's happening in other states.

- **Colorado:** Colorado DOT identified a shortfall of funding of \$15 billion in immediate needs on the state system alone. The 25-year, long-term gap between needs and projected revenue could total \$30 to \$50 billion. Reasons cited for the

shortfall in funding include construction cost inflation and declining fuel tax revenues.

- Idaho: The Idaho DOT completed a study that determined their transportation needs in the next 30 years are in excess of \$20 billion. The funding shortfall with existing revenue is over \$200 million per year. In 2006, legislation was passed to fund \$1.2 billion of improvements to begin addressing the shortfall.
- Louisiana: Due to rising construction costs and deteriorating roadway conditions, the state of Louisiana has estimated a backlog of needs of \$13 billion. The governor is proposing \$400 million in new state funding for roads.
- Massachusetts: A legislatively created Transportation Finance Committee has proposed a 9 cent increase in the state gas tax and reinstatement of toll roads in western Massachusetts to fund transportation improvements throughout the state. Funding shortfalls are due to federal funding cuts and construction cost increases.
- Minnesota: A constitutional amendment has been proposed to force the state to spend more money on transportation. The shortfall of funding is due to cost increases and lack of a gas tax increase since 1989.
- Nevada: The state is expecting significant shortfalls in funding. A state task force studying the issue said that demands on their highway system are increasing and threaten to bankrupt the state's road building and maintenance budget. They are considering recommending increases in fuel tax, vehicle fees, levies, developer impact fees, and other mechanisms to reduce the shortfall.
- North Carolina: The state is facing a shortfall of \$30 billion in transportation funding over the next 25 years. The shortfall is due to flat federal revenues, construction cost inflation, and increasing needs.
- South Carolina: The South Carolina DOT Executive Director declared the agency was in a "transportation funding crisis" and requested their annual funding be increased significantly over the coming decade. The funding shortfall is due to flat revenues, rising construction costs and the lack of a gas tax increase since 1987.
- Tennessee: Tennessee DOT officials have estimated that they need \$2 billion in additional revenue over the next ten years to meet needs on their roads. They are considering raising the gas tax along with other long-term options such as tolling and public-private partnerships.
- Virginia: In January of 2006, the governor of Virginia proposed higher fees to generate an additional \$1 billion a year to begin to address the roadway needs in the state. Those needs are estimated to be \$17 billion in northern Virginia alone.
- Wisconsin: A Wisconsin legislative panel recommended in 2006 that transportation spending be increased by 40 percent to cover longtime funding shortages. This represents a need to increase funding by nearly \$700 million annually. The major reason cited for the shortfall is construction cost inflation, which has eroded the purchasing power of their highway construction budget.
- Wyoming: Wyoming DOT has had to postpone and cut projects from its program due to reduced federal funding and construction cost increases. The Wyoming DOT asked the legislature for an additional \$105 million for the 2006 highway program and received \$75 million.

## Public Input

Early in the development of this study, the Iowa DOT, city and county officials determined it was necessary to hear from groups and associations that have an interest in the public roadway system. Over several meetings, representatives of these groups shared their thoughts on the transportation system in Iowa. Following are some of the key points expressed by those groups. Appendix A of this study includes a list of the representatives that attended the meetings.

- Highway Associations
  - Southwest Iowa Coalition (U.S. 34)
    - Bridges across the Missouri River south of Council Bluffs are in poor shape and need to be replaced.
    - This is a major economic development project for the area.
    - Improvements to those bridges will be very significant to economic development.
  - U.S. 169 Corridor
    - The corridor from Fort Dodge to Humboldt is in poor condition and has geometric deficiencies that are causing safety issues.
    - There have been eight fatalities in the last 10 years.
  - U.S. 20 Association
    - This project has been on-going since the 1960s.
    - There are 90 miles remaining that will cost approximately \$520 million.
    - Northwest Iowa has poor rail access and four-lane road access, which greatly restricts ability to move goods in and out, and has restricted economic development of the entire region.
    - Highway funding needs to be increased to invest in Iowa since transportation is the engine that drives the economy.
  - U.S. 63 Corridor
    - Improvements to U.S. 63 in northeast Iowa were committed back in the 1970s, but there is still a 16-mile gap.
    - Investments in highways provide a good return on investment and support economic development.
    - U.S. 63 from Bloomfield to Ottumwa was in the transportation improvement program, but was removed due to lack of funding. This project is not only key to the region's economic development, it is a safety issue.
  - U.S. 30 Coalition
    - U.S. 30 Tama/Toledo bypass was in the transportation improvement program, but was removed due to lack of funding. This caused hardship to the city as they invested in utility infrastructure in anticipation of the project.
    - Needed U.S. 30 improvements from Ames to Clinton would cost approximately \$400 million.
    - Improvements are also needed in western Iowa.

- Sixty percent of Iowa's population is within 20 miles of U.S. 30, so improvements to the corridor are needed to support that population.
    - The corridor is also important as a reliever to I-80.
  - Iowa 44 Association
    - This is a commuter corridor from Panora to the Des Moines metropolitan area.
    - The issue is safety and need to coordinate land use to preserve the corridor and its ability to handle the expected traffic growth.
- Iowa State Association of Counties/Iowa County Engineers Association
  - The RUTF is critical to all three levels of government.
  - The RUTF revenues are dropping when considering inflation.
  - More cities are being served by only county roads and there are more dirt roads in Iowa now.
  - Vehicle miles of travel have tripled since the 1960s, but the system size has remained almost the same.
  - County roads are critical to move goods/people, access land and serve the changing agricultural economy with the increase in ethanol plants.
  - Rural two-lane county roads have a higher crash rate than the state average.
  - Twenty-five percent of county bridges have a condition rating less than 50 (out of 100) and 380 bridges per year are due for improvement, assuming an average life of 50 years.
  - Costs that used to be covered out of general basic funds are now being paid out of the Secondary Road Fund. Liability and vehicle insurance for highway department vehicles is an example. This is reducing funding available for road improvements.
- American Public Works Association
  - The RUTF revenue is generally used for maintenance work only.
  - Additional funding is needed to address deferred maintenance.
  - There's not enough revenue to address new construction and reconstruction, therefore cities have had to rely on bonding.
  - Road conditions in cities are deteriorating.
  - If there is additional RUTF revenue it should be distributed directly to the local governments.
- Iowa League of Cities
  - Roll backs of property taxes are negatively impacting city governments across the state.
  - The negative impacts are felt not just by the transportation side of city government, but all areas of city government.
- Iowa Association of Regional Councils
  - Local governments are struggling just to maintain the system, much less to deal with new construction needs.
  - Federal funding is decreasing and earmarks bring challenges.

- The federal government cannot be expected to come through with additional funding; therefore, need to look locally and at the state level to address funding shortfalls.
- Iowa Farm Bureau Federation
  - The Farm-to-Market and Secondary Road Systems are very important to Iowa's farmers to move their products to/from the fields.
  - They are concerned about any changes to the existing RUTF formula that would create 'winners' and 'losers.'
  - The maintenance of our Farm-to-Market roads is critical to the revitalization of Iowa's rural economy, especially for the renewable fuels industry.
- Iowa Motor Truck Association
  - At the national level, congestion and increasing freight volumes are serious issues.
  - Truck size and weight will need to be discussed, as well as truck driver shortages and infrastructure needs.
  - If revenues are increased, the funding should be targeted to infrastructure needs that are most critical to the movement of freight.
  - IMTA members expect that an appropriate share of RUTF revenues go back into these routes that they are driving, which generated the revenue from fuel taxes.
  - If fuel tax increases are considered, the industry would ask for an appropriate phase in period to accommodate the new rate.
- Association of Business and Industry
  - High-quality, accessible and affordable transportation services are critically important to the ongoing economic growth of Iowa and enhancement of Iowa's quality of life
  - User fees and taxes assessed for one mode of transportation should not be used nor diverted to another mode of transportation, or diverted for non-transportation purposes.
  - ABI supports final design and corridor route decisions, including those requiring environmental policy decisions, be made by the Iowa Department of Transportation. ABI opposes environmental policy standards that add exorbitant costs to transportation infrastructure improvements.
- Iowa Chamber Alliance
  - The RUTF distribution formula should be re-evaluated, as should all formulas every 10 years or so.
  - The transportation system is becoming increasingly important due to just-in-time delivery of goods.
  - The last fuel tax increase included the creation of the CIN and targeted funding to that system.
  - Improvements to the primary system result in a big improvement to Iowa's economic development; however, need to get people and goods to the primary system so can't ignore the city and county systems.



- Iowa has done a good job in the past in supporting the city, county and state systems without creating 'roads to nowhere.'
- Need to maintain existing system, but more money needs to go to the primary system to support the economy.
- Need to complete primary corridors with more certainty. If a project is in the five-year transportation improvement program it should be able to be built in that timeframe.
- Professional Developers of Iowa
  - Good highway infrastructure is critical to Iowa's future in a competitive national and global economy.
  - By truck, Iowa is within 8 hours of 35 million people and \$900 million in disposable income. The interstate is vital to these truck movements.
  - Need to preserve existing infrastructure at all levels to support urban and rural development.

## **Evaluation of Future Needs**

For the purposes of this report, the Iowa DOT estimated the 20-year needs of the public roadway system in Iowa, covering the period from 2005 through 2024. To provide a full estimate of needs requires an evaluation of the administration costs, maintenance costs and construction costs for all public roadways.

### **Inflation**

The needs estimates are shown in future year dollars meaning costs have been inflated using historic construction cost growth. Should the recent trends in extremely high construction cost growth continue, the needs estimates in this report will be low.

### **Administration Needs**

Administrative costs include all expenses incurred by an agency related to roadway management, which are not directly assignable to specific construction, engineering and maintenance operations. Examples of administrative costs include salaries, equipment, insurance, facilities, etc. In addition to the standard highway administrative costs that cities and counties incur, the Iowa DOT also has administrative costs associated with motor vehicle enforcement, driver's licensing, modal programs, and other non-highway construction or maintenance related activities. These non-highway administrative costs have not been separated out of the Iowa DOT's administrative cost figures since they, too, are funded with RUTF and Primary Road Fund revenues. This results in the Iowa DOT's administration cost figures including non-highway costs.

Many cities in Iowa have used bonding to support their street improvement needs. The debt service associated with current bonding and future bonding is an administrative cost and has been included as such in this report.

To estimate future administrative needs, recent administrative cost history was evaluated for the Iowa DOT, cities and counties, and forecast for 20 years using trend analysis.

### **Maintenance Needs**

Maintenance needs include costs associated with maintaining pavements and bridges. Typical maintenance activities include snow clearing, crack-sealing, grading, pavement patching, bridge painting, guardrail repair, and many other comparable activities.

The estimate of future maintenance costs was developed by evaluating recent trends in maintenance expenditures among all jurisdictions and forecasting those trends into the future. Current maintenance expenditures at the Iowa DOT, cities and counties have not been able to adequately meet increasing maintenance needs with recent spending levels. Because the projection is based on recent historic spending levels, the maintenance needs estimate does not represent an ideal or preferred level of maintenance, and is smaller than the true needs that exist to provide a high level of maintenance on our public roadway system.

### **Combined Administrative and Maintenance Needs**

The Iowa DOT, cities and counties track their administrative and maintenance costs in different manners. This results in some costs being considered as administrative by one jurisdiction, while other jurisdictions consider those same costs as maintenance. To provide consistent comparisons from one jurisdiction to another, administration and maintenance needs are shown combined in this report. The only inconsistency for comparison purposes is the one detailed above related to the Iowa DOT's costs including considerable non-highway system administrative costs because those costs are funded from the RUTF and Primary Road Fund. This means the combined administrative and maintenance costs cannot be compared across the three jurisdictions as though they are only costs related to administering the roadway system.

### **Construction Needs**

The Iowa DOT has an extensive database of all public roadways in Iowa. This database includes data on condition, geometry, traffic, safety, and many other items. This database was used as an input into needs models developed by the Federal Highway Administration to estimate future road and bridge construction needs.

These models evaluate existing conditions and then forecast future conditions based on increasing traffic, aging pavements and bridges, and other factors. The models then identify existing and/or future deficiencies in the system and identify construction activities required to correct the deficiencies. For example, if a roadway in 10 years experiences traffic growth that results in congestion, the model will identify a need to add lanes to correct the congestion deficiency. Deficiencies can occur due to geometry of the road (e.g., narrow lanes, no shoulders, tight curves, etc.), condition of the road (e.g., poor pavement condition, poor drainage, lack of hard surfacing, etc.) or traffic congestion.

In addition to the model analysis, future economic development corridor needs were included in the needs estimates. These are projects that may not have congestion issues throughout the entire corridor, but require corridor-long improvements to assure a network of high-level highways that accommodate the efficient movement of goods and people to support and enhance Iowa's economy.

More detail regarding how construction needs were estimated is included in Appendix B.

### **Summary of Projected Needs**

The 20-year projected needs for Iowa's primary, secondary and municipal road systems are \$67.2 billion. Table 8 is a summary of those needs and includes a breakdown of construction needs by pavement, bridge and capacity needs.

Table 8 – 2005 to 2024 Projected Needs for Iowa’s Public Roadway System

| Type                       | Primary (State) billions | Secondary (Counties) billions | Municipal (Cities) billions | Total billions   |
|----------------------------|--------------------------|-------------------------------|-----------------------------|------------------|
| Maintenance/Administration | \$9.281 billion          | \$7.409 billion               | \$11.457 billion            | \$28.147 billion |
| Construction               |                          |                               |                             |                  |
| Pavement                   | \$5.071 billion          | \$11.964 billion              | \$3.624 billion             | \$20.659 billion |
| Bridge                     | \$3.276 billion          | \$3.795 billion               | \$0.521 billion             | \$7.592 billion  |
| Capacity                   | \$9.384 billion          | \$0.208 billion               | \$1.241 billion             | \$10.833 billion |
| Total                      | \$27.012 billion         | \$23.376 billion              | \$16.843 billion            | \$67.231 billion |

The \$67.231 billion in needs of Iowa’s public roadway system represents the total cost to address all deficiencies that exist now or are forecast to exist in the next 20 years. This does not take into account the fact that some of the needs have a cost that exceeds the anticipated benefits to the state. In an attempt to evaluate the rate of return of different improvement types, and recognizing the needs will far exceed available revenue over the next 20 years, an effort was made to prioritize needs based on minimum thresholds for preservation of the system and then the economic benefits of different types of improvements on roads with different traffic levels. For this effort, the process established during the last legislatively mandated review of future needs and RUTF revenue in 1988 was utilized. The process involves assigning needs based on a general hierarchy to first maintain, then preserve, expand, and finally modernize the public roadway system. Another component of the hierarchy is the assignment of different priorities for improvements based on expected rates of return on the government’s investment. The assignment of categories used for this report and the 1988 study of the RUTF is based on the following:

- Category 1
  - Maintenance
  - Administration
  - Debt service
- Category 2
  - Resurfacing of high-volume roads
  - Repair/replacement of structurally deficient bridges on high-volume roads
  - Reconstruction of very high-volume roads with poor pavement
- Category 3
  - Resurfacing of low-volume roads
  - Repair/replacement of structurally deficient bridges on low-volume roads
  - Repair/replacement of functionally obsolete bridges on high-volume roads
  - Reconstruction of high-volume roads with poor pavement
  - Capacity improvements on high-volume and CIN roads
- Category 4
  - All remaining capacity improvements
  - Repair/replacement of functionally obsolete bridges on moderate-volume roads
  - Reconstruction of moderate-volume roads with poor pavement

- Category 5
  - Repair/replacement of all remaining functionally obsolete bridges
  - Reconstruction of all remaining roads with poor pavement
- Category 6
  - All remaining reconstruction of roads with geometric deficiencies

The assignment of needs to these categories does not mean that all jurisdictions make funding decisions in this order, but rather this is intended to prioritize in a general manner the needs that exist in Iowa. Table 9 summarizes the distribution of needs among the six categories by jurisdiction.

Table 9 – 2005 to 2024 Projected Needs for Iowa’s Public Roadway System by Category

| Type       | Primary (State) billions | Secondary (Counties) billions | Municipal (Cities) billions | Total billions |
|------------|--------------------------|-------------------------------|-----------------------------|----------------|
| Category 1 | \$9.281                  | \$7.409                       | \$11.457                    | \$28.147       |
| Category 2 | \$7.258                  | \$3.598                       | \$2.523                     | \$13.379       |
| Category 3 | \$9.440                  | \$2.665                       | \$0.594                     | \$12.699       |
| Category 4 | \$0.680                  | \$1.370                       | \$1.216                     | \$3.266        |
| Category 5 | \$0.000                  | \$6.078                       | \$0.959                     | \$7.037        |
| Category 6 | \$0.353                  | \$2.256                       | \$0.094                     | \$2.703        |
| Total      | \$27.012                 | \$23.376                      | \$16.843                    | \$67.231       |

The three highest priority categories of needs (i.e., category 1, 2 and 3) cover maintenance, preservation and high return on investment needs. The high return on investment needs include critical capacity and reconstruction needs on the interstate and CIN, and critical needs on the Secondary Road System and Municipal Street System. Of those three highest priority categories, the Primary Road System needs are 48 percent of the total, the Secondary Road System needs are 25 percent of the total and Municipal Street System needs are 27 percent of the total. However, as will be documented in the “Needs versus Revenues” section, when evaluating the shortfall of funding to meet the most critical needs of Iowa’s public roadway system, the great majority of the shortfall is on the Primary Road System.

## Evaluation of Future Revenues

Earlier in this report the primary sources of revenues (federal, state and local) were discussed along with the issues facing all the sources. This section looks at the future of those revenue sources.

### Federal

Federal funding buying power for core construction programs for public roadways has not experienced growth as in prior years (see Figure 15). As with all funding sources, this has been further exacerbated by the large increase in construction costs. In the next few years, federal funding could be reduced significantly if changes are not made at the national level. For purposes of this forecast, it has been assumed that future federal funding will remain at a constant level, which assumes that necessary changes to sustain this funding level will be made by Congress.

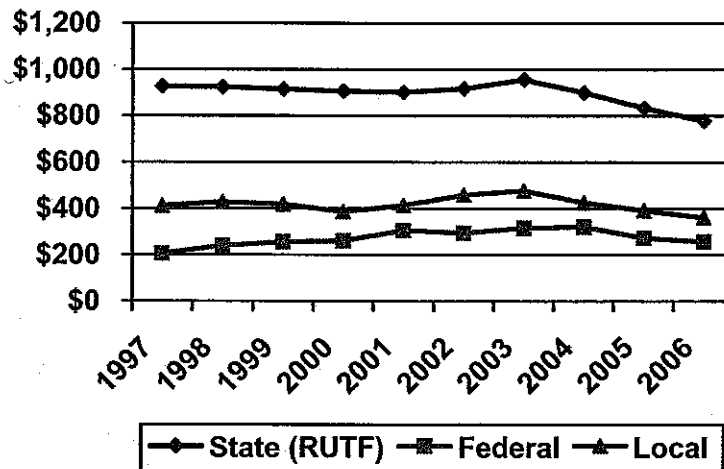
### State

Historically, between FY 1990 and FY 2000, the RUTF experienced average annual growth of 4.5 percent. From FY 2001 to FY 2006, the average annual growth of the RUTF has lowered to 1.5 percent. As with federal funding, state funding has seen very little growth recently and its buying power has diminished dramatically due to construction cost increases (see Figure 15). Based on forecasts of future travel, vehicle purchases and other factors that affect the RUTF revenue, the level of RUTF revenue will continue to annually increase slightly, but also continue to lose significant ground in buying power.

### Local

Local revenues, including bonding for cities, are forecast to stay flat in terms of actual dollars from year to year, which results in a significant loss of buying power over the 20-year period taking into account inflation.

Figure 15 – Historic Trends in Highway Funding Buying Power (constant 1997 dollars – millions)



Sources: Iowa DOT – Office of Program Management and Office of Systems Planning

### Loss of Buying Power

As mentioned in the discussion of all funding sources, a major impact on the ability to meet future needs is the loss of buying power due to increased construction costs. This has been a continuing impact on all jurisdictions, but has been extremely damaging the past 12 to 18 months as construction costs have increased dramatically. Since 2003, RUTF revenue has lost over half a billion dollars in buying power with a loss of \$260 million alone in 2006 (when compared to the 2003 funding level). Put simply, the Iowa DOT, cities and counties are spending as much or slightly more, but buying far less for their money.

An example of the impact of rising construction costs is what has happened to the cost to resurface a roadway. In 1989, the last time the fuel tax was significantly increased, it cost about \$140,000 per mile to resurface a two-lane roadway. Today, that same improvement costs about \$290,000 per mile. That's an increase of over 107 percent. Table 10 demonstrates how much less can be purchased today in comparison to 1989.

Table 10 -- Impact of Inflation on Construction Costs from 1989 to 2006

| Construction bid item              | What could be purchased in 1989         | What can be purchased in 2006 with increased construction prices | Lost buying power |
|------------------------------------|---|--|-------------------|
| Roadway excavation                 | \$9.90 could purchase 10 cubic yards    | \$9.90 can purchase only 4 cubic yards                           | 60 percent        |
| Hot-mix asphalt surfacing          | \$209.50 could purchase 10 tons         | \$209.50 can purchase only 5 tons                                | 50 percent        |
| Portland Cement Concrete surfacing | \$1,401 could purchase 100 square yards | \$1,401 can purchase only 53 square yards                        | 47 percent        |
| Reinforcing steel                  | \$380 could purchase 1,000 lbs          | \$380 can purchase only 528 lbs                                  | 47 percent        |
| Structural steel                   | \$1,000 could purchase 1,000 lbs        | \$1,000 can purchase only 661 lbs                                | 34 percent        |
| Structural concrete                | \$16,931 could purchase 100 cubic yards | \$16,931 can purchase only 52 cubic yards                        | 48 percent        |

Source: Iowa DOT – Office of Contracts

### Summary of Future Revenues

The 20-year projected revenues for Iowa's primary, secondary and municipal road systems are \$39.5 billion. The projections are based on the following assumptions.

- Federal revenue will remain constant over the 20 years resulting in a continuing loss of buying power.
- State revenue from the RUTF will grow about one-half percent a year which results in a continuing loss of buying power if construction costs grow faster than one-half percent a year.
- Local revenue will remain constant over the 20 years resulting in a continuing loss of buying power.

Table 11 is a summary of projected future revenues by jurisdiction.

Table 11 – 2005 to 2024 Projected Revenue for Iowa’s Public Roadway System

| <b>Source</b> | <b>Primary<br/>(State)<br/>billions</b> | <b>Secondary<br/>(Counties)<br/>billions</b> | <b>Municipal<br/>(Cities)<br/>billions</b> | <b>Total<br/>billions</b> |
|---------------|---|--|--|---------------------------|
| Federal       | \$4.251                                 | \$1.120                                      | \$0.786                                    | \$6.157                   |
| State         | \$10.951                                | \$6.943                                      | \$4.047                                    | \$21.941                  |
| Local         | N/A                                     | \$2.800                                      | \$8.600                                    | \$11.400                  |
| <b>Total</b>  | <b>\$15.202</b>                         | <b>\$10.863</b>                              | <b>\$13.433</b>                            | <b>\$39.498</b>           |



## Needs versus Revenues

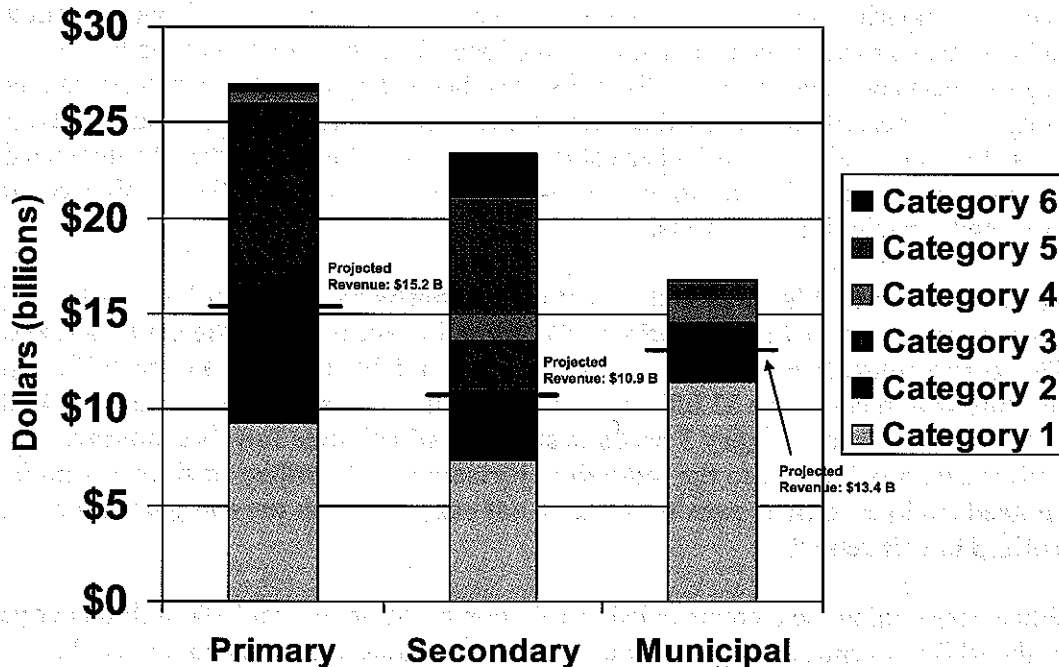
The analysis of future needs and revenues results in the identification of a large shortfall of funding. As summarized in Table 12, the shortfall across all jurisdictions totals \$27.7 billion over the 2005 to 2024 time period, or an annual shortfall of approximately \$1.4 billion.

Table 12 – 2005 to 2024 Funding Shortfall

|           | Primary<br>(State)<br>billions | Secondary<br>(Counties)<br>billions | Municipal<br>(Cities)<br>billions | Total<br>billions |
|-----------|--------------------------------|-------------------------------------|-----------------------------------|-------------------|
| Needs     | \$27.012                       | \$23.376                            | \$16.843                          | \$67.231          |
| Revenue   | \$15.202                       | \$10.863                            | \$13.433                          | \$39.498          |
| Shortfall | (\$11.810)                     | (\$12.513)                          | (\$3.410)                         | (\$27.733)        |

Figure 16 is a graphical representation of the 20-year needs for each jurisdiction by category. Included in the figure is a line that shows for each jurisdiction the level of needs that could be addressed with projected revenues. All of the category 1 needs can be met with projected revenues; however, the revenue falls short of meeting the category 2 needs for all jurisdictions. Projected revenues will cover 82 percent of the Primary Road System category 2 needs, 96 percent of the Secondary Road System category 2 needs, and 85 percent of the Municipal Street System category 2 needs.

Figure 16 – Comparison of 20-Year Needs with Projected Revenue



To address the remaining unfunded category 2 needs would require approximately \$2 billion in additional revenue over 20 years for an average of about \$100 million per year. This level of funding would meet the most critical pavement and bridge preservation

needs in Iowa, but would not allow other vital pavement and bridge needs or important capacity and corridor improvements on the interstate and CIN to be addressed. This level of funding would result in continued deterioration of pavement and bridge conditions for all jurisdictions and no additional development of capacity and corridor projects on the interstate and CIN.

To stop deteriorating pavement and bridge conditions in Iowa, and to begin to address capacity and corridor improvements on the interstate and CIN, requires that the most critical category 3 needs be met. The category 3 needs total \$12.7 billion over the 2005 to 2024 time period. To meet those needs would require a revenue increase of over \$600 million per year, in addition to the \$100 million per year to meet the remaining category 2 needs. Because the amount of funding to meet all of the category 3 needs is so high, additional analysis was conducted to determine what portion of category 3 needs is most critical to support and enhance Iowa's economy.

The category 3 needs cover the following types of projects.

- resurfacing of low-volume roads;
- repair/replacement of structurally deficient bridges on low-volume roads;
- repair/replacement of functionally obsolete bridges on high-volume roads;
- reconstruction of high-volume roads with poor pavement; and
- capacity improvements on high-volume and CIN roads.

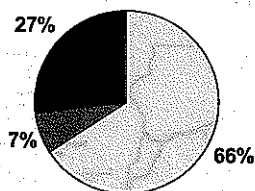
The large majority of category 3 needs (74 percent) are on the Primary Road System to address reconstruction needs on high-volume roads, bridge needs and capacity improvements on interstate and CIN roads. The Secondary Road System needs in this category (21 percent) are focused on resurfacing of low volume roads, bridge needs and reconstruction needs on their higher volume roads. The Municipal Street System needs (5 percent) are focused on resurfacing low-volume roads, reconstruction of high-volume roads and capacity improvements.

**The conclusion of this study is the most critical needs on Iowa's public roadway system can be met with an additional \$4 billion in revenue over the next 20-years. This corresponds to an annual revenue increase of \$200 million. The \$4 billion in revenue would cover the \$2 billion necessary to meet category 2 needs and \$2 billion of the most critical category 3 needs to sustain and enhance Iowa's economy. Ultimately, it will be up to the individual jurisdictions to utilize additional funding on needs unique to their area which may not exactly match the categorization utilized in this report.**

When determining the recommended distribution of the additional \$200 million per year of the RUTF revenue among the state, cities and counties, this study compared the existing revenue for each jurisdiction with the prioritized needs that could be addressed with additional revenue. Figure 17 contains two pie charts reflecting the distribution of the remaining unfunded category 2 needs and all of the category 3 needs by jurisdiction.

Figure 17 – Distribution of Unfunded Category 2 and Category 3 Needs

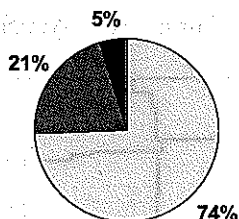
Distribution of Unfunded Category 2 Needs



Total: \$2.0 billion

□ Primary ■ Secondary ■ Municipal

Distribution of Category 3 Needs



Total: \$12.7 billion

□ Primary ■ Secondary ■ Municipal

The \$200 million per year of additional funding would first address the remaining category 2 needs and then the most critical category 3 needs. Using the distribution of needs for each category as shown in Figure 17, Table 13 reflects the distribution of additional funding based solely on an analysis of needs with the first \$100 million per year of additional funding going toward the remaining unfunded category 2 needs and the next \$100 million per year of additional funding going toward the critical category 3 needs.

Table 13 – Distribution of Additional Funding

| Jurisdiction       | Unfunded Category 2 Needs<br>(\$100 million per year of additional funding) | Critical Category 3 Needs<br>(\$100 million per year of additional funding) | Total<br>(\$200 million per year of additional funding) |
|--------------------|---|---|---|
| Primary (State)    | \$66 million (66 %)   | \$74 million (74 %)   | \$140 million (70 %)                                    |
| Secondary (County) | \$7 million (7 %)   | \$21 million (21 %)   | \$28 million (14 %)                                     |
| Municipal (City)   | \$27 million (27 %)   | \$5 million (5 %)   | \$32 million (16 %)                                     |

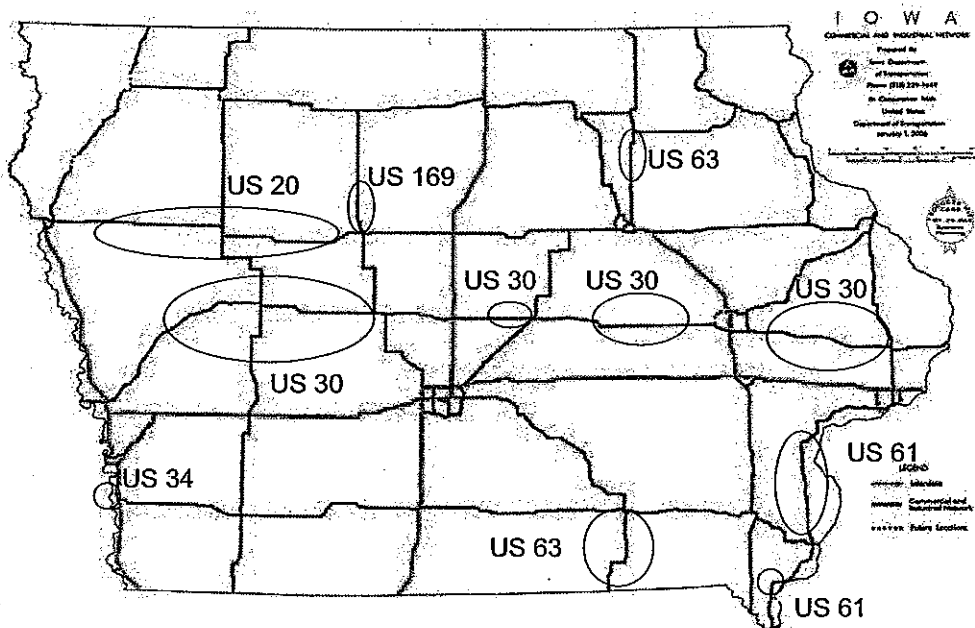
The distribution of unfunded category 2 and critical category 3 needs, to be addressed with the \$200 million per year of additional funding, results in a distribution of funding with the Primary Road System receiving 70 percent, Secondary Road System receiving 14 percent and Municipal Street System receiving 16 percent. Recognizing that this is a significant shift from the existing RUTF distribution percentages and that each jurisdiction prioritizes their needs differently, the following distribution of additional RUTF revenues is proposed:

- State – Primary Road System: 60 percent
- Counties – Secondary Road System: 20 percent
- Cities – Municipal Street System: 20 percent

On the Primary Road System, this additional funding would permit accelerated development of key corridors such as U.S. 20, U.S. 30, U.S. 34, U.S. 61, U.S. 63, and U.S. 169 as shown in Figure 18. With existing funding, it would take many decades to complete these corridors; additional funding will allow development to accelerate although it is clear that even the additional funding will not result in those needs being

met as quickly as desired. Key needs on the interstate, especially in and around urban areas, will also begin to be addressed with additional funding.

Figure 18 – Accelerated Development of Key CIN Corridors



There are many segments on the Primary Road System that require pavement resurfacing or reconstruction improvements that cannot be accomplished in a timely manner. Additional funding for the interstate and CIN allows the Iowa DOT to begin to address these critical preservation and reconstruction needs across Iowa with existing revenues.

Additional funding for the Secondary Road System would allow counties to address their most critical bridge needs and road needs on the Farm-to-Market Road System. These improvements are vital to the rural and state economy to support the renewable fuels industry and the movement of goods and people in rural Iowa.

The Municipal Street System is somewhat unique in that each city has different types of needs and priorities. Many cities require additional funding just to provide adequate maintenance of the existing system. Other cities would utilize additional funding to meet reconstruction, expansion or safety needs that may exist.

As is true for all jurisdictions, additional funding will allow critical needs to begin to be addressed, but additional funding will not address all the needs that exist in Iowa.

As stated earlier in the report, the 20-year needs are shown in future year dollars based on historic growth in construction costs. If recent trends of extremely high construction cost inflation continue, the needs estimate in this report will be low resulting in an increasing shortfall.

## Options for Addressing Funding Shortfall

Many alternative financing options were studied. Each option was evaluated based on the following factors:

- ability to produce significant funds;
- stability;
- efficiency (i.e., low administrative cost);
- equity; and
- feasibility.

Table 14 is a summary of existing RUTF revenue sources and options for generating increased revenue. Table 15 is a list of revenue mechanisms that are not currently utilized, but could be implemented to generate additional RUTF revenue.

Table 14 – Current RUTF Revenue Sources and Increase Options

| Type of Financing           | Description  | Advantages   | Disadvantages   |
|-----------------------------|--|--|---|
| <b>Fuel Tax</b>             | <p>Cents per-gallon tax on motor fuels, including some alternative fuels</p> <p><b>Option A to Increase Revenue:</b><br/>Increase per-gallon tax on motor vehicle fuels equally for gasoline, gasohol and diesel based on existing rates of 21.0 cents per gallon for gasoline, 19.0 cents per gallon for gasohol and 22.5 cents per gallon for diesel (this assumes the gasohol subsidy will be extended beyond its 6/30/07 sunset)</p> <p>Each additional cent generates approximately \$22 million to the RUTF</p> <p><b>Option B to Increase Revenue:</b><br/>Adjust fuel tax annually based on an inflation index (such as the Consumer Price Index)</p> <p>Additional revenue depends on rate of inflation. For example, a 3 percent increase in the Consumer Price Index applied to current fuel tax rates would generate an additional \$13 million annually.</p>  | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Generally proportional to system usage</li> </ul> | <ul style="list-style-type: none"> <li>• Increased fuel efficiency results in lower revenue</li> <li>• Higher fuel prices lead to reduced driving and reduced fuel tax collections</li> <li>• Fees are fixed and do not adjust for inflation</li> </ul> |
| <b>Vehicle Registration</b> | <p>Fees charged to register and license vehicles and trailers</p> <p><b>Fee Schedule for Automobiles, Mini-Vans and Sport Utility Vehicles</b><br/> <math display="block">\text{Fee} = 1 \text{ percent of value} + \frac{\\$0.40 \times \text{Weight}}{100}</math> <ul style="list-style-type: none"> <li>• &lt; 5 model years old: value component of fee is not reduced</li> <li>• 5 model years old: 75 percent of value component is applied</li> <li>• 6 model years old: 50 percent of value component is applied</li> <li>• &gt;= 9 model years old: \$35 (1994 and newer model year)</li> <li>• The fee schedule varies based on age, type of vehicle and other factors for older model year vehicles</li> </ul> <p><b>Fee Schedule for Pickups (all trucks &lt;= 3 tons)</b></p> <ul style="list-style-type: none"> <li>• ≤ 10 model years old: \$65 per year</li> <li>• 11 to 13 model years old: \$55 per year</li> <li>• 14 to 15 model years old: \$45 per year</li> <li>• &gt; 15 model years old: \$35 per year</li> </ul> <p><b>Option A to Increase Revenue:</b><br/>Increase the registration fee for pickup trucks making it equivalent to automobiles (i.e. vehicle weight and value). It would generate approximately \$57 million annually to the RUTF, if applied to all pickup trucks currently registered at 3, 4 and 5 tons.</p> <p>If weight-value adjustment applies only to model year 2009 and later</p> </p> | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Equitable for cars</li> </ul>                     | <ul style="list-style-type: none"> <li>• Not proportional to system usage</li> <li>• Higher administrative and enforcement costs</li> <li>• Not equitable for pickups</li> <li>• Encourages retention of older vehicles</li> </ul>                      |

|                                  |   |  |   |
|----------------------------------|---|--|---|
|                                  | <p>pickups (phased in approach), the additional revenue to the RUTF is projected as follows:</p> <ul style="list-style-type: none"> <li>• CY 2008: \$10 million</li> <li>• CY 2009: \$20 million</li> <li>• CY 2010: \$30 million</li> <li>• CY 2011: \$40 million</li> </ul> <p><b>Option B to Increase Revenue:</b><br/>Increase the minimum vehicle registration fee (i.e. \$50 minimum instead of variable minimum for autos and \$35 minimum for trucks). This scenario would generate approximately \$19 million annually in additional revenue to the RUTF.</p>  |  |   |
| <b>Use Tax on Motor Vehicles</b> | <p>Five percent use tax that is imposed on the sale of new and used motor vehicles and trailers</p> <p><b>Option to Increase Revenue:</b><br/>Increase the use tax to 6 percent, generating approximately \$40 million annually.</p>  | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Provides revenue source based on ability to pay</li> <li>• Proportional to cost of vehicle</li> </ul> | <ul style="list-style-type: none"> <li>• Not proportional to system usage</li> <li>• May discourage sales of motor vehicles</li> <li>• Fluctuates with economic cycles</li> </ul> |
| <b>Driver's License Fee</b>      | <p>A fee charged for the privilege to operate a motor vehicle</p> <p>\$4 per year (non-commercial)*<br/>\$8 per year (commercial)*</p> <p>* Does not include the one-time surcharge assessed through 6/30/08 for the driver information system update (\$3).</p> <p><b>Option A to Increase Revenue:</b><br/>Doubling the driver's license fee would generate approximately \$12 million annually.</p> <p><b>Option B to Increase Revenue:</b><br/>Institutionalize the current \$3 surcharge as an increase as of 7/1/08. It would generate approximately \$1.5 million per year, on average, beginning in FY 2009</p> | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Does not fluctuate with economic cycles</li> </ul>  | <ul style="list-style-type: none"> <li>• Not proportional to system usage</li> </ul>  |

Table 15 – Potential RUTF Revenue Sources

| Type of Financing                        | Description  | Advantages  | Disadvantages   |
|--|--|---|---|
| <b>Sales Tax</b>                         | <p>Assess sales tax on fuel purchases.</p> <p>A 1 percent sales tax on fuel would generate approximately \$43 million per year based on fuel prices in November 2006.</p>  | <ul style="list-style-type: none"> <li>• Provides a mechanism to apply local option sales tax on the purchase of fuel</li> <li>• Requires less frequent legislative action on fuel tax because revenues will increase as the price of fuel increases</li> </ul> | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administration and collection system would need to be developed</li> <li>• Because tax is tied to the price of fuel, the amount of tax could change significantly if fuel prices experience large fluctuations</li> </ul> |
| <b>Severance Tax on Exported Ethanol</b> | <p>A tax collected by the state either based on a percent of value or a volume-based fee on resources extracted from the earth that are exported out of the state. Typically charged to producer or first purchaser.</p> <p>Potential revenue dependent on rate set and volume exported. Assuming 65 percent of Iowa's ethanol production (1.5 billion gallons in CY 2006) is shipped out of the state, a severance tax of 1 cent per gallon would generate \$9.75 million per year.</p> | <ul style="list-style-type: none"> <li>• Creates opportunity to generate revenue from sources outside of Iowa</li> <li>• Compensates for roadway deterioration resulting from usage of system for the production of ethanol</li> </ul>                          | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administration and collection system would need to be developed</li> <li>• Potential regulatory issues</li> <li>• Could put the producer at competitive disadvantage</li> </ul>   |

|   |   |  |   |
|---|---|--|---|
| <b>Per-Mile Tax</b>                               | <p>Tax based on the vehicle miles traveled within a state.</p> <p>Based on the vehicle miles traveled in Iowa in 2005 (31.6 billion), a 1 cent per-mile fee would generate \$316 million per year.</p>  | <ul style="list-style-type: none"> <li>• More direct measure of actual costs incurred</li> <li>• Highly related to needs for capacity and system preservation because as travel increases, the need for capacity and preservation improvements increase, but so does revenue</li> <li>• Low tax rate needed to fund current needs</li> <li>• May be graduated based on vehicle size, weight, emissions or other characteristics</li> </ul> | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administration and collection system would need to be developed</li> <li>• Potentially high administrative, compliance and infrastructure costs</li> <li>• Technology needs to mature</li> <li>• Privacy concerns</li> </ul>  |
| <b>Transportation Improvement District</b>        | <p>Geographic areas are defined and tax imposed within the area to fund transportation improvements with voter approval.</p> <p>Revenue potential varies</p>  | <ul style="list-style-type: none"> <li>• Satisfies urgent infrastructure needs, which exceed available finances</li> <li>• Encourages state, local and private-sector partnerships</li> </ul>  | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administration and collection system would need to be developed</li> <li>• May be seen as an equity issue</li> </ul>  |
| <b>Bonds for Primary Road System Improvements</b> | <p>A written promise to repay borrowed money at a fixed rate on a fixed schedule. Can be limited to very specific situations, such as projects that exceed a certain dollar threshold, projects that cannot easily be phased over time (border bridges) and/or projects that can reasonably generate sufficient revenue (tolls) to service their own bond debts.</p> <p>Revenue potential varies.</p> | <ul style="list-style-type: none"> <li>• Allows earlier and faster construction of facilities</li> <li>• Satisfies urgent infrastructure needs, which exceed available finances</li> <li>• Avoids inflationary construction costs</li> </ul>   | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Requires state or community to extend payments for long periods of time</li> <li>• Does not generate new money</li> <li>• May cost more over time due to bond interest</li> <li>• Requires annual resources be used for debt service rather than new needs</li> </ul>   |
| <b>Privatization</b>                              | <p>Long-term leasing of toll roads to private sector for up-front payment.</p> <p>Revenue potential varies.</p>   | <ul style="list-style-type: none"> <li>• Influx of one-time capital</li> <li>• Shifts responsibility to contractor</li> </ul>  | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Administrative process needed to let, execute, contract, and monitor performance</li> <li>• Requires high-usage corridor to be marketable; Iowa may not have any candidates</li> <li>• Built-in toll increases</li> <li>• Potentially higher tolls to make project profitable</li> <li>• Requires very long-term decision that removes flexibility</li> <li>• Very limited ability for in-state contractors to participate in construction</li> </ul>                                 |
| <b>Tolling</b>                                    | <p>Implementing fees to travel on road segments.</p> <p>Revenue potential varies based on length of tolled segment and toll rate, but a typical rate is 6 cents per mile.</p>   | <ul style="list-style-type: none"> <li>• Specific road segments/corridors generate their own revenue</li> </ul>  | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Expensive to initiate due to needed capital investment</li> <li>• Ongoing administrative costs</li> <li>• Requires sufficient traffic levels to generate enough revenue to pay for the costs of tolling, along with the maintenance and construction cost; Iowa may not have any reasonable corridors meeting requirements.</li> <li>• Public resistance may lead to adjustments in travel patterns to avoid tolls</li> <li>• There are federal restrictions in some cases</li> </ul> |

|   |  |  |   |
|---|--|--|---|
| <b>Development Impact Fees</b>            | <p>A fee charged to developers for off-site infrastructure needs that arise as a result of new development.</p>  | <ul style="list-style-type: none"> <li>• Additional source of funding to offset increased needs due to new development</li> <li>• Places the cost of improvement on the development that caused the need</li> </ul>  | <ul style="list-style-type: none"> <li>• Typically a local jurisdiction fee and is difficult to apply statewide</li> <li>• Potential negative impact on future development</li> <li>• Can be difficult to establish and administer</li> <li>• Can be an equity issue when costs are passed on to homeowners in the case of a housing development</li> </ul> |
| <b>Public-Private Partnerships (PPPs)</b> | <p>Contractual agreements formed between a public agency and private sector entity that allow private participation in the delivery of transportation projects.</p> <p>Revenue potential varies.</p> | <ul style="list-style-type: none"> <li>• Expedited completion compared to conventional delivery methods</li> <li>• Avoids inflationary construction costs</li> <li>• Delivery of new technology developed by private entities</li> <li>• Substitution of private resources and personnel for constrained public resources</li> <li>• Access to new sources of private capital</li> </ul> | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• May be less efficient</li> <li>• Could lead to higher tolling than under a public-only project</li> <li>• Very limited ability for in-state contractors to participate in construction</li> </ul>   |



## **Findings and Recommendations**

As with the rest of the nation, Iowa is on the verge of a transportation crisis. This is the result of flattening revenues, dramatically increasing construction costs, aging infrastructure, increasing usage, and deferred maintenance. While the system is not yet broken, it is at the tipping point where the cost to recover will grow exponentially if action is not taken now. As documented in this report, Iowa is already facing a \$27.7 billion shortfall in the next 20 years.

The \$27.7 billion shortfall represents an ideal level of investment which cannot be fully funded in light of the needs that exist for all levels of government and the services they provide. However, there are critical needs that must be met to avert a transportation crisis. The Iowa DOT worked with city and county officials to identify those improvements that would provide the greatest benefit to preservation of the system as well as those improvements that would provide the greatest economic development opportunities.

At the state level, critical needs exist on the interstate and CIN. These systems are vital to the economic growth and prosperity of Iowa. From the input received during the development of this study, and received by the Iowa Transportation Commission, it is clear that to maintain and grow Iowa's economy significant investments on the interstate and CIN are necessary to provide all regions of Iowa with access to high-quality transportation which is reliable and efficient. Absent additional funding, it will either be impossible or take a very long time to complete improvements on corridors such as U.S. 20, U.S. 30, U.S. 34, U.S. 61, U.S. 63, U.S. 169, and many others.

At the county level, the large number of structurally deficient bridges and deteriorating conditions on the Farm-to-Market Road System are impacting the efficient movement of people and goods. If these needs are not addressed, more bridges will have to be closed and roads vital to the movement of agricultural products will deteriorate, impacting local, regional and statewide economies. These roadways and bridges are even more important with Iowa's burgeoning biofuels industry.

Cities are facing issues similar to the Iowa DOT and counties, with deteriorating pavement conditions, deferred/reduced maintenance, and the inability to meet the demand for new and/or expanded roadways. The highest priority needs for Iowa's cities are a backlog of maintenance needs critical to supporting and encouraging economic development.

Through the development of this report, the Iowa DOT, city and county officials reached consensus on the following points:

- Existing RUTF revenues should continue to flow through the existing distribution formula, and any natural growth in those revenues should also continue to flow through the existing distribution formula.
- If new funding sources are created or existing funding sources increased, the new revenue should be placed in a new fund.

- If a new fund is created, it should be distributed through a new formula (60 percent to the state, 20 percent to the cities and 20 percent to the counties) and targeted to particular needs that best enhance and support Iowa's rural and urban economies.
- The minimum amount of new funding needed today to meet the most critical needs to sustain and enhance Iowa's economy is \$200 million per year.
- Implementation of funding increases can be phased in over two years to better manage the impact on users.
- Any additional new revenue generated beyond \$200 million should be distributed through the existing RUTF distribution formula.
- The additional revenue targeted to critical needs in Iowa will result in improvements that have the greatest impact on sustaining and enhancing Iowa's economy; however, it still falls well short of meeting all the needs that exist on Iowa's public roadway system. On a system-wide basis, it is expected that even if the recommended funding level is achieved, pavement and bridge infrastructure will continue to worsen, although at a slower pace. It is also expected that on low-volume county roads, road and bridge conditions will continue to worsen resulting in more closed bridges, bridges with load restrictions and roads being classified as area service 'b' or area service 'c.'

It is important to note that the points listed above are all inter-related and in their entirety result in consensus among Iowa DOT, city and county officials. Therefore, it is important that the recommendations are evaluated as a package of recommendations, rather than a list of individual recommendations for consideration.

Based on the findings of the study, the following actions are recommended and endorsed by the Iowa DOT, Iowa County Engineers Association, Iowa State Association of County Supervisors, Iowa State Association of Counties, and Iowa League of Cities:

**1) Create a *Transportation Investment Moves the Economy in the 21<sup>st</sup> Century (TIME-21) Fund***

Additional investment in Iowa's public roadway system is vital to sustain and grow our state's economy. This new fund will target new revenue to those areas particularly important to Iowa's economy.

TIME-21 funding for the Primary Road System will be spent on the interstate and CIN system. This will permit continued development of corridors critical to connect Iowa with regional, national and international markets. Further improvements will increase efficiency and safety resulting in economic growth to all regions of the state. With additional revenue from the TIME-21 Fund to help meet the needs of the interstate and CIN, a greater amount of existing RUTF revenue becomes available to address needs on the rest of the Primary Road System, which otherwise would not be addressed for many years.

At the county level, funding will be targeted heavily toward replacing deficient bridges. These bridge deficiencies hinder the efficient movement of agricultural products and

jeopardize medical and fire services in rural Iowa. Enhancements to the Farm-to-Market Road System will also be targeted. This system of county roads serves a key role in the support and development of Iowa's value-added agriculture economy. Improvements to the Farm-to-Market Road System are needed to assure efficient movement of products to market and, in particular, value-added biofuel industries. The Farm-to-Market Road System is also taking on an increasing role in support of the commuting of rural Iowans to jobs in regional and metropolitan centers.

At the city level, each community will assess its own unique needs. Many will target funding toward sustaining the overall street network. This will be accomplished by directing resources first to cost-effective maintenance. This will allow cities to budget other local, state and federal funds to streets that are critical to economic growth and development. Reconstruction, expansion and safety will be priorities after maintenance needs are addressed.

**2) Enact Changes to the Iowa Code that Generate a Minimum of \$200 Million in New Revenue for the TIME-21 Fund**

The TIME-21 Fund will ultimately require a minimum of \$200 million per year of funding. This funding will be generated using a mechanism or mix of mechanisms described in the "Options for Addressing Funding Shortfall" section of this study. Any funding generated beyond the \$200 million necessary for the TIME-21 Fund should be distributed via the existing RUTF distribution formula.

Consistent with past RUTF revenue increases, it is recommended any increase in revenue be phased-in over two years.

**3) Establish a 60 Percent State, 20 Percent City and 20 Percent County Funding Distribution Formula for the TIME-21 Fund**

To address critical needs and to maximize the impact of additional revenues, the TIME-21 Fund should be distributed as follows:

- 60 percent to the state for use on the interstate and CIN;
- 20 percent to cities, on a per capita basis, via the Street Construction Fund of the Cities to sustain and improve the Municipal Street System; and
- 20 percent to counties via the Secondary Road Fund for use on all secondary road bridges and maintenance and construction improvements on the Farm-to-Market Road System. The Secondary Road Fund is distributed to counties using a formula based on area, miles of road, vehicle miles of travel, rural population, and length of bridges.

**4) Continue Evaluation of Alternative Funding Mechanisms**

The alternative funding mechanisms evaluated as part of this study, but not adopted by the legislature as funding sources, warrant additional study. For example, the per-mile user fee, which is not technically possible now, may be the best solution to assess user fees in an equitable manner as the country eventually moves toward alternative-fueled vehicles. The Iowa DOT should continue to study alternative funding sources and report

at least every five years to the legislature on the advantages and disadvantages, and viability of alternative funding sources.

**5) Perform Regular Reevaluation of Needs and Revenues and Report to the Legislature**

As documented in this report, there are many issues impacting the Iowa DOT's, cities' and counties' ability to address the needs of the public roadway system. These issues include the rapid changes in construction costs, level of all sources of funding, rising volume of freight movements, increasing ethanol/biodiesel production, changing commuting patterns, aging population, and many others. As a result of this dynamic environment, it is prudent to reevaluate, on a regular basis, the long-range maintenance and construction needs of the public roadway system, and the ability of existing RUTF revenues (including new TIME-21 Fund revenues) to meet those needs. The Iowa DOT, in consultation with cities, counties and other interested parties, should be directed to conduct a study similar to this one at least every five years and provide a written report to the legislature summarizing the study.

**Absent additional revenue for the public roadway system, Iowans can expect a dramatic decrease in pavement and bridge conditions in the coming years. In addition, congestion in and around urban areas and along much of the interstate (rural and urban) will increase significantly. Finally, corridor improvements on the CIN will not be addressed. All of these impacts to the public roadway system end up damaging Iowa's economy. Transportation costs will increase for both the public and businesses and opportunities for economic development will be lost to other states.**

## **Appendix A**

### **List of Group/Association Representatives**

During the development of this report, many groups and associations met with Iowa DOT, city and county officials to share their input regarding the future of Iowa's public roadway system. Following is a list of the representatives that met with the group:

- Iowa State Association of Counties/Iowa County Engineers Association
  - Mike King, supervisor, Union County
  - Mike Wentzien, Iowa State Association of Counties
  - John Easter, director of intergovernmental affairs, Iowa State Association of Counties
  - Mike McClain, president, Iowa County Engineers Association; Jones County Engineer
- American Public Works Association
  - William Stowe, president, Iowa Chapter, American Public Works Association; public works director, city of Des Moines
  - Richard Fosse, president-elect, Iowa Chapter, American Public Works Association; public works director, city of Iowa City
- Iowa League of Cities
  - Thomas Bredeweg, executive director, Iowa League of Cities
- Iowa Association of Regional Councils
  - Tom Kane, executive director, Des Moines Area Metropolitan Planning Organization
- Iowa Farm Bureau Federation
  - Joe Johnson, state policy advisor, Iowa Farm Bureau Federation
  - Spencer Parkinson, research analyst, Iowa Farm Bureau Federation
- Iowa Motor Truck Association
  - Scott Weiser, president, Iowa Motor Truck Association
- Association of Business and Industry (ABI)
  - John Gilliland, senior vice-president, government relations, Association of Business and Industry
- Iowa Chamber Alliance
  - Dave Roederer, executive director, Iowa Chamber Alliance
- Professional Developers of Iowa
  - Stephen Lacina, executive director, Cedar County Economic Development Commission
  - Craig Patterson, lobbyist, Professional Developers of Iowa
- Southwest Iowa Coalition (U.S. 34)
  - Larry Winum, president, Glenwood State Bank
  - Jim Ebmeier, Mills County engineer
- U.S. 169 Corridor
  - Romaine Lee, supervisor, Humboldt County

- U.S. 20 Association
  - Shirley Phillips, Sac County Economic and Tourism Development
  - V.H. 'Buck' Boekelman, Fort Dodge Chamber
  - Steve Hoesel, executive director, MIDAS Council of Governments
- U.S. 63 Corridor
  - Bob Soukup, economic development director, city of New Hampton
  - David Yahnke, Bank of the West, Bloomfield
  - Joy Evans, Davis County Economic Development Corporation
- U.S. 30 Coalition
  - Bill Christensen, mayor, city of Toledo
  - Edith Pfeffer, U.S. 30 Coalition in Eastern Iowa
  - Tom Determann, chair, Clinton Regional Development Corporation
  - Clyde Bradley
- Iowa 44 Association
  - Rick Hunsaker, executive director, Region XII Council of Governments

## Appendix B

### Estimation of Roadway Construction Needs

#### Road Needs

Road needs were primarily modeled based on the Highway Economic Requirements System for States (HERS-ST). The HERS-ST model is a highway investment/performance model that considers engineering and economic concepts and principles in reviewing the impact of alternative highway investment levels and program structures on highway condition, performance and user impacts. Specifically, the HERS-ST model simulates highway condition and performance levels, and identifies deficiencies through the use of engineering principles. For the purposes of this study, the HERS-ST model was used to identify full engineering needs, which means that all deficiencies and corresponding improvements were identified regardless of the estimated benefit or cost of the improvement.

The HERS-ST model utilizes existing data for all public roads in Iowa for conditions, traffic and geometrics. The model evaluates existing data to determine deficiencies in any of the following categories:

**Pavement condition:** Pavement conditions influence user costs, i.e., operating costs, safety and travel time. HERS-ST accepts pavement condition measured either as PSR (Present Serviceability Rating) or IRI (International Roughness Index), but conducts its calculations internally in PSR.

**Surface type:** There are five surface types: high flexible; high rigid; intermediate; low; and unpaved. The type of surface affects the PSR; and, therefore, impacts vehicle operating costs such as fuel consumption.

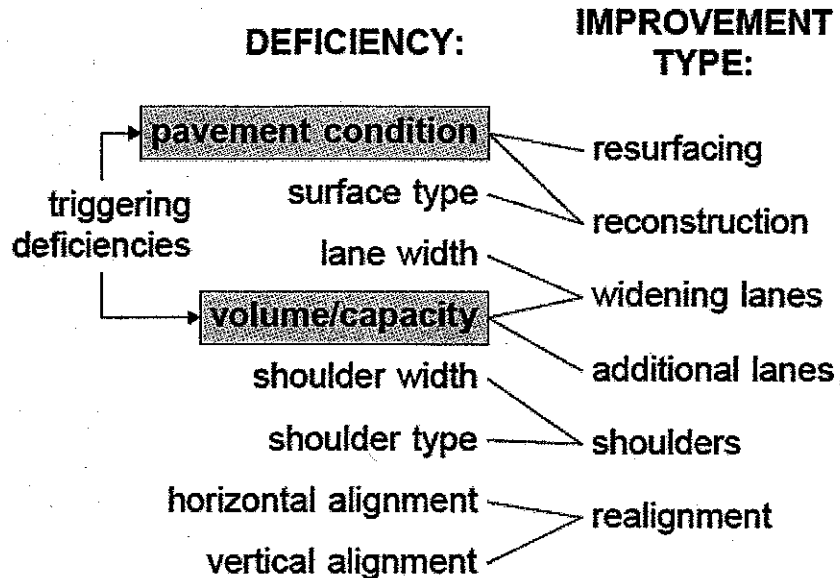
**Volume/Capacity:** Levels of congestion are measured according to volume to capacity (V/C) ratios. Peak V/C is not included in the section data, so V/C is estimated from capacity, annual average daily traffic (AADT), and the K-factor for the section. In the case of an unacceptable V/C ratio, the HERS-ST procedure chooses the most aggressive widening option warranted by the section's characteristics.

**Lane width and right shoulder width:** The lane width of a highway influences both capacity and safety. Substandard lane widths tend to reduce the capacity of a highway, and may affect safety. Lane widths are considered more important on the higher functional systems.

**Shoulder type:** There are five shoulder types: surfaced; stabilized; combination; earth; and curbed. The shoulder type affects the capacity level of a highway, which in turn impacts safety, travel time and vehicle operating costs.

**Horizontal and vertical alignment:** The alignment of a highway affects the speed at which vehicles may safely travel. Both horizontal and vertical types of alignment contribute to the level of service and safety of a highway, and impact operating costs. Horizontal alignment affects speed and sight distance, while vertical alignment affects sight distance, operating costs and speed, primarily for trucks.

Any existing deficiency identified by the HERS-ST model results in the identification of an improvement need to address that deficiency. The following chart generally identifies the deficiency type and corresponding improvement:



Using standard improvement costs, a dollar value is assigned for each improvement. The existing data for the section is modified to reflect the improvement.

In four, five-year increments, the deficiency identification process is repeated except the condition data is deteriorated and traffic data expanded to reflect expected changes over the five-year period. Any identified deficiencies are corrected with an improvement and a cost assigned for that improvement.

After the four, five-year increments are modeled; HERS-ST will aggregate and summarize the improvement costs to determine 20-year needs.



### **Bridge Needs**

Bridge needs are estimated through a very similar process to road needs. The bridge needs are estimated using a Federal Highway Administration program called HWYNEEDS. The following table shows the deficiency types identified by the model and the corresponding improvement type:

| <b>Deficiency</b>                                   | <b>Improvement</b>      |
|---|-------------------------|
| Insufficient horizontal clearance                   | Replace/Reconstruct     |
| Gross load  | Strengthen/Rehabilitate |
| Substructure condition                              | Strengthen/Rehabilitate |
| Superstructure condition                            | Strengthen/Rehabilitate |
| Structure width                                     | Widen                   |
| Deck condition                                      | Deck Repair             |
| Channel/Culvert condition                           | Channel/Culvert repair  |
| Gross load and structure width                      | Replace/Reconstruct     |
| Gross load and vertical clearance                   | Replace/Reconstruct     |
| Substructure condition and superstructure condition | Replace/Reconstruct     |
| Structure width and substructure condition          | Replace/Reconstruct     |
| Structure width and superstructure condition        | Replace/Reconstruct     |

### **Major Project Analysis**

In conjunction with the road and bridge deficiency modeling, the Iowa DOT conducted detailed analyses of existing and projected major project needs on the Primary Road System. These needs are the result of past and present planning studies, public input, special studies, and other efforts. The results of this analysis were included in the assessment of needs on the Primary Road System.

Individual counties and cities also have detailed information on the needs that exist on their system today and in the future.

## House File 932 - Enrolled

PAG LIN

HOUSE FILE 932

1 1  
1 2  
1 3  
1 4  
1 5  
1 6  
1 7  
1 8

AN ACT

RELATING TO REVENUE FOR THE CONSTRUCTION AND MAINTENANCE OF  
ROADS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 9 Section 1. NEW SECTION. 312A.1 DEFINITIONS.1 10 As used in this chapter, unless the context otherwise  
1 11 requires:1 12 1. "Department" means the state department of  
1 13 transportation.1 14 2. "Fund", or "TIME=21 fund", means the transportation  
1 15 investment moves the economy in the twenty=first century fund.1 16 Sec. 2. NEW SECTION. 312A.2 TRANSPORTATION INVESTMENT  
1 17 MOVES THE ECONOMY IN THE TWENTY=FIRST CENTURY (TIME=21) FUND.1 18 A transportation investment moves the economy in the  
1 19 twenty=first century fund is created in the state treasury  
1 20 under the control of the department. The fund shall be known  
1 21 and referred to as the TIME=21 fund. The fund shall consist  
1 22 of any moneys appropriated by the general assembly and any  
1 23 revenues credited by law to the TIME=21 fund. Moneys in the  
1 24 fund are not subject to section 8.33. Notwithstanding section  
1 25 12C.7, subsection 2, interest or earnings on moneys deposited  
1 26 in the fund shall be credited to the fund.1 27 Sec. 3. NEW SECTION. 312A.3 ALLOCATION AND USE OF FUNDS.1 28 Moneys in the TIME=21 fund shall be credited and used as  
1 29 follows:1 30 1. Sixty percent for deposit in the primary road fund to  
1 31 be used exclusively for highway maintenance and construction,  
1 32 including purchase of right=of=way but not including project  
1 33 planning and design. The following projects are eligible for  
1 34 funding under this subsection and shall have funding priority  
1 35 in the order listed:2 1 a. Completion of projects on highways designated as access  
2 2 Iowa highways pursuant to 2005 Iowa Acts, chapter 178, section  
2 3 41.2 4 b. Projects on highways in the commercial and industrial  
2 5 highway network that are included in the department's  
2 6 five=year plan, or in the long=range plan, for the primary  
2 7 road system. Priority shall be given to projects in areas of  
2 8 the state that have existing biodiesel, ethanol, or other  
2 9 biorefinery plants.

2 10 c. Projects on interstate highways.

2 11 2. Twenty percent for deposit in the secondary road fund,  
2 12 for apportionment according to the methodology adopted  
2 13 pursuant to section 312.3C, to be used by counties for  
2 14 construction and maintenance projects on secondary road  
2 15 bridges and on highways in the farm=to=market road system. At  
2 16 least ten percent of the moneys allocated to a county under  
2 17 this subsection shall be used for bridge construction, repair,  
2 18 and maintenance, with priority given to projects that aid and

2 19 support economic development and job creation.  
 2 20 3. Twenty percent for deposit in the street construction  
 2 21 fund of the cities, apportioned on the basis of population in  
 2 22 the manner provided in section 312.3, to be used to sustain  
 2 23 and improve the municipal street system.  
 2 24 Sec. 4. NEW SECTION. 312A.4 FUTURE REPEAL.  
 2 25 This chapter is repealed June 30, 2028.  
 2 26 Sec. 5. NEW SECTION. 307.31 PERIODIC REVIEW OF REVENUES  
 2 27 ~~==~~ EVALUATION OF ALTERNATIVE FUNDING SOURCES.  
 2 28 1. The department shall periodically review the current  
 2 29 revenue levels of the road use tax fund and the sufficiency of  
 2 30 those revenues for the projected construction and maintenance  
 2 31 needs of city, county, and state governments in the future.  
 2 32 The department shall submit a written report to the general  
 2 33 assembly regarding its findings by December 31 every five  
 2 34 years, beginning in 2011. The report may include  
 2 35 recommendations concerning funding levels needed to support  
 3 1 the future mobility and accessibility for users of Iowa's  
 3 2 public road system.  
 3 3 2. The department shall evaluate alternative funding  
 3 4 sources for road maintenance and construction and report to  
 3 5 the general assembly at least every five years on the  
 3 6 advantages and disadvantages and the viability of alternative  
 3 7 funding mechanisms. The department's evaluation of  
 3 8 alternative funding sources may be included in the report  
 3 9 submitted to the general assembly under subsection 1.  
 3 10 Sec. 6. Section 312.2, subsections 12 and 13, Code 2007,  
 3 11 are amended to read as follows:  
 3 12 12. The treasurer of state, before making the allotments  
 3 13 provided for in this section, shall credit monthly from the  
 3 14 road use tax fund to the revitalize Iowa's sound economy fund,  
 3 15 created under section 315.2, the revenue accruing to the road  
 3 16 use tax fund in the amount equal to the revenues collected  
 3 17 under each of the following:  
 3 18 a. From the excise tax on motor fuel and special fuel  
 3 19 imposed under the tax rate of section 452A.3 except aviation  
 3 20 gasoline, the amount of excise tax collected from one and  
 3 21 ~~eleven-twentieths~~ three-fourths cents per gallon.  
 3 22 b. From the excise tax on special fuel for diesel engines,  
 3 23 the amount of excise tax collected from one and  
 3 24 ~~eleven-twentieths~~ three-fourths cents per gallon.  
 3 25 13. The treasurer of state, before making the allotments  
 3 26 provided for in this section, shall credit monthly from the  
 3 27 road use tax fund to the secondary road fund the revenue  
 3 28 accruing to the road use tax fund in the amount equal to the  
 3 29 revenues collected under each of the following:  
 3 30 a. From the excise tax on motor fuel and special fuel  
 3 31 imposed under the tax rate of section 452A.3, except aviation  
 3 32 gasoline, the amount of excise tax collected from  
 3 33 ~~nine-twentieths~~ one-fourth cent per gallon.  
 3 34 b. From the excise tax on special fuel for diesel engines,  
 3 35 the amount of excise tax collected from ~~nine-twentieths~~  
 4 1 one-fourth cent per gallon.  
 4 2 Sec. 7. Section 315.4, Code 2007, is amended to read as  
 4 3 follows:  
 4 4 315.4 ALLOCATION OF FUND.  
 4 5 Moneys credited to the RISE fund shall be allocated as  
 4 6 follows:  
 4 7 1. ~~Twenty thirty-firsts~~ Four-sevenths for deposit in the  
 4 8 primary road fund for the use of the department on primary

4 9 road projects ~~exclusively for highways which are identified~~  
4 10 ~~under section 307A.2 as being part of the network of~~  
4 11 ~~commercial and industrial highways.~~ as follows:  
4 12 a. Fifty percent for highways that support the production  
4 13 or transport of renewable fuels, including primary highways  
4 14 that connect biofuel facilities to highways in the commercial  
4 15 and industrial highway network.  
4 16 b. Fifty percent for highways that have been designated by  
4 17 the state transportation commission as access Iowa highways  
4 18 pursuant to 2005 Iowa Acts, chapter 178, section 41.  
4 19 2. ~~One thirty-first~~ One-seventh for the use of counties on  
4 20 secondary road projects, including secondary roads that  
4 21 connect biofuel facilities to highways in the commercial and  
4 22 industrial highway network.  
4 23 3. ~~Ten thirty-firsts~~ Two-sevenths for the use of cities on  
4 24 city street projects.

4 25 Commencing June 30, 1990, all uncommitted moneys in the  
4 26 RISE fund on June 30 of each year which are allocated under  
4 27 this section for the use of counties on secondary road  
4 28 projects shall be credited to the secondary road fund.

4 29 Sec. 8. TIME=21 REVENUE COMMITTEE.  
4 30 1. The legislative council shall establish a study  
4 31 committee for the 2007 legislative interim to address the  
4 32 revenue needs of the TIME=21 fund created in this Act. The  
4 33 membership of the committee shall consist of eight members of  
4 34 the general assembly as follows:

4 35 a. Four members of the senate, two appointed by the  
5 1 majority leader of the senate and two appointed by the  
5 2 minority leader of the senate.  
5 3 b. Four members of the house of representatives, two  
5 4 appointed by the speaker of the house and two appointed by the  
5 5 minority leader of the house.

5 6 2. The committee may consider the revenue options proposed  
5 7 in the 2006 report prepared by the state department of  
5 8 transportation entitled "study of Iowa's current road use tax  
5 9 funds (RUTF) and future road maintenance and construction  
5 10 needs", as well as any other revenue options and related  
5 11 issues. The committee shall report its findings and  
5 12 recommendations, including a proposal for funding the TIME=21  
5 13 fund, to the general assembly by January 15, 2008.

5 14  
5 15  
5 16

PATRICK J. MURPHY  
Speaker of the House

JOHN P. KIBBIE  
President of the Senate

5 25 I hereby certify that this bill originated in the House and  
5 26 is known as House File 932, Eighty=second General Assembly.

5 27  
5 28  
5 29

MARK BRANDSGARD  
Chief Clerk of the House

5 32 Approved \_\_\_\_\_, 2007  
5 33

5 34

5 35

6 1 CHESTER J. CULVER

6 2 Governor

## Road Use Tax Fund Changes to Formula and Fuel Tax Rates

### 1926

Two cent fuel tax implemented subdivided between county, township, and primary roads. Fuel tax collections were \$3.2 million and registration fees totaled approximately \$7.2 million.

### 1927

Fuel tax raised to three cents.

### 1930

Distribution of fuel tax revenue changed to:

- 5/9 to primary roads
- 4/9 to secondary roads

### 1939

Distribution of registration fees changed to:

- 50 percent primary roads
- 50 percent secondary roads

### 1941

All collections over \$16 million allocated to Farm-to-Market fund.

### 1942

All collections over \$17 million allocated to Farm-to-Market fund. That year, \$17 million went to the primary road fund and \$10.5 million went to the Farm-to-Market fund.

### 1945

Fuel tax changed to four cents.

### 1947

Cities began receiving RUTF revenue.

### 1949

The RUTF was established with the following distribution:

- 42 percent to primary roads
- 15 percent to farm-to-market roads
- 35 percent to secondary roads
- 8 percent to cities and towns

Revenue sources included motor fuel taxes of 4 cents per gallon, vehicle registration fees, use/sales taxes on vehicles, and other miscellaneous categories. Total RUTF collections were \$47.7 million.

### 1953

Fuel tax increased to 5 cents per gallon for gas and 6 cents for diesel.

### 1955

The tax increased to 6 cents for gas and 7 cents for diesel.

### 1962

The distribution formula was modified:

- 47 percent to primary roads
- 10 percent to farm-to-market roads
- 30 percent to secondary roads
- 13 percent to cities and towns

09/05/2007

**1965**

Fuel taxes were raised to 7 cents for gas and 8 cents for diesel.

**1969**

Distribution formula was adjusted again:

- 47 percent to primary roads
- 9 percent to farm-to-market roads
- 29 percent to secondary roads
- 15 percent to cities and towns

**1978**

Gas taxes increased to 8.5 cents per gallon (+ 1.5 cents) and diesel taxes increased to 10 cents (+2 cents) on July 1, 1978. Distribution formula was adjusted:

- 45 percent to primary roads
- 9 percent to farm-to-market roads
- 28 percent to secondary roads
- 18 percent to cities and towns

Several off-the-top allocations were codified, including the Primary Road fund and the Parks & Institutional Roads fund.

**1979**

On July 1, fuel taxes were raised to 10 cents for gas and 11.5 cents for diesel. (+1.5 cents)

**1981**

On May 1, gasohol was added to the fuel tax list at 5 cents per gallon.

On September 1, gas taxes were raised to 13 cents (+3 cents), diesel to 13.5 cents (+2 cents), and gasohol to 6 cents (+1 cent).

**1982**

Gasohol tax increased to 8 cents on May 1 and diesel increased to 15.5 cents on July 1, 1982. (+2 cents)

**1983**

On July 1, gasohol rate increased to 10 cents. (+2 cents)

**1984**

On July 1, gasohol rate increased to 11 cents. (+1 cent)

**1985**

On July 1, gasohol increased to 14 cents (+3 cents), gasoline to 15 cents (+2 cents) and diesel to 16.5 cents (+1 cent).

**1986**

On January 1, gasohol increased to 15 cents, gasoline to 16 cents and diesel to 17.5 cents. (+1 cent)

**1987**

On January 1, diesel tax rate increased to 18.5 cents. (+1 cent)

**1988**

On April 1, gasohol increased to 17 cents, gasoline to 18 cents and diesel to 20.5 cents. (+2 cents)

**1989**

On January 1, gasohol increased to 19 cents, gasoline to 20 cents and diesel to 22.5 cents. (+2 cents)

**1990**

Effective July 1, 1990 the distribution formula was changed to:

- 47.5 percent to primary roads
- 8 percent to farm-to-market roads
- 24.5 percent to secondary roads
- 20 percent to cities and towns

The bill that changed the distribution formula also allocated 90 percent of the RISE funding, originally dedicated to the county share of the RISE fund, directly to the Secondary Road Fund. This amounted to approximately \$9 million of additional funding to the secondary road fund.

**2002**

Effective July 1, 2002 a variable gasoline/gasohol fuel tax schedule was implemented. This schedule was intended to prevent further reduction of fuel tax revenues as the share of gasohol consumption increases. This did not eliminate the past reduction in annual fuel tax revenues (estimated to be approximately \$7.5 million) that resulted due to the gasohol fuel tax rate being less than the gasoline tax rate. Every July 1, the fuel tax rates are adjusted based on the market share of ethanol blended fuel sales in Iowa the previous calendar year. The rate schedule is as follows:

| Market Share of Ethanol Blended Gasoline | Gasohol Tax Rate (cents per gallon) | Gasoline Tax Rate (cents per gallon) |
|--|-------------------------------------|--------------------------------------|
| <= 50 percent                            | 19.0                                | 20.0                                 |
| 50 to 55 percent                         | 19.0                                | 20.1                                 |
| 55 to 60 percent                         | 19.0                                | 20.3                                 |
| 60 to 65 percent                         | 19.0                                | 20.5                                 |
| 65 to 70 percent                         | 19.0                                | 20.7                                 |
| 70 to 75 percent                         | 19.0                                | 21.0                                 |
| 75 to 80 percent                         | 19.3                                | 20.8                                 |
| 80 to 85 percent                         | 19.5                                | 20.7                                 |
| 85 to 90 percent                         | 19.7                                | 20.4                                 |
| 90 to 95 percent                         | 19.9                                | 20.1                                 |
| 95 to 100 percent                        | 20.0                                | 20.0                                 |

Following are the historic fuel tax rates due to this variable tax schedule:

| Fiscal Year                   | Market Share of Ethanol Blended Gasoline | Gasohol Tax Rate (cents per gallon) | Gasoline Tax Rate (cents per gallon) |
|-------------------------------|--|-------------------------------------|--------------------------------------|
| 2003 (effective July 1, 2002) | 53.6 percent (CY 2001)                   | 19.0                                | 20.1                                 |
| 2004 (effective July 1, 2003) | 55.4 percent (CY 2002)                   | 19.0                                | 20.3                                 |
| 2005 (effective July 1, 2004) | 62.2 percent (CY 2003)                   | 19.0                                | 20.5                                 |
| 2006 (effective July 1, 2005) | 65.8 percent (CY 2004)                   | 19.0                                | 20.7                                 |
| 2007 (effective July 1, 2006) | 74.4 percent (CY 2005)                   | 19.0                                | 21.0                                 |
| 2008 (effective July 1, 2007) | 69.3 percent (CY 2006)                   | 19.0                                | 20.7                                 |

The variable tax rate was set to expire on June 30, 2007, at which time the fuel tax rate for gasohol and gasoline would both be fixed at 20.0 cents per gallon. Senate File 601, signed in May of 2007, extended the expiration date to June 30, 2012.



Additional Secondary RUTF Distribution to Counties with TIME-21

(Based on estimated FY 2008 RUTF Revenues)

Table with 5 main columns: County, Estimated FY 2008 Revenue, Additional FY 2008 Revenue Due to TIME-21 (@ \$200 million), Additional FY 2008 Revenue Due to TIME-21 (@ \$150 million), and Additional FY 2008 Revenue Due to TIME-21 (@ \$125 million). Each column contains sub-columns for Secondary Road Fund, Transfers From Cities Under 500 Population, and Total.

### Additional Secondary RUTF Distribution to Counties with TIME-21 (Based on estimated FY 2008 RUTF Revenues)

02/08/07

| County           | Estimated FY 2008 Revenue |                     |  |               | Additional FY 2008 Revenue Due to TIME-21<br>(@ \$200 million) |   |              | Additional FY 2008 Revenue Due to TIME-21<br>(@ \$150 million) |   |              | Additional FY 2008 Revenue Due to TIME-21<br>(@ \$125 million) |   |              |
|------------------|---------------------------|---------------------|--|---------------|--|---|--------------|--|---|--------------|--|---|--------------|
|                  | Secondary Road Fund       | Farm-to-Market Fund | Transfers From Cities Under 500 Population | Total         | Additional Secondary Road Fund                                 | Additional Transfers From Cities Under 500 Population | Total        | Additional Secondary Road Fund                                 | Additional Transfers From Cities Under 500 Population | Total        | Additional Secondary Road Fund                                 | Additional Transfers From Cities Under 500 Population | Total        |
| 54 Keokuk        | \$2,213,601               | \$729,698           | \$41,054                                   | \$2,984,352   | \$951,784  | \$9,391   | \$360,175    | \$263,838  | \$6,293   | \$270,131    | \$219,865  | \$5,244   | \$225,109    |
| 55 Kosuth        | \$4,066,245               | \$1,223,892         | \$20,293                                   | \$5,310,429   | \$646,205  | \$4,147   | \$650,352    | \$484,634  | \$3,111   | \$487,745    | \$403,878  | \$2,592   | \$406,470    |
| 56 Lee           | \$2,612,956               | \$889,548           | \$10,452                                   | \$3,512,956   | \$2,136  | \$11,335  | \$313,939    | \$311,437  | \$1,602   | \$313,039    | \$259,531  | \$1,335   | \$260,866    |
| 57 Linn          | \$4,537,285               | \$1,395,319         | \$5,286                                    | \$5,937,891   | \$721,062  | \$1,080   | \$722,143    | \$540,797  | \$810   | \$541,607    | \$450,684  | \$675   | \$451,359    |
| 58 Louisa        | \$1,794,926               | \$605,776           | \$22,949                                   | \$2,423,652   | \$285,249  | \$4,690   | \$289,939    | \$213,936  | \$3,518   | \$217,454    | \$175,892  | \$2,932   | \$181,212    |
| 59 Lucas         | \$1,587,640               | \$467,880           | \$5,053                                    | \$2,060,564   | \$252,307  | \$1,033   | \$253,340    | \$189,230  | \$775   | \$190,005    | \$157,692  | \$646   | \$158,337    |
| 60 Lyon          | \$2,671,351               | \$833,375           | \$22,969                                   | \$3,527,695   | \$424,629  | \$4,695   | \$429,224    | \$318,397  | \$3,521   | \$321,918    | \$265,331  | \$2,934   | \$268,265    |
| 61 Madison       | \$2,591,429               | \$805,129           | \$27,120                                   | \$3,423,708   | \$411,828  | \$5,561   | \$417,389    | \$308,871  | \$4,171   | \$313,042    | \$257,393  | \$3,476   | \$260,868    |
| 62 Mahaska       | \$2,683,727               | \$782,724           | \$13,324                                   | \$3,479,775   | \$426,496  | \$2,723   | \$429,219    | \$319,872  | \$2,042   | \$321,915    | \$266,560  | \$1,702   | \$268,262    |
| 63 Marion        | \$2,951,226               | \$957,741           | \$16,051                                   | \$3,925,018   | \$469,007  | \$3,281   | \$472,288    | \$351,755  | \$2,460   | \$354,216    | \$293,129  | \$3,050   | \$296,180    |
| 64 Marshall      | \$2,924,491               | \$955,749           | \$33,884                                   | \$3,914,124   | \$464,758  | \$6,925   | \$471,684    | \$348,569  | \$5,194   | \$353,763    | \$290,474  | \$4,328   | \$294,802    |
| 65 Mills         | \$2,068,971               | \$684,472           | \$12,333                                   | \$2,765,776   | \$328,304  | \$2,521   | \$331,320    | \$246,600  | \$1,890   | \$248,490    | \$205,500  | \$1,575   | \$207,075    |
| 66 Mitchell      | \$2,034,392               | \$623,689           | \$23,647                                   | \$2,681,728   | \$263,304  | \$4,833   | \$268,137    | \$242,478  | \$3,623   | \$246,103    | \$202,066  | \$3,021   | \$205,086    |
| 67 Monroe        | \$1,627,977               | \$555,432           | \$4,487                                    | \$2,187,896   | \$419,708  | \$2,861   | \$421,970    | \$314,331  | \$2,146   | \$316,477    | \$261,943  | \$1,788   | \$263,731    |
| 68 Montgomery    | \$1,817,234               | \$555,323           | \$4,774                                    | \$2,377,330   | \$258,794  | \$978   | \$259,769    | \$194,038  | \$688   | \$194,726    | \$161,698  | \$573   | \$162,271    |
| 69 Muscatine     | \$2,388,390               | \$791,770           | \$9,333                                    | \$3,188,493   | \$379,561  | \$11,703  | \$381,265    | \$284,671  | \$1,277   | \$285,948    | \$180,496  | \$670   | \$181,166    |
| 70 O'Brien       | \$2,357,087               | \$706,282           | \$4,159                                    | \$3,067,528   | \$374,587  | \$850   | \$375,437    | \$280,940  | \$638   | \$281,578    | \$234,117  | \$531   | \$234,648    |
| 71 Osceola       | \$1,760,270               | \$542,241           | \$17,875                                   | \$2,320,386   | \$279,741  | \$3,663   | \$283,394    | \$209,806  | \$2,740   | \$212,546    | \$174,898  | \$2,283   | \$177,121    |
| 72 Page          | \$2,356,968               | \$759,643           | \$18,419                                   | \$3,135,029   | \$374,568  | \$3,764   | \$378,332    | \$280,926  | \$2,823   | \$283,749    | \$234,105  | \$2,353   | \$236,458    |
| 73 Palo Alto     | \$2,194,441               | \$702,401           | \$13,198                                   | \$2,910,040   | \$348,739  | \$2,697   | \$351,437    | \$261,854  | \$2,023   | \$263,877    | \$217,962  | \$1,686   | \$219,648    |
| 74 Plymouth      | \$4,157,707               | \$1,222,017         | \$7,015                                    | \$5,386,739   | \$680,740  | \$1,434   | \$682,174    | \$495,555  | \$1,075   | \$496,630    | \$412,963  | \$896   | \$413,859    |
| 75 Pocahontas    | \$2,475,469               | \$781,543           | \$16,113                                   | \$3,273,155   | \$393,405  | \$3,293   | \$396,698    | \$295,054  | \$2,470   | \$297,523    | \$243,978  | \$2,058   | \$246,036    |
| 76 Polk          | \$4,417,079               | \$1,569,625         | \$28,281                                   | \$6,014,985   | \$701,959  | \$5,780   | \$707,739    | \$526,469  | \$4,335   | \$530,804    | \$438,725  | \$3,613   | \$442,337    |
| 77 Poweshiek     | \$4,388,705               | \$1,395,364         | \$11,578                                   | \$5,795,647   | \$697,450  | \$6,669   | \$704,119    | \$523,088  | \$1,775   | \$524,862    | \$435,906  | \$3,479   | \$439,385    |
| 78 Pottawattamie | \$2,296,118               | \$715,010           | \$11,396                                   | \$3,022,524   | \$364,998  | \$2,329   | \$367,327    | \$273,673  | \$1,747   | \$275,420    | \$228,061  | \$1,456   | \$229,517    |
| 79 Pottawattamie | \$1,980,503               | \$602,389           | \$23,787                                   | \$2,606,679   | \$314,740  | \$4,862   | \$319,602    | \$236,055  | \$3,646   | \$239,701    | \$196,713  | \$3,039   | \$199,751    |
| 80 Ringgold      | \$2,348,702               | \$714,228           | \$3,649                                    | \$3,066,579   | \$441,381  | \$6,838   | \$448,219    | \$331,086  | \$5,128   | \$336,165    | \$275,863  | \$4,274   | \$280,137    |
| 81 Sac           | \$2,777,393               | \$956,167           | \$33,457                                   | \$3,767,017   | \$410,467  | \$6,536   | \$417,002    | \$307,850  | \$4,901   | \$312,751    | \$256,542  | \$4,085   | \$260,626    |
| 82 Scott         | \$2,582,862               | \$791,118           | \$8,217                                    | \$3,382,197   | \$374,982  | \$1,679   | \$376,661    | \$279,941  | \$3,523   | \$283,464    | \$236,055  | \$1,050   | \$237,105    |
| 83 Shelby        | \$3,786,121               | \$1,185,899         | \$8,217                                    | \$4,980,237   | \$601,688  | \$1,679   | \$603,367    | \$451,266  | \$5,104   | \$456,370    | \$305,674  | \$4,253   | \$309,927    |
| 84 Sioux         | \$2,737,125               | \$850,834           | \$22,981                                   | \$3,610,940   | \$434,982  | \$4,697   | \$439,679    | \$366,689  | \$5,104   | \$371,793    | \$271,864  | \$2,936   | \$274,799    |
| 85 Story         | \$3,076,519               | \$949,501           | \$33,298                                   | \$4,059,317   | \$488,918  | \$6,805   | \$495,724    | \$366,689  | \$5,104   | \$371,793    | \$305,674  | \$4,253   | \$309,927    |
| 86 Tama          | \$1,995,779               | \$619,398           | \$21,282                                   | \$2,636,460   | \$317,168  | \$4,360   | \$321,518    | \$237,676  | \$3,262   | \$241,138    | \$198,230  | \$2,719   | \$200,949    |
| 87 Taylor        | \$1,736,568               | \$539,405           | \$12,800                                   | \$2,288,768   | \$275,974  | \$2,616   | \$278,590    | \$205,980  | \$1,962   | \$207,942    | \$172,483  | \$1,635   | \$174,118    |
| 88 Union         | \$1,939,520               | \$631,377           | \$36,044                                   | \$2,606,941   | \$308,227  | \$7,367   | \$315,594    | \$231,170  | \$5,525   | \$236,696    | \$192,642  | \$4,604   | \$197,246    |
| 89 Van Buren     | \$2,256,464               | \$780,075           | \$20,136                                   | \$3,056,675   | \$358,596  | \$4,116   | \$362,711    | \$269,947  | \$3,087   | \$272,033    | \$224,122  | \$2,572   | \$226,695    |
| 90 Wapello       | \$3,088,834               | \$961,597           | \$26,126                                   | \$4,076,557   | \$482,929  | \$5,340   | \$488,269    | \$362,197  | \$4,005   | \$366,202    | \$301,831  | \$3,337   | \$305,168    |
| 91 Warren        | \$2,430,174               | \$845,737           | \$10,106                                   | \$3,286,017   | \$386,202  | \$3,869   | \$390,071    | \$289,651  | \$1,549   | \$291,200    | \$241,376  | \$1,291   | \$242,667    |
| 92 Washington    | \$1,809,302               | \$574,717           | \$9,440                                    | \$2,393,457   | \$287,533  | \$1,929   | \$289,462    | \$216,650  | \$1,447   | \$218,097    | \$179,708  | \$1,206   | \$180,914    |
| 93 Wayne         | \$3,412,047               | \$1,094,187         | \$44,945                                   | \$4,551,179   | \$542,240  | \$9,186   | \$551,426    | \$408,680  | \$6,890   | \$415,570    | \$338,900  | \$5,741   | \$344,641    |
| 94 Webster       | \$1,713,496               | \$513,668           | \$14,515                                   | \$2,241,679   | \$272,308  | \$2,967   | \$275,274    | \$204,231  | \$5,402   | \$209,656    | \$170,192  | \$1,854   | \$172,047    |
| 95 Winnebago     | \$3,334,586               | \$1,057,131         | \$35,239                                   | \$4,426,956   | \$529,930  | \$7,202   | \$537,133    | \$397,448  | \$5,402   | \$402,850    | \$331,204  | \$4,501   | \$335,708    |
| 96 Woodhuck      | \$4,157,519               | \$1,299,972         | \$40,999                                   | \$5,498,491   | \$669,710  | \$8,380   | \$678,090    | \$485,533  | \$6,285   | \$491,817    | \$412,966  | \$5,237   | \$418,181    |
| 97 Worth         | \$1,693,125               | \$537,117           | \$40,368                                   | \$2,270,609   | \$269,070  | \$8,250   | \$277,321    | \$201,803  | \$6,188   | \$207,991    | \$168,169  | \$5,157   | \$173,325    |
| 98 Wright        | \$2,285,171               | \$628,140           | \$5,870                                    | \$2,919,181   | \$363,158  | \$1,200   | \$364,358    | \$272,368  | \$900   | \$273,268    | \$226,974  | \$750   | \$227,724    |
| Total            | \$251,700,000             | \$78,700,000        |  | \$331,400,000 | \$40,000,000   | \$427,222   | \$40,427,222 | \$30,000,000   | \$320,416   | \$30,320,416 | \$25,000,000   | \$267,014   | \$25,267,014 |

Notes:

- Assumes TIME-21 Fund of \$200 million in FY 2008 with 20 percent distributed to the Secondary Road Fund using estimated FY 2008 distribution factors.  
 - This table does not reflect the funding some counties receive from the Transfer of Jurisdiction Fund.

## Additional City Street RUTF Distribution to Cities

02/08/07

### with TIME-21

(Based on estimated FY 2008 RUTF Revenues)

| City            | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|-----------------|------------|--------------------------------|--|--|--|
| Ackley          | 1,809      | \$152,682                      | \$31,207   | \$23,406   | \$19,505   |
| Ackworth        | 85         | \$5,804                        | \$1,186  | \$890  | \$741  |
| Adair           | 839        | \$70,813                       | \$14,474   | \$10,855   | \$9,046  |
| Adel            | 3,435      | \$289,919                      | \$59,258   | \$44,443   | \$37,036   |
| Afton           | 917        | \$77,396                       | \$15,819   | \$11,864   | \$9,887  |
| Agency          | 622        | \$52,498                       | \$10,730   | \$8,048  | \$6,706  |
| Ainsworth       | 524        | \$44,226                       | \$9,040  | \$6,780  | \$5,650  |
| Akron           | 1,489      | \$125,674                      | \$25,687   | \$19,265   | \$16,054   |
| Albert City     | 709        | \$59,841                       | \$12,231   | \$9,173  | \$7,644  |
| Albia           | 3,706      | \$312,791                      | \$63,933   | \$47,950   | \$39,958   |
| Albion          | 592        | \$49,966                       | \$10,213   | \$7,660  | \$6,383  |
| Alburnett       | 559        | \$47,180                       | \$9,643  | \$7,233  | \$6,027  |
| Alden           | 904        | \$76,299                       | \$15,595   | \$11,696   | \$9,747  |
| Alexander       | 165        | \$9,395                        | \$1,920  | \$1,440  | \$1,200  |
| Algona          | 5,741      | \$484,548                      | \$99,039   | \$74,279   | \$61,899   |
| Alleman         | 439        | \$27,863                       | \$5,695  | \$4,271  | \$3,559  |
| Allerton        | 559        | \$47,180                       | \$9,643  | \$7,233  | \$6,027  |
| Allison         | 1,006      | \$84,908                       | \$17,355   | \$13,016   | \$10,847   |
| Alta            | 1,865      | \$157,408                      | \$32,173   | \$24,130   | \$20,108   |
| Alta Vista      | 286        | \$12,608                       | \$2,577  | \$1,933  | \$1,611  |
| Alton           | 1,095      | \$92,419                       | \$18,890   | \$14,168   | \$11,806   |
| Altoona         | 13,301     | \$1,122,622                    | \$229,458  | \$172,093  | \$143,411  |
| Alvord          | 187        | \$12,846                       | \$2,626  | \$1,969  | \$1,641  |
| Amana Colonies* | 1,287      | \$108,625                      | \$22,202   | \$16,652   | \$13,876   |
| Ames            | 50,731     | \$4,281,764                    | \$875,169  | \$656,377  | \$546,981  |
| Anamosa         | 5,494      | \$463,701                      | \$94,778   | \$71,083   | \$59,236   |
| Andover         | 87         | \$3,931                        | \$803  | \$603  | \$502  |
| Andrew          | 460        | \$35,093                       | \$7,173  | \$5,380  | \$4,483  |
| Anita           | 1,049      | \$88,537                       | \$18,096   | \$13,572   | \$11,310   |
| Ankeny          | 36,161     | \$3,052,036                    | \$623,819  | \$467,865  | \$389,887  |
| Anthon          | 649        | \$54,776                       | \$11,196   | \$8,397  | \$6,998  |
| Aplington       | 1,054      | \$88,959                       | \$18,183   | \$13,637   | \$11,364   |
| Arcadia         | 443        | \$32,991                       | \$6,743  | \$5,057  | \$4,214  |
| Archer          | 126        | \$8,748                        | \$1,788  | \$1,341  | \$1,117  |
| Aredale         | 89         | \$4,305                        | \$880  | \$660  | \$550  |
| Arion           | 136        | \$9,821                        | \$2,007  | \$1,506  | \$1,255  |
| Arispe          | 89         | \$4,686                        | \$958  | \$718  | \$599  |
| Arlington       | 490        | \$31,534                       | \$6,445  | \$4,834  | \$4,028  |
| Armstrong       | 979        | \$82,629                       | \$16,889   | \$12,667   | \$10,556   |
| Arnolds Park    | 1,162      | \$98,074                       | \$20,046   | \$15,034   | \$12,529   |
| Arthur          | 245        | \$18,765                       | \$3,836  | \$2,877  | \$2,397  |
| Asbury          | 2,450      | \$206,783                      | \$42,265   | \$31,699   | \$26,416   |
| Ashton          | 461        | \$32,743                       | \$6,692  | \$5,019  | \$4,183  |
| Aspinwall       | 58         | \$4,404                        | \$900  | \$675  | \$563  |
| Atalissa        | 311        | \$23,498                       | \$4,803  | \$3,602  | \$3,002  |
| Atkins          | 1,297      | \$109,469                      | \$22,375   | \$16,781   | \$13,984   |
| Atlantic        | 7,257      | \$612,500                      | \$125,192  | \$93,894   | \$78,245   |
| Auburn          | 296        | \$24,983                       | \$5,106  | \$3,830  | \$3,191  |
| Audubon         | 2,382      | \$201,044                      | \$41,092   | \$30,819   | \$25,683   |
| Aurelia         | 1,062      | \$89,634                       | \$18,321   | \$13,741   | \$11,450   |
| Aurora          | 194        | \$9,249                        | \$1,890  | \$1,418  | \$1,181  |
| Avoca           | 1,610      | \$135,886                      | \$27,774   | \$20,831   | \$17,359   |
| Ayrshire        | 202        | \$11,424                       | \$2,335  | \$1,751  | \$1,459  |
| Badger          | 610        | \$51,485                       | \$10,523   | \$7,892  | \$6,577  |

## Additional City Street RUTF Distribution to Cities

### with TIME-21

(Based on estimated FY 2008 RUTF Revenues)

02/08/07

| City         | Population | Estimated FY 2008<br>RUTF Revenue | Additional FY 2008<br>RUTF Revenue<br>Due to TIME-21<br>(@ \$200 million) | Additional FY 2008<br>RUTF Revenue<br>Due to TIME-21<br>(@ \$150 million) | Additional FY 2008<br>RUTF Revenue<br>Due to TIME-21<br>(@ \$125 million) |
|--------------|------------|-----------------------------------|---|---|---|
| Bagley       | 354        | \$27,347                          | \$5,590   | \$4,192   | \$3,494   |
| Baldwin      | 127        | \$7,559                           | \$1,545   | \$1,159   | \$966   |
| Balltown     | 73         | \$2,215                           | \$453   | \$340   | \$283   |
| Bancroft     | 808        | \$68,196                          | \$13,939  | \$10,454  | \$8,712   |
| Bankston     | 27         | \$1,139                           | \$233   | \$175   | \$146   |
| Barnes City  | 201        | \$10,799                          | \$2,207   | \$1,655   | \$1,380   |
| Barnum       | 195        | \$16,458                          | \$3,364   | \$2,523   | \$2,102   |
| Bassett      | 74         | \$2,900                           | \$593   | \$445   | \$370   |
| Batavia      | 500        | \$42,201                          | \$8,626   | \$6,469   | \$5,391   |
| Battle Creek | 743        | \$62,710                          | \$12,818  | \$9,613   | \$8,011   |
| Baxter       | 1,052      | \$88,790                          | \$18,148  | \$13,611  | \$11,343  |
| Bayard       | 536        | \$45,239                          | \$9,247   | \$6,935   | \$5,779   |
| Beacon       | 518        | \$43,720                          | \$8,936   | \$6,702   | \$5,585   |
| Beaconsfield | 11         | \$635                             | \$130   | \$97  | \$81  |
| Beaman       | 210        | \$15,666                          | \$3,202   | \$2,402   | \$2,001   |
| Beaver       | 53         | \$3,747                           | \$766   | \$574   | \$479   |
| Bedford      | 1,620      | \$136,730                         | \$27,947  | \$20,960  | \$17,467  |
| Belle Plaine | 2,878      | \$242,907                         | \$49,649  | \$37,237  | \$31,031  |
| Bellevue     | 2,350      | \$198,343                         | \$40,540  | \$30,405  | \$25,338  |
| Belmond      | 2,560      | \$216,067                         | \$44,163  | \$33,122  | \$27,602  |
| Bennett      | 395        | \$28,941                          | \$5,915   | \$4,437   | \$3,697   |
| Benton       | 40         | \$3,376                           | \$690   | \$518   | \$431   |
| Berkley      | 24         | \$1,153                           | \$236   | \$177   | \$147   |
| Bernard      | 97         | \$4,614                           | \$943   | \$707   | \$589   |
| Bertram      | 263        | \$22,198                          | \$4,537   | \$3,403   | \$2,836   |
| Bettendorf   | 31,258     | \$2,638,217                       | \$539,237   | \$404,428   | \$337,023   |
| Bevington    | 58         | \$3,879                           | \$793   | \$595   | \$495   |
| Birmingham   | 423        | \$26,164                          | \$5,348   | \$4,011   | \$3,342   |
| Blairsburg   | 235        | \$18,235                          | \$3,727   | \$2,795   | \$2,329   |
| Blairstown   | 682        | \$57,562                          | \$11,765  | \$8,824   | \$7,353   |
| Blakesburg   | 374        | \$22,779                          | \$4,656   | \$3,492   | \$2,910   |
| Blanchard    | 61         | \$3,359                           | \$687   | \$515   | \$429   |
| Blencoe      | 231        | \$14,140                          | \$2,890   | \$2,168   | \$1,806   |
| Blockton     | 192        | \$13,047                          | \$2,667   | \$2,000   | \$1,667   |
| Bloomfield   | 2,601      | \$219,528                         | \$44,870  | \$33,653  | \$28,044  |
| Blue Grass   | 1,169      | \$98,665                          | \$20,167  | \$15,125  | \$12,604  |
| Bode         | 327        | \$19,689                          | \$4,024   | \$3,018   | \$2,515   |
| Bonaparte    | 458        | \$28,788                          | \$5,884   | \$4,413   | \$3,678   |
| Bondurant    | 2,951      | \$249,068                         | \$50,908  | \$38,181  | \$31,818  |
| Boone        | 12,803     | \$1,080,590                       | \$220,867   | \$165,650   | \$138,042   |
| Bouton       | 136        | \$7,836                           | \$1,602   | \$1,201   | \$1,001   |
| Boxholm      | 215        | \$15,640                          | \$3,197   | \$2,398   | \$1,998   |
| Boyden       | 672        | \$56,718                          | \$11,593  | \$8,695   | \$7,245   |
| Braddyville  | 176        | \$13,123                          | \$2,682   | \$2,012   | \$1,676   |
| Bradgate     | 101        | \$5,431                           | \$1,110   | \$833   | \$694   |
| Brandon      | 311        | \$21,217                          | \$4,337   | \$3,252   | \$2,710   |
| Brayton      | 145        | \$7,485                           | \$1,530   | \$1,147   | \$956   |
| Breda        | 477        | \$33,419                          | \$6,831   | \$5,123   | \$4,269   |
| Bridgewater  | 178        | \$10,694                          | \$2,186   | \$1,639   | \$1,366   |
| Brighton     | 687        | \$57,984                          | \$11,852  | \$8,889   | \$7,407   |
| Bristow      | 202        | \$10,173                          | \$2,079   | \$1,560   | \$1,300   |
| Britt        | 2,052      | \$173,192                         | \$35,399  | \$26,550  | \$22,125  |
| Bronson      | 269        | \$17,722                          | \$3,622   | \$2,717   | \$2,264   |
| Brooklyn     | 1,367      | \$115,377                         | \$23,582  | \$17,687  | \$14,739  |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City            | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|-----------------|------------|--------------------------------|--|--|--|
| Brunsville      | 146        | \$12,323                       | \$2,519  | \$1,889  | \$1,574  |
| Buck Grove      | 49         | \$2,981                        | \$609  | \$457  | \$381  |
| Buckeye         | 110        | \$6,518                        | \$1,332  | \$999  | \$833  |
| Buffalo         | 1,321      | \$111,494                      | \$22,789   | \$17,092   | \$14,243   |
| Buffalo Center  | 963        | \$81,278                       | \$16,613   | \$12,460   | \$10,383   |
| Burlington      | 26,839     | \$2,265,247                    | \$463,004  | \$347,253  | \$289,378  |
| Burt            | 556        | \$46,927                       | \$9,592  | \$7,194  | \$5,995  |
| Bussey          | 450        | \$31,167                       | \$6,370  | \$4,778  | \$3,982  |
| Calamus         | 394        | \$25,447                       | \$5,201  | \$3,901  | \$3,251  |
| Callender       | 424        | \$26,100                       | \$5,335  | \$4,001  | \$3,334  |
| Calmar          | 1,058      | \$89,297                       | \$18,252   | \$13,689   | \$11,407   |
| Calumet         | 181        | \$13,004                       | \$2,658  | \$1,994  | \$1,661  |
| Camanche        | 4,215      | \$355,752                      | \$72,714   | \$54,535   | \$45,446   |
| Cambridge       | 819        | \$69,125                       | \$14,129   | \$10,597   | \$8,830  |
| Cantril         | 257        | \$16,772                       | \$3,428  | \$2,571  | \$2,143  |
| Carbon          | 28         | \$1,322                        | \$270  | \$203  | \$169  |
| Carlisle        | 3,497      | \$295,151                      | \$60,327   | \$45,245   | \$37,705   |
| Carpenter       | 130        | \$6,833                        | \$1,397  | \$1,047  | \$873  |
| Carroll         | 10,098     | \$852,285                      | \$174,202  | \$130,652  | \$108,876  |
| Carson          | 668        | \$56,380                       | \$11,524   | \$8,643  | \$7,202  |
| Carter Lake     | 3,248      | \$274,136                      | \$56,032   | \$42,024   | \$35,020   |
| Cascade         | 1,958      | \$165,258                      | \$33,778   | \$25,333   | \$21,111   |
| Casey           | 478        | \$38,398                       | \$7,848  | \$5,886  | \$4,905  |
| Castalia        | 175        | \$9,133                        | \$1,867  | \$1,400  | \$1,167  |
| Castana         | 178        | \$12,902                       | \$2,637  | \$1,978  | \$1,648  |
| Cedar Falls     | 36,145     | \$3,050,686                    | \$623,543  | \$467,658  | \$389,715  |
| Cedar Rapids    | 120,758    | \$10,192,135                   | \$2,083,216  | \$1,562,412  | \$1,302,010  |
| Center Junction | 131        | \$11,057                       | \$2,260  | \$1,695  | \$1,412  |
| Center Point    | 2,007      | \$169,393                      | \$34,623   | \$25,967   | \$21,639   |
| Centerville     | 5,924      | \$499,993                      | \$102,196  | \$76,647   | \$63,872   |
| Central City    | 1,157      | \$97,652                       | \$19,960   | \$14,970   | \$12,475   |
| Centralia       | 101        | \$3,372                        | \$689  | \$517  | \$431  |
| Chariton        | 4,573      | \$385,967                      | \$78,890   | \$59,167   | \$49,306   |
| Charles City    | 7,812      | \$659,343                      | \$134,766  | \$101,075  | \$84,229   |
| Charlotte       | 421        | \$25,048                       | \$5,120  | \$3,840  | \$3,200  |
| Charter Oak     | 530        | \$44,733                       | \$9,143  | \$6,857  | \$5,714  |
| Chatsworth      | 89         | \$6,957                        | \$1,422  | \$1,066  | \$889  |
| Chelsea         | 287        | \$14,332                       | \$2,929  | \$2,197  | \$1,831  |
| Cherokee        | 5,369      | \$453,151                      | \$92,622   | \$69,466   | \$57,888   |
| Chester         | 151        | \$7,061                        | \$1,443  | \$1,082  | \$902  |
| Chillicothe     | 90         | \$2,769                        | \$566  | \$424  | \$354  |
| Churdan         | 418        | \$26,688                       | \$5,455  | \$4,091  | \$3,409  |
| Cincinnati      | 428        | \$26,159                       | \$5,347  | \$4,010  | \$3,342  |
| Clare           | 190        | \$6,891                        | \$1,408  | \$1,056  | \$880  |
| Clarence        | 1,008      | \$85,077                       | \$17,389   | \$13,042   | \$10,868   |
| Clarinda        | 5,690      | \$480,244                      | \$98,159   | \$73,619   | \$61,349   |
| Clarion         | 2,968      | \$250,503                      | \$51,201   | \$38,401   | \$32,001   |
| Clarksville     | 1,441      | \$121,622                      | \$24,859   | \$18,644   | \$15,537   |
| Clayton         | 55         | \$3,342                        | \$683  | \$512  | \$427  |
| Clear Lake      | 8,161      | \$688,799                      | \$140,787  | \$105,590  | \$87,992   |
| Clearfield      | 371        | \$26,509                       | \$5,418  | \$4,064  | \$3,386  |
| Cleghorn        | 250        | \$20,417                       | \$4,173  | \$3,130  | \$2,608  |
| Clemons         | 148        | \$9,139                        | \$1,868  | \$1,401  | \$1,167  |
| Clermont        | 716        | \$60,431                       | \$12,352   | \$9,264  | \$7,720  |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City              | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|-------------------|------------|--------------------------------|--|--|--|
| Clinton           | 27,772     | \$2,343,994                    | \$479,099  | \$359,325  | \$299,437  |
| Clio              | 91         | \$4,169                        | \$852  | \$639  | \$533  |
| Clive             | 14,125     | \$1,192,169                    | \$243,673  | \$182,755  | \$152,295  |
| Clutier           | 229        | \$12,640                       | \$2,583  | \$1,938  | \$1,615  |
| Coburg            | 31         | \$1,997                        | \$408  | \$306  | \$255  |
| Coggon            | 745        | \$62,879                       | \$12,852   | \$9,639  | \$8,033  |
| Coin              | 252        | \$15,474                       | \$3,163  | \$2,372  | \$1,977  |
| Colesburg         | 412        | \$27,560                       | \$5,633  | \$4,225  | \$3,521  |
| Colfax            | 2,223      | \$187,624                      | \$38,349   | \$28,762   | \$23,968   |
| College Springs   | 246        | \$15,448                       | \$3,157  | \$2,368  | \$1,973  |
| Collins           | 499        | \$39,316                       | \$8,036  | \$6,027  | \$5,022  |
| Colo              | 868        | \$73,260                       | \$14,974   | \$11,231   | \$9,359  |
| Columbus City     | 376        | \$25,310                       | \$5,173  | \$3,880  | \$3,233  |
| Columbus Junction | 1,900      | \$160,363                      | \$32,777   | \$24,583   | \$20,486   |
| Colwell           | 76         | \$2,806                        | \$574  | \$430  | \$359  |
| Conesville        | 424        | \$34,257                       | \$7,002  | \$5,251  | \$4,376  |
| Conrad            | 1,055      | \$89,043                       | \$18,200   | \$13,650   | \$11,375   |
| Conway            | 63         | \$3,407                        | \$696  | \$522  | \$435  |
| Coon Rapids       | 1,305      | \$110,144                      | \$22,513   | \$16,885   | \$14,070   |
| Coppock           | 57         | \$3,196                        | \$653  | \$490  | \$408  |
| Coralville        | 17,269     | \$1,457,526                    | \$297,910  | \$223,433  | \$186,194  |
| Corning           | 1,783      | \$150,488                      | \$30,759   | \$23,069   | \$19,224   |
| Correctionville   | 851        | \$71,826                       | \$14,681   | \$11,011   | \$9,175  |
| Corwith           | 350        | \$17,334                       | \$3,543  | \$2,657  | \$2,214  |
| Corydon           | 1,591      | \$134,283                      | \$27,447   | \$20,585   | \$17,154   |
| Cotter            | 48         | \$2,701                        | \$552  | \$414  | \$345  |
| Coulter           | 262        | \$15,736                       | \$3,216  | \$2,412  | \$2,010  |
| Council Bluffs    | 58,268     | \$4,917,896                    | \$1,005,191  | \$753,893  | \$628,244  |
| Craig             | 102        | \$6,240                        | \$1,275  | \$957  | \$797  |
| Crawfordsville    | 295        | \$18,521                       | \$3,786  | \$2,839  | \$2,366  |
| Crescent          | 537        | \$45,324                       | \$9,264  | \$6,948  | \$5,790  |
| Cresco            | 3,905      | \$329,587                      | \$67,366   | \$50,524   | \$42,104   |
| Creston           | 7,597      | \$641,197                      | \$131,057  | \$98,293   | \$81,911   |
| Cromwell          | 120        | \$6,942                        | \$1,419  | \$1,064  | \$887  |
| Crystal Lake      | 285        | \$16,730                       | \$3,420  | \$2,565  | \$2,137  |
| Cumberland        | 281        | \$18,827                       | \$3,848  | \$2,886  | \$2,405  |
| Cumming           | 162        | \$7,794                        | \$1,593  | \$1,195  | \$996  |
| Curlew            | 62         | \$1,878                        | \$384  | \$288  | \$240  |
| Cushing           | 246        | \$14,627                       | \$2,990  | \$2,242  | \$1,869  |
| Cylinder          | 110        | \$9,284                        | \$1,898  | \$1,423  | \$1,186  |
| Dakota City       | 911        | \$76,890                       | \$15,716   | \$11,787   | \$9,822  |
| Dallas Center     | 1,595      | \$134,620                      | \$27,516   | \$20,637   | \$17,197   |
| Dana              | 84         | \$4,797                        | \$981  | \$735  | \$613  |
| Danbury           | 384        | \$23,403                       | \$4,783  | \$3,588  | \$2,990  |
| Danville          | 914        | \$77,143                       | \$15,768   | \$11,826   | \$9,855  |
| Davenport         | 98,359     | \$8,301,630                    | \$1,696,807  | \$1,272,605  | \$1,060,505  |
| Davis City        | 275        | \$22,352                       | \$4,569  | \$3,427  | \$2,855  |
| Dawson            | 155        | \$7,592                        | \$1,552  | \$1,164  | \$970  |
| Dayton            | 884        | \$74,611                       | \$15,250   | \$11,438   | \$9,531  |
| De Soto           | 1,009      | \$85,161                       | \$17,406   | \$13,055   | \$10,879   |
| De Witt           | 5,049      | \$426,142                      | \$87,101   | \$65,326   | \$54,438   |
| Decatur City      | 199        | \$14,083                       | \$2,878  | \$2,159  | \$1,799  |
| Decorah           | 8,172      | \$689,728                      | \$140,977  | \$105,732  | \$88,110   |
| Dedham            | 280        | \$17,665                       | \$3,611  | \$2,708  | \$2,257  |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City            | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|-----------------|------------|--------------------------------|--|--|--|
| Deep River      | 288        | \$22,148                       | \$4,527  | \$3,395  | \$2,829  |
| Defiance        | 346        | \$26,416                       | \$5,399  | \$4,049  | \$3,375  |
| Delaware        | 188        | \$15,867                       | \$3,243  | \$2,432  | \$2,027  |
| Delhi           | 458        | \$28,619                       | \$5,850  | \$4,387  | \$3,656  |
| Delmar          | 514        | \$43,382                       | \$8,867  | \$6,650  | \$5,542  |
| Deloit          | 288        | \$17,431                       | \$3,563  | \$2,672  | \$2,227  |
| Delphos         | 25         | \$1,364                        | \$279  | \$209  | \$174  |
| Delta           | 410        | \$25,350                       | \$5,181  | \$3,886  | \$3,238  |
| Denison         | 7,339      | \$619,421                      | \$126,606  | \$94,955   | \$79,129   |
| Denver          | 1,627      | \$137,321                      | \$28,068   | \$21,051   | \$17,542   |
| Derby           | 131        | \$9,812                        | \$2,005  | \$1,504  | \$1,253  |
| Des Moines      | 198,682    | \$16,769,024                   | \$3,427,496  | \$2,570,622  | \$2,142,185  |
| Dexter          | 689        | \$58,153                       | \$11,886   | \$8,915  | \$7,429  |
| Diagonal        | 312        | \$21,067                       | \$4,306  | \$3,229  | \$2,691  |
| Dickens         | 202        | \$11,730                       | \$2,398  | \$1,798  | \$1,499  |
| Dike            | 944        | \$79,675                       | \$16,285   | \$12,214   | \$10,178   |
| Dixon           | 276        | \$16,110                       | \$3,293  | \$2,470  | \$2,058  |
| Dolliver        | 77         | \$4,333                        | \$886  | \$664  | \$553  |
| Donahue         | 293        | \$13,910                       | \$2,843  | \$2,132  | \$1,777  |
| Donnellson      | 963        | \$81,278                       | \$16,613   | \$12,460   | \$10,383   |
| Doon            | 533        | \$44,986                       | \$9,195  | \$6,896  | \$5,747  |
| Dougherty       | 80         | \$2,908                        | \$594  | \$446  | \$371  |
| Dow City        | 503        | \$42,454                       | \$8,677  | \$6,508  | \$5,423  |
| Dows            | 675        | \$56,971                       | \$11,645   | \$8,733  | \$7,278  |
| Drakesville     | 185        | \$12,855                       | \$2,628  | \$1,971  | \$1,642  |
| Dubuque         | 57,686     | \$4,868,775                    | \$995,151  | \$746,363  | \$621,969  |
| Dumont          | 676        | \$57,055                       | \$11,662   | \$8,746  | \$7,289  |
| Duncombe        | 474        | \$28,914                       | \$5,910  | \$4,432  | \$3,694  |
| Dundee          | 179        | \$9,976                        | \$2,039  | \$1,529  | \$1,274  |
| Dunkerton       | 750        | \$63,301                       | \$12,938   | \$9,704  | \$8,086  |
| Dunlap          | 1,139      | \$96,133                       | \$19,649   | \$14,737   | \$12,281   |
| Durango         | 24         | \$1,266                        | \$259  | \$194  | \$162  |
| Durant          | 1,677      | \$141,541                      | \$28,930   | \$21,698   | \$18,081   |
| Dyersville      | 4,035      | \$340,559                      | \$69,608   | \$52,206   | \$43,505   |
| Dysart          | 1,303      | \$109,975                      | \$22,478   | \$16,859   | \$14,049   |
| Eagle Grove     | 3,712      | \$313,298                      | \$64,036   | \$48,027   | \$40,023   |
| Earlham         | 1,298      | \$109,553                      | \$22,392   | \$16,794   | \$13,995   |
| Earling         | 471        | \$33,717                       | \$6,892  | \$5,169  | \$4,307  |
| Earlville       | 900        | \$75,961                       | \$15,526   | \$11,645   | \$9,704  |
| Early           | 605        | \$51,063                       | \$10,437   | \$7,828  | \$6,523  |
| East Peru       | 153        | \$4,316                        | \$882  | \$662  | \$551  |
| Eddyville       | 1,064      | \$89,803                       | \$18,355   | \$13,766   | \$11,472   |
| Edgewood        | 923        | \$77,902                       | \$15,923   | \$11,942   | \$9,952  |
| Elberon         | 245        | \$16,652                       | \$3,404  | \$2,553  | \$2,127  |
| Eldon           | 998        | \$84,233                       | \$17,217   | \$12,912   | \$10,760   |
| Eldora          | 3,035      | \$256,158                      | \$52,357   | \$39,268   | \$32,723   |
| Eldridge        | 4,807      | \$405,717                      | \$82,926   | \$62,195   | \$51,829   |
| Elgin           | 676        | \$57,055                       | \$11,662   | \$8,746  | \$7,289  |
| Elk Horn        | 649        | \$54,776                       | \$11,196   | \$8,397  | \$6,998  |
| Elk Run Heights | 1,052      | \$88,790                       | \$18,148   | \$13,611   | \$11,343   |
| Elkader         | 1,465      | \$123,648                      | \$25,273   | \$18,955   | \$15,796   |
| Elkhart         | 362        | \$15,699                       | \$3,209  | \$2,407  | \$2,005  |
| Elkport         | 88         | \$3,654                        | \$747  | \$560  | \$467  |
| Elliott         | 402        | \$30,375                       | \$6,208  | \$4,656  | \$3,880  |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City           | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|----------------|------------|--------------------------------|--|--|--|
| Ellston        | 57         | \$3,124                        | \$639  | \$479  | \$399  |
| Ellsworth      | 531        | \$44,817                       | \$9,160  | \$6,870  | \$5,725  |
| Elma           | 598        | \$50,472                       | \$10,316   | \$7,737  | \$6,448  |
| Ely            | 1,149      | \$96,977                       | \$19,822   | \$14,866   | \$12,388   |
| Emerson        | 480        | \$35,931                       | \$7,344  | \$5,508  | \$4,590  |
| Emmetsburg     | 3,904      | \$329,503                      | \$67,349   | \$50,511   | \$42,093   |
| Epworth        | 1,602      | \$135,211                      | \$27,636   | \$20,727   | \$17,273   |
| Essex          | 884        | \$74,611                       | \$15,250   | \$11,438   | \$9,531  |
| Estherville    | 6,656      | \$561,775                      | \$114,824  | \$86,118   | \$71,765   |
| Evansdale      | 4,526      | \$382,000                      | \$78,079   | \$58,559   | \$48,799   |
| Everly         | 647        | \$54,608                       | \$11,162   | \$8,371  | \$6,976  |
| Exira          | 810        | \$68,365                       | \$13,973   | \$10,480   | \$8,733  |
| Exline         | 191        | \$9,189                        | \$1,878  | \$1,409  | \$1,174  |
| Fairbank       | 1,041      | \$87,862                       | \$17,958   | \$13,469   | \$11,224   |
| Fairfax        | 1,662      | \$140,275                      | \$28,671   | \$21,504   | \$17,920   |
| Fairfield      | 9,602      | \$810,422                      | \$165,646  | \$124,234  | \$103,529  |
| Farley         | 1,334      | \$112,591                      | \$23,013   | \$17,260   | \$14,383   |
| Farmersburg    | 300        | \$16,612                       | \$3,395  | \$2,547  | \$2,122  |
| Farmington     | 756        | \$63,807                       | \$13,042   | \$9,781  | \$8,151  |
| Farnhamville   | 430        | \$30,510                       | \$6,236  | \$4,677  | \$3,898  |
| Farragut       | 509        | \$42,960                       | \$8,781  | \$6,586  | \$5,488  |
| Fayette        | 1,351      | \$114,026                      | \$23,306   | \$17,480   | \$14,566   |
| Fenton         | 317        | \$25,685                       | \$5,250  | \$3,937  | \$3,281  |
| Ferguson       | 126        | \$7,537                        | \$1,540  | \$1,155  | \$963  |
| Fertile        | 360        | \$16,095                       | \$3,290  | \$2,467  | \$2,056  |
| Floris         | 153        | \$8,123                        | \$1,660  | \$1,245  | \$1,038  |
| Floyd          | 361        | \$24,609                       | \$5,030  | \$3,773  | \$3,144  |
| Fonda          | 648        | \$54,692                       | \$11,179   | \$8,384  | \$6,987  |
| Fontanelle     | 692        | \$58,406                       | \$11,938   | \$8,953  | \$7,461  |
| Forest City    | 4,362      | \$368,159                      | \$75,250   | \$56,437   | \$47,031   |
| Fort Atkinson  | 389        | \$28,868                       | \$5,900  | \$4,425  | \$3,688  |
| Fort Dodge     | 26,309     | \$2,220,514                    | \$453,861  | \$340,396  | \$283,663  |
| Fort Madison   | 11,476     | \$968,590                      | \$197,974  | \$148,481  | \$123,734  |
| Fostoria       | 230        | \$15,640                       | \$3,197  | \$2,398  | \$1,998  |
| Franklin       | 136        | \$9,886                        | \$2,021  | \$1,515  | \$1,263  |
| Fraser         | 137        | \$7,057                        | \$1,442  | \$1,082  | \$902  |
| Fredericksburg | 984        | \$83,051                       | \$16,975   | \$12,731   | \$10,609   |
| Frederika      | 199        | \$12,071                       | \$2,467  | \$1,850  | \$1,542  |
| Fredonia       | 251        | \$18,256                       | \$3,731  | \$2,799  | \$2,332  |
| Fremont        | 704        | \$59,419                       | \$12,145   | \$9,109  | \$7,591  |
| Fruittland     | 703        | \$59,334                       | \$12,128   | \$9,096  | \$7,580  |
| Galt           | 30         | \$1,891                        | \$387  | \$290  | \$242  |
| Galva          | 368        | \$22,512                       | \$4,601  | \$3,451  | \$2,876  |
| Garber         | 103        | \$6,034                        | \$1,233  | \$925  | \$771  |
| Garden Grove   | 250        | \$18,573                       | \$3,796  | \$2,847  | \$2,373  |
| Garnavillo     | 754        | \$63,639                       | \$13,007   | \$9,756  | \$8,130  |
| Garner         | 2,922      | \$246,621                      | \$50,408   | \$37,806   | \$31,505   |
| Garrison       | 413        | \$30,573                       | \$6,249  | \$4,687  | \$3,906  |
| Garwin         | 565        | \$47,687                       | \$9,747  | \$7,310  | \$6,092  |
| Geneva         | 171        | \$8,963                        | \$1,832  | \$1,374  | \$1,145  |
| George         | 1,051      | \$88,706                       | \$18,131   | \$13,598   | \$11,332   |
| Gibson         | 92         | \$4,141                        | \$846  | \$635  | \$529  |
| Gilbert        | 987        | \$83,304                       | \$17,027   | \$12,770   | \$10,642   |
| Gilbertville   | 767        | \$64,736                       | \$13,232   | \$9,924  | \$8,270  |



## Additional City Street RUTF Distribution to Cities

with TIME-21

(Based on estimated FY 2008 RUTF Revenues)

02/08/07

| City           | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|----------------|------------|--------------------------------|--|--|--|
| Gillett Grove  | 55         | \$2,665                        | \$545  | \$409  | \$340  |
| Gilman         | 600        | \$50,641                       | \$10,351   | \$7,763  | \$6,469  |
| Gilmore City   | 556        | \$46,927                       | \$9,592  | \$7,194  | \$5,995  |
| Gladbrook      | 1,015      | \$85,667                       | \$17,510   | \$13,132   | \$10,944   |
| Glenwood       | 5,358      | \$452,222                      | \$92,432   | \$69,324   | \$57,770   |
| Glidden        | 1,253      | \$105,755                      | \$21,616   | \$16,212   | \$13,510   |
| Goldfield      | 680        | \$57,393                       | \$11,731   | \$8,798  | \$7,332  |
| Goodell        | 174        | \$10,707                       | \$2,188  | \$1,641  | \$1,368  |
| Goose Lake     | 232        | \$13,287                       | \$2,716  | \$2,037  | \$1,697  |
| Gowrie         | 1,038      | \$87,609                       | \$17,907   | \$13,430   | \$11,192   |
| Graettinger    | 900        | \$75,961                       | \$15,526   | \$11,645   | \$9,704  |
| Graf           | 73         | \$2,950                        | \$603  | \$452  | \$377  |
| Grafton        | 290        | \$14,761                       | \$3,017  | \$2,263  | \$1,886  |
| Grand Junction | 964        | \$81,363                       | \$16,630   | \$12,473   | \$10,394   |
| Grand Mound    | 676        | \$57,055                       | \$11,662   | \$8,746  | \$7,289  |
| Grand River    | 225        | \$15,534                       | \$3,175  | \$2,381  | \$1,984  |
| Grandview      | 600        | \$50,641                       | \$10,351   | \$7,763  | \$6,469  |
| Granger        | 583        | \$49,206                       | \$10,057   | \$7,543  | \$6,286  |
| Grant          | 102        | \$8,008                        | \$1,637  | \$1,228  | \$1,023  |
| Granville      | 325        | \$27,216                       | \$5,563  | \$4,172  | \$3,477  |
| Gravity        | 218        | \$14,805                       | \$3,026  | \$2,269  | \$1,891  |
| Gray           | 82         | \$3,901                        | \$797  | \$598  | \$498  |
| Greeley        | 276        | \$23,295                       | \$4,761  | \$3,571  | \$2,976  |
| Greene         | 1,099      | \$92,757                       | \$18,959   | \$14,219   | \$11,849   |
| Greenfield     | 2,129      | \$179,690                      | \$36,728   | \$27,546   | \$22,955   |
| Greenville     | 93         | \$5,770                        | \$1,179  | \$885  | \$737  |
| Grimes         | 5,862      | \$494,761                      | \$101,126  | \$75,845   | \$63,204   |
| Grinnell       | 9,105      | \$768,474                      | \$157,072  | \$117,804  | \$98,170   |
| Griswold       | 1,039      | \$87,693                       | \$17,924   | \$13,443   | \$11,202   |
| Grundy Center  | 2,596      | \$219,106                      | \$44,784   | \$33,588   | \$27,990   |
| Gruver         | 106        | \$8,515                        | \$1,740  | \$1,305  | \$1,088  |
| Guernsey       | 70         | \$3,996                        | \$817  | \$613  | \$510  |
| Guthrie Center | 1,668      | \$140,781                      | \$28,775   | \$21,581   | \$17,984   |
| Guttenberg     | 1,987      | \$167,705                      | \$34,278   | \$25,709   | \$21,424   |
| Halbur         | 213        | \$12,403                       | \$2,535  | \$1,901  | \$1,584  |
| Hamburg        | 1,240      | \$104,658                      | \$21,391   | \$16,044   | \$13,370   |
| Hamilton       | 144        | \$7,490                        | \$1,531  | \$1,148  | \$957  |
| Hampton        | 4,218      | \$356,005                      | \$72,765   | \$54,574   | \$45,478   |
| Hancock        | 207        | \$14,422                       | \$2,948  | \$2,211  | \$1,842  |
| Hanlontown     | 229        | \$15,850                       | \$3,240  | \$2,430  | \$2,025  |
| Hansell        | 96         | \$3,743                        | \$765  | \$574  | \$478  |
| Harcourt       | 340        | \$25,921                       | \$5,298  | \$3,974  | \$3,311  |
| Hardy          | 57         | \$2,416                        | \$494  | \$370  | \$309  |
| Harlan         | 5,282      | \$445,808                      | \$91,121   | \$68,340   | \$56,950   |
| Harper         | 134        | \$8,037                        | \$1,643  | \$1,232  | \$1,027  |
| Harpers Ferry  | 330        | \$24,075                       | \$4,921  | \$3,691  | \$3,076  |
| Harris         | 200        | \$11,192                       | \$2,288  | \$1,716  | \$1,430  |
| Hartford       | 759        | \$64,061                       | \$13,094   | \$9,820  | \$8,184  |
| Hartley        | 1,733      | \$146,267                      | \$29,896   | \$22,422   | \$18,685   |
| Hartwick       | 83         | \$5,022                        | \$1,026  | \$770  | \$641  |
| Harvey         | 277        | \$21,668                       | \$4,429  | \$3,322  | \$2,768  |
| Hastings       | 214        | \$15,574                       | \$3,183  | \$2,387  | \$1,989  |
| Havelock       | 177        | \$12,355                       | \$2,525  | \$1,894  | \$1,578  |
| Haverhill      | 170        | \$11,807                       | \$2,413  | \$1,810  | \$1,508  |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City             | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|------------------|------------|--------------------------------|--|--|--|
| Hawarden         | 2,478      | \$209,146                      | \$42,748   | \$32,061   | \$26,718   |
| Hawkeye          | 489        | \$30,446                       | \$6,223  | \$4,667  | \$3,889  |
| Hayesville       | 64         | \$3,576                        | \$731  | \$548  | \$457  |
| Hazleton         | 950        | \$80,181                       | \$16,389   | \$12,291   | \$10,243   |
| Hedrick          | 837        | \$70,644                       | \$14,439   | \$10,829   | \$9,025  |
| Henderson        | 171        | \$11,266                       | \$2,303  | \$1,727  | \$1,439  |
| Hepburn          | 39         | \$2,794                        | \$571  | \$428  | \$357  |
| Hiawatha         | 6,480      | \$546,921                      | \$111,788  | \$83,841   | \$69,867   |
| Hills            | 679        | \$57,308                       | \$11,714   | \$8,785  | \$7,321  |
| Hillsboro        | 205        | \$12,698                       | \$2,595  | \$1,946  | \$1,622  |
| Hinton           | 808        | \$68,196                       | \$13,939   | \$10,454   | \$8,712  |
| Holland          | 250        | \$15,732                       | \$3,216  | \$2,412  | \$2,010  |
| Holstein         | 1,470      | \$124,070                      | \$25,359   | \$19,019   | \$15,850   |
| Holy Cross       | 339        | \$18,221                       | \$3,724  | \$2,793  | \$2,328  |
| Hopkinton        | 681        | \$57,477                       | \$11,748   | \$8,811  | \$7,343  |
| Hornick          | 253        | \$18,027                       | \$3,685  | \$2,764  | \$2,303  |
| Hospers          | 672        | \$56,718                       | \$11,593   | \$8,695  | \$7,245  |
| Houghton         | 130        | \$9,664                        | \$1,975  | \$1,481  | \$1,234  |
| Hubbard          | 885        | \$74,695                       | \$15,267   | \$11,450   | \$9,542  |
| Hudson           | 2,117      | \$178,678                      | \$36,521   | \$27,391   | \$22,825   |
| Hull             | 1,960      | \$165,427                      | \$33,812   | \$25,359   | \$21,133   |
| Humboldt         | 4,452      | \$375,755                      | \$76,802   | \$57,602   | \$48,001   |
| Humeston         | 543        | \$45,830                       | \$9,367  | \$7,026  | \$5,855  |
| Huxley           | 2,959      | \$249,744                      | \$51,046   | \$38,285   | \$31,904   |
| Ida Grove        | 2,350      | \$198,343                      | \$40,540   | \$30,405   | \$25,338   |
| Imogene          | 66         | \$4,473                        | \$914  | \$686  | \$571  |
| Independence     | 6,014      | \$507,590                      | \$103,749  | \$77,811   | \$64,843   |
| Indianola        | 14,156     | \$1,194,785                    | \$244,207  | \$183,156  | \$152,630  |
| Inwood           | 875        | \$73,851                       | \$15,095   | \$11,321   | \$9,434  |
| Ionia            | 277        | \$14,677                       | \$3,000  | \$2,250  | \$1,875  |
| Iowa City        | 62,380     | \$5,264,955                    | \$1,076,128  | \$807,096  | \$672,580  |
| Iowa Falls       | 5,193      | \$438,296                      | \$89,585   | \$67,189   | \$55,991   |
| Ireton           | 585        | \$49,375                       | \$10,092   | \$7,569  | \$6,307  |
| Irwin            | 372        | \$19,750                       | \$4,037  | \$3,028  | \$2,523  |
| Jackson Junction | 60         | \$4,875                        | \$996  | \$747  | \$623  |
| Jamaica          | 237        | \$16,748                       | \$3,423  | \$2,567  | \$2,140  |
| Janesville       | 829        | \$69,969                       | \$14,301   | \$10,726   | \$8,938  |
| Jefferson        | 4,626      | \$390,441                      | \$79,804   | \$59,853   | \$49,877   |
| Jesup            | 2,212      | \$186,696                      | \$38,160   | \$28,620   | \$23,850   |
| Jewell           | 1,239      | \$104,573                      | \$21,374   | \$16,031   | \$13,359   |
| Johnston         | 13,596     | \$1,147,520                    | \$234,547  | \$175,910  | \$146,592  |
| Joice            | 231        | \$10,864                       | \$2,220  | \$1,665  | \$1,388  |
| Jolley           | 54         | \$3,428                        | \$701  | \$526  | \$438  |
| Kalona           | 2,293      | \$193,532                      | \$39,557   | \$29,668   | \$24,723   |
| Kamrar           | 229        | \$10,229                       | \$2,091  | \$1,568  | \$1,307  |
| Kanawha          | 739        | \$62,373                       | \$12,749   | \$9,561  | \$7,968  |
| Kellerton        | 372        | \$22,532                       | \$4,605  | \$3,454  | \$2,878  |
| Kelley           | 300        | \$16,413                       | \$3,355  | \$2,516  | \$2,097  |
| Kellogg          | 606        | \$51,147                       | \$10,454   | \$7,841  | \$6,534  |
| Kensett          | 280        | \$19,379                       | \$3,961  | \$2,971  | \$2,476  |
| Keokuk           | 11,427     | \$964,454                      | \$197,129  | \$147,847  | \$123,206  |
| Keomah Village   | 97         | \$8,187                        | \$1,673  | \$1,255  | \$1,046  |
| Keosauqua        | 1,066      | \$89,972                       | \$18,390   | \$13,792   | \$11,494   |
| Keota            | 1,025      | \$86,511                       | \$17,682   | \$13,262   | \$11,052   |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City          | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|---------------|------------|--------------------------------|--|--|--|
| Keswick       | 295        | \$17,165                       | \$3,509  | \$2,631  | \$2,193  |
| Keystone      | 687        | \$57,984                       | \$11,852   | \$8,889  | \$7,407  |
| Kimballton    | 342        | \$26,142                       | \$5,343  | \$4,007  | \$3,340  |
| Kingsley      | 1,245      | \$105,080                      | \$21,478   | \$16,108   | \$13,424   |
| Kinross       | 80         | \$5,075                        | \$1,037  | \$778  | \$648  |
| Kirkman       | 76         | \$3,275                        | \$669  | \$502  | \$418  |
| Kirkville     | 214        | \$11,540                       | \$2,359  | \$1,769  | \$1,474  |
| Kiron         | 273        | \$18,808                       | \$3,844  | \$2,883  | \$2,403  |
| Klemme        | 593        | \$50,050                       | \$10,230   | \$7,672  | \$6,394  |
| Knierim       | 70         | \$2,993                        | \$612  | \$459  | \$382  |
| Knoxville     | 7,731      | \$652,507                      | \$133,369  | \$100,027  | \$83,355   |
| La Motte      | 272        | \$7,400                        | \$1,513  | \$1,134  | \$945  |
| La Porte City | 2,321      | \$195,895                      | \$40,040   | \$30,030   | \$25,025   |
| Lacona        | 360        | \$24,999                       | \$5,110  | \$3,832  | \$3,194  |
| Ladora        | 287        | \$19,477                       | \$3,981  | \$2,986  | \$2,488  |
| Lake City     | 1,827      | \$154,201                      | \$31,518   | \$23,638   | \$19,699   |
| Lake Mills    | 2,140      | \$180,619                      | \$36,917   | \$27,688   | \$23,073   |
| Lake Park     | 1,023      | \$86,343                       | \$17,648   | \$13,236   | \$11,030   |
| Lake View     | 1,317      | \$111,157                      | \$22,720   | \$17,040   | \$14,200   |
| Lakeside      | 484        | \$40,850                       | \$8,350  | \$6,262  | \$5,218  |
| Lakota        | 255        | \$16,648                       | \$3,403  | \$2,552  | \$2,127  |
| Lambs Grove   | 225        | \$16,854                       | \$3,445  | \$2,584  | \$2,153  |
| Lamoni        | 2,444      | \$206,277                      | \$42,162   | \$31,621   | \$26,351   |
| Lamont        | 503        | \$42,454                       | \$8,677  | \$6,508  | \$5,423  |
| Lanesboro     | 152        | \$10,328                       | \$2,111  | \$1,583  | \$1,319  |
| Lansing       | 1,012      | \$85,414                       | \$17,458   | \$13,094   | \$10,911   |
| Larchwood     | 788        | \$66,508                       | \$13,594   | \$10,195   | \$8,496  |
| Larrabee      | 149        | \$11,823                       | \$2,417  | \$1,812  | \$1,510  |
| Latimer       | 535        | \$45,155                       | \$9,229  | \$6,922  | \$5,768  |
| Laurel        | 266        | \$17,978                       | \$3,675  | \$2,756  | \$2,297  |
| Laurens       | 1,476      | \$124,576                      | \$25,463   | \$19,097   | \$15,914   |
| Lawler        | 461        | \$32,941                       | \$6,733  | \$5,050  | \$4,208  |
| Lawton        | 697        | \$58,828                       | \$12,024   | \$9,018  | \$7,515  |
| Le Claire     | 2,868      | \$242,063                      | \$49,476   | \$37,107   | \$30,923   |
| Le Grand      | 883        | \$74,526                       | \$15,233   | \$11,425   | \$9,520  |
| Le Mars       | 9,237      | \$779,615                      | \$159,349  | \$119,512  | \$99,593   |
| Le Roy        | 13         | \$409                          | \$84   | \$63   | \$52   |
| Ledyard       | 147        | \$9,561                        | \$1,954  | \$1,466  | \$1,221  |
| Lehigh        | 497        | \$35,021                       | \$7,158  | \$5,369  | \$4,474  |
| Leighton      | 153        | \$8,151                        | \$1,666  | \$1,250  | \$1,041  |
| Leland        | 258        | \$17,304                       | \$3,537  | \$2,653  | \$2,211  |
| Lenox         | 1,401      | \$118,246                      | \$24,169   | \$18,127   | \$15,106   |
| Leon          | 1,983      | \$167,368                      | \$34,209   | \$25,657   | \$21,381   |
| Lester        | 251        | \$16,299                       | \$3,331  | \$2,499  | \$2,082  |
| Letts         | 392        | \$26,691                       | \$5,455  | \$4,092  | \$3,410  |
| Lewis         | 438        | \$33,002                       | \$6,745  | \$5,059  | \$4,216  |
| Libertyville  | 325        | \$14,670                       | \$2,999  | \$2,249  | \$1,874  |
| Lidderdale    | 186        | \$8,463                        | \$1,730  | \$1,297  | \$1,081  |
| Lime Springs  | 496        | \$30,761                       | \$6,287  | \$4,715  | \$3,930  |
| Lincoln       | 182        | \$11,859                       | \$2,424  | \$1,818  | \$1,515  |
| Linden        | 226        | \$9,722                        | \$1,987  | \$1,490  | \$1,242  |
| Lineville     | 273        | \$18,623                       | \$3,806  | \$2,855  | \$2,379  |
| Linn Grove    | 211        | \$14,787                       | \$3,022  | \$2,267  | \$1,889  |
| Lisbon        | 1,898      | \$160,194                      | \$32,743   | \$24,557   | \$20,464   |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City                 | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|----------------------|------------|--------------------------------|--|--|--|
| Liscomb              | 272        | \$14,074                       | \$2,877  | \$2,158  | \$1,798  |
| Little Rock          | 489        | \$26,126                       | \$5,340  | \$4,005  | \$3,337  |
| Little Sioux         | 217        | \$16,644                       | \$3,402  | \$2,551  | \$2,126  |
| Livermore            | 431        | \$28,364                       | \$5,797  | \$4,348  | \$3,623  |
| Lockridge            | 275        | \$13,171                       | \$2,692  | \$2,019  | \$1,683  |
| Logan                | 1,545      | \$130,400                      | \$26,653   | \$19,990   | \$16,658   |
| Lohrville            | 431        | \$32,189                       | \$6,579  | \$4,934  | \$4,112  |
| Lone Rock            | 157        | \$11,349                       | \$2,320  | \$1,740  | \$1,450  |
| Lone Tree            | 1,151      | \$97,146                       | \$19,856   | \$14,892   | \$12,410   |
| Long Grove           | 597        | \$50,388                       | \$10,299   | \$7,724  | \$6,437  |
| Lorimor              | 427        | \$31,436                       | \$6,425  | \$4,819  | \$4,016  |
| Lost Nation          | 497        | \$34,479                       | \$7,047  | \$5,285  | \$4,405  |
| Lovilia              | 583        | \$49,206                       | \$10,057   | \$7,543  | \$6,286  |
| Low Moor             | 240        | \$14,402                       | \$2,944  | \$2,208  | \$1,840  |
| Lowden               | 794        | \$67,015                       | \$13,697   | \$10,273   | \$8,561  |
| Lu Verne             | 299        | \$17,137                       | \$3,503  | \$2,627  | \$2,189  |
| Luana                | 249        | \$9,351                        | \$1,911  | \$1,433  | \$1,195  |
| Lucas                | 243        | \$18,614                       | \$3,805  | \$2,854  | \$2,378  |
| Luther               | 158        | \$8,668                        | \$1,772  | \$1,329  | \$1,107  |
| Luxemburg            | 246        | \$20,763                       | \$4,244  | \$3,183  | \$2,652  |
| Luzerne              | 105        | \$5,563                        | \$1,137  | \$853  | \$711  |
| Lynnville            | 366        | \$28,520                       | \$5,829  | \$4,372  | \$3,643  |
| Lytton               | 305        | \$22,657                       | \$4,631  | \$3,473  | \$2,894  |
| Macedonia            | 325        | \$21,196                       | \$4,332  | \$3,249  | \$2,708  |
| Macksburg            | 142        | \$7,875                        | \$1,610  | \$1,207  | \$1,006  |
| Madrid               | 2,418      | \$204,082                      | \$41,713   | \$31,285   | \$26,071   |
| Magnolia             | 200        | \$14,428                       | \$2,949  | \$2,212  | \$1,843  |
| Maharishi Vedic City | 150        | \$10,013                       | \$2,047  | \$1,535  | \$1,279  |
| Malcom               | 352        | \$25,295                       | \$5,170  | \$3,878  | \$3,231  |
| Mallard              | 298        | \$23,042                       | \$4,710  | \$3,532  | \$2,943  |
| Maloy                | 28         | \$1,527                        | \$312  | \$234  | \$195  |
| Malvern              | 1,256      | \$106,008                      | \$21,667   | \$16,251   | \$13,542   |
| Manchester           | 5,257      | \$443,698                      | \$90,689   | \$68,017   | \$56,681   |
| Manilla              | 839        | \$70,813                       | \$14,474   | \$10,855   | \$9,046  |
| Manly                | 1,342      | \$113,267                      | \$23,151   | \$17,363   | \$14,469   |
| Manning              | 1,490      | \$125,758                      | \$25,704   | \$19,278   | \$16,065   |
| Manson               | 1,893      | \$159,772                      | \$32,656   | \$24,492   | \$20,410   |
| Mapleton             | 1,322      | \$111,579                      | \$22,806   | \$17,105   | \$14,254   |
| Maquoketa            | 6,112      | \$515,861                      | \$105,439  | \$79,079   | \$65,899   |
| Marathon             | 302        | \$18,207                       | \$3,721  | \$2,791  | \$2,326  |
| Marble Rock          | 326        | \$18,931                       | \$3,869  | \$2,902  | \$2,418  |
| Marcus               | 1,139      | \$96,133                       | \$19,649   | \$14,737   | \$12,281   |
| Marengo              | 2,535      | \$213,957                      | \$43,732   | \$32,799   | \$27,332   |
| Marion               | 26,294     | \$2,219,248                    | \$453,602  | \$340,202  | \$283,501  |
| Mame                 | 149        | \$9,055                        | \$1,851  | \$1,388  | \$1,157  |
| Marquette            | 476        | \$35,027                       | \$7,159  | \$5,369  | \$4,475  |
| Marshalltown         | 26,009     | \$2,195,194                    | \$448,686  | \$336,514  | \$280,428  |
| Martelle             | 280        | \$18,250                       | \$3,730  | \$2,798  | \$2,331  |
| Martensdale          | 467        | \$39,415                       | \$8,056  | \$6,042  | \$5,035  |
| Martinsburg          | 126        | \$7,829                        | \$1,600  | \$1,200  | \$1,000  |
| Marysville           | 54         | \$2,817                        | \$576  | \$432  | \$360  |
| Mason City           | 29,172     | \$2,462,155                    | \$503,251  | \$377,438  | \$314,532  |
| Masonville           | 104        | \$7,834                        | \$1,601  | \$1,201  | \$1,001  |
| Massena              | 414        | \$26,846                       | \$5,487  | \$4,115  | \$3,429  |

## Additional City Street RUTF Distribution to Cities

**with TIME-21**

(Based on estimated FY 2008 RUTF Revenues)

02/08/07

| City            | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|-----------------|------------|--------------------------------|--|--|--|
| Matlock         | 83         | \$4,451                        | \$910  | \$682  | \$569  |
| Maurice         | 254        | \$16,545                       | \$3,382  | \$2,536  | \$2,114  |
| Maxwell         | 807        | \$68,112                       | \$13,922   | \$10,441   | \$8,701  |
| Maynard         | 500        | \$42,201                       | \$8,626  | \$6,469  | \$5,391  |
| Maysville       | 163        | \$10,583                       | \$2,163  | \$1,622  | \$1,352  |
| McCallsburg     | 318        | \$18,849                       | \$3,853  | \$2,889  | \$2,408  |
| McCausland      | 299        | \$13,714                       | \$2,803  | \$2,102  | \$1,752  |
| McClelland      | 129        | \$8,593                        | \$1,756  | \$1,317  | \$1,098  |
| McGregor        | 871        | \$73,514                       | \$15,026   | \$11,269   | \$9,391  |
| McIntire        | 173        | \$9,799                        | \$2,003  | \$1,502  | \$1,252  |
| Mechanicsville  | 1,173      | \$99,003                       | \$20,236   | \$15,177   | \$12,647   |
| Mediapolis      | 1,644      | \$138,756                      | \$28,361   | \$21,271   | \$17,726   |
| Melbourne       | 794        | \$67,015                       | \$13,697   | \$10,273   | \$8,561  |
| Melcher-Dallas  | 1,298      | \$109,553                      | \$22,392   | \$16,794   | \$13,995   |
| Melrose         | 130        | \$6,485                        | \$1,326  | \$994  | \$828  |
| Melvin          | 243        | \$14,489                       | \$2,961  | \$2,221  | \$1,851  |
| Menlo           | 365        | \$30,806                       | \$6,297  | \$4,723  | \$3,935  |
| Meriden         | 184        | \$15,530                       | \$3,174  | \$2,381  | \$1,984  |
| Merrill         | 754        | \$63,639                       | \$13,007   | \$9,756  | \$8,130  |
| Meservey        | 252        | \$20,164                       | \$4,121  | \$3,091  | \$2,576  |
| Middletown      | 535        | \$45,155                       | \$9,229  | \$6,922  | \$5,768  |
| Miles           | 462        | \$25,061                       | \$5,122  | \$3,842  | \$3,201  |
| Milford         | 2,474      | \$208,809                      | \$42,679   | \$32,010   | \$26,675   |
| Millersburg     | 184        | \$11,705                       | \$2,392  | \$1,794  | \$1,495  |
| Millerton       | 48         | \$3,066                        | \$627  | \$470  | \$392  |
| Millville       | 23         | \$1,341                        | \$274  | \$206  | \$171  |
| Milo            | 839        | \$70,813                       | \$14,474   | \$10,855   | \$9,046  |
| Milton          | 550        | \$46,421                       | \$9,488  | \$7,116  | \$5,930  |
| Minburn         | 391        | \$24,555                       | \$5,019  | \$3,764  | \$3,137  |
| Minden          | 564        | \$47,602                       | \$9,730  | \$7,297  | \$6,081  |
| Mingo           | 269        | \$17,834                       | \$3,645  | \$2,734  | \$2,278  |
| Missouri Valley | 2,992      | \$252,529                      | \$51,615   | \$38,712   | \$32,260   |
| Mitchell        | 155        | \$9,775                        | \$1,998  | \$1,499  | \$1,249  |
| Mitchellville   | 2,302      | \$194,292                      | \$39,712   | \$29,784   | \$24,820   |
| Modale          | 303        | \$14,902                       | \$3,046  | \$2,284  | \$1,904  |
| Mondamin        | 423        | \$35,702                       | \$7,297  | \$5,473  | \$4,561  |
| Monmouth        | 180        | \$11,593                       | \$2,370  | \$1,777  | \$1,481  |
| Monona          | 1,550      | \$130,822                      | \$26,739   | \$20,054   | \$16,712   |
| Monroe          | 1,808      | \$152,598                      | \$31,190   | \$23,393   | \$19,494   |
| Montezuma       | 1,457      | \$122,973                      | \$25,135   | \$18,851   | \$15,709   |
| Monticello      | 3,607      | \$304,436                      | \$62,225   | \$46,669   | \$38,891   |
| Montour         | 285        | \$17,434                       | \$3,563  | \$2,673  | \$2,227  |
| Montrose        | 957        | \$80,772                       | \$16,509   | \$12,382   | \$10,318   |
| Moorhead        | 232        | \$17,898                       | \$3,658  | \$2,744  | \$2,286  |
| Moorland        | 197        | \$14,234                       | \$2,909  | \$2,182  | \$1,818  |
| Moravia         | 713        | \$60,178                       | \$12,300   | \$9,225  | \$7,688  |
| Morley          | 88         | \$4,726                        | \$966  | \$725  | \$604  |
| Morning Sun     | 872        | \$73,598                       | \$15,043   | \$11,282   | \$9,402  |
| Morrison        | 97         | \$7,914                        | \$1,618  | \$1,213  | \$1,011  |
| Moulton         | 658        | \$55,536                       | \$11,351   | \$8,513  | \$7,095  |
| Mount Auburn    | 160        | \$8,396                        | \$1,716  | \$1,287  | \$1,073  |
| Mount Ayr       | 1,822      | \$153,779                      | \$31,432   | \$23,574   | \$19,645   |
| Mount Pleasant  | 8,751      | \$738,596                      | \$150,965  | \$113,224  | \$94,353   |
| Mount Sterling  | 40         | \$1,519                        | \$310  | \$233  | \$194  |

## Additional City Street RUTF Distribution to Cities with TIME-21

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City              | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|-------------------|------------|--------------------------------|--|--|--|
| Mount Union       | 132        | \$7,779                        | \$1,590  | \$1,193  | \$994  |
| Mount Vernon      | 4,171      | \$352,038                      | \$71,955   | \$53,966   | \$44,972   |
| Moville           | 1,583      | \$133,607                      | \$27,309   | \$20,481   | \$17,068   |
| Murray            | 766        | \$64,651                       | \$13,214   | \$9,911  | \$8,259  |
| Muscatine         | 22,697     | \$1,915,657                    | \$391,550  | \$293,662  | \$244,719  |
| Mystic            | 588        | \$49,628                       | \$10,144   | \$7,608  | \$6,340  |
| Nashua            | 1,618      | \$136,561                      | \$27,912   | \$20,934   | \$17,445   |
| Nemaha            | 102        | \$6,909                        | \$1,412  | \$1,059  | \$883  |
| Neola             | 845        | \$71,319                       | \$14,577   | \$10,933   | \$9,111  |
| Nevada            | 6,658      | \$561,944                      | \$114,858  | \$86,144   | \$71,786   |
| New Albin         | 527        | \$44,479                       | \$9,091  | \$6,819  | \$5,682  |
| New Hampton       | 3,692      | \$311,610                      | \$63,691   | \$47,768   | \$39,807   |
| New Hartford      | 659        | \$55,620                       | \$11,369   | \$8,526  | \$7,105  |
| New Liberty       | 121        | \$9,456                        | \$1,933  | \$1,450  | \$1,208  |
| New London        | 1,937      | \$163,485                      | \$33,416   | \$25,062   | \$20,885   |
| New Market        | 456        | \$33,242                       | \$6,794  | \$5,096  | \$4,247  |
| New Providence    | 227        | \$10,399                       | \$2,126  | \$1,594  | \$1,328  |
| New Sharon        | 1,301      | \$109,806                      | \$22,444   | \$16,833   | \$14,027   |
| New Vienna        | 400        | \$28,318                       | \$5,788  | \$4,341  | \$3,618  |
| New Virginia      | 469        | \$31,270                       | \$6,391  | \$4,794  | \$3,995  |
| Newell            | 887        | \$74,864                       | \$15,302   | \$11,476   | \$9,564  |
| Newhall           | 886        | \$74,780                       | \$15,285   | \$11,463   | \$9,553  |
| Newton            | 15,579     | \$1,314,888                    | \$268,756  | \$201,567  | \$167,972  |
| Nichols           | 374        | \$31,566                       | \$6,452  | \$4,839  | \$4,032  |
| Nodaway           | 132        | \$8,209                        | \$1,678  | \$1,258  | \$1,049  |
| Nora Springs      | 1,532      | \$129,303                      | \$26,429   | \$19,822   | \$16,518   |
| North Buena Vista | 124        | \$6,267                        | \$1,281  | \$961  | \$801  |
| North English     | 991        | \$83,642                       | \$17,096   | \$12,822   | \$10,685   |
| North Liberty     | 7,224      | \$609,715                      | \$124,622  | \$93,467   | \$77,889   |
| North Washington  | 118        | \$4,707                        | \$962  | \$722  | \$601  |
| Northboro         | 60         | \$3,808                        | \$778  | \$584  | \$486  |
| Northwood         | 2,050      | \$173,023                      | \$35,365   | \$26,524   | \$22,103   |
| Norwalk           | 8,229      | \$694,538                      | \$141,960  | \$106,470  | \$88,725   |
| Norway            | 601        | \$50,725                       | \$10,368   | \$7,776  | \$6,480  |
| Numa              | 109        | \$6,422                        | \$1,313  | \$985  | \$820  |
| Oakland           | 1,487      | \$125,505                      | \$25,652   | \$19,239   | \$16,033   |
| Oakland Acres     | 166        | \$14,011                       | \$2,864  | \$2,148  | \$1,790  |
| Oakville          | 439        | \$31,202                       | \$6,377  | \$4,783  | \$3,986  |
| Ocheyedan         | 536        | \$45,239                       | \$9,247  | \$6,935  | \$5,779  |
| Odebolt           | 1,153      | \$97,315                       | \$19,891   | \$14,918   | \$12,432   |
| Oelwein           | 6,692      | \$564,814                      | \$115,445  | \$86,584   | \$72,153   |
| Ogden             | 2,023      | \$170,744                      | \$34,899   | \$26,174   | \$21,812   |
| Okoboji           | 820        | \$69,209                       | \$14,146   | \$10,609   | \$8,841  |
| Olds              | 249        | \$21,016                       | \$4,296  | \$3,222  | \$2,685  |
| Olin              | 716        | \$60,431                       | \$12,352   | \$9,264  | \$7,720  |
| Ollie             | 224        | \$11,604                       | \$2,372  | \$1,779  | \$1,482  |
| Onawa             | 3,091      | \$260,884                      | \$53,323   | \$39,993   | \$33,327   |
| Onslow            | 223        | \$15,468                       | \$3,162  | \$2,371  | \$1,976  |
| Orange City       | 5,589      | \$471,719                      | \$96,417   | \$72,313   | \$60,260   |
| Orchard           | 88         | \$4,587                        | \$938  | \$703  | \$586  |
| Orient            | 402        | \$28,186                       | \$5,761  | \$4,321  | \$3,601  |
| Orleans           | 583        | \$49,206                       | \$10,057   | \$7,543  | \$6,286  |
| Osage             | 3,451      | \$291,269                      | \$59,534   | \$44,650   | \$37,209   |
| Osceola           | 4,659      | \$393,226                      | \$80,373   | \$60,280   | \$50,233   |

## Additional City Street RUTF Distribution to Cities

### with TIME-21

(Based on estimated FY 2008 RUTF Revenues)

02/08/07

| City             | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|------------------|------------|--------------------------------|--|--|--|
| Oskaloosa        | 10,938     | \$923,182                      | \$188,693  | \$141,520  | \$117,933  |
| Ossian           | 853        | \$71,994                       | \$14,715   | \$11,036   | \$9,197  |
| Osterdock        | 50         | \$1,313                        | \$268  | \$201  | \$168  |
| Otho             | 571        | \$48,193                       | \$9,850  | \$7,388  | \$6,157  |
| Oto              | 145        | \$11,338                       | \$2,317  | \$1,738  | \$1,448  |
| Ottosen          | 61         | \$3,066                        | \$627  | \$470  | \$392  |
| Ottumwa          | 24,998     | \$2,109,864                    | \$431,245  | \$323,433  | \$269,528  |
| Owasa            | 38         | \$1,522                        | \$311  | \$233  | \$194  |
| Oxford           | 705        | \$59,503                       | \$12,162   | \$9,122  | \$7,601  |
| Oxford Junction  | 573        | \$48,362                       | \$9,885  | \$7,414  | \$6,178  |
| Oyens            | 132        | \$8,754                        | \$1,789  | \$1,342  | \$1,118  |
| Pacific Junction | 507        | \$42,791                       | \$8,746  | \$6,560  | \$5,466  |
| Packwood         | 223        | \$11,681                       | \$2,387  | \$1,791  | \$1,492  |
| Palmer           | 214        | \$10,279                       | \$2,101  | \$1,576  | \$1,313  |
| Palo             | 614        | \$51,822                       | \$10,592   | \$7,944  | \$6,620  |
| Panama           | 212        | \$17,893                       | \$3,657  | \$2,743  | \$2,286  |
| Panora           | 1,175      | \$99,172                       | \$20,270   | \$15,203   | \$12,669   |
| Panorama Park    | 131        | \$11,057                       | \$2,260  | \$1,695  | \$1,412  |
| Parkersburg      | 1,889      | \$159,434                      | \$32,587   | \$24,441   | \$20,367   |
| Parnell          | 220        | \$15,540                       | \$3,176  | \$2,382  | \$1,985  |
| Paton            | 265        | \$18,284                       | \$3,737  | \$2,803  | \$2,336  |
| Patterson        | 126        | \$8,332                        | \$1,703  | \$1,277  | \$1,064  |
| Paullina         | 1,124      | \$94,867                       | \$19,390   | \$14,543   | \$12,119   |
| Pella            | 9,909      | \$836,333                      | \$170,942  | \$128,206  | \$106,839  |
| Peosta           | 1,052      | \$88,790                       | \$18,148   | \$13,611   | \$11,343   |
| Perry            | 7,633      | \$644,235                      | \$131,678  | \$98,759   | \$82,299   |
| Persia           | 363        | \$25,337                       | \$5,179  | \$3,884  | \$3,237  |
| Peterson         | 372        | \$27,249                       | \$5,570  | \$4,177  | \$3,481  |
| Pierson          | 371        | \$24,953                       | \$5,100  | \$3,825  | \$3,188  |
| Pilot Mound      | 214        | \$11,525                       | \$2,356  | \$1,767  | \$1,472  |
| Pioneer          | 21         | \$1,772                        | \$362  | \$272  | \$226  |
| Pisgah           | 316        | \$19,601                       | \$4,006  | \$3,005  | \$2,504  |
| Plainfield       | 438        | \$36,968                       | \$7,556  | \$5,667  | \$4,723  |
| Plano            | 58         | \$3,603                        | \$736  | \$552  | \$460  |
| Pleasant Hill    | 6,961      | \$587,518                      | \$120,085  | \$90,064   | \$75,053   |
| Pleasant Plain   | 131        | \$6,321                        | \$1,292  | \$969  | \$808  |
| Pleasanton       | 37         | \$1,848                        | \$378  | \$283  | \$236  |
| Pleasantville    | 1,537      | \$129,725                      | \$26,515   | \$19,886   | \$16,572   |
| Plover           | 95         | \$3,583                        | \$732  | \$549  | \$458  |
| Plymouth         | 429        | \$24,224                       | \$4,951  | \$3,713  | \$3,095  |
| Pocahontas       | 1,970      | \$166,271                      | \$33,985   | \$25,489   | \$21,240   |
| Polk City        | 2,872      | \$242,401                      | \$49,545   | \$37,159   | \$30,966   |
| Pomeroy          | 710        | \$59,925                       | \$12,248   | \$9,186  | \$7,655  |
| Popejoy          | 78         | \$4,205                        | \$859  | \$645  | \$537  |
| Portsmouth       | 225        | \$14,951                       | \$3,056  | \$2,292  | \$1,910  |
| Postville        | 2,273      | \$191,844                      | \$39,212   | \$29,409   | \$24,507   |
| Prairie City     | 1,365      | \$115,208                      | \$23,548   | \$17,661   | \$14,717   |
| Prairieburg      | 175        | \$9,484                        | \$1,938  | \$1,454  | \$1,212  |
| Prescott         | 266        | \$19,937                       | \$4,075  | \$3,056  | \$2,547  |
| Preston          | 949        | \$80,097                       | \$16,371   | \$12,279   | \$10,232   |
| Primghar         | 891        | \$75,202                       | \$15,371   | \$11,528   | \$9,607  |
| Princeton        | 946        | \$79,844                       | \$16,320   | \$12,240   | \$10,200   |
| Promise City     | 105        | \$8,338                        | \$1,704  | \$1,278  | \$1,065  |
| Protivin         | 317        | \$18,860                       | \$3,855  | \$2,891  | \$2,409  |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City          | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|---------------|------------|--------------------------------|--|--|--|
| Pulaski       | 249        | \$15,436                       | \$3,155  | \$2,366  | \$1,972  |
| Quasqueton    | 574        | \$48,446                       | \$9,902  | \$7,427  | \$6,189  |
| Quimby        | 368        | \$26,011                       | \$5,317  | \$3,987  | \$3,323  |
| Radcliffe     | 607        | \$51,232                       | \$10,471   | \$7,854  | \$6,545  |
| Rake          | 227        | \$11,827                       | \$2,417  | \$1,813  | \$1,511  |
| Ralston       | 98         | \$2,041                        | \$417  | \$313  | \$261  |
| Randalia      | 84         | \$3,697                        | \$756  | \$567  | \$472  |
| Randall       | 148        | \$7,052                        | \$1,441  | \$1,081  | \$901  |
| Randolph      | 209        | \$17,237                       | \$3,523  | \$2,642  | \$2,202  |
| Rathbun       | 88         | \$5,123                        | \$1,047  | \$785  | \$654  |
| Raymond       | 537        | \$45,324                       | \$9,264  | \$6,948  | \$5,790  |
| Readlyn       | 786        | \$66,339                       | \$13,559   | \$10,170   | \$8,475  |
| Reasnor       | 194        | \$7,609                        | \$1,555  | \$1,166  | \$972  |
| Red Oak       | 6,197      | \$523,035                      | \$106,905  | \$80,179   | \$66,816   |
| Redding       | 78         | \$5,160                        | \$1,055  | \$791  | \$659  |
| Redfield      | 833        | \$70,306                       | \$14,370   | \$10,778   | \$8,981  |
| Reinbeck      | 1,751      | \$147,787                      | \$30,207   | \$22,655   | \$18,879   |
| Rembrandt     | 228        | \$15,380                       | \$3,144  | \$2,358  | \$1,965  |
| Remsen        | 1,762      | \$148,715                      | \$30,397   | \$22,797   | \$18,998   |
| Renwick       | 306        | \$20,847                       | \$4,261  | \$3,196  | \$2,663  |
| Rhodes        | 294        | \$17,891                       | \$3,657  | \$2,743  | \$2,286  |
| Riceville     | 840        | \$70,897                       | \$14,491   | \$10,868   | \$9,057  |
| Richland      | 587        | \$49,544                       | \$10,126   | \$7,595  | \$6,329  |
| Rickardsville | 191        | \$14,453                       | \$2,954  | \$2,216  | \$1,846  |
| Ricketts      | 144        | \$7,730                        | \$1,580  | \$1,185  | \$987  |
| Ridgeway      | 293        | \$14,283                       | \$2,919  | \$2,190  | \$1,825  |
| Rinard        | 72         | \$3,417                        | \$698  | \$524  | \$437  |
| Ringsted      | 436        | \$31,542                       | \$6,447  | \$4,835  | \$4,029  |
| Rippey        | 319        | \$15,602                       | \$3,189  | \$2,392  | \$1,993  |
| Riverdale     | 653        | \$55,114                       | \$11,265   | \$8,449  | \$7,041  |
| Riverside     | 928        | \$78,324                       | \$16,009   | \$12,007   | \$10,006   |
| Riverton      | 304        | \$23,358                       | \$4,774  | \$3,581  | \$2,984  |
| Robins        | 2,435      | \$205,517                      | \$42,007   | \$31,505   | \$26,254   |
| Rock Falls    | 170        | \$7,010                        | \$1,433  | \$1,075  | \$895  |
| Rock Rapids   | 2,573      | \$217,165                      | \$44,387   | \$33,290   | \$27,742   |
| Rock Valley   | 2,702      | \$228,052                      | \$46,613   | \$34,959   | \$29,133   |
| Rockford      | 907        | \$76,552                       | \$15,647   | \$11,735   | \$9,779  |
| Rockwell      | 989        | \$83,473                       | \$17,061   | \$12,796   | \$10,663   |
| Rockwell City | 2,224      | \$187,709                      | \$38,367   | \$28,775   | \$23,979   |
| Rodman        | 56         | \$2,618                        | \$535  | \$401  | \$334  |
| Rodney        | 74         | \$3,088                        | \$631  | \$473  | \$394  |
| Roland        | 1,324      | \$111,747                      | \$22,841   | \$17,130   | \$14,275   |
| Rolfe         | 675        | \$56,971                       | \$11,645   | \$8,733  | \$7,278  |
| Rome          | 113        | \$6,494                        | \$1,327  | \$995  | \$830  |
| Rose Hill     | 205        | \$13,980                       | \$2,857  | \$2,143  | \$1,786  |
| Rossie        | 58         | \$3,312                        | \$677  | \$508  | \$423  |
| Rowan         | 218        | \$15,375                       | \$3,143  | \$2,357  | \$1,964  |
| Rowley        | 290        | \$17,526                       | \$3,582  | \$2,687  | \$2,239  |
| Royal         | 479        | \$34,863                       | \$7,126  | \$5,344  | \$4,454  |
| Rudd          | 431        | \$25,802                       | \$5,274  | \$3,955  | \$3,296  |
| Runnells      | 352        | \$29,709                       | \$6,072  | \$4,554  | \$3,795  |
| Russell       | 559        | \$47,180                       | \$9,643  | \$7,233  | \$6,027  |
| Ruthven       | 765        | \$64,567                       | \$13,197   | \$9,898  | \$8,248  |
| Rutland       | 145        | \$6,347                        | \$1,297  | \$973  | \$811  |



## Additional City Street RUTF Distribution to Cities

with TIME-21

(Based on estimated FY 2008 RUTF Revenues)

02/08/07

| City           | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|----------------|------------|--------------------------------|--|--|--|
| Ryan           | 410        | \$27,384                       | \$5,597  | \$4,198  | \$3,498  |
| Sabula         | 670        | \$56,549                       | \$11,558   | \$8,669  | \$7,224  |
| Sac City       | 2,368      | \$199,862                      | \$40,851   | \$30,638   | \$25,532   |
| Sageville      | 203        | \$8,655                        | \$1,769  | \$1,327  | \$1,106  |
| Salem          | 464        | \$28,409                       | \$5,807  | \$4,355  | \$3,629  |
| Salix          | 370        | \$24,015                       | \$4,909  | \$3,681  | \$3,068  |
| Sanborn        | 1,353      | \$114,195                      | \$23,341   | \$17,506   | \$14,588   |
| Sandyville     | 61         | \$4,135                        | \$845  | \$634  | \$528  |
| Scarville      | 97         | \$5,475                        | \$1,119  | \$839  | \$699  |
| Schaller       | 779        | \$65,749                       | \$13,439   | \$10,079   | \$8,399  |
| Schleswig      | 833        | \$70,306                       | \$14,370   | \$10,778   | \$8,981  |
| Scranton       | 604        | \$50,978                       | \$10,420   | \$7,815  | \$6,512  |
| Searsboro      | 155        | \$13,082                       | \$2,674  | \$2,005  | \$1,671  |
| Sergeant Bluff | 3,321      | \$280,297                      | \$57,291   | \$42,968   | \$35,807   |
| Seymour        | 810        | \$68,365                       | \$13,973   | \$10,480   | \$8,733  |
| Shambaugh      | 188        | \$15,660                       | \$3,201  | \$2,401  | \$2,001  |
| Shannon City   | 70         | \$3,997                        | \$817  | \$613  | \$511  |
| Sharpsburg     | 98         | \$5,312                        | \$1,086  | \$814  | \$679  |
| Sheffield      | 930        | \$78,493                       | \$16,044   | \$12,033   | \$10,027   |
| Shelby         | 696        | \$58,743                       | \$12,007   | \$9,005  | \$7,504  |
| Sheldahl       | 336        | \$19,246                       | \$3,934  | \$2,950  | \$2,459  |
| Sheldon        | 4,914      | \$414,748                      | \$84,772   | \$63,579   | \$52,983   |
| Shell Rock     | 1,298      | \$109,553                      | \$22,392   | \$16,794   | \$13,995   |
| Shellsburg     | 938        | \$79,168                       | \$16,182   | \$12,136   | \$10,113   |
| Shenandoah     | 5,546      | \$468,090                      | \$95,675   | \$71,756   | \$59,797   |
| Sherrill       | 186        | \$0                            | \$0  | \$0  | \$0  |
| Shueyville     | 250        | \$8,162                        | \$1,668  | \$1,251  | \$1,043  |
| Sibley         | 2,796      | \$235,986                      | \$48,234   | \$36,176   | \$30,146   |
| Sidney         | 1,300      | \$109,722                      | \$22,427   | \$16,820   | \$14,017   |
| Sigourney      | 2,209      | \$186,443                      | \$38,108   | \$28,581   | \$23,817   |
| Silver City    | 259        | \$19,764                       | \$4,040  | \$3,030  | \$2,525  |
| Sioux Center   | 6,327      | \$534,007                      | \$109,148  | \$81,861   | \$68,218   |
| Sioux City     | 85,013     | \$7,175,210                    | \$1,466,573  | \$1,099,930  | \$916,608  |
| Sioux Rapids   | 720        | \$60,769                       | \$12,421   | \$9,316  | \$7,763  |
| Slater         | 1,306      | \$110,228                      | \$22,530   | \$16,898   | \$14,081   |
| Sloan          | 1,032      | \$87,102                       | \$17,803   | \$13,352   | \$11,127   |
| Smithland      | 221        | \$15,577                       | \$3,184  | \$2,388  | \$1,990  |
| Soldier        | 207        | \$17,471                       | \$3,571  | \$2,678  | \$2,232  |
| Solon          | 1,177      | \$99,340                       | \$20,305   | \$15,228   | \$12,690   |
| Somers         | 165        | \$9,211                        | \$1,883  | \$1,412  | \$1,177  |
| South English  | 213        | \$16,110                       | \$3,293  | \$2,470  | \$2,058  |
| Spencer        | 11,317     | \$955,170                      | \$195,231  | \$146,424  | \$122,020  |
| Spillville     | 386        | \$17,577                       | \$3,593  | \$2,694  | \$2,245  |
| Spirit Lake    | 4,261      | \$359,634                      | \$73,507   | \$55,130   | \$45,942   |
| Spragueville   | 89         | \$0                            | \$0  | \$0  | \$0  |
| Spring Hill    | 92         | \$7,193                        | \$1,470  | \$1,103  | \$919  |
| Springbrook    | 182        | \$3,319                        | \$678  | \$509  | \$424  |
| Springville    | 1,091      | \$92,082                       | \$18,821   | \$14,116   | \$11,763   |
| St. Ansgar     | 1,031      | \$87,018                       | \$17,786   | \$13,339   | \$11,116   |
| St. Anthony    | 109        | \$4,585                        | \$937  | \$703  | \$586  |
| St. Charles    | 619        | \$52,244                       | \$10,678   | \$8,009  | \$6,674  |
| St. Donatus    | 140        | \$8,197                        | \$1,675  | \$1,257  | \$1,047  |
| St. Lucas      | 178        | \$6,563                        | \$1,341  | \$1,006  | \$838  |
| St. Marys      | 134        | \$7,859                        | \$1,606  | \$1,205  | \$1,004  |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City               | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|--------------------|------------|--------------------------------|--|--|--|
| St. Olaf           | 136        | \$3,180                        | \$650  | \$487  | \$406  |
| St. Paul           | 118        | \$2,408                        | \$492  | \$369  | \$308  |
| Stacyville         | 469        | \$31,025                       | \$6,341  | \$4,756  | \$3,963  |
| Stanhope           | 488        | \$41,188                       | \$8,419  | \$6,314  | \$5,262  |
| Stanley            | 128        | \$6,030                        | \$1,232  | \$924  | \$770  |
| Stanton            | 714        | \$60,263                       | \$12,317   | \$9,238  | \$7,698  |
| Stanwood           | 680        | \$57,393                       | \$11,731   | \$8,798  | \$7,332  |
| State Center       | 1,349      | \$113,857                      | \$23,272   | \$17,454   | \$14,545   |
| Steamboat Rock     | 336        | \$17,681                       | \$3,614  | \$2,710  | \$2,259  |
| Stockport          | 284        | \$14,108                       | \$2,884  | \$2,163  | \$1,802  |
| Stockton           | 182        | \$11,307                       | \$2,311  | \$1,733  | \$1,444  |
| Storm Lake         | 10,076     | \$850,428                      | \$173,823  | \$130,367  | \$108,639  |
| Story City         | 3,228      | \$272,447                      | \$55,687   | \$41,765   | \$34,804   |
| Stout              | 217        | \$12,498                       | \$2,555  | \$1,916  | \$1,597  |
| Stratford          | 746        | \$62,963                       | \$12,869   | \$9,652  | \$8,043  |
| Strawberry Point   | 1,386      | \$116,980                      | \$23,910   | \$17,933   | \$14,944   |
| Struble            | 85         | \$4,916                        | \$1,005  | \$754  | \$628  |
| Stuart             | 1,712      | \$144,495                      | \$29,534   | \$22,150   | \$18,459   |
| Sully              | 904        | \$76,299                       | \$15,595   | \$11,696   | \$9,747  |
| Sumner             | 2,106      | \$177,749                      | \$36,331   | \$27,248   | \$22,707   |
| Superior           | 142        | \$10,948                       | \$2,238  | \$1,678  | \$1,399  |
| Sutherland         | 707        | \$59,672                       | \$12,197   | \$9,147  | \$7,623  |
| Swaledale          | 174        | \$12,377                       | \$2,530  | \$1,897  | \$1,581  |
| Swan               | 121        | \$9,089                        | \$1,858  | \$1,393  | \$1,161  |
| Swea City          | 642        | \$54,186                       | \$11,075   | \$8,306  | \$6,922  |
| Swisher            | 813        | \$68,618                       | \$14,025   | \$10,519   | \$8,766  |
| Tabor              | 993        | \$83,811                       | \$17,130   | \$12,848   | \$10,707   |
| Tama               | 2,731      | \$230,500                      | \$47,113   | \$35,335   | \$29,446   |
| Templeton          | 334        | \$22,552                       | \$4,610  | \$3,457  | \$2,881  |
| Tennant            | 73         | \$3,937                        | \$805  | \$604  | \$503  |
| Terril             | 404        | \$28,202                       | \$5,764  | \$4,323  | \$3,603  |
| Thayer             | 66         | \$4,101                        | \$838  | \$629  | \$524  |
| Thompson           | 596        | \$50,303                       | \$10,282   | \$7,711  | \$6,426  |
| Thor               | 174        | \$5,513                        | \$1,127  | \$845  | \$704  |
| Thornburg          | 84         | \$7,090                        | \$1,449  | \$1,087  | \$906  |
| Thornton           | 422        | \$31,143                       | \$6,366  | \$4,774  | \$3,978  |
| Thurman            | 236        | \$16,106                       | \$3,292  | \$2,469  | \$2,057  |
| Tiffin             | 1,032      | \$87,102                       | \$17,803   | \$13,352   | \$11,127   |
| Tingley            | 171        | \$11,348                       | \$2,320  | \$1,740  | \$1,450  |
| Tipton             | 3,155      | \$266,286                      | \$54,427   | \$40,821   | \$34,017   |
| Titonka            | 584        | \$49,290                       | \$10,075   | \$7,556  | \$6,297  |
| Toledo             | 2,539      | \$214,295                      | \$43,801   | \$32,851   | \$27,375   |
| Toronto            | 134        | \$8,357                        | \$1,708  | \$1,281  | \$1,068  |
| Traer              | 1,594      | \$134,536                      | \$27,498   | \$20,624   | \$17,186   |
| Treynor            | 950        | \$80,181                       | \$16,389   | \$12,291   | \$10,243   |
| Tripoli            | 1,310      | \$110,566                      | \$22,599   | \$16,949   | \$14,124   |
| Truesdale          | 91         | \$5,102                        | \$1,043  | \$782  | \$652  |
| Truro              | 427        | \$24,714                       | \$5,052  | \$3,789  | \$3,157  |
| Turin              | 75         | \$4,650                        | \$950  | \$713  | \$594  |
| Udell              | 58         | \$4,461                        | \$912  | \$684  | \$570  |
| Underwood          | 688        | \$58,068                       | \$11,869   | \$8,902  | \$7,418  |
| Union              | 427        | \$29,974                       | \$6,127  | \$4,595  | \$3,829  |
| Unionville         | 127        | \$3,488                        | \$713  | \$535  | \$446  |
| University Heights | 987        | \$83,304                       | \$17,027   | \$12,770   | \$10,642   |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City            | Population | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|-----------------|------------|--------------------------------|--|--|--|
| University Park | 536        | \$45,239                       | \$9,247  | \$6,935  | \$5,779  |
| Urbana          | 1,019      | \$86,005                       | \$17,579   | \$13,184   | \$10,987   |
| Urbandale       | 35,904     | \$3,030,345                    | \$619,386  | \$464,539  | \$387,116  |
| Ute             | 378        | \$31,904                       | \$6,521  | \$4,891  | \$4,076  |
| Vail            | 452        | \$28,922                       | \$5,911  | \$4,434  | \$3,695  |
| Valeria         | 62         | \$4,535                        | \$927  | \$695  | \$579  |
| Van Horne       | 716        | \$60,431                       | \$12,352   | \$9,264  | \$7,720  |
| Van Meter       | 866        | \$73,092                       | \$14,940   | \$11,205   | \$9,337  |
| Van Wert        | 231        | \$18,574                       | \$3,796  | \$2,847  | \$2,373  |
| Varina          | 90         | \$6,286                        | \$1,285  | \$964  | \$803  |
| Ventura         | 670        | \$56,549                       | \$11,558   | \$8,669  | \$7,224  |
| Victor          | 952        | \$80,350                       | \$16,423   | \$12,317   | \$10,264   |
| Villisca        | 1,344      | \$113,435                      | \$23,186   | \$17,389   | \$14,491   |
| Vincent         | 158        | \$10,573                       | \$2,161  | \$1,621  | \$1,351  |
| Vining          | 70         | \$3,337                        | \$682  | \$512  | \$426  |
| Vinton          | 5,102      | \$430,616                      | \$88,015   | \$66,012   | \$55,010   |
| Volga           | 247        | \$14,458                       | \$2,955  | \$2,216  | \$1,847  |
| Wadena          | 243        | \$12,257                       | \$2,505  | \$1,879  | \$1,566  |
| Wahpeton        | 462        | \$38,679                       | \$7,906  | \$5,929  | \$4,941  |
| Walcott         | 1,528      | \$128,965                      | \$26,360   | \$19,770   | \$16,475   |
| Walford         | 1,224      | \$103,307                      | \$21,115   | \$15,837   | \$13,197   |
| Walker          | 750        | \$63,301                       | \$12,938   | \$9,704  | \$8,086  |
| Wall Lake       | 841        | \$70,982                       | \$14,508   | \$10,881   | \$9,068  |
| Wallingford     | 210        | \$10,622                       | \$2,171  | \$1,628  | \$1,357  |
| Walnut          | 877        | \$74,020                       | \$15,129   | \$11,347   | \$9,456  |
| Wapello         | 2,124      | \$179,268                      | \$36,641   | \$27,481   | \$22,901   |
| Washington      | 7,047      | \$594,776                      | \$121,569  | \$91,177   | \$75,981   |
| Washta          | 282        | \$16,577                       | \$3,388  | \$2,541  | \$2,118  |
| Waterloo        | 68,747     | \$5,802,338                    | \$1,185,966  | \$889,474  | \$741,229  |
| Waterville      | 145        | \$8,349                        | \$1,706  | \$1,280  | \$1,067  |
| Waucoma         | 299        | \$21,955                       | \$4,488  | \$3,366  | \$2,805  |
| Waukee          | 8,132      | \$686,352                      | \$140,286  | \$105,215  | \$87,679   |
| Waukegan        | 4,131      | \$348,662                      | \$71,265   | \$53,448   | \$44,540   |
| Waverly         | 8,968      | \$756,911                      | \$154,708  | \$116,031  | \$96,693   |
| Wayland         | 945        | \$79,759                       | \$16,302   | \$12,227   | \$10,189   |
| Webb            | 165        | \$9,563                        | \$1,955  | \$1,466  | \$1,222  |
| Webster         | 110        | \$7,590                        | \$1,551  | \$1,164  | \$970  |
| Webster City    | 8,176      | \$690,065                      | \$141,046  | \$105,784  | \$88,153   |
| Weldon          | 145        | \$10,909                       | \$2,230  | \$1,672  | \$1,394  |
| Wellman         | 1,393      | \$117,571                      | \$24,031   | \$18,023   | \$15,019   |
| Wellsburg       | 716        | \$60,431                       | \$12,352   | \$9,264  | \$7,720  |
| Welton          | 159        | \$13,420                       | \$2,743  | \$2,057  | \$1,714  |
| Wesley          | 467        | \$35,581                       | \$7,273  | \$5,454  | \$4,545  |
| West Bend       | 834        | \$70,391                       | \$14,387   | \$10,791   | \$8,992  |
| West Branch     | 2,188      | \$184,670                      | \$37,746   | \$28,309   | \$23,591   |
| West Burlington | 3,161      | \$266,793                      | \$54,531   | \$40,898   | \$34,082   |
| West Chester    | 159        | \$10,464                       | \$2,139  | \$1,604  | \$1,337  |
| West Des Moines | 51,744     | \$4,367,262                    | \$892,644  | \$669,483  | \$557,903  |
| West Liberty    | 3,332      | \$281,225                      | \$57,481   | \$43,111   | \$35,926   |
| West Okoboji    | 432        | \$36,461                       | \$7,453  | \$5,589  | \$4,658  |
| West Point      | 980        | \$82,713                       | \$16,906   | \$12,680   | \$10,566   |
| West Union      | 2,549      | \$215,139                      | \$43,973   | \$32,980   | \$27,483   |
| Westfield       | 189        | \$15,952                       | \$3,260  | \$2,445  | \$2,038  |
| Westgate        | 234        | \$14,812                       | \$3,028  | \$2,271  | \$1,892  |

**Additional City Street RUTF Distribution to Cities  
with TIME-21**

02/08/07

(Based on estimated FY 2008 RUTF Revenues)

| City            | Population       | Estimated FY 2008 RUTF Revenue | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$200 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$150 million) | Additional FY 2008 RUTF Revenue Due to TIME-21 (@ \$125 million) |
|-----------------|------------------|--------------------------------|--|--|--|
| Westphalia      | 160              | \$11,401                       | \$2,330  | \$1,748  | \$1,456  |
| Westside        | 327              | \$19,864                       | \$4,060  | \$3,045  | \$2,538  |
| Westwood        | 127              | \$10,719                       | \$2,191  | \$1,643  | \$1,369  |
| What Cheer      | 678              | \$57,224                       | \$11,696   | \$8,772  | \$7,310  |
| Wheatland       | 772              | \$65,158                       | \$13,318   | \$9,988  | \$8,324  |
| Whiting         | 801              | \$67,605                       | \$13,818   | \$10,364   | \$8,636  |
| Whittemore      | 530              | \$44,733                       | \$9,143  | \$6,857  | \$5,714  |
| Whitten         | 160              | \$8,404                        | \$1,718  | \$1,288  | \$1,074  |
| Willey          | 103              | \$4,391                        | \$897  | \$673  | \$561  |
| Williams        | 427              | \$36,039                       | \$7,366  | \$5,525  | \$4,604  |
| Williamsburg    | 2,622            | \$221,300                      | \$45,233   | \$33,924   | \$28,270   |
| Williamson      | 163              | \$11,844                       | \$2,421  | \$1,816  | \$1,513  |
| Wilton          | 2,829            | \$238,771                      | \$48,804   | \$36,603   | \$30,502   |
| Windsor Heights | 4,891            | \$412,807                      | \$84,375   | \$63,282   | \$52,735   |
| Winfield        | 1,131            | \$95,458                       | \$19,511   | \$14,633   | \$12,194   |
| Winterset       | 4,768            | \$402,426                      | \$82,254   | \$61,690   | \$51,408   |
| Winthrop        | 772              | \$65,158                       | \$13,318   | \$9,988  | \$8,324  |
| Wiota           | 149              | \$12,576                       | \$2,570  | \$1,928  | \$1,607  |
| Woden           | 243              | \$15,952                       | \$3,260  | \$2,445  | \$2,038  |
| Woodbine        | 1,564            | \$132,004                      | \$26,981   | \$20,236   | \$16,863   |
| Woodburn        | 244              | \$18,700                       | \$3,822  | \$2,867  | \$2,389  |
| Woodward        | 1,200            | \$101,282                      | \$20,701   | \$15,526   | \$12,938   |
| Woolstock       | 204              | \$15,013                       | \$3,068  | \$2,301  | \$1,918  |
| Worthington     | 381              | \$21,871                       | \$4,470  | \$3,353  | \$2,794  |
| Wyoming         | 626              | \$52,835                       | \$10,799   | \$8,099  | \$6,750  |
| Yale            | 287              | \$20,842                       | \$4,260  | \$3,195  | \$2,662  |
| Yetter          | 36               | \$2,115                        | \$432  | \$324  | \$270  |
| Yorktown        | 82               | \$5,093                        | \$1,041  | \$781  | \$651  |
| Zearing         | 617              | \$52,076                       | \$10,644   | \$7,983  | \$6,652  |
| Zwingle         | 100              | \$6,423                        | \$1,313  | \$985  | \$821  |
| <b>Total</b>    | <b>2,318,684</b> | <b>\$193,609,677</b>           | <b>\$39,572,749</b>  | <b>\$29,679,562</b>  | <b>\$24,732,968</b>  |

Notes:

- A portion of RUTF revenue to cities under 500 population is transferred to the county to account for county jurisdiction of farm-to-market roads within the city. Two cities, Sherrill and Spragueville have all their RUTF transferred to the county since the only streets in those towns are farm-to-market roads under county jurisdiction.
- Assumes TIME-21 Fund of \$200 million in FY 2008 with 20 percent distributed to the city street fund. A very small portion of the new funding will transfer to counties due to the transfer to counties for cities under 500 population.
- Per capita estimate of FY 2008 RUTF to cities is \$84.40. The additional TIME-21 revenue amounts to \$17.25 per capita in additional city RUTF (prior to transfer to counties for cities under 500 population).
- This table does not reflect the funding some cities receive from the Transfer of Jurisdiction Fund.
- \* The Amana Colonies, by Code of Iowa, are considered a municipality for purposes of city RUTF distribution purposes.

History of RUTF Revenue by Source  
FY 1989 to FY 2007

| RUTF Revenue Sources                                    | FY 89         | FY 90         | FY 91         | FY 92         | FY 93         | FY 94         | FY 95         | FY 96         | FY 97         | FY 98         | FY 99         | FY 00           | FY 01           | FY 02           | FY 03           | FY 04           | FY 05           | FY 06           | FY 07           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Fuel Tax  | \$301,308,976 | \$323,725,671 | \$322,502,217 | \$319,252,888 | \$327,220,029 | \$339,915,735 | \$354,999,989 | \$367,135,279 | \$376,917,838 | \$376,593,899 | \$389,041,280 | \$402,094,468   | \$398,461,741   | \$420,122,579   | \$430,079,348   | \$431,128,982   | \$433,412,514   |                 |                 |
| Use Tax   | \$117,127,788 | \$116,430,464 | \$104,789,444 | \$103,029,612 | \$105,323,485 | \$125,173,548 | \$133,183,765 | \$142,671,892 | \$150,578,959 | \$163,133,771 | \$214,639,287 | \$214,639,287   | \$212,543,819   | \$224,454,911   | \$224,536,559   | \$230,657,469   | \$239,547,842   |                 |                 |
| Driver's License Fees                                   | \$3,905,011   | \$4,034,318   | \$3,894,226   | \$3,929,003   | \$4,043,194   | \$4,191,027   | \$4,349,128   | \$4,517,851   | \$4,697,421   | \$4,887,645   | \$5,088,653   | \$5,299,661     | \$5,511,670     | \$5,723,679     | \$5,935,688     | \$6,147,697     | \$6,359,706     |                 |                 |
| Registration Fees                                       | \$179,950,449 | \$182,873,339 | \$180,215,593 | \$191,155,549 | \$209,165,285 | \$214,018,893 | \$219,132,987 | \$226,085,625 | \$235,725,951 | \$246,366,276 | \$257,006,601 | \$267,646,926   | \$278,287,251   | \$288,927,576   | \$299,567,901   | \$310,208,226   | \$320,848,551   |                 |                 |
| Interest  | \$1,508,037   | \$1,009,892   | \$1,009,892   | \$1,009,892   | \$1,009,892   | \$1,009,892   | \$1,009,892   | \$1,009,892   | \$1,009,892   | \$1,009,892   | \$1,009,892   | \$1,009,892     | \$1,009,892     | \$1,009,892     | \$1,009,892     | \$1,009,892     | \$1,009,892     |                 |                 |
| Underground Storage Tank Fees                           | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439   | \$2,871,439     | \$2,871,439     | \$2,871,439     | \$2,871,439     | \$2,871,439     | \$2,871,439     |                 |                 |
| Truck Reg. (Commercial Interstitial) - Fees & Penalties | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689   | \$3,982,689     | \$3,982,689     | \$3,982,689     | \$3,982,689     | \$3,982,689     | \$3,982,689     |                 |                 |
| Miscellaneous   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692   | \$1,400,692     | \$1,400,692     | \$1,400,692     | \$1,400,692     | \$1,400,692     | \$1,400,692     |                 |                 |
| Payments and Adjustments                                | \$923,433,088 | \$973,838,814 | \$966,189,300 | \$701,511,443 | \$711,603,963 | \$732,807,422 | \$790,505,018 | \$830,355,294 | \$855,490,938 | \$879,692,892 | \$943,544,342 | \$1,001,808,957 | \$1,007,862,743 | \$1,030,100,032 | \$1,056,701,469 | \$1,081,952,440 | \$1,099,898,078 | \$1,101,009,527 | \$1,106,937,818 |
| <b>Total</b>  |               |               |               |               |               |               |               |               |               |               |               |                 |                 |                 |                 |                 |                 |                 |                 |

Iowa Fuel Tax Revenue by Type (FY 2003 to FY 2007)  
Including Analysis of Reduced Fuel Tax Revenue Resulting from Lower Fuel Tax Rate for Gasohol (E-85 and E-10)

| Fuel Type   | FY 2003       |               |                          |                      | FY 2004       |               |                          |                      | FY 2005       |               |                          |                      | FY 2006       |               |                          |                      | FY 2007       |               |                          |                      |
|---|---------------|---------------|--------------------------|----------------------|---------------|---------------|--------------------------|----------------------|---------------|---------------|--------------------------|----------------------|---------------|---------------|--------------------------|----------------------|---------------|---------------|--------------------------|----------------------|
|   | Gallons       | Tax Rate (\$) | Calculated Gross Revenue | Actual Gross Revenue | Gallons       | Tax Rate (\$) | Calculated Gross Revenue | Actual Gross Revenue | Gallons       | Tax Rate (\$) | Calculated Gross Revenue | Actual Gross Revenue | Gallons       | Tax Rate (\$) | Calculated Gross Revenue | Actual Gross Revenue | Gallons       | Tax Rate (\$) | Calculated Gross Revenue | Actual Gross Revenue |
| Gasoline  | 637,325,936   | 0.201         | \$128,103,230.71         | \$128,103,230.71     | 598,389,820   | 0.203         | \$119,648,183.76         | \$119,648,183.76     | 484,810,375   | 0.205         | \$101,385,126.88         | \$101,385,126.88     | 409,536,888   | 0.207         | \$84,153,158.58          | \$84,153,158.58      | 516,039,871   | 0.210         | \$108,138,330.61         | \$108,138,330.61     |
| Gasohol   |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |
| E10   | 959,593,692   | 0.180         | \$172,726,866.56         | \$172,726,866.56     | 1,027,102,324 | 0.180         | \$184,876,444.44         | \$184,876,444.44     | 1,143,476,444 | 0.180         | \$205,823,919.12         | \$205,823,919.12     | 1,224,393,748 | 0.180         | \$220,381,128.24         | \$220,381,128.24     | 1,137,631,863 | 0.190         | \$216,150,053.97         | \$216,150,053.97     |
| E85   | 566,872,929   | 0.225         | \$126,552,651.03         | \$126,552,651.03     | 585,891,104   | 0.225         | \$131,825,698.40         | \$131,825,698.40     | 623,405,446   | 0.225         | \$140,287,125.35         | \$140,287,125.35     | 860,275,018   | 0.225         | \$193,551,176.05         | \$193,551,176.05     | 1,987,700     | 0.170         | \$288,808.00             | \$288,808.00         |
| Diesel  | 2,399,623     | 0.200         | \$479,924.60             | \$479,924.60         | 2,113,887     | 0.200         | \$422,777.40             | \$422,777.40         | 1,820,288     | 0.200         | \$364,057.60             | \$364,057.60         | 1,765,377     | 0.200         | \$353,075.40             | \$353,075.40         | 1,657,276     | 0.200         | \$331,455.60             | \$331,455.60         |
| Liquid Petroleum Gas  | 2,187,995,850 |               | \$438,846,389.81         | \$438,846,389.81     | 2,204,507,035 |               | \$447,046,861.12         | \$447,046,861.12     | 2,293,316,553 |               | \$468,286,834.19         | \$468,286,834.19     | 2,293,377,027 |               | \$465,772,626.60         | \$465,772,626.60     | 2,326,563,275 |               | \$475,797,624.16         | \$475,797,624.16     |
| <b>Total</b>  |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |
| Subtotal Motor Fuel (gasoline and gasohol)                      | 1,598,923,998 |               | \$310,426,970.18         | \$310,426,970.18     | 1,616,502,244 |               | \$314,757,625.32         | \$314,757,625.32     | 1,638,086,518 |               | \$319,655,651.24         | \$319,655,651.24     | 1,631,316,632 |               | \$316,859,571.95         | \$316,859,571.95     | 1,654,369,234 |               | \$324,505,993.88         | \$324,505,993.88     |
| Subtotal Motor Fuel (if gasoline and gasohol taxed at 20 cents) |               |               | \$319,384,876.80         | \$319,384,876.80     |               |               | \$323,300,448.80         | \$323,300,448.80     |               |               | \$327,817,383.80         | \$327,817,383.80     |               |               | \$328,293,326.40         | \$328,293,326.40     |               |               | \$330,871,946.80         | \$330,871,946.80     |
| Funding Reduction Due to Lower Gasohol Tax Rate                 |               |               | \$8,658,609.41           | \$8,658,609.41       |               |               | \$8,502,823.48           | \$8,502,823.48       |               |               | \$8,961,719.57           | \$8,961,719.57       |               |               | \$9,409,795.05           | \$9,409,795.05       |               |               | \$9,857,668.40           | \$9,857,668.40       |
|   |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |               |               |                          |                      |

**Table 3.1 Candidate Revenue Sources**

| Specific Revenue Tool  | Modes                     |              |                         |         |                        | Scope   |         | Yield | Locations Used   |
|--|---------------------------|--------------|-------------------------|---------|------------------------|---------|---------|-------|--|
|  | Highway/Bridge            |              | Transit                 |         |                        | Program | Project |       |  |
|  | Preservation, Maintenance | New Capacity | Operations, Maintenance | Capital | Potential <sup>a</sup> |         |         |       |  |
| <b>Fuel Taxes</b>  |                           |              |                         |         |                        |         |         |       |  |
| Motor fuel excise (per gallon) tax   | ●                         | ●            |                         | ●       | ●                      |         |         | H     | All states, Federal  |
| Indexing of the motor fuel tax (can be indexed to inflation or to other factors)                                     | ●                         | ●            |                         | ●       | ●                      |         |         | H     | FL, IA, KY, ME, NE, NC, PA, WV   |
| Sales tax on motor fuel <sup>d</sup>   | ●                         | ●            |                         | ●       | ●                      |         |         | H     | CA, GA, HI, IL, IN, MI, NY   |
| Petroleum franchise or business taxes  | ●                         | ●            |                         | ●       | ●                      |         |         | H     | NY, PA   |
| <b>Vehicle Registration and Related Fees</b>   |                           |              |                         |         |                        |         |         |       |  |
| Vehicle registration and license fees  | ●                         | ●            |                         |         | ●                      |         |         | H     | All states   |
| Vehicle personal property taxes  | ●                         | ●            |                         |         | ●                      |         |         | M     | CA, KS, VA   |
| Excise tax on vehicle sales dedicated to transportation  | ●                         | ●            |                         |         | ●                      |         |         | H     | CT, IA, KS, MD, MI, MN, MO, NC, NE, OK, SD, VA; Federal for heavy trucks   |
| <b>Tolling, Pricing, and Other User Fees</b>   |                           |              |                         |         |                        |         |         |       |  |
| Tolling new roads and bridges  |                           | ●            | ●                       | ●       |                        | ●       |         | M     | About half of states (e.g., TX, FL, VA)  |
| Tolling existing roads   | ●                         | ●            | ●                       | ●       |                        | ●       |         | L     | VA proposed, others considering  |
| HOT lanes, express toll lanes, truck toll lanes  |                           | ●            | ●                       | ●       |                        | ●       |         | M     | CA, CO, GA, MN, TX   |
| VMT fees   | ●                         | ●            | ●                       | ●       | ●                      |         |         | H     | OR testing; recommended by 15 state-pooled fund study  |
| Transit fees (fares, park-and-ride fees, other)  |                           |              | ●                       |         | ●                      |         |         | H     | All transit agencies   |
| Container fees, customs duties, etc.   |                           | ●            |                         |         | ●                      | ●       |         | M     | CA   |
| <b>Beneficiary Charges and Local Option</b>  |                           |              |                         |         |                        |         |         |       |  |
| Dedicated property taxes   | ●                         | ●            | ●                       | ●       | ●                      |         |         | H     | Many local governments   |
| Beneficiary charges/ value capture (impact fees, tax increment financing, mortgage recording fees, lease fees, etc.) |                           | ●            |                         | ●       |                        | ●       |         | L     | Many states and localities (e.g., CA, FL, OR, NY)  |
| <b>Permitting local option taxes for highway improvements</b>  |                           |              |                         |         |                        |         |         |       |  |
| • Local option vehicle or registration fees  | ●                         | ●            |                         |         | ●                      | ●       |         | M     | AK, CA, CT <sup>b</sup> , CO, HI, ID, IN, MS <sup>b</sup> , MO, NE, NV, NH, NY, OH, SC, SD, TN <sup>b</sup> , TX, VA <sup>b</sup> , WA, WI |
| • Local option sales taxes   | ●                         | ●            |                         |         | ●                      | ●       |         | H     | AL, AZ, AR, CA, CO, FL, GA, IA, KS, LA, MN, MO, NE, NV, NM, NY <sup>b</sup> , OH, OK, SC, TN, UT, WY                                       |
| • Local option motor fuel taxes  | ●                         | ●            |                         |         | ●                      | ●       |         | M     | AL, AK <sup>b</sup> , FL, HI, IL, MS, NV, OR, VA, WA   |
| <b>Permitting local option taxes for transit</b>   |                           |              |                         |         |                        |         |         |       |  |
| • Local option sales taxes   |                           |              | ●                       | ●       | ●                      | ●       |         | H     | AL, AZ, CA, CO, FL, GA, IL, LA, MO, NV, NM, NY, NC, OH, OK, TX, UT, WA   |
| • Local option income or payroll tax   |                           |              | ●                       | ●       | ●                      | ●       |         | M     | IN, KY, OH, OR, WA   |
| <b>Other Dedicated Taxes</b>   |                           |              |                         |         |                        |         |         |       |  |
| Dedicate portion of state sales tax  | ●                         | ●            | ●                       | ●       | ●                      |         |         | H     | AZ, CA, IN, KS, MA, MS, NY, PA, UT, VA   |
| Miscellaneous transit taxes (lottery, cigarette, room tax, rental car fees, etc.)                                    |                           |              | ●                       | ●       | ●                      | ●       |         | L     | Various states and localities  |
| <b>General Revenue Sources</b>   |                           |              |                         |         |                        |         |         |       |  |
| General Revenue <sup>c</sup>   | ●                         | ●            | ●                       | ●       |                        |         |         | H     | Most states and localities   |

<sup>a</sup> Potential Yield; H= High, M= Medium, L= Low.

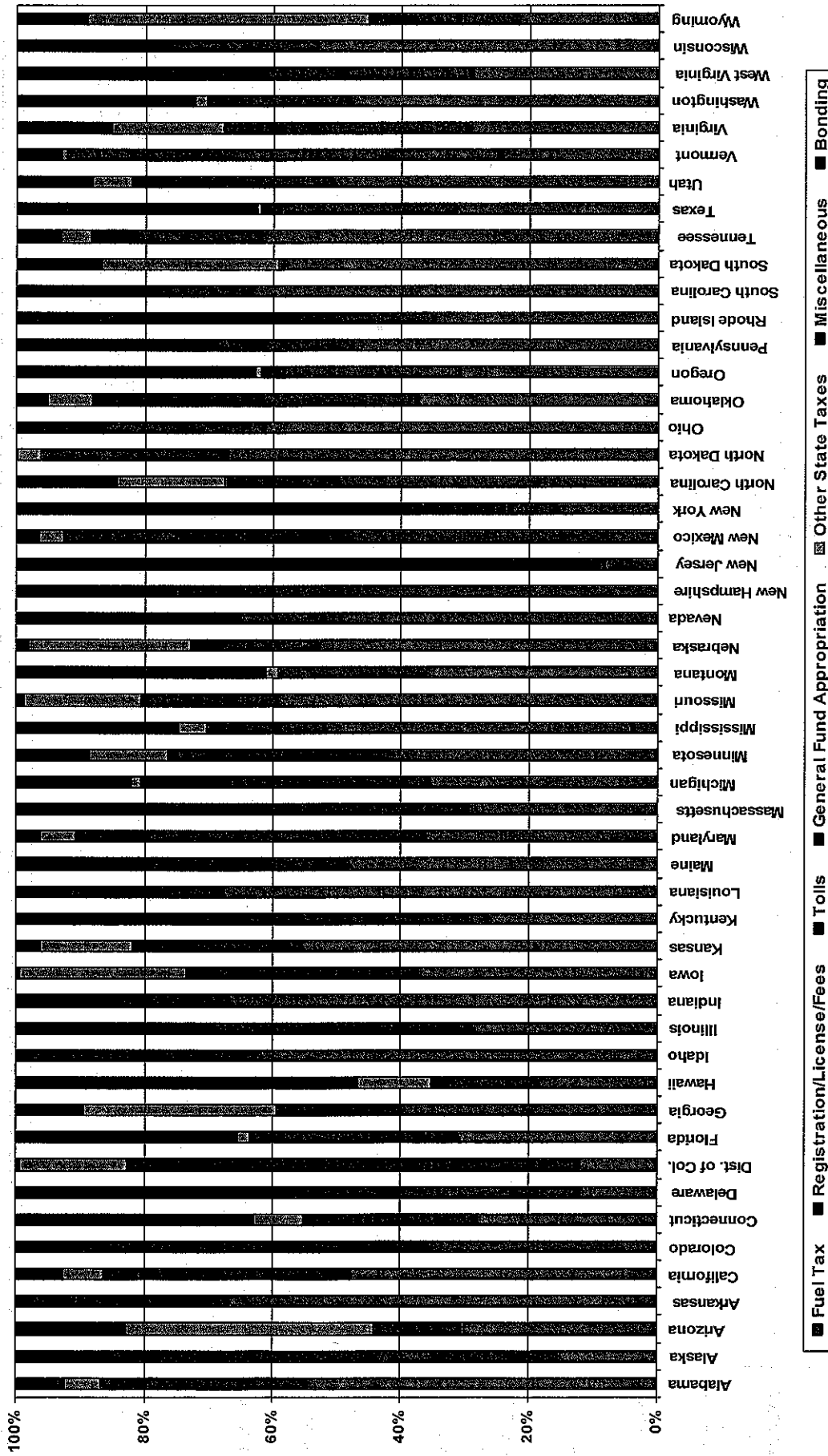
<sup>b</sup> Revenues go into General Fund but can be earmarked or used for transportation.

<sup>c</sup> For purposes of this report, the leveraging of tax subsidies through tax credit bonds and investment tax credits is treated effectively as producing revenue from general fund sources for transportation.

<sup>d</sup> In some states, revenues from sales taxes on motor fuel are not dedicated or only partially dedicated to fund transportation needs.

# Share of State Highway Revenue by Source – FY 2005

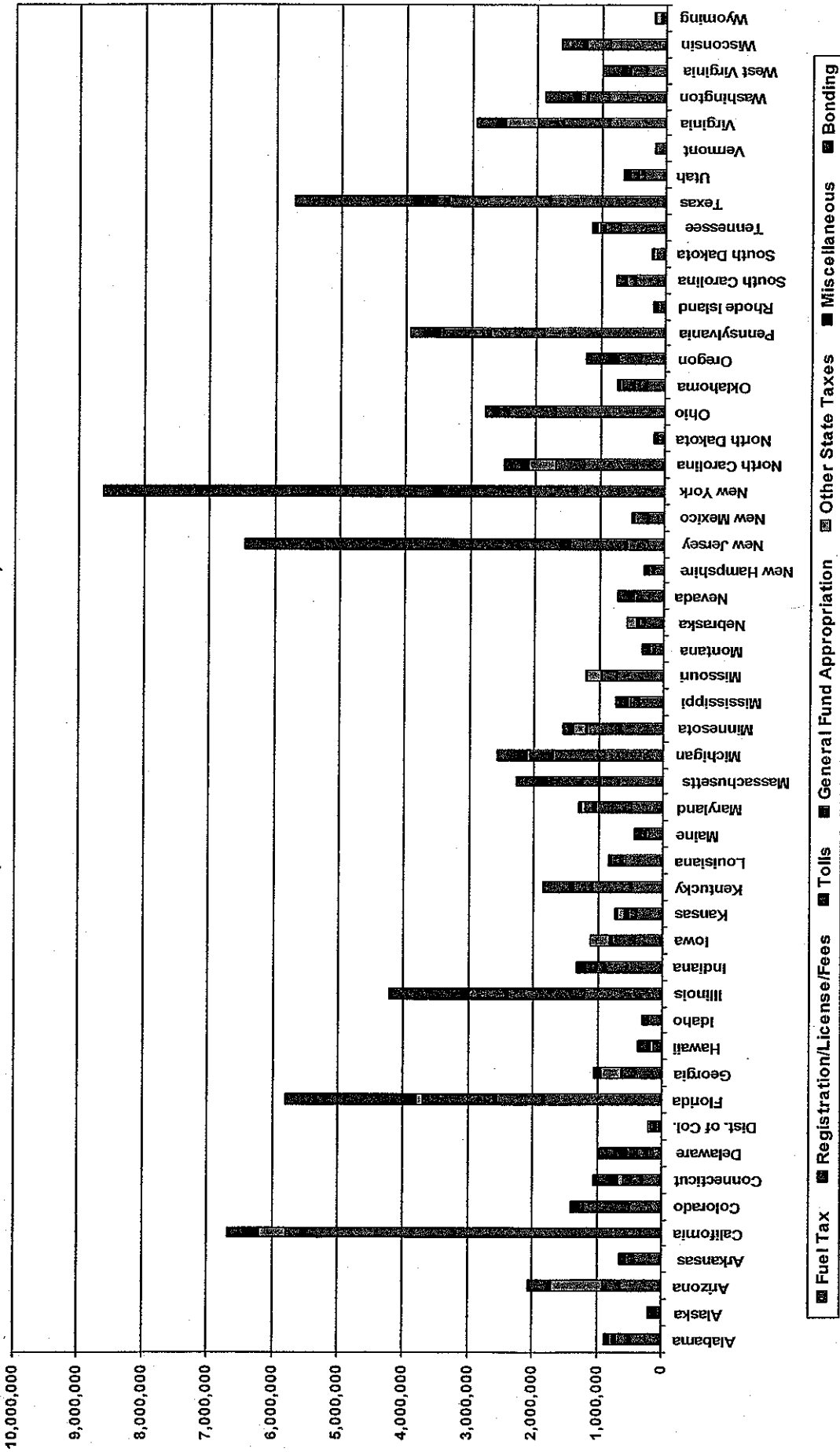
(in thousands of dollars)



Source: Federal Highway Administration, "Highway Statistics 2005"

# State Highway Revenue by Source – FY 2005

(in thousands of dollars)



Source: Federal Highway Administration, "Highway Statistics 2005"



08/15/07

## Motor Fuel - State Fuel Excise Tax Sorted by State Gasoline Excise Tax

(Does not include other miscellaneous fees and taxes such as sales tax, local tax, etc.)

July 1, 2007

| Rank by Total Gasoline Tax | State                | Gasoline State Excise Tax (Cents/gal) | Diesel                       |           | Gasohol                      |           | Gasoline Price Per Gallon |           |
|----------------------------|----------------------|---------------------------------------|------------------------------|-----------|------------------------------|-----------|---------------------------|-----------|
|                            |                      |                                       | State Excise Tax (Cents/gal) | Rank      | State Excise Tax (Cents/gal) | Rank      | Average Price 8/15/2007   | Rank      |
| 1                          | WASHINGTON           | 36.0                                  | 36.0                         | 2         | 36.0                         | 1         | \$2.86                    | 17        |
| 2                          | <b>WISCONSIN</b>     | <b>30.9</b>                           | <b>30.9</b>                  | <b>3</b>  | <b>30.9</b>                  | <b>2</b>  | <b>\$2.89</b>             | <b>12</b> |
| 3                          | NORTH CAROLINA       | 29.7                                  | 29.7                         | 4         | 29.7                         | 3         | \$2.71                    | 36        |
| 4                          | OHIO                 | 28.0                                  | 28.0                         | 6         | 28.0                         | 4         | \$2.67                    | 39        |
| 5                          | MAINE                | 27.6                                  | 28.8                         | 5         | 27.6                         | 5         | \$2.82                    | 22        |
| 6                          | MONTANA              | 27.0                                  | 27.8                         | 7         | 27.0                         | 6         | \$2.98                    | 4         |
| 6                          | <b>NEBRASKA</b>      | <b>27.0</b>                           | <b>27.0</b>                  | <b>8</b>  | <b>27.0</b>                  | <b>6</b>  | <b>\$2.88</b>             | <b>15</b> |
| 6                          | RHODE ISLAND         | 27.0                                  | 27.0                         | 8         | 27.0                         | 6         | \$2.80                    | 23        |
| 9                          | CONNECTICUT          | 25.0                                  | 37.0                         | 1         | 25.0                         | 9         | \$2.98                    | 4         |
| 9                          | IDAHO                | 25.0                                  | 25.0                         | 12        | 25.0                         | 9         | \$2.91                    | 9         |
| 11                         | UTAH                 | 24.5                                  | 24.5                         | 14        | 24.5                         | 11        | \$2.85                    | 18        |
| 12                         | KANSAS               | 24.0                                  | 26.0                         | 11        | 24.0                         | 12        | \$2.77                    | 27        |
| 12                         | OREGON               | 24.0                                  | 24.0                         | 16        | 24.0                         | 12        | \$2.79                    | 24        |
| 14                         | MARYLAND             | 23.5                                  | 24.3                         | 15        | 23.5                         | 14        | \$2.74                    | 32        |
| 15                         | NEVADA               | 23.0                                  | 27.0                         | 8         | 23.0                         | 15        | \$2.83                    | 21        |
| 15                         | NORTH DAKOTA         | 23.0                                  | 23.0                         | 17        | 23.0                         | 15        | \$2.95                    | 6         |
| 15                         | DELAWARE             | 23.0                                  | 22.0                         | 20        | 23.0                         | 15        | \$2.66                    | 41        |
| 18                         | COLORADO             | 22.0                                  | 20.5                         | 24        | 22.0                         | 18        | \$2.90                    | 10        |
| 18                         | <b>SOUTH DAKOTA</b>  | <b>22.0</b>                           | <b>22.0</b>                  | <b>20</b> | <b>20.0</b>                  | <b>22</b> | <b>\$2.93</b>             | <b>7</b>  |
| 20                         | ARKANSAS             | 21.5                                  | 22.5                         | 18        | 21.5                         | 19        | \$2.66                    | 41        |
| 21                         | MASSACHUSETTS        | 21.0                                  | 21.0                         | 23        | 21.0                         | 20        | \$2.77                    | 27        |
| 22                         | <b>IOWA</b>          | <b>20.7</b>                           | <b>22.5</b>                  | <b>18</b> | <b>19.0</b>                  | <b>28</b> | <b>\$2.78</b>             | <b>26</b> |
| 23                         | WEST VIRGINIA        | 20.5                                  | 20.5                         | 24        | 20.5                         | 21        | \$2.74                    | 32        |
| 24                         | DISTRICT OF COLUMBIA | 20.0                                  | 20.0                         | 26        | 20.0                         | 22        | \$2.88                    | 15        |
| 24                         | LOUISIANA            | 20.0                                  | 20.0                         | 26        | 20.0                         | 22        | \$2.67                    | 39        |
| 24                         | <b>MINNESOTA</b>     | <b>20.0</b>                           | <b>20.0</b>                  | <b>26</b> | <b>20.0</b>                  | <b>22</b> | <b>\$2.79</b>             | <b>24</b> |
| 24                         | TEXAS                | 20.0                                  | 20.0                         | 26        | 20.0                         | 22        | \$2.68                    | 37        |
| 24                         | TENNESSEE            | 20.0                                  | 18.0                         | 30        | 20.0                         | 22        | \$2.63                    | 48        |
| 29                         | VERMONT              | 19.0                                  | 25.0                         | 12        | 19.0                         | 28        | \$2.85                    | 18        |
| 29                         | <b>ILLINOIS</b>      | <b>19.0</b>                           | <b>21.5</b>                  | <b>22</b> | <b>19.0</b>                  | <b>28</b> | <b>\$2.90</b>             | <b>10</b> |
| 29                         | MICHIGAN             | 19.0                                  | 15.0                         | 42        | 19.0                         | 28        | \$2.85                    | 18        |
| 32                         | ARIZONA              | 18.0                                  | 18.0                         | 30        | 18.0                         | 32        | \$2.68                    | 37        |
| 32                         | CALIFORNIA           | 18.0                                  | 18.0                         | 30        | 18.0                         | 32        | \$2.92                    | 8         |
| 32                         | MISSISSIPPI          | 18.0                                  | 18.0                         | 30        | 18.0                         | 32        | \$2.64                    | 45        |
| 32                         | NEW HAMPSHIRE        | 18.0                                  | 18.0                         | 30        | 18.0                         | 32        | \$2.75                    | 29        |
| 32                         | INDIANA              | 18.0                                  | 16.0                         | 39        | 18.0                         | 32        | \$2.72                    | 34        |
| 37                         | VIRGINIA             | 17.5                                  | 17.5                         | 36        | 17.5                         | 37        | \$2.64                    | 45        |
| 38                         | KENTUCKY             | 17.1                                  | 14.1                         | 43        | 17.1                         | 38        | \$2.65                    | 44        |
| 39                         | NEW MEXICO           | 17.0                                  | 18.0                         | 30        | 17.0                         | 39        | \$2.89                    | 12        |
| 39                         | <b>MISSOURI</b>      | <b>17.0</b>                           | <b>17.0</b>                  | <b>37</b> | <b>17.0</b>                  | <b>39</b> | <b>\$2.62</b>             | <b>50</b> |
| 41                         | ALABAMA              | 16.0                                  | 17.0                         | 37        | 16.0                         | 41        | \$2.64                    | 45        |
| 41                         | HAWAII               | 16.0                                  | 16.0                         | 39        | 16.0                         | 41        | \$3.26                    | 1         |
| 41                         | SOUTH CAROLINA       | 16.0                                  | 16.0                         | 39        | 16.0                         | 41        | \$2.55                    | 51        |
| 41                         | OKLAHOMA             | 16.0                                  | 13.0                         | 45        | 16.0                         | 41        | \$2.72                    | 34        |
| 45                         | WYOMING              | 13.0                                  | 13.0                         | 45        | 13.0                         | 45        | \$2.89                    | 12        |
| 46                         | PENNSYLVANIA         | 12.0                                  | 12.0                         | 47        | 12.0                         | 46        | \$2.75                    | 29        |
| 47                         | NEW JERSEY           | 10.5                                  | 13.5                         | 44        | 10.5                         | 47        | \$2.63                    | 48        |
| 48                         | ALASKA               | 8.0                                   | 8.0                          | 48        | 8.0                          | 48        | \$3.10                    | 2         |
| 48                         | NEW YORK             | 8.0                                   | 8.0                          | 48        | 8.0                          | 48        | \$3.00                    | 3         |
| 50                         | GEORGIA              | 7.5                                   | 7.5                          | 50        | 7.5                          | 50        | \$2.66                    | 41        |
| 51                         | FLORIDA              | 4.0                                   | 4.0                          | 51        | 4.0                          | 51        | \$2.75                    | 29        |

Source: - Fuel tax data from American Petroleum Institute as of July 1, 2007

- Fuel price data (for regular gasoline) from AAA ([www.fuelgaugereport.com](http://www.fuelgaugereport.com)) as of August 15, 2007

Notes: - Border states are in bold red font.

- Federal fuel tax is not included in analysis but is 18.4 cents per gallon for gasoline/gasohol and 24.4 cents per gallon for diesel

08/15/07

## Motor Fuel - Total State Taxes Sorted by Total Gasoline Tax

(Total state taxes includes per gallon fuel tax and other taxes applied to fuel such as sales tax)

July 1, 2007

| Rank by Total Gasoline Tax | State                | Gasoline                      | Diesel                        |      | Gasohol                       |      | Gasoline Price Per Gallon |      |
|----------------------------|----------------------|-------------------------------|-------------------------------|------|-------------------------------|------|---------------------------|------|
|                            |                      | Total State Taxes (Cents/gal) | Total State Taxes (Cents/gal) | Rank | Total State Taxes (Cents/gal) | Rank | Average Price 8/15/2007   | Rank |
| 1                          | CALIFORNIA           | 44.4                          | 45.0                          | 2    | 44.4                          | 1    | \$2.92                    | 8    |
| 2                          | CONNECTICUT          | 43.9                          | 37.0                          | 7    | 43.9                          | 2    | \$2.98                    | 4    |
| 3                          | HAWAII               | 43.0                          | 45.1                          | 1    | 32.6                          | 8    | \$3.26                    | 1    |
| 4                          | NEW YORK             | 40.9                          | 38.9                          | 6    | 40.9                          | 3    | \$3.00                    | 3    |
| 5                          | ILLINOIS             | 40.6                          | 41.3                          | 4    | 40.6                          | 4    | \$2.90                    | 10   |
| 6                          | MICHIGAN             | 36.2                          | 32.9                          | 9    | 36.2                          | 5    | \$2.85                    | 18   |
| 7                          | WASHINGTON           | 36.0                          | 36.0                          | 8    | 36.0                          | 6    | \$2.86                    | 17   |
| 8                          | WISCONSIN            | 32.9                          | 32.9                          | 9    | 32.9                          | 7    | \$2.89                    | 12   |
| 9                          | FLORIDA              | 32.6                          | 28.5                          | 17   | 32.6                          | 8    | \$2.75                    | 29   |
| 10                         | NEVADA               | 32.5                          | 28.6                          | 15   | 32.5                          | 10   | \$2.83                    | 21   |
| 11                         | PENNSYLVANIA         | 32.3                          | 39.2                          | 5    | 32.3                          | 11   | \$2.75                    | 29   |
| 12                         | INDIANA              | 31.6                          | 41.8                          | 3    | 31.6                          | 12   | \$2.72                    | 34   |
| 13                         | WEST VIRGINIA        | 31.5                          | 31.5                          | 11   | 31.5                          | 13   | \$2.74                    | 32   |
| 14                         | RHODE ISLAND         | 31.0                          | 31.0                          | 12   | 31.0                          | 14   | \$2.80                    | 23   |
| 15                         | NORTH CAROLINA       | 30.0                          | 30.0                          | 13   | 30.0                          | 15   | \$2.71                    | 36   |
| 16                         | MAINE                | 29.1                          | 29.5                          | 14   | 29.1                          | 16   | \$2.82                    | 22   |
| 17                         | OHIO                 | 28.0                          | 28.0                          | 18   | 28.0                          | 17   | \$2.67                    | 39   |
| 18                         | NEBRASKA             | 27.9                          | 27.3                          | 20   | 27.9                          | 18   | \$2.88                    | 15   |
| 19                         | MONTANA              | 27.8                          | 28.6                          | 15   | 27.8                          | 19   | \$2.98                    | 4    |
| 20                         | GEORGIA              | 26.5                          | 25.0                          | 23   | 26.5                          | 20   | \$2.66                    | 41   |
| 21                         | IDAHO                | 25.0                          | 25.0                          | 23   | 25.0                          | 21   | \$2.91                    | 9    |
| 21                         | OREGON               | 25.0                          | 24.3                          | 26   | 25.0                          | 21   | \$2.79                    | 24   |
| 21                         | KANSAS               | 25.0                          | 27.0                          | 21   | 25.0                          | 21   | \$2.77                    | 27   |
| 24                         | UTAH                 | 24.5                          | 24.5                          | 25   | 24.5                          | 24   | \$2.85                    | 18   |
| 25                         | SOUTH DAKOTA         | 24.0                          | 24.0                          | 28   | 22.0                          | 29   | \$2.93                    | 7    |
| 26                         | MASSACHUSETTS        | 23.5                          | 23.5                          | 29   | 23.5                          | 25   | \$2.77                    | 27   |
| 26                         | MARYLAND             | 23.5                          | 24.3                          | 26   | 23.5                          | 25   | \$2.74                    | 32   |
| 28                         | NORTH DAKOTA         | 23.0                          | 23.0                          | 31   | 23.0                          | 27   | \$2.95                    | 6    |
| 28                         | DELAWARE             | 23.0                          | 22.0                          | 33   | 23.0                          | 27   | \$2.66                    | 41   |
| 30                         | COLORADO             | 22.0                          | 20.5                          | 35   | 22.0                          | 29   | \$2.90                    | 10   |
| 31                         | ARKANSAS             | 21.8                          | 22.8                          | 32   | 21.8                          | 31   | \$2.66                    | 41   |
| 32                         | IOWA                 | 21.7                          | 23.5                          | 29   | 20.0                          | 34   | \$2.78                    | 26   |
| 33                         | TENNESSEE            | 21.4                          | 18.4                          | 44   | 21.4                          | 32   | \$2.63                    | 48   |
| 34                         | ALABAMA              | 20.2                          | 21.2                          | 34   | 20.2                          | 33   | \$2.64                    | 45   |
| 35                         | DISTRICT OF COLUMBIA | 20.0                          | 20.0                          | 36   | 20.0                          | 34   | \$2.88                    | 15   |
| 35                         | VERMONT              | 20.0                          | 26.0                          | 22   | 20.0                          | 34   | \$2.85                    | 18   |
| 35                         | MINNESOTA            | 20.0                          | 20.0                          | 36   | 20.0                          | 34   | \$2.79                    | 24   |
| 35                         | TEXAS                | 20.0                          | 20.0                          | 36   | 20.0                          | 34   | \$2.68                    | 37   |
| 35                         | LOUISIANA            | 20.0                          | 20.0                          | 36   | 20.0                          | 34   | \$2.67                    | 39   |
| 40                         | NEW HAMPSHIRE        | 19.6                          | 19.6                          | 40   | 19.6                          | 40   | \$2.75                    | 29   |
| 40                         | VIRGINIA             | 19.6                          | 19.6                          | 40   | 19.6                          | 40   | \$2.64                    | 45   |
| 42                         | ARIZONA              | 19.0                          | 28.0                          | 18   | 19.0                          | 42   | \$2.68                    | 37   |
| 43                         | MISSISSIPPI          | 18.8                          | 18.8                          | 43   | 18.8                          | 43   | \$2.64                    | 45   |
| 44                         | KENTUCKY             | 18.5                          | 15.5                          | 48   | 18.5                          | 44   | \$2.65                    | 44   |
| 45                         | NEW MEXICO           | 18.0                          | 19.0                          | 42   | 18.0                          | 45   | \$2.89                    | 12   |
| 46                         | MISSOURI             | 17.6                          | 17.6                          | 45   | 17.6                          | 46   | \$2.62                    | 50   |
| 47                         | OKLAHOMA             | 17.0                          | 14.0                          | 49   | 17.0                          | 47   | \$2.72                    | 34   |
| 48                         | SOUTH CAROLINA       | 16.8                          | 16.8                          | 47   | 16.8                          | 48   | \$2.55                    | 51   |
| 49                         | NEW JERSEY           | 14.5                          | 17.5                          | 46   | 14.5                          | 49   | \$2.63                    | 48   |
| 50                         | WYOMING              | 14.0                          | 14.0                          | 49   | 14.0                          | 50   | \$2.89                    | 12   |
| 51                         | ALASKA               | 8.0                           | 8.0                           | 51   | 8.0                           | 51   | \$3.10                    | 2    |

Source: - Fuel tax data from American Petroleum Institute as of July 1, 2007

- Fuel price data (for regular gasoline) from AAA ([www.fuelgaugereport.com](http://www.fuelgaugereport.com)) as of August 15, 2007

Notes: - Iowa's tax rate includes 1 cent per gallon underground storage tank fee

- Border states are in **bold red font**.

- Federal fuel tax is not included in analysis but is 18.4 cents per gallon for gasoline/gasohol and 24.4 cents per gallon for diesel

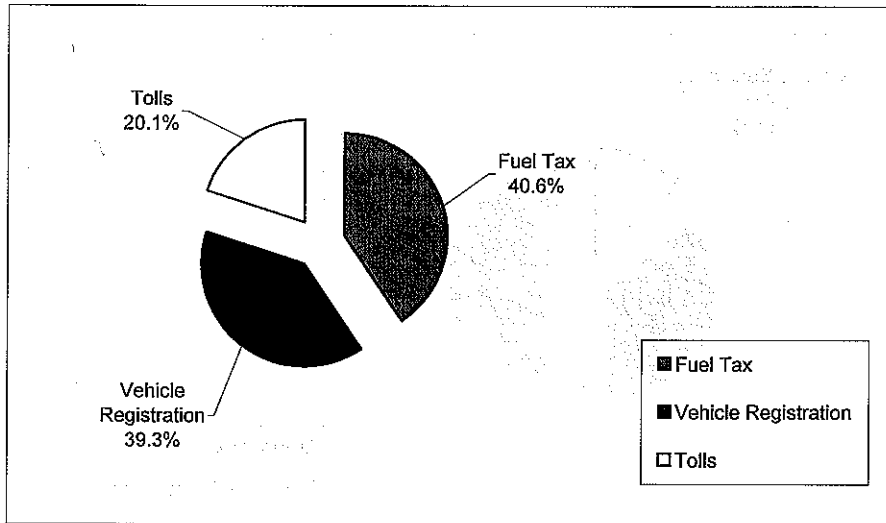
## State Highway Revenues and Allocations - FY 2006 Illinois

| Tax Rate as of (10-06) | Excise     | Other Taxes# |
|------------------------|------------|--------------|
| Gas                    | 19.0 cents | 13.5 cents   |
| Gasohol                | 19.0 cents | 13.5 cents   |
| Diesel                 | 21.5 cents | 22.0 cents   |

# 6.25% sales tax, underground tank fee, local taxes

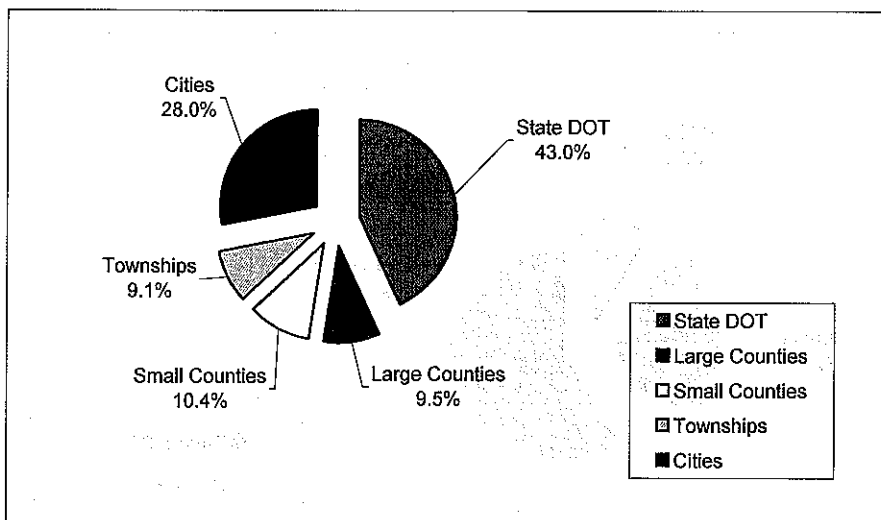
### Revenue Sources

|                      |                        |       |
|----------------------|------------------------|-------|
| Fuel Tax             | \$1,220,000,000        | 40.6% |
| Vehicle Registration | \$1,180,000,000        | 39.3% |
| Tolls                | \$605,000,000          | 20.1% |
| <b>Total</b>         | <b>\$3,005,000,000</b> |       |



### Revenue Allocation

|                |                        |       |
|----------------|------------------------|-------|
| State DOT      | \$480,500,000          | 43.0% |
| Large Counties | \$106,600,000          | 9.5%  |
| Small Counties | \$116,300,000          | 10.4% |
| Townships      | \$101,200,000          | 9.1%  |
| Cities         | \$312,600,000          | 28.0% |
| <b>Total</b>   | <b>\$1,117,200,000</b> |       |

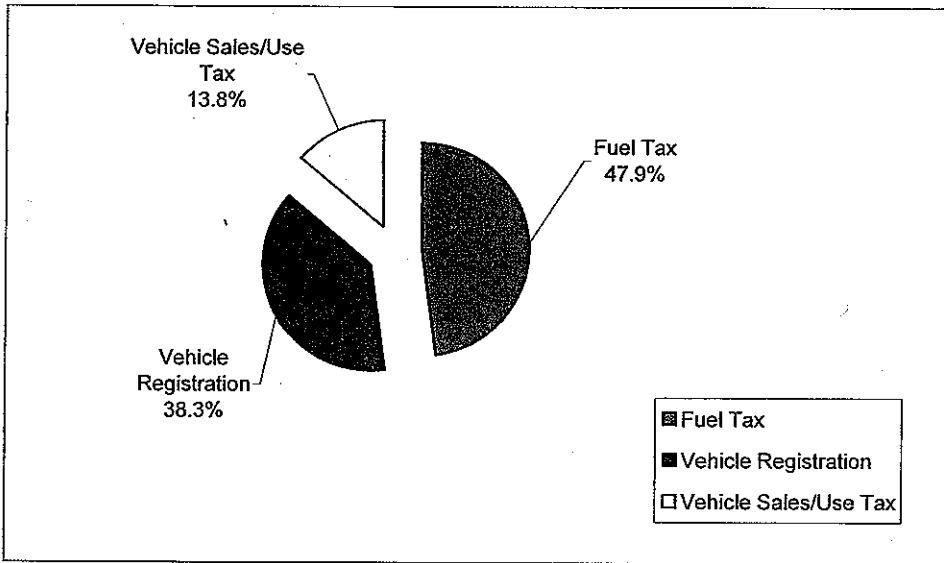


**State Highway Revenues and Allocations - FY 2006  
Minnesota**

| Fuel Tax as of 10-06 | Excise                 | Other Taxes# |
|----------------------|------------------------|--------------|
| Gas                  | 20.0 cents             | 2.0 cents    |
| Gasohol              | 20.0 cents             | 2.0 cents    |
| Diesel               | 20.0 cents             | 2.0 cents    |
|                      | # underground tank fee |              |

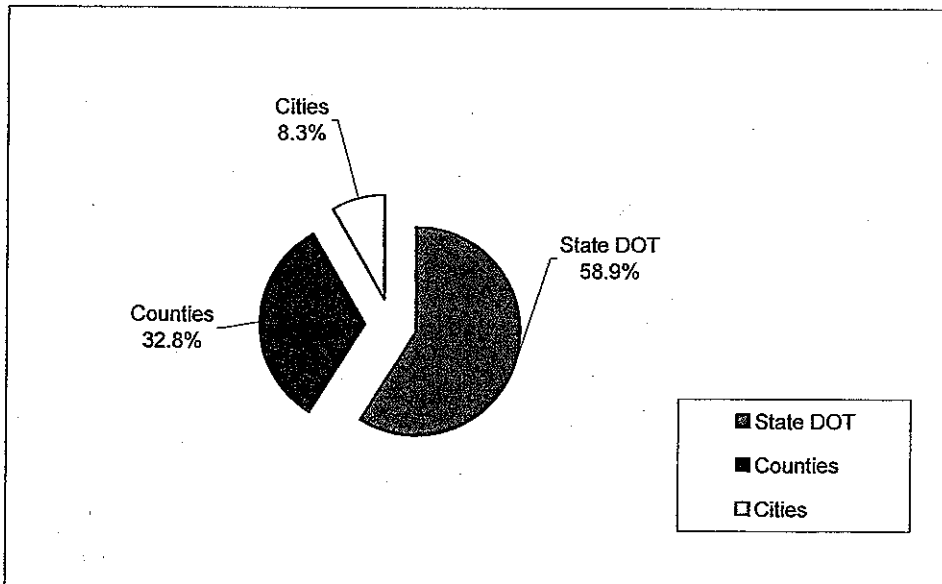
**Revenue Sources**

|                       |                        |       |
|-----------------------|------------------------|-------|
| Fuel Tax              | \$650,000,000          | 47.9% |
| Vehicle Registration  | \$520,000,000          | 38.3% |
| Vehicle Sales/Use Tax | \$188,000,000          | 13.8% |
| <b>Total</b>          | <b>\$1,358,000,000</b> |       |



**Revenue Allocation**

|              |                        |       |
|--------------|------------------------|-------|
| State DOT    | \$783,400,000          | 58.9% |
| Counties     | \$436,200,000          | 32.8% |
| Cities       | \$110,400,000          | 8.3%  |
| <b>Total</b> | <b>\$1,330,000,000</b> |       |

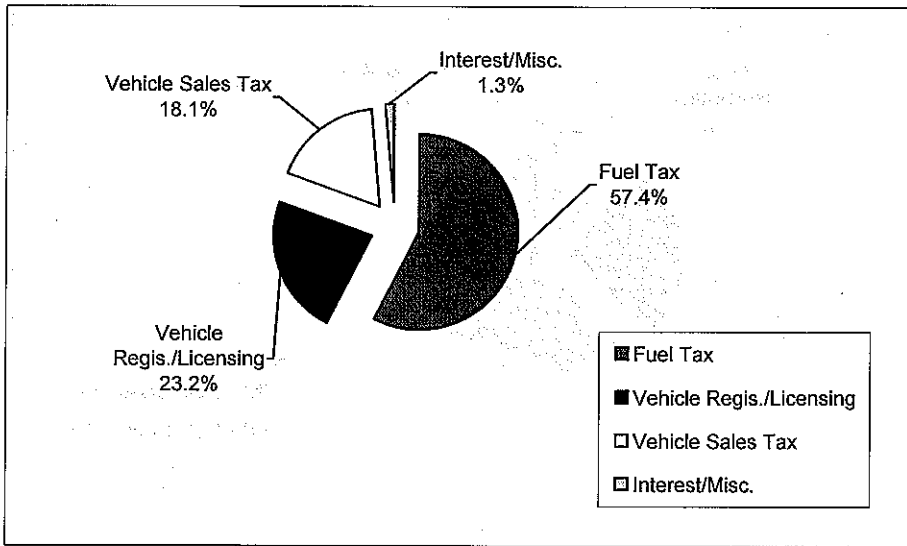


**State Highway Revenues and Allocations - FY 2006  
Missouri**

|                             |               |                     |
|-----------------------------|---------------|---------------------|
| <b>Fuel Tax as of 10-06</b> | <b>Excise</b> | <b>Other Taxes#</b> |
| Gas                         | 17.0 cents    | 0.6 cents           |
| Gasohol                     | 17.0 cents    | 0.6 cents           |
| Diesel                      | 17.0 cents    | 0.6 cents           |
|                             |               | # inspection fee    |

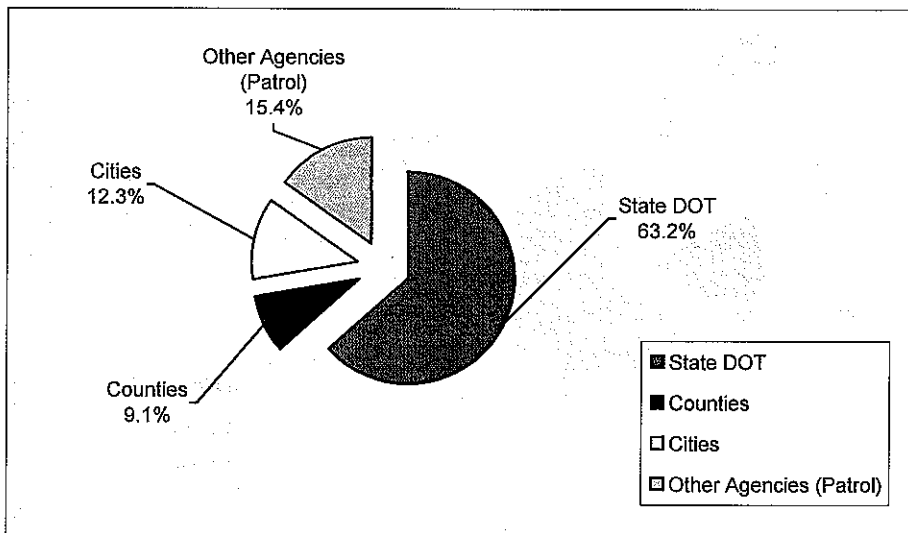
**Revenue Sources**

|                          |                        |       |
|--------------------------|------------------------|-------|
| Fuel Tax                 | \$668,000,000          | 57.4% |
| Vehicle Regis./Licensing | \$270,000,000          | 23.2% |
| Vehicle Sales Tax        | \$211,000,000          | 18.1% |
| Interest/Misc.           | \$15,000,000           | 1.3%  |
| <b>Total</b>             | <b>\$1,164,000,000</b> |       |



**Revenue Allocation**

|                         |                        |       |
|-------------------------|------------------------|-------|
| State DOT               | \$733,000,000          | 63.2% |
| Counties                | \$105,500,000          | 9.1%  |
| Cities                  | \$142,700,000          | 12.3% |
| Other Agencies (Patrol) | \$178,600,000          | 15.4% |
| <b>Total</b>            | <b>\$1,159,800,000</b> |       |



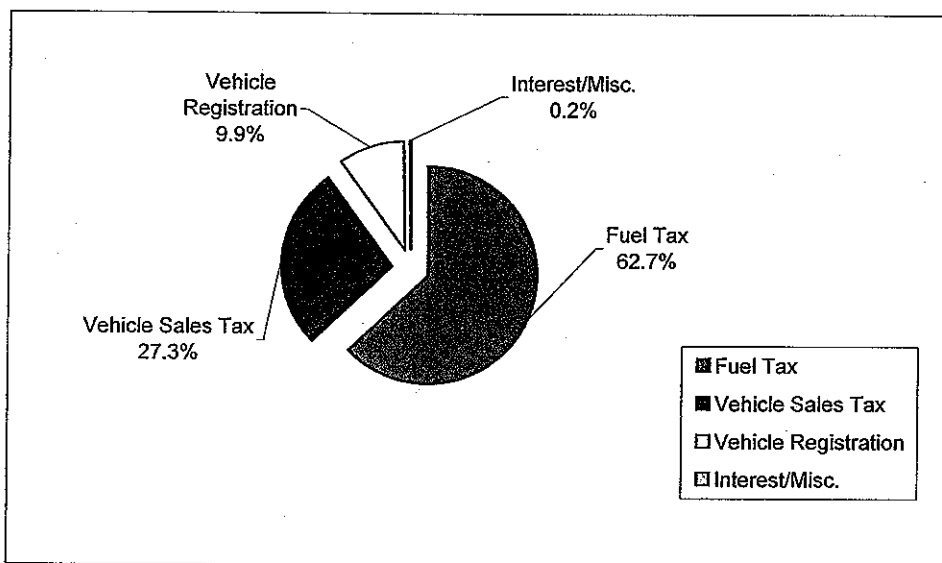
## State Highway Revenues and Allocations - FY 2006 Nebraska

| Fuel Tax as of 10-06 | <u>Excise</u> | <u>Other Taxes#</u> |
|----------------------|---------------|---------------------|
| Gas                  | 27.1 cents    | 0.9 cents           |
| Gasohol              | 27.1 cents    | 0.9 cents           |
| Diesel               | 27.1 cents    | 0.9 cents           |

# underground tank clean-up

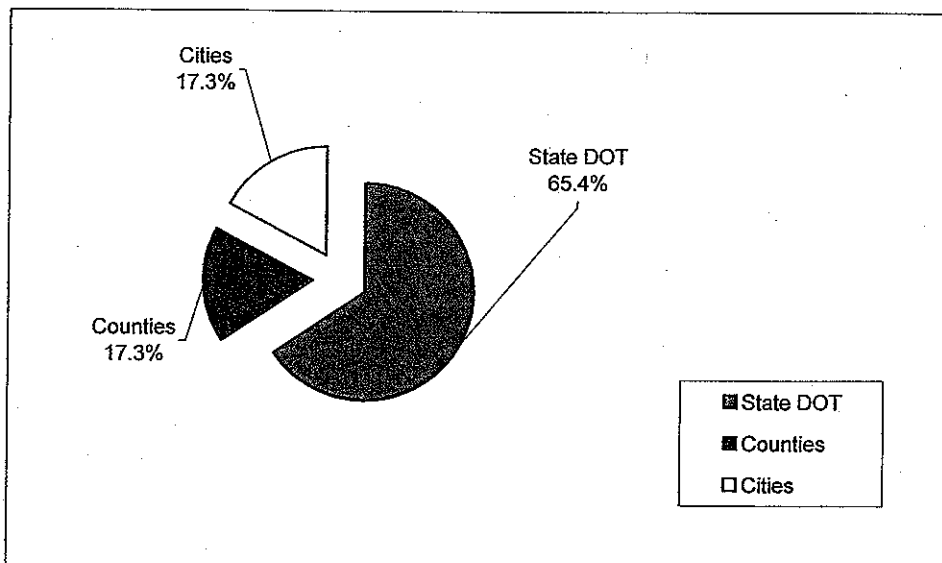
### Revenue Sources

|                      |                      |       |
|----------------------|----------------------|-------|
| Fuel Tax             | \$310,100,000        | 62.7% |
| Vehicle Sales Tax    | \$135,000,000        | 27.3% |
| Vehicle Registration | \$49,000,000         | 9.9%  |
| Interest/Misc.       | \$800,000            | 0.2%  |
| <b>Total</b>         | <b>\$494,900,000</b> |       |



### Revenue Allocation

|              |                      |       |
|--------------|----------------------|-------|
| State DOT    | \$330,000,000        | 65.4% |
| Counties     | \$87,150,000         | 17.3% |
| Cities       | \$87,150,000         | 17.3% |
| <b>Total</b> | <b>\$504,300,000</b> |       |

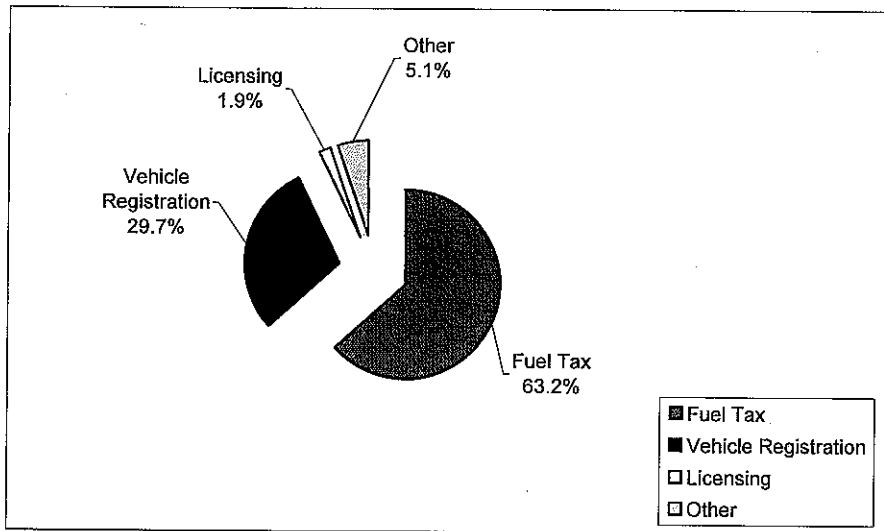


## State Highway Revenues and Allocations - FY 2006 Wisconsin

|                             |               |                            |
|-----------------------------|---------------|----------------------------|
| <u>Fuel Tax as of 10-06</u> | <u>Excise</u> | <u>Other Taxes#</u>        |
| Gas                         | 30.9 cents    | 2.0 cents                  |
| Gasohol                     | 30.9 cents    | 2.0 cents                  |
| Diesel                      | 30.9 cents    | 2.0 cents                  |
|                             |               | # petroleum inspection fee |

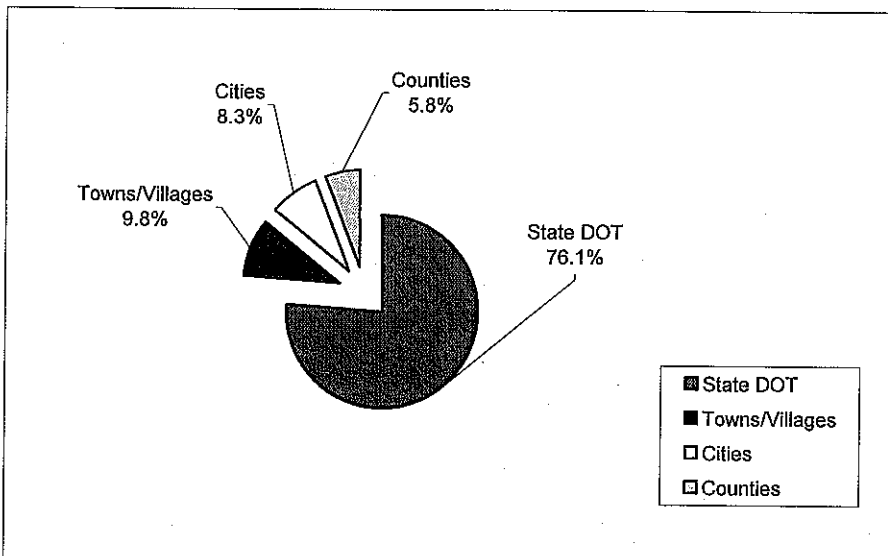
### Revenue Sources

|                      |                        |       |
|----------------------|------------------------|-------|
| Fuel Tax             | \$990,000,000          | 63.2% |
| Vehicle Registration | \$465,000,000          | 29.7% |
| Licensing            | \$30,500,000           | 1.9%  |
| Other                | \$80,650,000           | 5.1%  |
| <b>Total</b>         | <b>\$1,566,150,000</b> |       |



### Revenue Allocation

|                |                        |       |
|----------------|------------------------|-------|
| State DOT      | \$1,215,000,000        | 76.1% |
| Towns/Villages | \$156,000,000          | 9.8%  |
| Cities         | \$133,000,000          | 8.3%  |
| Counties       | \$92,000,000           | 5.8%  |
| <b>Total</b>   | <b>\$1,596,000,000</b> |       |



10/02/2007

## **Trailer Registration Fee Comparison Iowa and Surrounding States**

### **Iowa**

- All trailers except farm trailers, mobile homes and manufactured homes are subject to a \$10 annual registration fee

### **Missouri**

- One-year plate: \$7.50 per year
- Three-year plate: \$22.50 every three years
- Semi-trailer: \$52.50 non-expiring

### **Minnesota**

- Semi-trailer attached to gross weight registered truck: No fee
- Utility trailers up to 3,000 pounds: \$55 for life

### **Illinois**

- Varies based on weight ranging from \$18 (under 3,001 pounds) up to \$1,502 (40,000 pounds) per year

### **Nebraska**

- Trailer: \$10 per year
- Semi-trailer: \$30 per year

### **Wisconsin**

- Trailer: \$24.25 per year
- Semi-trailer: \$50 non-expiring

### **South Dakota**

- Non-commercial trailer: Varies based on weight and age from a \$9.92 to \$332.92 per year
- Commercial trailer: Varies based on weight and age from \$76.50 to \$297.00 per year



## DISPOSITION OF FUNDS ASSOCIATED WITH DOT-RELATED CIVIL PENALTIES

### **321.218A Civil penalty - disposition - reinstatement.**

When the department suspends, revokes, or bars a person's driver's license or nonresident operating privilege for a conviction under this chapter, **the department shall assess the person a civil penalty of two hundred dollars. However, for persons age nineteen or under, the civil penalty assessed shall be fifty dollars.** The civil penalty does not apply to a suspension issued for a violation of section 321.180B. **The money collected by the department under this section shall be transmitted to the treasurer of state who shall deposit the money in the juvenile detention home fund created in section 232.142.** A temporary restricted license shall not be issued or a driver's license or nonresident operating privilege reinstated until the civil penalty has been paid. 97 Acts, ch 190, §1; 98 Acts, ch 1073, §9; 98 Acts, ch 1112, §11, 16; 2001 Acts, ch 191, §42 For future amendments to this section effective July 1, 2007, see 2005 Acts, ch 54, §2, 12

### **321A.32A Civil penalty - disposition - reinstatement.**

When the department suspends, revokes, or bars a person's driver's license or nonresident operating privilege under this chapter, **the department shall assess the person a civil penalty of two hundred dollars. However, for persons age nineteen or under, the civil penalty assessed shall be fifty dollars.** **The money collected by the department under this section shall be transmitted to the treasurer of state who shall deposit the money in the juvenile detention home fund created in section 232.142.** A temporary restricted license shall not be issued or a driver's license or nonresident operating privilege reinstated until the civil penalty has been paid. 97 Acts, ch 190, §2; 98 Acts, ch 1073, §9; 2001 Acts, ch 191, §43 For future amendments to this section effective July 1, 2007, see 2005 Acts, ch 54, §6, 12

### **321J.17 Civil penalty - disposition - conditions for license reinstatement.**

1. If the department revokes a person's driver's license or nonresident operating privilege under this chapter, **the department shall assess the person a civil penalty of two hundred dollars. The money collected by the department under this section shall be transmitted to the treasurer of state who shall deposit one-half of the money in the separate fund established in section 915.94 and one-half of the money in the general fund of the state.** A temporary restricted license shall not be issued unless an ignition interlock device has been installed pursuant to section 321J.4 and the civil penalty has been paid. A driver's license or nonresident operating privilege shall not be reinstated unless proof of deinstallation of an ignition interlock device installed pursuant to section 321J.4 has been submitted to the department and the civil penalty has been paid.

2. If the department or a court orders the revocation of a person's driver's license or nonresident operating privilege under this chapter, the department or court shall also order the person, at the person's own expense, to do the following:

a. Enroll, attend, and satisfactorily complete a course for drinking drivers, as provided in section 321J.22.

b. Submit to evaluation and treatment or rehabilitation services.

The court or department may request that the community college or substance abuse treatment providers licensed under chapter 125 conducting the course for drinking drivers that the person is ordered to attend immediately report to the court or department that the person has successfully completed the course for drinking drivers. The court or department may request that the treatment program which the person attends periodically report on the defendant's attendance and participation in the program, as well as the status of treatment or rehabilitation.

## DISPOSITION OF FUNDS ASSOCIATED WITH DOT-RELATED CIVIL PENALTIES

A driver's license or nonresident operating privilege shall not be reinstated until proof of completion of the requirements of this subsection is presented to the department.

3. The department shall also require certification of installation of an ignition interlock device of a type approved by the commissioner of public safety on all motor vehicles owned or operated by any person seeking reinstatement following a second or subsequent conviction for a violation of section 321J.2, unless such a person has previously received a temporary restricted license as authorized by this chapter. The requirement for the installation of an approved ignition interlock device shall be for one year unless a different time period is required by statute.

86 Acts, ch 1220, §17; 87 Acts, ch 232, §24; 87 Acts, ch 234, §113; 89 Acts, ch 317, §37; 91 Acts, ch 258, §50; 93 Acts, ch 110, §1; 95 Acts, ch 143, §6; 97 Acts, ch 177, §17; 98 Acts, ch 1073, §9; 98 Acts, ch 1075, §25; 98 Acts, ch 1090, §67, 84; 2000 Acts, ch 1118, §2; 2002 Acts, ch 1119, §155

FY 2007 SCHEDULED FINES AND NUMBER OF CONVICTED OFFENDERS

| Code Reference  | Offense   | No. of Convicted Offenders | Fine  | Est. Total Amount Imposed* |
|-----------------|---|----------------------------|-------|----------------------------|
| 321.17          | OPERATING NON REGISTERED VEHICLE  | 1,275                      | \$ 30 | \$ 38,250                  |
| 321.20B-A       | VIOLATION - FINANCIAL LIABILITY COVERAGE  | 20,734                     | 250   | 5,183,500                  |
| 321.20B-B       | VIOLATION - FINANCIAL LIABILITY - ACCIDENT                                      | 4,055                      | 500   | 2,027,500                  |
| 321.25          | IMPROPER USE OF REGISTRATION CARD - 1992  | 21                         | 50    | 1,050                      |
| 321.32          | FAIL TO CARRY REGISTRATION CARD   | 1,695                      | 10    | 16,950                     |
| 321.34          | REGISTRATION VIOLATION  | 961                        | 10    | 9,610                      |
| 321.37          | FAIL TO DISPLAY REGISTRATION PLATE  | 3,307                      | 10    | 33,070                     |
| 321.38          | FAIL TO MAINTAIN REGISTRATION PLATE   | 510                        | 10    | 5,100                      |
| 321.41          | FAIL TO GIVE NOTICE OF ADDRESS/NAME CHANGE                                      | 162                        | 10    | 1,620                      |
| 321.45          | FAILURE TO TRANSFER TITLE   | 186                        | 50    | 9,300                      |
| 321.46          | FAILURE TO TRANSFER TITLE WITHIN 15 DAYS  | 102                        | 50    | 5,100                      |
| 321.47          | TRANSFERS BY OPERATION OF LAW   | 2                          | 30    | 60                         |
| 321.48          | VIOLATIONS OF TITLE - VEHICLES FOR RESALE                                       | 4                          | 50    | 200                        |
| 321.52          | VIOLATIONS OF TITLE - OUT-OF-STATE JUNKED, DISMANTLED, WRECK                    | 1                          | 50    | 50                         |
| 321.54          | INTRA STATE HAULING ON FOREIGN REGISTRATION / 1                                 | 30                         | 20    | 600                        |
| 321.55          | INTRA STATE HAULING ON FOREIGN REGISTRATION / 2                                 | 21                         | 30    | 630                        |
| 321.57          | VIOLATION OF SPECIAL PLATE REQUIREMENTS   | 34                         | 50    | 1,700                      |
| 321.62          | SPECIAL PLATES - RECORDS VIOLATION  | 3                          | 50    | 150                        |
| 321.67(1)       | NO CERTIFICATE OF TITLE UPON DISPOSAL - 1993                                    | 5                          | 50    | 250                        |
| 321.67(2)       | FAILURE TO OBTAIN TITLE ON A MOTOR VEHICLE                                      | 6                          | 50    | 300                        |
| 321.91          | ABANDONMENT OF A MOTOR VEHICLE  | 69                         | 100   | 6,900                      |
| 321.98          | OPERATION W/O REGISTRATION  | 13,751                     | 30    | 412,530                    |
| 321.99          | IMPROPER USE OF REGISTRATION  | 1,202                      | 100   | 120,200                    |
| 321.104(1)      | OPERATION W/CANCELED TITLE OR SUS. OR REV. REG.                                 | 17                         | 50    | 850                        |
| 321.104(2)      | FAILURE TO OBTAIN MFG. CERTIFICATE/TITLE -                                      | 17                         | 50    | 850                        |
| 321.104(3)      | FAILURE TO SURRENDER PLATES, TITLE OR REGIST.                                   | 15                         | 50    | 750                        |
| 321.104(4)      | FAILURE TO DELIVER TITLE AS REQUIRED  | 22                         | 50    | 1,100                      |
| 321.104(5)      | PENAL OFFENSES AGAINST TITLE LAW  | 15                         | 50    | 750                        |
| 321.115         | IMPROPER USE OF ANTIQUE PLATES  | 1                          | 30    | 30                         |
| 321.174         | FAILURE TO HAVE VALID LICENSE/PERMIT WHILE OPER. MOTOR VEH.                     | 16,983                     | 100   | 1,698,300                  |
| 321.174A        | OPERATION OF MOTOR VEHICLE WITH EXPIRED LICENSE                                 | 1,805                      | 30    | 54,150                     |
| 321.180         | VIOLATION OF INSTRUCTION PERMIT LIMITATION                                      | 470                        | 30    | 14,100                     |
| 321.180B        | VIOLATION OF GRADUATED DRIVERS LICENSE CONDITIONS                               | 344                        | 30    | 10,320                     |
| 321.193         | VIOL OF CONDITIONS OF RESTRICTED LICENSE  | 833                        | 30    | 24,990                     |
| 321.194         | VIOL OF CONDITIONS OF MINOR'S SCHOOL LICENSE                                    | 161                        | 30    | 4,830                      |
| 321.208(a)      | TWENTY-FOUR HOUR OUT OF SERVICE ORDER VIOLATION                                 | 15                         | 100   | 1,500                      |
| 321.216         | UNLAWFUL USE OF LICENSE   | 464                        | 75    | 34,800                     |
| 321.216B        | MISUSE OF LIC OR ID CARD TO ACQUIRE ALCOHOL                                     | 80                         | 100   | 8,000                      |
| 321.216C        | MISUSE OF LIC OR ID CARD TO ACQUIRE TOBACCO                                     | 2                          | 100   | 200                        |
| 321.219         | PERMITTING UNAUTHORIZED MINOR TO DRIVE  | 131                        | 100   | 13,100                     |
| 321.220         | PERMITTING UNAUTHORIZED PERSON TO DRIVE   | 594                        | 100   | 59,400                     |
| 321.229         | FAIL TO COMPLY W/ ORDER OF PEACE OFFICER  | 37                         | 35    | 1,295                      |
| 321.231         | FAIL OF CAUTION BY DRIVER OF EMERGENCY VEHICLE                                  | 3                          | 35    | 105                        |
| 321.232         | RADAR JAMMING DEVICES   | 7                          | 50    | 350                        |
| 321.234         | FAILURE TO OBSERVE SEATING REQUIREMENTS   | 4                          | 15    | 60                         |
| 321.236(5)(a)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED 55 OR < (1 THRU 5 OVER)             | 105                        | 10    | 1,050                      |
| 321.236(5)(b)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED 55 OR < (6 THRU 10 OVER)            | 172                        | 20    | 3,440                      |
| 321.236(5)(c)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED 55 OR < (11 THRU 15 OVER)           | 44                         | 30    | 1,320                      |
| 321.236(5)(d)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED 55 OR < (16 THRU 20 OVER)           | 20                         | 40    | 800                        |
| 321.236(5)(e)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED 55 OR < (20 OVER + \$2.00 EA. MILE) | 10                         | 40    | **                         |
| 321.236(5)(f)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED > 55 (1 THRU 5 OVER)                | 11                         | 20    | 220                        |
| 321.236(5)(g)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED > 55 (6 THRU 10 OVER)               | 19                         | 40    | 760                        |
| 321.236(5)(h)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED > 55 (11 THRU 15 OVER)              | 5                          | 60    | 300                        |
| 321.236(5)(i)   | (LOCAL ORDINANCE) VIOL OF LOCAL ORD - SPEED > 55 (16 THRU 20 OVER)              | 3                          | 80    | 240                        |
| 321.236(5)(j)   | VIOL OF LOCAL ORD - SPEED > 55 (OVER 20 MPH OVER)                               | 7                          | 90    | **                         |
| 321.236(A)      | PARKING VIOLATION OF LOCAL ORDINANCE  | 77                         | 35    | 2,695                      |
| 321.236(C)      | VIOLATION OF LOCAL ORDINANCE (3,4,9,12)   | 2                          | 20    | 40                         |
| 321.236(E) (10) | LOCAL ORDINANCE   | 1                          | 15    | 15                         |
| 321.239         | VIOLATION OF COUNTY ORDINANCE   | 11                         | 5     | 55                         |
| 321.247         | UNLAWFUL GOLF CART OPERATION  | 12                         | 50    | 600                        |
| 321.256         | FAIL TO OBEY TRAFFIC CONTROL DEVICE   | 3,117                      | 35    | 109,095                    |
| 321.257(2)(a)-A | VEHICLES FAIL TO RESPOND TO STEADY RED SIGNAL                                   | 475                        | 35    | 16,625                     |
| 321.257(2)(a)-B | PEDESTRIANS AND BICYCLIST FAILING TO STOP                                       | 3                          | 15    | 45                         |
| 321.257(2)(b)-A | VEHICLES FAIL TO RESPOND TO YELLOW CAUTION SIGNAL                               | 41                         | 35    | 1,435                      |
| 321.257(2)(d)   | FAIL TO YIELD TO PED. IN CROSSWALK UNDER GREEN ARROW                            | 7                          | 35    | 245                        |
| 321.257(2)(e)   | FAIL TO OBEY FLASHING RED STOP SIGNAL   | 171                        | 35    | 5,985                      |
| 321.257(2)(f)   | FAIL TO RESPOND TO FLASHING YELLOW CAUTION SIGNAL                               | 6                          | 35    | 210                        |
| 321.257(2)(g)   | PEDESTRIAN FAILURE TO OBEY "DON'T WALK" LIGHT                                   | 68                         | 15    | 1,020                      |
| 321.257(2)(h)   | FAIL TO YIELD TO PEDESTRIAN WITHIN INTERSECTION                                 | 17                         | 35    | 595                        |
| 321.275-A (1-7) | MOTORCYCLE AND MOTORIZED BIKE VIOLATION   | 37                         | 25    | 925                        |
| 321.275-B (8)   | FAILURE TO DISPLAY SAFETY FLAG  | 15                         | 15    | 225                        |
| 321.277A        | CARELESS DRIVING  | 1,550                      | 25    | 38,750                     |
| 321.284         | OPEN CONTAINER - DRIVER   | 1,705                      | 100   | 170,500                    |
| 321.284A        | OPEN CONTAINER - PASSENGER  | 2,357                      | 100   | 235,700                    |
| 321.285-A       | SPEEDING 55 OR < (1 THRU 5 OVER)  | 10,817                     | 10    | 108,170                    |
| 321.285-B       | SPEEDING 55 OR < (6 THRU 10 OVER)   | 56,273                     | 20    | 1,125,460                  |
| 321.285-C       | SPEEDING 55 OR < (11 THRU 15 OVER)  | 17,932                     | 30    | 537,960                    |
| 321.285-D       | SPEEDING 55 OR < (16 THRU 20)   | 7,395                      | 40    | 295,800                    |

FY 2007 SCHEDULED FINES AND NUMBER OF CONVICTED OFFENDERS

| Code Reference | Offense  | No. of Convicted Offenders | Fine | Est. Total Amount Imposed* |
|----------------|--|----------------------------|------|----------------------------|
| 321.285-E      | SPEEDING 55 OR < (20 MPH OVER + \$2.00 EA. MILE)       | 4,770                      | 40   |                            |
| 321.285-F      | SPEEDING > 55 (1 THRU 5 OVER)                          | 5,592                      | 20   | 111,840                    |
| 321.285-G      | SPEEDING > 55 (6 THRU 10 OVER)                         | 19,407                     | 40   | 776,280                    |
| 321.285-H      | SPEEDING > 55 (11 THRU 15 OVER)                        | 9,362                      | 60   | 561,720                    |
| 321.285-I      | SPEEDING > 55 (16 THRU 20)                             | 4,409                      | 80   | 352,720                    |
| 321.285-J      | SPEEDING > 55 (OVER 20 MPH OVER)                       | 3,311                      | 90   |                            |
| 321.285-S      | SPEEDING - SCHOOL BUS (1 THRU 10)                      | 4                          | 35   | 140                        |
| 321.288        | FAIL TO MAINTAIN CONTROL                               | 4,633                      | 35   | 162,155                    |
| 321.294        | FAIL TO MAINTAIN MINIMUM SPEED                         | 18                         | 35   | 630                        |
| 321.297        | DRIVING ON WRONG SIDE OF TWO WAY HIGHWAY               | 337                        | 35   | 11,795                     |
| 321.298        | FAIL TO YIELD HALF OF ROADWAY WHEN MEETING VEHICLE     | 164                        | 35   | 5,740                      |
| 321.299        | PASSING ON WRONG SIDE                                  | 34                         | 35   | 1,190                      |
| 321.302        | OVERTAKING AND PASSING                                 | 3                          | 50   | 150                        |
| 321.303        | UNSAFE PASSING   | 379                        | 35   | 13,265                     |
| 321.304(1)     | PASSING ON GRADE OR HILL                               | 41                         | 35   | 1,435                      |
| 321.304(2)     | PASSING TO NEAR BRIDGE, INTERSECT OR RR                | 150                        | 35   | 5,250                      |
| 321.304(3)     | PASSING CONTRARY TO HIGHWAY SIGN/MARKING               | 586                        | 35   | 20,510                     |
| 321.305        | VIOLATING ONEWAY TRAFFIC DESIGNATION - 1978            | 286                        | 35   | 10,010                     |
| 321.306        | IMPROPER USE OF LANES                                  | 832                        | 35   | 29,120                     |
| 321.307        | FOLLOWING TOO CLOSE                                    | 859                        | 35   | 30,065                     |
| 321.308        | FOLLOWING TOO CLOSE (TRUCKS AND TOWING VEHICLES)       | 22                         | 35   | 770                        |
| 321.309        | FAIL TO USE APPROVED DRAWBAR                           | 8                          | 25   | 200                        |
| 321.310        | UNLAWFUL TOWING OF FOUR WHEELED TRAILER                | 1                          | 25   | 25                         |
| 321.311        | TURNING FROM IMPROPER LANE                             | 263                        | 35   | 9,205                      |
| 321.312        | MAKING UTURN ON CURVE OR HILL                          | 23                         | 35   | 805                        |
| 321.313        | UNSAFE STARTING OF A STOPPED VEHICLE                   | 110                        | 35   | 3,850                      |
| 321.314        | UNSAFE TURN OR FAIL TO GIVE SIGNAL                     | 285                        | 35   | 9,975                      |
| 321.315        | FAIL TO GIVE CONTINUOUS TURN SIGNAL                    | 102                        | 25   | 2,550                      |
| 321.316        | FAIL TO SIGNAL STOP OR RAPID DECELERATION              | 13                         | 25   | 325                        |
| 321.317        | SIGNAL LIGHT REQUIREMENT - 14                          | 14                         | 10   | 140                        |
| 321.318        | INCORRECT HAND SIGNAL                                  | 1                          | 25   | 25                         |
| 321.319        | FAIL TO YIELD TO VEHICLE ON RIGHT                      | 234                        | 35   | 8,190                      |
| 321.320        | FAIL TO YIELD UPON LEFT TURN                           | 1,048                      | 35   | 36,680                     |
| 321.321        | FAIL TO YIELD UPON ENTERING THROUGH HIGHWAY            | 1,104                      | 35   | 38,640                     |
| 321.322        | FAIL TO OBEY STOP OR YIELD SIGN                        | 5,219                      | 35   | 182,665                    |
| 321.323        | UNSAFE BACKING ON HIGHWAY                              | 353                        | 35   | 12,355                     |
| 321.323A       | UNSAFE APPROACH TO CERTAIN STATIONARY VEHICLES         | 643                        | 50   | 32,150                     |
| 321.324        | FAIL TO YIELD TO EMERGENCY VEHICLE                     | 268                        | 50   | 13,400                     |
| 321.325        | PEDESTRIAN DISOBEYING TRAFFIC CONTROL SIGNAL           | 1                          | 15   | 15                         |
| 321.326        | PEDESTRIAN WALKING ON WRONG SIDE OF HIGHWAY            | 2                          | 15   | 30                         |
| 321.327        | FAIL TO YIELD TO PEDESTRIANS' RIGHT OF WAY             | 31                         | 35   | 1,085                      |
| 321.328        | PEDESTRIAN FAILING TO USE CROSSWAL                     | 23                         | 15   | 345                        |
| 321.329        | VEHICLE FAILING TO YIELD TO PEDESTRIAN                 | 19                         | 35   | 665                        |
| 321.331        | SOLICITING RIDE FROM W/I ROADWAY                       | 5                          | 15   | 75                         |
| 321.340        | DRIVING IN OR THROUGH SAFETY ZONE                      | 4                          | 35   | 140                        |
| 321.341        | FAIL TO PROPERLY STOP AT RR                            | 95                         | 100  | 9,500                      |
| 321.342        | FAIL TO OBEY STOP SIGN AT RR                           | 58                         | 100  | 5,800                      |
| 321.343(1)     | FAILURE TO STOP CERTAIN CARGO OR PASSGR VEH AT RR XING | 12                         | 100  | 1,200                      |
| 321.343(2)(c)  | CMV-BLOCKS RR CROSSING                                 | 2                          | 100  | 200                        |
| 321.343(2)(d)  | CMV-DISOBEYS TRAFFIC CONTROL AT RR                     | 4                          | 100  | 400                        |
| 321.343(2)(e)  | CMV-INSUFFICIENT CLEARANCE AT RR CROSSING              | 1                          | 100  | 100                        |
| 321.344        | UNLAWFUL MOVEMENT OF CONSTRUCTION EQUIPMENT AT RR      | 1                          | 100  | 100                        |
| 321.344B       | CREATING IMMEDIATE SAFETY THREAT AT RR CROSSING        | 7                          | 200  | 1,400                      |
| 321.353        | UNSAFE ENTRY ONTO SIDEWALK OR ROADWAY                  | 113                        | 35   | 3,955                      |
| 321.354(1)     | STOPPING ON PAVED PART OF HIGHWAY                      | 112                        | 35   | 3,920                      |
| 321.354(2)     | STOPPING ON TRAVELED PART OF UNPAVED HIGHWAY           | 40                         | 35   | 1,400                      |
| 321.358        | STOPPING, STANDING, OR PARKING WHERE PROHIBITED        | 169                        | 5    | 845                        |
| 321.360        | PROHIBITED PARKING IN FRONT OF THEATER/HOTEL           | 1                          | 5    | 5                          |
| 321.361        | PARKING TOO FAR FROM CURB/ANGULAR PARKING              | 20                         | 5    | 100                        |
| 321.362        | PARKING W/O STOPPING ENGINE & SETTING BRAKE            | 16                         | 10   | 160                        |
| 321.363        | DRIVING W/ OBSTRUCTED VIEW OR CONTROL                  | 61                         | 25   | 1,525                      |
| 321.366        | IMPROPER USE OF MEDIAN, CURB, OR ACC FACILITY          | 321                        | 50   | 16,050                     |
| 321.367        | FAIL TO MAINTAIN DISTANCE FROM FF VEHICLE              | 2                          | 35   | 70                         |
| 321.368        | CROSSING UNPROTECTED FIRE HOSE                         | 4                          | 35   | 140                        |
| 321.369        | DEPOSITING OR THROWING LITTER                          | 287                        | 70   | 20,090                     |
| 321.370        | REMOVING INJURIOUS MATERIAL                            | 5                          | 70   | 350                        |
| 321.372(1)     | FAIL OF SCHOOL BUS DRIVER TO SIGNAL                    | 1                          | 35   | 35                         |
| 321.372(3)     | UNLAWFUL PASSING OF SCHOOL BUS                         | 662                        | 100  | 66,200                     |
| 321.381        | DRIVING OR TOWING UNSAFE VEHICLE                       | 121                        | 50   | 6,050                      |
| 321.381A       | IMPROPER OPERATION OF LOW-SPEED VEHICLE                | 1                          | 50   | 50                         |
| 321.382        | OPERATING UNDERPOWERED VEHICLE                         | 2                          | 15   | 30                         |
| 321.383        | FAIL TO DISP REFLECT DEV ON SLOW MOVING VEHICLE        | 29                         | 20   | 580                        |
| 321.384        | FAIL TO USE HEADLAMPS WHEN REQUIRED - 1978             | 422                        | 20   | 8,440                      |
| 321.385        | INSUFFICIENT NUMBER OF HEADLAMPS                       | 164                        | 20   | 3,280                      |
| 321.386        | INSUFFICIENT NUMBER OF HEADLAMPS / MOTORCYCLE          | 3                          | 10   | 30                         |
| 321.387        | IMPROPER REAR LAMP                                     | 467                        | 10   | 4,670                      |
| 321.388        | IMPROPER REGISTRATION PLATE LAMP                       | 301                        | 10   | 3,010                      |

FY 2007 SCHEDULED FINES AND NUMBER OF CONVICTED OFFENDERS

| Code Reference  | Offense  | No. of Convicted Offenders | Fine   | Est. Total Amount Imposed* |
|-----------------|--|----------------------------|--------|----------------------------|
| 321.389         | IMPROPER REAR REFLECTOR                            | 4                          | 10     | 40                         |
| 321.390         | INCLUDED IN SECTION 753.15(2)(1) REFLECT. REQUIRE. | 1                          | 10     | 10                         |
| 321.392         | IMPROPER CLEAR LIGHTING ON TRUCK OR TRAILER        | 3                          | 10     | 30                         |
| 321.393         | LIGHTING DEVICE COLOR AND MOUNTING                 | 14                         | 10     | 140                        |
| 321.394         | NO LAMP OR FLAG ON REAR/PROJECTING LOAD            | 21                         | 25     | 525                        |
| 321.395         | PARKING ON CERTAIN ROADWAYS W/O PARKING LIGHTS     | 2                          | 35     | 70                         |
| 321.397         | IMPROPER LIGHT ON BICYCLE                          | 62                         | 15     | 930                        |
| 321.398         | IMPROPER LIGHT ON OTHER VEHICLE                    | 2                          | 20     | 40                         |
| 321.402         | IMPROPER USE OF SPOT LIGHT                         | 2                          | 20     | 40                         |
| 321.403         | IMPROPER USE OF AUXILIARY DRIVING LIGHTS           | 2                          | 20     | 40                         |
| 321.404         | IMPROPER BRAKE LIGHT                               | 192                        | 20     | 3,840                      |
| 321.404A        | USE OF LIGHT RESTRICTING DEVICE                    | 47                         | 15     | 705                        |
| 321.409         | IMPROPERLY ADJUSTED HEADLAMP                       | 4                          | 20     | 80                         |
| 321.415         | FAILURE TO DIM                                     | 184                        | 20     | 3,680                      |
| 321.419         | IMPROPERLY HEADLIGHTING WHEN NIGHT DRIVING         | 49                         | 20     | 980                        |
| 321.420         | EXCESSIVE NUMBER OF DRIVING LIGHTS                 | 4                          | 20     | 80                         |
| 321.422         | LIGHTS OF IMPROPER COLOR / FRONT OR REAR           | 83                         | 10     | 830                        |
| 321.423(A)      | UNAUTHORIZED USE OF EMERGENCY VEH LIGHTING EQUIP   | 35                         | 20     | 700                        |
| 321.423(B)      | FAIL TO USE FLASH SIGNAL ON SLOW MOVING VEH        | 4                          | 20     | 80                         |
| 321.430         | DEFECTIVE BRAKING EQUIPMENT                        | 53                         | 35     | 1,855                      |
| 321.432         | DEFECTIVE AUDIBLE WARNING DEVICE                   | 1                          | 10     | 10                         |
| 321.433(A)      | UNAUTHORIZED USE OF EMERG AUDIBLE WARN DEVICE      | 2                          | 20     | 40                         |
| 321.436         | DEFECTIVE OR UNAUTHORIZED MUFFLER SYSTEM           | 461                        | 10     | 4,610                      |
| 321.437-A       | FAILURE TO MEET MIRROR REQUIREMENTS                | 25                         | 10     | 250                        |
| 321.437-B       | FAILURE TO HAVE PROPER EXTERIOR MIRROR (TOWING)    | 1                          | 25     | 25                         |
| 321.438-A (1,3) | WINDSHIELD/WINDOW REQUIREMENTS                     | 4,009                      | 15     | 60,135                     |
| 321.438-B (2)   | DARK WINDOW/WINDSHIELD                             | 4,524                      | 15     | 67,860                     |
| 321.439         | DEFECTIVE WINDSHIELD WIPERS                        | 8                          | 10     | 80                         |
| 321.440         | DEFECTIVE TIRES                                    | 103                        | 10     | 1,030                      |
| 321.442         | UNAUTHORIZED USE OF METAL PROJ ON WHEELS           | 2                          | 10     | 20                         |
| 321.444         | FAIL TO USE SAFETY GLASS                           | 18                         | 10     | 180                        |
| 321.445         | FAIL TO MAINTAIN SAFETY BELTS                      | 26,736                     | 25     | 668,400                    |
| 321.446         | FAILURE TO SECURE CHILD                            | 1,694                      | 25     | 42,350                     |
| 321.449         | VIOLATION - MOTOR CARRIER SAFETY REGULATIONS       | 172                        | 25     | 4,300                      |
| 321.449-A       | FAILURE TO COMPLY WITH SAFETY REG. RULES           | 15,957                     | 25     | 398,925                    |
| 321.449-B       | OPERATION BY UNQUALIFIED DRIVER                    | 1,891                      | 25     | 47,275                     |
| 321.449-C       | MAX. HOURS OF SERVICE VIOLATION                    | 6,503                      | 25     | 162,575                    |
| 321.449-E       | PRESENCE OF ALCOHOL - CMV                          | 54                         | 25     | 1,350                      |
| 321.450         | VIOLATION OF HAZARDOUS MATERIALS TRANSPORTATION    | 342                        | 100    | 34,200                     |
| 321.454         | WIDTH VIOLATION                                    | 300                        | 100    | 30,000                     |
| 321.455         | EXCESSIVE SIDE PROJ OF LOAD / PASSENGER VEH        | 18                         | 100    | 1,800                      |
| 321.456         | EXCESSIVE HEIGHT                                   | 44                         | 100    | 4,400                      |
| 321.457         | EXCESSIVE LENGTH                                   | 287                        | 100    | 28,700                     |
| 321.458         | EXCESSIVE PROJ FROM FRONT OF VEHICLE               | 5                          | 100    | 500                        |
| 321.460         | SPILLING ON HIGHWAY                                | 107                        | 100    | 10,700                     |
| 321.461         | EXCESSIVE TOW/BAR LENGTH                           | 3                          | 25     | 75                         |
| 321.462         | FAIL TO USE REQUIRED TOWING EQUIPMENT              | 63                         | 25     | 1,575                      |
| 321.463         | MAX GROSS WEIGHT VIOLATION - 1985                  | 4,097                      | Varies | ****                       |
| 321.466         | GROSS WEIGHT IN EXCESS OF REG GROSS WEIGHT****     | 433                        | 20     | 8,660                      |
| 321E.16         | VIOLATIONS OF PERMIT (EXCEPT WEIGHT)               | 191                        | \$100  | 19,100                     |
| 325A.24         | VIOLATIONS OF CHAPTER 325A - (EXCEPT 325A.8)       | 89                         | \$250  | 22,250                     |
| 325A.3(5)       | FAILURE TO CARRY/EXHIBIT PERMIT                    | 128                        | \$50   | 6,400                      |
| 325A.8          | VIOLATIONS OF REQUIRED MARKINGS                    | 10                         | \$50   | 500                        |
| 326.22          | FAIL TO DISPLAY IDENTIFICATION                     | 71                         | \$20   | 1,420                      |
| 326.23          | VIOLATION OF TRIP PERMITS                          | 434                        | \$20   | 8,680                      |
| 327B.1(A)       | NO OR IMPROPER CARRIER IDENTIFICATION              | 139                        | \$50   | 6,950                      |
| 327B.1(B)       | NO OR IMPROPER INTERSTATE AUTHORITY EVIDENCE       | 166                        | \$50   | 8,300                      |

\* The total amount imposed is not the total amount collected. Not all fines are paid, and therefore, the total amount collected is unknown.

\*\* Additional fines apply for each mile in excess of 20 mph over the speed limit.

\*\*\* A surcharge fee applies for each 2,000 lbs or fraction thereof.

\*\*\*\* Gross weight fines vary from \$6 to \$2,200.

Sources: The number of convicted offenders are sourced from the Department of Human Rights, Criminal and Juvenile Justice Planning (CJJJ) data warehouse. Fines are sourced from the "Compendium of Scheduled Violations and Scheduled Fines," July 2007, published by the Department of Public Safety (DPS) and the Department of Natural Resources (DNR).

**FY 2007 NON-SCHEDULED FINES AND NUMBER OF CONVICTED OFFENDERS**

**Key**

SMMS (Simple Misdemeanor)  
 SRMS (Serious Misdemeanor)  
 AGMS (Aggravated Misdemeanor)  
 FELD (Class D Felony)

| Code Reference | Offense*   | No. of Convicted Offenders | Fine                |
|----------------|--|----------------------------|---------------------|
| 321.24         | REGISTRATION VIOLATION                                   | 5                          | **                  |
| 321.78         | TAMPERING WITH A MOTOR VEHICLE - 1989                    | 25                         | \$65 - \$625        |
| 321.95         | FAILURE TO MAINTAIN MOTOR VEHICLE RECORDS                | 3                          | **                  |
| 321.96         | PROHIBITED PLATES  | 45                         | **                  |
| 321.121        | VIOLATION/SPECIAL TRUCK REGISTRATION                     | 2                          | **                  |
| 321.201        | CANCELLATION AND RETURN OF LICENSE FOR FALSE INFORMATION | 1                          | **                  |
| 321.209        | DRIVE/SUSPENDED LIC/REVOCATION (SRMS)                    | 6                          | \$315 - \$1,875     |
| 321.215        | VIOLATION OF RESTRICTED LICENSE (SMMS)                   | 9                          | \$65 - \$625        |
| 321.216A(1)    | MAKING FALSE LICENSES, ID FORMS OR BLANK FORMS (SRMS)    | 9                          | \$315 - \$1,875     |
| 321.216A(2)    | POSSESSION OF LICENSE OR ID CARD FORMS (SRMS)            | 4                          | \$315 - \$1,875     |
| 321.216A(3)    | POSSESSION OF FICTITIOUS LICENSE, CARD OR FORM (SRMS)    | 40                         | \$315 - \$1,875     |
| 321.216A(4)    | FALSE APPLICATION FOR LICENSE OF ID CARD (SRMS)          | 16                         | \$315 - \$1,875     |
| 321.218        | DRIVING WHILE LICENSE DENIED, SUSP, CANCELLED OR REVOKED | 12,348                     | \$250 - \$1,500     |
| 321.218(4)     | DRIVING CMV WHILE DISQUALIFIED (SRMS)                    | 39                         | \$315 - \$1,875     |
| 321.234(2)     | BICYCLE VIOLATIONS OF CHAPTER 321                        | 1                          | \$15                |
| 321.260(1)     | INTERFERENCE WITH DEVICES, SIGNS, OR SIGNALS             | 10                         | Not Less Than \$250 |
| 321.260(2)     | UNLAWFUL POSSESSION OF TRAFFIC CONTROL DEVICE            | 5                          | Not Less Than \$250 |
| 321.261(2)     | LEAVE SCENE OF INJURY ACCIDENT (SRMS)                    | 110                        | \$315 - \$1,875     |
| 321.261(3)     | LEAVE SCENE OF SERIOUS INJURY ACCIDENT (AGMS)            | 2                          | \$625 - \$6,250     |
| 321.261(4)     | LEAVE SCENE OF DEATH ACCIDENT (FELD)                     | 2                          | \$750 - \$7,500     |
| 321.262        | DAMAGE TO VEHICLE - 1983                                 | 351                        | \$65 - \$625        |
| 321.263        | INFORMATION AND AID-LEAVING SCENE OF ACCIDENT            | 157                        | **                  |
| 321.264        | STRIKING UNATTENDED VEH. - 1978                          | 339                        | **                  |
| 321.265        | STRIKING FIXTURES - 1978                                 | 201                        | **                  |
| 321.266(1)     | REPORTING ACCIDENT - PERSONAL INJURY, DEATH              | 38                         | **                  |
| 321.266(2)     | REPORTING ACCIDENTS - DAMAGE > \$1000                    | 29                         | **                  |
| 321.277        | RECKLESS DRIVING   | 580                        | \$65 - \$625        |
| 321.278        | DRAG RACING PROHIBITED                                   | 55                         | \$65 - \$625        |
| 321.279(1)     | ELUDING (SRMS)   | 217                        | \$315 - \$1,875     |
| 321.279(2)     | ELUDING (AGMS)   | 178                        | \$625 - \$6,250     |
| 321.279(3)     | ELUDING (FELD)   | 127                        | \$750 - \$7,500     |
| 321.281(A)-2   | OPER WHILE UNDER INFL. 1ST OFF - 1978 (SRMS)             | 2                          | \$315 - \$1,875     |
| 321.281(B)-2   | OPER WHILE UNDER INFL 2ND OFF - 1978 (AGMS)              | 1                          | \$625 - \$6,250     |
| 321.285        | FAILURE TO STOP IN A SAFE AND SURE DISTANCE              | 1,474                      | **                  |
| 321.324A       | FAIL TO YIELD TO FUNERAL PROCESSION                      | 4                          | **                  |
| 321.373(6)     | FAILURE TO CHANGE SCHOOL BUS MARKINGS                    | 2                          | **                  |
| 321.379        | SCHOOL BUS REGULATIONS VIOLATION                         | 1                          | **                  |
| 321.431        | IMPROPER PERFORMANCE ABILITY OF MOTOR VEHICLE BRAKES     | 1                          | **                  |
| 321.471        | VIOLATION OF WEIGHT EMBARGO                              | 12                         | **                  |
| 321.473        | LIMITING TRUCKS - RUBBISH VEHICLES                       | 23                         | **                  |
| 321.474        | FAIL TO OBEY POSTED WEIGHT LIMITATION                    | 42                         | **                  |
| 321.484        | OFFENSES BY OWNER  | 26                         | **                  |
| 321.561        | DRIVING WHILE BARRED HABITUAL OFFENDER - 1978 (AGMS)     | 3,519                      | \$625 - \$6,250     |
| 321A.14        | SUSPENSION OF LICENSE                                    | 1                          | **                  |
| 321A.32(1)     | DRIVE/SUSPEND LIC/OWI ELUDING                            | 785                        | \$250 - \$1,500     |
| 321A.32(1)-1   | PERMIT OPER OF VEH WHILE REGISTRATION SUSPENDED (SMMS)   | 29                         | \$65 - \$625        |
| 321A.32(2)     | FAILING TO RETURN LICENSE OR REGISTRATION                | 16                         | \$65 - \$625        |
| 321A.32(3)-A   | FALSE EVIDENCE OF FINANCIAL RESPONSIBILITY (SRMS)        | 5                          | \$315 - \$1,875     |
| 321A.32(4)     | OTHER VIOLATIONS CHAPTER 321A (SRMS)                     | 8                          | \$315 - \$1,875     |
| 321J.2(A)      | OPER VEH WHILE INT (OWI) / 1ST OFF (SRMS)                | 11,513                     | \$315 - \$1,875     |
| 321J.2(B)      | OPER VEH WHILE INT (OWI) / 2ND OFF (AGMS)                | 2,931                      | \$625 - \$6,250     |
| 321J.2(C)      | OPER VEH WHILE INT (OWI) / 3RD OFFENSE (FELD)            | 891                        | \$750 - \$7,500     |
| 321J.3(1)(f)   | CONTEMPT-FAILURE TO FOLLOW SUB ABUSE RECOMMENDATIONS     | 65                         | **                  |

**FY 2007 NON-SCHEDULED FINES AND NUMBER OF CONVICTED OFFENDERS**

**Key**

SMMS (Simple Misdemeanor)  
 SRMS (Serious Misdemeanor)  
 AGMS (Aggravated Misdemeanor)  
 FELD (Class D Felony)

| <b>Code Reference</b> | <b>Offense*</b>  | <b>No. of Convicted Offenders</b> | <b>Fine</b>     |
|-----------------------|--|-----------------------------------|-----------------|
| 321J.3(1)(g)          | CONTEMPT-FAILURE TO ATTEND OWI POST-TREATMENT              | 53                                | **              |
| 321J.4(8)(c)          | OPERATE VEHICLE W/O INTERLOCK (SMMS)                       | 1                                 | \$65 - \$625    |
| 321J.4(8)(f)          | CIRCUMVENTING AN IGNITION INTERLOCK DEVICE (SRMS)          | 3                                 | \$315 - \$1,875 |
| 321J.21               | DRIVING WHILE LICENSE DENIED OR REVOKED (SRMS)             | 1,643                             | \$315 - \$1,875 |
| 322.3(1)              | NO NEW MOTOR VEHICLE DEALERS LICENSE ISSUED BY DOT (SMMS)  | 1                                 | \$65 - \$625    |
| 322.3(11)             | SELLING VEHICLES AT OTHER THAN LICENSE LOCATIONS (SMMS)    | 2                                 | \$65 - \$625    |
| 322.3(2)              | NO USED MOTOR VEHICLE DEALERS LICENSE ISSUED BY DOT (SMMS) | 1                                 | \$65 - \$625    |
| 322.14                | VIOLATION-RULES FOR MV DEALERS, MANUFTRS, DISTRBRS (SMMS)  | 1                                 | \$65 - \$625    |
| 325.34                | VIOLATION OF CERTIFICATED CARRIERS LAWS (SMMS)             | 1                                 | \$65 - \$625    |
| 325A.3                | OPERATING A MOTOR VEH FOR HIRE W/O PERMIT OR CERTIF (SRMS) | 1                                 | \$315 - \$1,875 |

Note: The total amount collected per conviction cannot be determined since fine amount may vary. In addition, community service may be chosen in lieu of a fine.

\* The offenses do not include those related to snowmobile, ATV, or handicap violations.

\*\* The penalty or fine is not stated in the specified Code of Iowa section. Section 321.482 through Section 321.484 provide the penalties and fines for offenses under Chapter 321 when not specified in the Code of Iowa.

Sources: The number of convicted offenders are sourced from the Department of Human Rights, Criminal and Juvenile Justice Planning (CJJP) data warehouse. Fines are sourced from the Code of Iowa.

**Sample Tolling Scenario for Iowa**  
**US 20 in Western Iowa**

**1. Costs to build and operate a U.S. 20 toll facility in Western Iowa:**

**A. Construction Costs**

**Estimates (\$ in millions) for toll plaza and road construction**

| Facility Type     | Toll Plaza Costs* | Cost of Five Toll facilities (one every 25 miles) | Road Construction Cost | Total Road Construction and Toll Plaza Construction Costs |
|-------------------|-------------------|---|------------------------|---|
| Four-lane roadway | \$ 12             | \$ 60   | \$ 520                 | \$ 580  |

\* Average cost to construct one toll plaza (costs can range from \$5 to \$15 million per plaza). Source: Wilbur Smith Associates; inflated to 2010 dollars

**B. Toll Plaza Operating Costs**

**Toll Plaza Operating Costs based on:**

1. 3,500 average annual daily traffic (AADT)
2. 40% of all vehicles travel through all 5 toll plazas, and 60% travel through 2-3 toll plazas
3. 4.5 million toll plaza transactions (a transaction is one vehicle going through one toll booth) per year
4. 18 cents per transaction includes only the cost to operate a toll plaza; in 2010 dollars (18 cents equals 15 cents in 2005 dollars inflated by 3.5 % per year)
5. 34 cents includes toll plaza operation costs plus costs to administer tolling operations (includes pre-pass customer service, general administration, information technology, and financial administration); in 2010 dollars. (34 cents equals 29 cents in 2005 dollars inflated by 3.5 % per year). Source: Oklahoma Turnpike Authority annual report and Wilbur Smith Associates.

**Annual Toll Plaza Operating Costs**

|  |                        |             |
|--|------------------------|-------------|
| Toll plaza operations only                           | \$0.18 per transaction | \$805,000   |
| Toll plaza operations plus toll administration costs | \$0.34 per transaction | \$1,520,000 |



**2. \$580 million bond issue** (\$520 million for roadway construction and \$60 million for toll plaza construction):

Annual Payment in millions

|       | 10 years | 15 years | 20 years | 25 years | 30 years |
|-------|----------|----------|----------|----------|----------|
| 3.5 % | \$69.7   | \$50.4   | \$40.8   | \$35.2   | \$29.8   |
| 4.0 % | \$71.5   | \$52.2   | \$42.7   | \$37.1   | \$33.5   |
| 4.5 % | \$73.3   | \$54.0   | \$44.6   | \$39.1   | \$35.6   |
| 5.0 % | \$75.1   | \$55.9   | \$46.5   | \$41.2   | \$37.7   |

Total Paid over Bond Life in millions

|       | 10 years | 15 years | 20 years | 25 years | 30 years |
|-------|----------|----------|----------|----------|----------|
| 3.5 % | \$697    | \$755    | \$816    | \$880    | \$894    |
| 4.0 % | \$715    | \$782    | \$854    | \$928    | \$1,006  |
| 4.5 % | \$733    | \$810    | \$892    | \$978    | \$1,068  |
| 5.0 % | \$751    | \$838    | \$931    | \$1,029  | \$1,132  |

Interest Paid over Bond Life in millions

|       | 10 years | 15 years | 20 years | 25 years | 30 years |
|-------|----------|----------|----------|----------|----------|
| 3.5 % | \$117    | \$175    | \$236    | \$300    | \$314    |
| 4.0 % | \$135    | \$202    | \$274    | \$348    | \$426    |
| 4.5 % | \$153    | \$230    | \$312    | \$398    | \$488    |
| 5.0 % | \$171    | \$258    | \$351    | \$449    | \$552    |

Assumptions:

- Principal amount = \$580 million (\$520 million for roadway construction and \$60 million for toll plaza construction—in 2010 dollars)
- Interest rate = 3.5 % to 5.0 %
- Term = 10 to 30 years
- Does not include any origination fees to sell the bonds.

Source:

- Kansas issued \$250 million in 2004 maturing in the years 2018 through 2023 at interest rates varying from 4.5 % to 5.5 %.
- Nevada issued bonds with terms of 15 to 20 years.
- Missouri issued \$900 million in bonding with a 20-year commitment.
- Wilbur Smith indicated typical lengths of 30 to 40 years.
- Tax free municipal bonds are currently selling at a rate of 3.75 % for 10 years and 4.0 % to 4.25 % for a 30-year bond. (Charles Schwab Company).

**3. Assessment of revenues and costs for a toll road carrying**

**5,000 AADT** (with and without roadway construction costs being considered)

**Annual Toll Revenues (\$0.06 per mile):**

|  |                    |
|--|--------------------|
| Tolls from traffic traveling the entire length (40%)-----    | \$4,380,000        |
| Tolls from traffic using only part of the length (60%) ----- | <u>\$1,971,000</u> |
| Total revenues-----  | <u>\$6,351,000</u> |

**Annual Toll Operational Costs:**

|                                   |                    |
|-----------------------------------|--------------------|
| Toll plaza operational costs----- | \$1,150,000        |
| Toll administration costs-----    | \$1,022,000        |
| Toll plaza capital costs*-----    | <u>\$4,600,000</u> |
| Total toll plaza costs-----       | <u>\$6,772,000</u> |

\* \$60 million for toll plaza construction financed with bonds for 20 years at 4.5 %

**Net "profit or loss" before considering road costs:**

**Toll revenues minus toll costs-----(\$421,000)**

**Road construction costs:**

Four-lane roadway annual bond repayments\*-----\$40,000,000

\* \$520 million for roadway construction financed with bonds for 20 years at 4.5 %

**Road maintenance costs:**

Annual maintenance costs for a typical 100-mile four-lane primary road are \$2,000,000 (equals \$20,000 per mile).

**Net "profit or loss" after considering road construction and maintenance costs:**

**Toll revenues minus toll and road costs -----(\$42,421,000)**

**AADT required to cover costs to retire bonds for construction, maintenance, operations and administration: ----- 57,300**

## 6. Examples of privatized highways in other states—typical AADT:

- Indiana Turnpike (which is I-80 and I-94)—151 miles with AADT ranging from 20,500 to 25,800
- Kansas Turnpike—232 miles with AADT averaging 16,040 (ranging from 3,200 to 17,200).
- Oklahoma—5 of 10 total turnpikes are listed below:

### Four-lane facilities

1. Indian Nation Turnpike (non-interstate; opened in 1966)—105 miles with AADT of 6,000.
2. Will Rogers Turnpike—88 miles with AADT of 3,400
3. H.E. Bailey Turnpike—61 miles with AADT of 26,600
4. Cimarron Turnpike (non-interstate; opened in 1975)—68 miles with AADT of 4,400

### Two-lane facilities

1. Chickasaw Turnpike (non-interstate; opened in 1991)—27 miles with AADT of 4,500

### Operating Statistics for Oklahoma, Kansas, and Iowa Turnpikes (in 2005 dollars)

|                         | Indian Nation Turnpike | Cimarron Turnpike | Chickasaw Turnpike | All 10 Oklahoma Turnpikes | Kansas Turnpike | Iowa Example Turnpike |
|-------------------------|------------------------|-------------------|--------------------|---------------------------|-----------------|-----------------------|
| Miles                   | 105                    | 68                | 27                 | 605                       | 232             | 100                   |
| Toll Receipts           | \$11,570,000           | \$8,649,000       | \$472,000          | \$191,194,000             | \$11,000,000    | \$5,293,000           |
| VMT                     | 191,655,000            | 147,830,000       | 12,786,000         | 2,915,521,000             | 1,386,949,000   | 105,000,000           |
| Transactions            | 6,017,000              | 6,792,000         | 764,000            | 131,085,000               | 32,591,000      | 6,300,000             |
| Revenue per mile        | \$0.06                 | \$0.06            | \$0.04             | \$0.07                    | \$0.05          | \$0.05**              |
| Revenue per transaction | \$1.92                 | \$1.27            | \$0.61             | \$1.46                    | \$2.25          | \$0.84                |
| Cost per transactions*  | Not available          | Not available     | Not available      | \$0.12                    | Not available   | \$0.15**              |

\* This includes only the cost to operate a toll plaza. Other costs to administer tolling operations (includes pre-pass customer service, general administration, information technology, and financial administration), Highway Patrol, roadway and toll plaza maintenance are not included.

\*\* These costs were inflated by 3.5 % per year to arrive at 2010 dollars, which are shown in previous calculations.

- Texas:
  1. Texas 121—85 miles, first phase opened in late 2006; no AADT data available yet
  2. Austin I-35 Bypass (State Highway 130)—16 miles open, 33 miles will open in late 2007; no AADT data available yet
  3. President George Bush Turnpike (in Dallas)—31 miles with AADT of 70,000

## 7. Federal requirements to get approval to toll an Interstate:

- With some exceptions tolls cannot be established on existing interstate facilities. Tolls are allowed, however, on:
  - Any interstate routes which have previously been tolled.
  - Any newly constructed interstate segment.
- SAFETEA-LU did provide two program opportunities for tolling of interstates:
  - Express Lanes Demonstration Program—this new demonstration program permits tolling on selected facilities to manage high levels of congestion or finance added Interstate lanes for the purpose of reducing congestion. Fifteen (15) demonstration projects through 2009. Applications are still being accepted.
  - Interstate System Reconstruction and Rehabilitation Pilot Program—allows up to three (3) existing Interstate facilities to be tolled to fund needed reconstruction or rehabilitation that could not otherwise be adequately maintained or functionally improved without the collection of tolls. Applications are still being accepted for one remaining opening.
  - Steps required for these two programs:
    - ✓ Submit an “expression of interest” to FHWA Tolling and Pricing Team in Washington.
    - ✓ The initial tolling agreement, private/public partnership agreement, and NEPA activities must be approved by FHWA.

---

Factors other states consider when developing a project as a toll facility:

1. Construction Feasibility—From an engineering perspective, is it a project that can be built?
2. Traffic Demand Trends—Will there be enough traffic to support the toll road?
3. Availability of Free Alternate Routes—Are alternative, non-toll routes available?
4. Economic Strength and Diversity—Is the facility needed? Will it carry sufficient traffic to pay the cost to build it?

**Sample Tolling Scenario for Three Iowa River Bridges**

1. US 275 in Council Bluffs
2. I-74 in Davenport
3. US 20 in Dubuque

**1. Costs to Build and Operate Bridge Toll Facilities:**

**A. Construction Costs**

**Estimates (\$ in millions) for toll plaza and bridge construction**

| Bridge Location | Toll Plaza Construction Costs* | Bridge Construction Cost** | Total Bridge Construction and Toll Plaza Construction Costs |
|-----------------|--------------------------------|----------------------------|---|
| US 275          | \$ 12                          | \$ 85                      | \$ 97   |
| I-74            | \$ 12                          | \$ 1,350                   | \$ 1,362  |
| US 20           | \$ 12                          | \$ 220                     | \$ 232  |

\* Average cost to construct one toll plaza (costs can range from \$5 to \$15 million per plaza). Source: Wilbur Smith Associates; inflated to 2010 dollars

\*\* Includes total cost of bridge and associated roadway improvements on both sides of the river.

**B. Toll Plaza Operating Costs**

**Toll Plaza Operating Costs based on:**

1. A toll plaza transaction is one vehicle going through one toll booth.
2. 18 cents per transaction includes only the cost to operate a toll plaza; in 2010 dollars (18 cents equals 15 cents in 2005 dollars inflated by 3.5 % per year)
3. 34 cents includes toll plaza operation costs plus costs to administer tolling operations (includes pre-pass customer service, general administration, information technology, and financial administration); in 2010 dollars. (34 cents equals 29 cents in 2005 dollars inflated by 3.5 % per year). Source: Oklahoma Turnpike Authority annual report and Wilbur Smith Associates.

**Annual Toll Plaza Operating Costs**

|  |                        | US 275      | I-74        | US 20       |
|--|------------------------|-------------|-------------|-------------|
| Toll plaza operations only                           | \$0.18 per transaction | \$558,000   | \$4,631,000 | \$1,301,000 |
| Toll plaza operations plus toll administration costs | \$0.34 per transaction | \$1,054,000 | \$8,747,000 | \$2,457,000 |

## 2. Annual Toll Plaza and Bridge Construction Costs:

Annual Payment in Millions (based on 4.5% @ 20 years)

| Bridge Location | Toll Plaza Construction Cost | Bridge Construction Cost | Annual Payment |
|-----------------|------------------------------|--------------------------|----------------|
| US 275          | \$ 0.9                       | \$ 6.5                   | \$ 7.4         |
| I-74            | \$ 0.9                       | \$ 103.8                 | \$104.7        |
| US 20           | \$ 0.9                       | \$ 16.9                  | \$ 17.8        |

### Assumptions:

- Does not include any origination fees to sell the bonds.

### Source:

- Kansas issued \$250 million in 2004 maturing in the years 2018 through 2023 at interest rates varying from 4.5 % to 5.5 %.
- Nevada issued bonds with terms of 15 to 20 years.
- Missouri issued \$900 million in bonding with a 20-year commitment.
- Wilbur Smith indicated typical lengths of 30 to 40 years.
- Tax free municipal bonds are currently selling at a rate of 3.75 % for 10 years and 4.0 % to 4.25 % for a 30-year bond. (Charles Schwab Company).

## 3. Assessment of Revenues and Costs (with and without bridge construction costs being considered)

|                         |                            | US 275       | I-74          | US 20         |
|-------------------------|----------------------------|--------------|---------------|---------------|
| Annual Toll Revenues*   |                            | \$ 5,330,000 | \$ 42,491,000 | \$ 13,718,000 |
| Annual Toll Plaza Costs | Toll Plaza Operation Costs | \$ 558,000   | \$ 4,631,000  | \$ 1,301,000  |
|                         | Toll Administration Costs  | \$ 496,000   | \$ 4,116,000  | \$ 1,156,000  |
|                         | Toll Plaza Capital Costs   | \$ 923,000   | \$ 923,000    | \$ 923,000    |
|                         | Total Toll Plaza Costs     | \$ 1,977,000 | \$ 9,670,000  | \$ 3,380,000  |

### \* Toll Revenue Assumptions:

- 2006 average annual daily traffic:
  - US 275—8,500
  - I-74-----70,500
  - US 20---19,800
- Toll rates:
  - Cars, vans, pickups--- \$ 1.50
  - Trucks and buses-----\$ 1.75 per axle

Source for toll rates is Blue Water Bridge in Michigan

**Total Revenues Minus Total Costs**

**Net "profit or loss" not considering bridge construction costs\*:**

**Toll revenues minus toll costs**

|             |               |
|-------------|---------------|
| US 275----- | \$ 3,353,000  |
| I-74-----   | \$ 32,821,000 |
| US 20-----  | \$ 10,338,000 |

\* Does not include bridge maintenance costs

**Annual bridge construction costs\*:**

|             |                |
|-------------|----------------|
| US 275----- | \$ 6,534,000   |
| I-74-----   | \$ 103,783,000 |
| US 20-----  | \$ 16,913,000  |

\* Financed with bonds for  
20 years at 4.5 %

**Net "profit or loss" considering bridge construction costs\*:**

|             |                 |
|-------------|-----------------|
| US 275----- | (\$ 3,181,000)  |
| I-74-----   | (\$ 70,962,000) |
| US 20-----  | (\$ 6,575,000)  |

\* Does not include bridge maintenance costs

**AADT required to cover costs to retire bonds for bridge and toll plaza construction plus toll plaza operations and administration costs:**

|             |         |
|-------------|---------|
| US 275----- | 14,800  |
| I-74-----   | 218,700 |
| US 20-----  | 31,300  |

#### 4. Examples of Toll Bridge Rates in Other States:

| Bridge Location                              | Cars, vans, and pickups | Buses   | 2-axle truck | 3-axle truck | 4-axle truck | 5-axle truck |
|--|-------------------------|---------|--------------|--------------|--------------|--------------|
| International Bridge-Michigan                | \$ 2.00                 | \$ 6.00 | \$ 6.00      | \$ 9.00      | \$ 12.00     | \$ 15.00     |
| Blue Water Bridge-Michigan                   | \$ 1.50                 | \$ 5.25 | \$ 3.50      | \$ 5.25      | \$ 7.00      | \$ 8.75      |
| Ambassador Bridge-Michigan*                  | \$ 3.75                 | \$ 7.75 | \$ 4.00      | \$ 7.50      | \$ 11.50     | \$ 11.50     |
| Grosse Ile Bridge-Michigan                   | \$ 1.50                 | \$ 3.00 | \$ 3.00      | \$ 4.50      | \$ 6.00      | \$ 7.50      |
| Delaware River Joint Toll Commission Bridges | \$ 0.75                 |         | \$ 5.00      | \$ 9.75      | \$ 13.00     | \$ 16.25     |
| Chicago Skyway Toll Bridge-Illinois          | \$ 2.50                 |         |              |              |              | \$ 8.40      |
| Lake of the Ozarks Toll Bridge-Missouri      | \$ 2.50                 |         |              |              |              |              |

\* Minimum tolls for trucks; actual truck tolls are based on \$ 0.0315 per hundred pounds





## State Energy Revenues Gushing

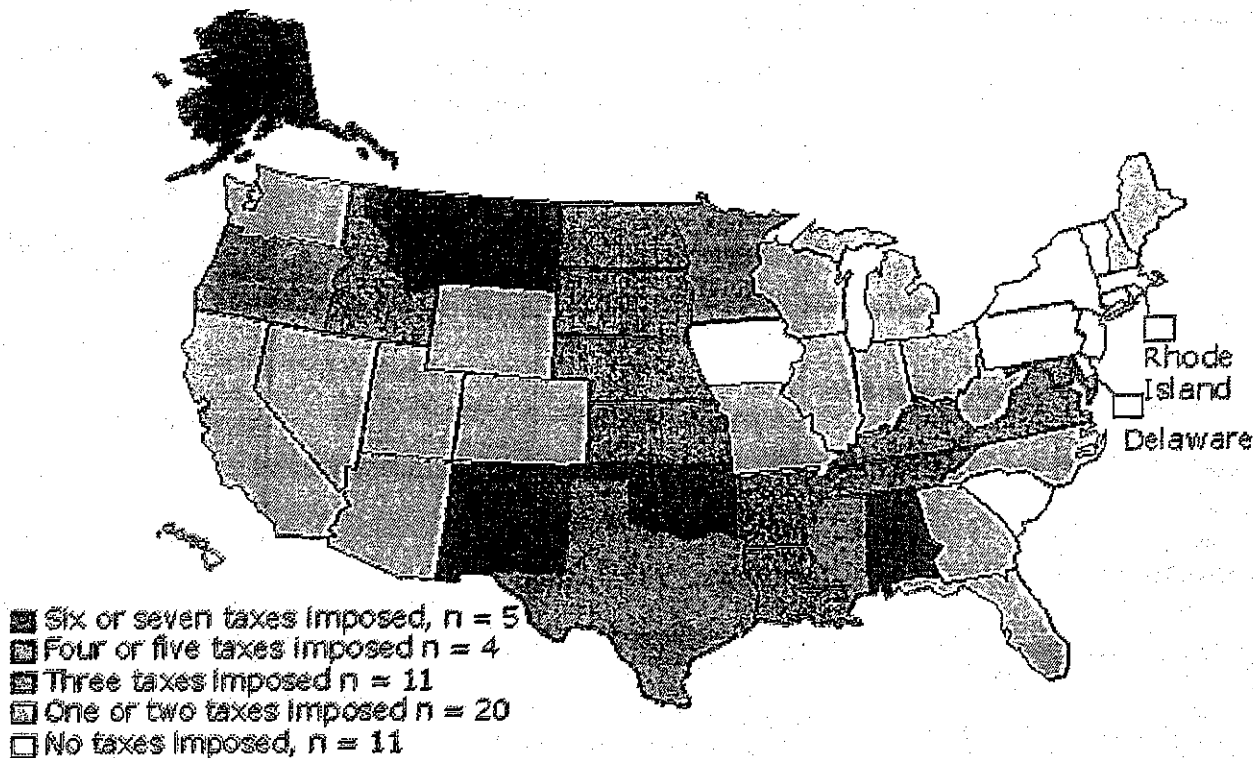
By Judy Zello

A handful of major energy-producing states are reporting a significant rise in 2005 severance tax collections related to the recent up tick in energy prices. States that rely on natural resources for a substantial share of state revenues derive them from both state severance taxes and resource leases on federal lands within their borders.

Severance taxes are excise taxes on natural resources "severed" from the earth. They are measured by the quantity or value of the resource removed or produced. In the majority of states, the taxes are applied to specific industries such as coal or iron mining and natural gas or oil production. They are usually payable by the severer or producer, although in a few states payment is made by the first purchaser. The taxes usually are imposed at a flat rate per unit of measure, with coal and ore mining taxes levied on a tonnage basis, oil production taxes on a per barrel basis, and gas production taxes on a per foot basis, although the rates may be graduated based on volume of production or value of the products. "Value" may mean market value in some states and gross value in others. Taxable net value or net proceeds are determined by deducting certain items from the gross value or gross proceeds. Examples of deductions include production costs, ad valorem taxes and royalties paid. Evaporation for gas wells also might qualify as a deduction.

A variety of taxes appear under the general heading of severance taxes, as the following list from the Commerce Clearing House State Tax Guide demonstrates.

### 2005 Severance Taxes Imposed by States



Source: Commerce Clearing House State Taxes, 2006.

List of State Severance Taxes

| Alabama  | Hawaii   | Massachusetts  | New Mexico  | South Dakota   |
|--|--|--|---|--|
| Coal and lignite severance tax<br>Coal severance tax<br>Forest products severance tax<br>Iron ore mining tax<br>Local taxes<br>Oil and gas conservation and production tax<br>Oil and gas production tax | (No taxes imposed)   | (No taxes imposed)   | Natural gas processor's tax<br>Oil and gas ad valorem production tax<br>Oil and gas conservation tax<br>Oil and gas privilege tax<br>Oil and gas severance tax<br>Resources excise tax<br>Severance tax | Conservation tax<br>Energy minerals severance tax<br>Precious metals tax   |
| Alaska   | Idaho  | Michigan   | New York  | Tennessee  |
| Fisheries business tax<br>Fishery resource landing tax<br>Mining license tax<br>Oil and gas properties production tax<br>Salmon enhancement tax<br>Salmon marketing tax<br>Seafood marketing assessment  | Additional oil and gas production tax<br>Oil and gas production tax<br>Ore severance tax | Gas and oil severance tax  | (No taxes imposed)  | Coal severance tax<br>Local taxes<br>Oil and gas severance tax   |
| Arizona  | Illinois   | Minnesota  | North Carolina  | Texas  |
| Severance tax  | Timber fee   | Local taxes<br>Mining occupation tax<br>Net proceeds tax<br>Semitaconite tax<br>Taconite, iron sulphides and agglomerate taxes | Oil and gas conservation tax<br>Primary forest product assessment   | Cement production tax<br>Gas production tax<br>Oil field cleanup regulatory fees<br>Oil production tax<br>Sulphur production tax |
| Arkansas   | Indiana  | Mississippi  | North Dakota  | Utah   |
| Natural resources severance tax<br>Oil and gas conservation assessment<br>Tax on minerals or timber taken from state lands   | Petroleum production tax   | Local taxes<br>Oil and gas severance tax<br>Salt severance tax<br>Timber severance tax   | Coal severance tax<br>Oil and gas gross production tax<br>Oil extraction tax  | Oil and gas conservation tax<br>Severance taxes  |
| California   | Iowa   | Missouri   | Ohio  | Vermont  |
| Oil and gas production tax<br>Timber yield tax   | (No taxes imposed)   | Assessment on surface coal mining permittees   | Oil and Gas Marketing Program Assessment<br>Resource severance tax  | (No taxes imposed)   |

|   |  |   |   |  |
|---|--|---|---|--|
| <b>Colorado</b><br>Oil and gas conservation tax<br>Severance tax            | <b>Kansas</b><br>Mined-land conservation and reclamation tax<br>Oil and gas conservation tax<br>Severance tax  | <b>Montana</b><br>Cement license taxes<br>Coal severance tax<br>Metalliferous mines license tax<br>Micaceous minerals license tax<br>Oil and gas conservation tax<br>Oil and natural gas production tax<br>Resource indemnity trust tax | <b>Oklahoma</b><br>Oil, gas, and mineral gross production tax and petroleum excise tax<br>Oregon<br>Forest products harvest tax<br>Oil and gas gross production tax<br>Privilege tax on eastern Oregon timber<br>Privilege tax on western Oregon timber | <b>Vermont</b><br>(No taxes imposed)   |
| <b>Connecticut</b><br>(No taxes imposed)                                    | <b>Kentucky</b><br>Coal severance tax<br>Natural resource severance tax<br>Oil production tax                  | <b>Nebraska</b><br>Oil and gas conservation tax<br>Oil and gas severance tax<br>Uranium tax   | <b>Oregon</b><br>Forest products harvest tax<br>Oil and gas gross production tax<br>Privilege tax on eastern Oregon timber<br>Privilege tax on western Oregon timber  | <b>Washington</b><br>Enhanced food fish tax<br>Uranium and thorium milling tax       |
| <b>Delaware</b><br>(No taxes imposed)                                       | <b>Louisiana</b><br>Freshwater mussel tax<br>Natural resources severance tax<br>Oilfield site restoration fees | <b>Nevada</b><br>Minerals extraction tax<br>Oil and gas conservation tax  | <b>Pennsylvania</b><br>(No taxes imposed)   | <b>West Virginia</b><br>Severance taxes  |
| <b>Florida</b><br>Oil, gas, and sulfur production tax<br>Solid minerals tax | <b>Maine</b><br>Mining excise tax  | <b>New Hampshire</b><br>Refined petroleum products tax  | <b>Rhode Island</b><br>(No taxes imposed)   | <b>Wisconsin</b><br>Mining net proceeds tax<br>Oil and gas severance tax             |
| <b>Georgia</b><br>Tax on phosphates   | <b>Maryland</b><br>Clam and oyster severance tax<br>Local taxes<br>Mine reclamation surcharge                  | <b>New Jersey</b><br>(No taxes imposed)   | <b>South Carolina</b><br>(No taxes imposed)   | <b>Wyoming</b><br>Mining excise and severance taxes<br>Oil and gas production charge |

The leap in crude oil prices recently has had a noticeable effect on state severance tax collections reported to the Census Bureau. If the first three quarters of 2005 are any indicator, final collections for the year promise to be well above 2004 levels. There are 14 states where severance taxes accounted for at least 1 percent of state tax collections in 2004, with Alaska leading the pack.

| <b>State Severance Tax Collections, 2004</b> |   |  |
|--|---|--|
| <b>State</b>                                 | <b>Severance Tax Revenue<br/>in Millions of Dollars</b> | <b>As a Percent of Total State Tax Collections</b> |

|                      |                    |       |
|----------------------|--------------------|-------|
|                      |                    | 50.2% |
| Alaska               | \$646.9            | 45.4  |
| Wyoming              | 683.2              | 14.7  |
| New Mexico           | 587.6              | 14.3  |
| North Dakota         | 175.6              | 10.2  |
| Oklahoma             | 655.1              | 6.2   |
| Texas                | 1,896.8            | 5.9   |
| Louisiana            | 476.6              | 5.4   |
| West Virginia        | 204.1              | 5.1   |
| Montana              | 83.5               | 2.2   |
| Kentucky             | 187.1              | 1.9   |
| Kansas               | 98.1               | 1.6   |
| Alabama              | 113.6              | 1.6   |
| Colorado             | 115.9              | 1.1   |
| Utah                 | 47.8               | 1.1%  |
| <b>United States</b> | <b>\$593,488.9</b> |       |

Source: U.S. Census Bureau, State Tax Collections 2005. [www.census.gov](http://www.census.gov)

Of those 14 states, 13 reported collections for the first three quarters of 2005 (January through September) that ranged from 91 percent to 135 percent of total 2004 collections. Nationally, severance tax collections in the first three quarters of 2005 have already exceeded collections in all of 2004 (101.5 percent).

| 2005 Severance Tax Collections (First Three Quarters)<br>as a Percent of Total 2004 Severance Tax Collections |               |
|---|---------------|
| Alaska  | 125.4%        |
| Wyoming   | 104.9         |
| New Mexico  | 90.8          |
| North Dakota  | 129.2         |
| Oklahoma  | 95.3          |
| Texas   | 97.2          |
| Louisiana   | 97.7          |
| West Virginia   | 107.2         |
| Montana   | 62.1          |
| Kentucky  | 99.2          |
| Kansas  | 93.6          |
| Alabama   | 94.6          |
| Colorado  | 106.2         |
| Utah  | 135.0         |
| <b>United States</b>  | <b>101.5%</b> |

Source: U.S. Census Bureau, Estimated State Tax Collections, 2005, Quarter 1 (January-March), Quarter 2 (April-June) and Quarter 3 (July-September) [www.census.gov](http://www.census.gov)

Many states dedicate severance tax revenues to specific purposes, the most common being:

- Counties and other local governments (Colorado, Florida, Kansas, Kentucky, Louisiana, Mississippi, Montana, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, West Virginia, Wyoming)
- Conservation, reclamation and remediation (California, Colorado, Florida, Louisiana, Montana, New Mexico, Ohio, Oklahoma, West Virginia, Wyoming)
- Schools (Minnesota, Montana, Nebraska, North Dakota, Oklahoma, Oregon, Texas, Utah).
- Miscellaneous other purposes, such as Medicaid state matching funds (West Virginia); water development projects (Colorado, North Dakota and Wyoming), and administration of oil and gas wells (Indiana). Alaska's Constitution does

not allow dedicated funds except for the Permanent Fund.

In a nod to rising energy costs, Colorado's governor announced in December 2005 that he would ask the Legislature to allocate \$20 million in mineral and energy severance taxes to the state's Low-Income Energy Assistance Program.

A different, yet related revenue source is the state share of mineral revenues from leases on federal lands and federal offshore oil and gas tracts. States received \$1.7 billion during the federal fiscal year 2005 that ended Sept. 30, 2005, compared with \$1.24 billion in FFY 2004. The Minerals Management Service (MMS), a federal agency responsible for collecting, auditing and disbursing revenues associated with mineral leases on federal and American Indian lands, makes monthly distributions to states as it collects royalties, rents, bonuses and other revenues. For the majority of onshore federal lands, states receive 50 percent of the revenues while the other 50 percent goes to various funds of the U.S. Treasury, including the Reclamation Fund for water projects. Alaska receives a 90 percent share as prescribed by the Alaska Statehood Act.

According to the MMS, states use the money to fund local education, infrastructure projects and assistance to local counties where the energy production occurs. States may also receive appropriations from the offshore royalty-funded Land and Water Conservation Fund to help with park and land acquisitions. In addition, coastal states with producing federal offshore tracts adjacent to their seaward boundaries receive 27 percent of those mineral royalties. Remaining offshore revenues collected by the MMS are deposited in various accounts of the U.S. Treasury, with the majority of those revenues going to the general fund. As the table shows, Wyoming led in FFY 2005 distributions with more than \$878 million as its share of revenues collected from mineral production on federal lands within its borders, including oil, gas and coal production.

| <b>State Share of Revenues Collected from Mineral Production on Federal Lands and Federal Offshore Oil and Gas Tracts Adjacent to State Waters, FFY 2005</b> |         |
|--|---------|
| (in millions of dollars)   |         |
| Alabama  | \$15.64 |
| Alaska   | 22.97   |
| Arizona  | .04     |
| Arkansas   | 7.06    |
| California   | 23.41   |
| Colorado   | 106.65  |
| Florida  | .29     |
| Idaho  | 1.67    |
| Illinois   | .15     |
| Kansas   | 1.97    |
| Kentucky   | .08     |
| Louisiana  | 32.47   |
| Michigan   | .49     |
| Minnesota  | .01     |
| Mississippi  | 1.89    |
| Missouri   | .55     |
| Montana  | 35.56   |
| Nebraska   | .02     |
| Nevada   | 7.77    |
| New Mexico   | 444.29  |
| North Dakota   | 13.55   |
| Ohio   | .37     |
| Oklahoma   | 4.23    |
| Oregon   | .01     |

|   |            |
|---|------------|
|   | .03        |
| Pennsylvania  | .61        |
| South Dakota  | 15.84      |
| Texas   | 87.44      |
| Utah  | .32        |
| Virginia  | .27        |
| Washington  | .83        |
| West Virginia   | 878.52     |
| Wyoming   | \$1,700.00 |
| <b>United States</b>  |            |
| <b>Source:</b> Minerals Management Service, press release Nov. 3, 2005<br><a href="http://www.mrm.mms.gov/Intro/PDFDocs/20051103.pdf">http://www.mrm.mms.gov/Intro/PDFDocs/20051103.pdf</a> |            |

Posted January 2006.

Email [statetax-info@ncsl.org](mailto:statetax-info@ncsl.org) for more information.

[Visitor counts for this page.](#)

© 2007 National Conference of State Legislatures, All Rights Reserved

**Denver Office:** Tel: 303-364-7700 | Fax: 303-364-7800 | 7700 East First Place | Denver, CO 80230 | [Map](#)  
**Washington Office:** Tel: 202-624-5400 | Fax: 202-737-1069 | 444 North Capitol Street, N.W., Suite 515 | Washington, D.C. 20001

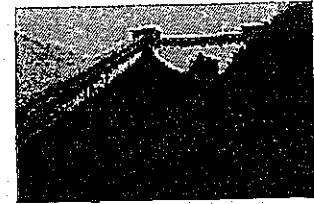
Article from Policy Perspectives ([http://www.imakenews.com/cppa/e\\_article000644620.cfm?x=b11,0,w](http://www.imakenews.com/cppa/e_article000644620.cfm?x=b11,0,w))

August 28, 2006

## Coal Severance Tax

by Levi N. Pace

What is a severance tax? How important a revenue source is it for Utah and other Western states? Who ends up paying for it? This article explores issues related to this tax on natural resources, including a brief review of the status of coal and the severance tax in Utah.



State governments commonly assess severance taxes on companies that extract natural resources, particularly oil, natural gas, and coal.

Individuals and businesses that 'sever' natural resources from the land make a profit by using up the irreplaceable natural wealth of a state. The tax is intended to compensate present and future citizens for that loss. Severance taxes may also encourage conservation and judicious usage of natural resources.<sup>[i]</sup> But to a mining corporation, taxation means reduced profits. Indeed, this tax on business could weaken incentives for the natural resource based industries and hurt their competitiveness on the nationwide market. Like other taxes, the severance tax has its pros and cons. Ultimately, someone must pay the price.

But who pays the price for the severance tax? States often favor severance taxes over alternative sources of government revenue because much of the severance tax burden is transferred out of the state. 'Exporting' the tax burden is achieved, for example, if a relatively small portion of the oil pumped from an oil-abundant state is used in that state or if out-of-state companies own oil production.<sup>[ii]</sup> This general scenario applies to many states, accounting in part for its prevalence and importance (see Figure 1). In 2004, all but 15 states reported income from severance taxes. In the same year, state severance tax revenue averaged \$127 million—or approximately five percent of total state tax revenue—in the 35 states that operate severance tax laws.<sup>[iii]</sup>

**Figure 1: State Severance Tax Revenue, 2004**

| Selected States                       | Rank<br>1 - 35 | Total<br>(millions) |
|---------------------------------------|----------------|---------------------|
| Wyoming                               | 3              | \$683               |
| New Mexico                            | 5              | \$588               |
| Colorado                              | 10             | \$116               |
| Montana                               | 13             | \$84                |
| Utah                                  | 16             | \$50                |
| All states with<br>severance tax (35) |                | \$6,362             |

Source: U.S. Census Bureau, State Government Tax Collections: 2004

As noted, Utah receives a considerable amount of revenue from severance taxes, all of which goes directly into the general fund. From 1996-2000, severance tax revenue averaged \$21 million per year (nearly 1.5 percent of the general fund). In contrast, the average doubled for the subsequent five years to \$42 million per year (2.5 percent of the general fund). In 2005, severance taxes were the third leading contributor to the general fund at 3.6 percent, following the insurance premium tax (3.7 percent) and the sales and use tax (88 percent).<sup>[iv]</sup>

For nearly 70 years, Utah has collected severance tax revenues. In 1937, the state imposed upon mines a one percent tax on net proceeds from the sale of metallic ores: gold, silver, copper, lead, iron, uranium, and other valuable metals. In 1956, the one percent severance tax was also applied to oil and natural gas production. This rate was raised to two percent in 1959 and again doubled to four percent in 1984. In contrast, the severance tax rate for metallic ores was not affected until 1988, when it was increased to 2.4 percent, and 1990 when it was adjusted to 2.6 percent. Collections have varied considerably through the years depending on, among other things, fluctuating prices for these goods. It should be noted that the definition of net proceeds changed over time, as well as the specification of exemptions. Coal and lumber have never been subject to a severance tax in Utah.[v]

Figure 2: State Coal Severance Tax Revenue, 2004

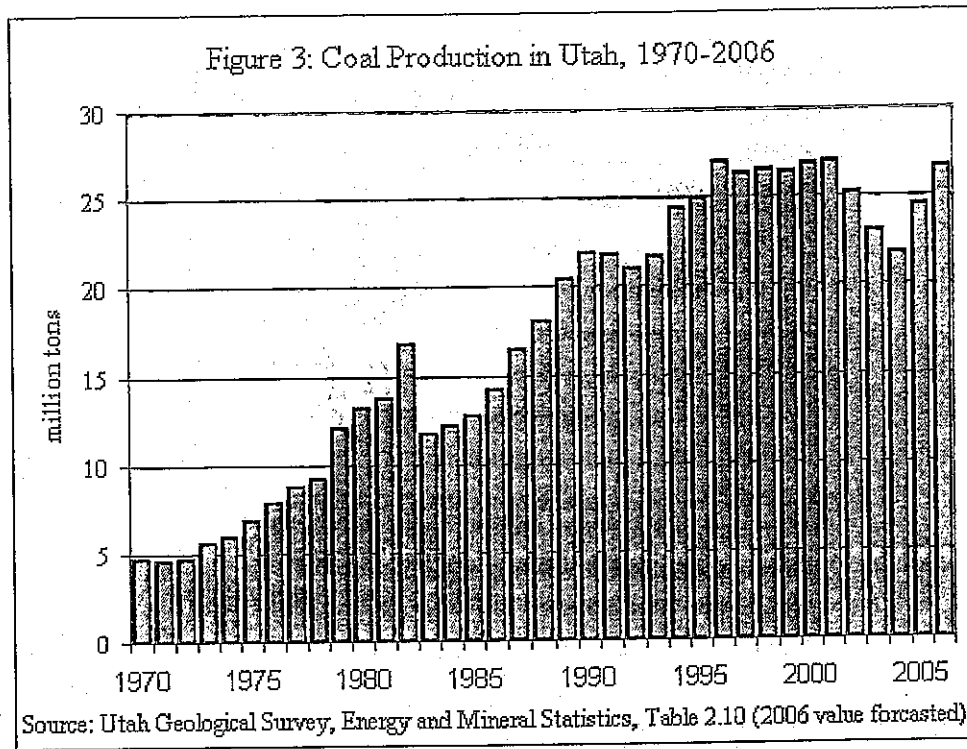
| Western coal-producing states | Coal production<br>(million tons) | Total revenue<br>(millions) | Revenue per ton |
|-------------------------------|-----------------------------------|-----------------------------|-----------------|
| Arizona                       | 12.7                              | NA                          | NA              |
| Colorado                      | 39.9                              | \$8.2                       | \$0.21          |
| Montana                       | 40.0                              | \$26.6                      | \$0.67          |
| New Mexico                    | 27.3                              | \$17.8                      | \$0.65          |
| North Dakota                  | 29.9                              | \$9.6                       | \$0.32          |
| Utah                          | 21.8                              | \$0.0                       | \$0.00          |
| Washington                    | 5.7                               | NA                          | NA              |
| Wyoming                       | 396.5                             | \$129.3                     | \$0.33          |
| Average, these states         | 573.8                             | \$191.5                     | \$0.36          |

NA = not available, Sources: for coal production, Utah Geological Survey. *Table 2.7 U.S. Coal Production by State, 1994-2005*; for coal severance tax revenue, Western Resource Advocates. *Western Coal at the Crossroads, Appendix B.*

Coal stands out as an anomaly in its exemption from severance taxes in Utah. It is a hydrocarbon like oil and natural gas and is mined like the metallic ores, all of which are taxed in Utah. Most of the other Western coal-producing states collect a severance tax coal (see Figure 2). Of these states, it was not determined whether Arizona and Washington (the states with the least amount of coal production) have a coal severance tax.

Utah produces a considerable amount of coal. Of 27 coal-producing states, Utah was fifteenth in output in 2004, and thirteenth from 2000-2003.[vi] Coal production has expanded considerably over the past few decades, with the exception of a recent decline in production, from which the industry seems to have recovered (see Figure 3). A similar taxation of coal in Utah would be consistent with the treatment of other natural resources and would likely produce a considerable amount of revenue.





On the other hand, several claims are made supporting Utah's current tax policy on coal:

- Above average costs of production and transportation already place Utah at a competitive disadvantage among other coal-producing states.
- Much of the coal mined from Utah's soil is used to generate electricity for Utah customers, who would end up paying most of the tax.
- Tax revenue generated may not justify the administrative cost of assessment.[vii]
- The political clout of special interests may represent a non-economic defender of current tax policy, since all of Utah's coal comes from Carbon, Emery, and Sevier counties.[viii]

We will briefly consider the first two claims.

First, is production and transportation of coal more expensive in Utah than in other states? Underground coal mining is more expensive than surface mining, but the price of underground coal is also higher due to its preferred qualities. Utah mining is entirely of underground coal. In addition, a 2000 study shows that Utah was able to sell its coal at an average price of \$17.56 per ton, which was \$0.54 higher than the average price received by underground coal producers in other Western states.[ix] In addition to the high quality of Utah's coal, employee productivity in underground mines was about 6.8 tons per labor hour in Utah for 2004, compared to 9.5 tons per labor hour in Colorado (the highest in the West) and a mere 1.6 and 2.9 tons per labor hour in Montana and Wyoming, respectively.[x] Regarding transportation costs, Figure 4 illustrates that in 2004 Utah had below-average transportation (delivery) costs compared to other western states. Corresponding 2000 statistics are similar.[xi]

Figure 4: Cost of Transporting Coal,  
2004

| Western coal-producing states | Transportation cost as a percent of delivered value* |
|-------------------------------|--|
| North Dakota                  | 10 %   |
| Arizona                       | 12 %   |
| New Mexico                    | 13 %   |
| Utah                          | 28 %   |
| Colorado                      | 37 %   |
| Montana                       | 55 %   |
| Wyoming                       | 62 %   |
| Average                       | 50 %   |

\*Transportation costs also include insurance and other costs. Source: Western Resource Advocates. *Western Coal at the Crossroads*.

The second claim suggested that energy from Utah coal is bought mostly by Utah customers. Where *does* Utah-mined coal end up? Forty percent of the coal produced in Utah is sold to other states for a variety of uses. Most of what is left is used within the state for electric utilities, [xii] which run almost exclusively on coal. [xiii] Furthermore, it appears that just over one third of Utah-generated electricity is sent to other states. [xiv] Considering the 40 percent of Utah coal sold out-of-state, a severance tax on that portion of coal output would likely not be paid by Utah consumers. Data indicates the out-of-state sale of electricity may account for an additional 20 percent of Utah coal that is ultimately paid for by out-of-state customers. Perhaps a severance tax on coal could be mostly exported beyond state borders, especially if different rates are assessed based on the use of the coal. On the other hand, one might question whether the tax could, in fact, be passed on to consumers instead of being absorbed by coal mining and electricity generating companies, some of which are Utah companies.

The severance tax represents an important source of state general fund revenue and an important policy issue for Utah, as well as for many other states with considerable natural resource endowments. This introductory case study of Utah coal illustrates some of the relevant arguments for and against levying a severance tax, relying on some data and economic analysis. How much severance tax is appropriate on which natural resources is as complex an issue as the debate surrounding personal or corporate income taxes. Discussion of the severance tax has emerged intermittently in the Utah legislature, resulting in policy that affects industry, government and its sovereign constituents.

[i] Utah Foundation. 2000. *Financing Government in Utah: A Historical Perspective*. Salt Lake City, Utah.

[ii] Robert Deacon et al., (1990) *Taxing Energy: Oil Severance Taxation and the Economy*, Independent Studies in Political Economy (New York: Holmes and Meier), p. 49.

[iii] U.S. Census Bureau. *State Government Tax Collections: 2004*. Online. August 2006. <<http://www.census.gov/govs/www/statetax04.html>>.

[iv] Utah State Tax Commission. Annual Report: Fiscal Year 2004-2005.

[v] *Financing Government in Utah: A Historical Perspective*, pages 134-139.

[vi] Utah Geological Survey. *Utah Energy and Mineral Statistics*. Table 2.7: U.S. Coal Production by State, 1994-2005. Online. August 2006.

<<http://geology.utah.gov/sep/energydata/index.htm>>.

[vii] See *Financing Government in Utah: A Historical Perspective*, pages 133-134.

[viii] *Utah Energy and Mineral Statistics*. Table 2.7.

[ix] Energy Information Administration. *Coal Industry Annual 2000 Data Tables*. Table 82. Average Price of Coal by State and Mine Type, 2000. Online. August 2006.

<<http://www.eia.doe.gov/cneaf/coal/cia/html/tbl82p01p1.html>>.

[x] Energy Information Administration. U.S. Department of Energy. *Annual Coal Report*. Table 21: Coal Mining Productivity by State and Mine Type. Online. August 2006.

<[http://www.eia.doe.gov/cneaf/coal/page/acr/acr\\_sum.html](http://www.eia.doe.gov/cneaf/coal/page/acr/acr_sum.html)>.

[xi] Western Resource Advocates. 2006. *Western Coal at the Crossroads*. Boulder, Colorado. Online. June 2006.

<[http://www.westernresourceadvocates.org/energy/pdf/coal\\_at\\_xroads.pdf](http://www.westernresourceadvocates.org/energy/pdf/coal_at_xroads.pdf)>, page 20.

[xii] *Utah Energy and Mineral Statistics*. Table 2.17b: Distribution of Utah Coal by Destination and End Use, 2004.

[xiii] *Utah Energy and Mineral Statistics*. Table 5.8a: U.S. Electricity Net Generation by Energy Source, 2004.

[xiv] Energy Information Administration. U.S. Department of Energy. 2004. *State Electricity Profiles*. Online. August 2006. <

[http://www.eia.doe.gov/cneaf/electricity/st\\_profiles/e\\_profiles\\_sum.html](http://www.eia.doe.gov/cneaf/electricity/st_profiles/e_profiles_sum.html)>.

Published by Center for Public Policy & Administration

Copyright © 2007 The University of Utah. All rights reserved.

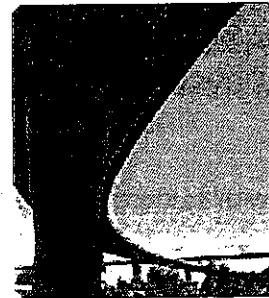
The Center for Public Policy & Administration offers research, education and services to public and nonprofit organizations that will strengthen administration, leadership and public policy making.

Powered by IMN

[| text only](#) | [contact us](#) | [sitemap](#) | [search:](#) [ABOUT SANBAG](#)[PROJECTS](#)[COMMUTER INFO](#)[PLANNING](#)[FUNDING](#)[NEWS & PUBS](#)[RESOURCE](#)[home](#) > [about SANBAG](#)

## About SANBAG

San Bernardino Associated Governments, known as SANBAG, is the council of governments and transportation planning agency for San Bernardino County. SANBAG is responsible for cooperative regional planning and furthering an efficient multi-modal transportation system countywide. SANBAG serves the 1.9 million residents of San Bernardino County.



As the County Transportation Commission, SANBAG supports freeway construction projects, regional and local road improvements, train and bus transportation, railroad crossings, call boxes, ridesharing, congestion management efforts and long-term planning studies. SANBAG administers Measure I, the half-cent transportation sales tax approved by county voters in 1989.

- [SANBAG Contact](#)
- [The Community We Serve](#)
- [Mission Statement and Functions](#)

---

### SANBAG Contact

Annette Franco  
Public Information Specialist  
1170 W. 3rd Street  
San Bernardino, CA 92410-1715  
Phone: (909) 884-8276  
Fax: (909) 885-4407  
Email: [afranco@sanbag.ca.gov](mailto:afranco@sanbag.ca.gov)

[Top of page](#)

## The Community We Serve

Since its creation in 1973, SANBAG has performed transportation and regional planning services within the largest county in the contiguous United States. San Bernardino is a diverse county that encompasses approximately 20,000 square miles. It includes:

- Urban areas in the most populated communities of the southwest county;
- The growing Victor Valley comprised of four cities with expansive residential development;
- The resort communities of the San Bernardino Mountains and Colorado River; and
- The vast desert areas with scattered rural communities.

Unique mining resources abide in San Bernardino County's open desert spaces, which are also home to Joshua Tree National Park, the Mojave National Preserve, and the U.S. Army and Marine training and material depots. By the year 2025, this county of urban, suburban and rural character is forecast to grow to a total of 2.78 million residents.

► [Map of San Bernardino County](#)

For more Maps of San Bernardino County, see the San Bernardino County web site: [www.co.san-bernardino.ca.us](http://www.co.san-bernardino.ca.us)

### SANBAG Member Jurisdictions

- City of Adelanto
- Town of Apple Valley
- City of Barstow
- City of Big Bear Lake
- City of Chino
- City of Chino Hills
- City of Colton
- City of Fontana
- City of Grand Terrace
- City of Hesperia
- City of Highland
- City of Loma Linda
- City of Montclair
- City of Needles
- City of Ontario
- City of Rancho Cucamonga
- City of Redlands
- City of Rialto
- City of San Bernardino
- County of San Bernardino
- City of Twentynine Palms
- City of Upland
- City of Victorville
- City of Yucaipa
- Town of Yucca Valley

[↑ Top of page](#)

---

## Mission Statement and Functions

SANBAG's mission is to enhance the quality of life for all residents in San Bernardino County by:

- Improving cooperative regional planning
- Developing an accessible, efficient, multi-modal transportation system
- Strengthening economic development efforts
- Exerting leadership in creative problem solving

The SANBAG Board of Directors approved this mission statement on June 2, 1993 and reaffirmed it on March 6, 1996.

Since its creation as a Council of Governments in 1973, SANBAG has been statutorily designated to serve in the following capacities:

- County Transportation Commission (1976), which allocates and programs State and Federal funds for regional transportation projects throughout the county.
- Service Authority for Freeway Emergencies (1986), which manages the system of call boxes on major highways throughout the county.
- County Transportation Authority (1989), which administers the voter-approved half-cent transportation sales tax and provides major transportation improvements within the county.
- Congestion Management Agency (1990), which implements the plan for addressing congestion and air quality related to transportation facilities throughout the county.

[SANBAG Board](#)[Santa Fe Depot Office](#)[Our Committees](#)[Our Financial Info](#)

[Our Staff](#)

[Employment](#)

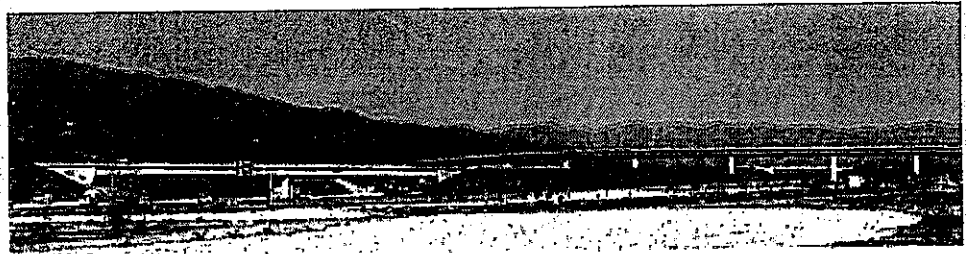
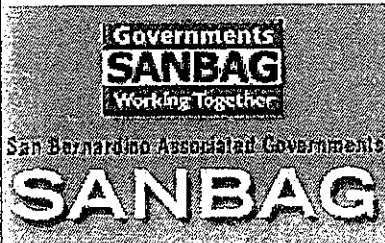
[Contracting  
Opportunities](#)

[Feedback](#)

Page updated: August 24, 2007

[| home |](#) [about sanbag |](#) [projects |](#) [commuter info |](#) [planning |](#) [funding |](#) [news |](#) [resources |](#)  
[| contact us |](#) [site map |](#) [text only home page |](#) [text only navigation page |](#)

| text only | contact us | sitemap | search: |



- ABOUT SANBAG
- PROJECTS
- COMMUTER INFO
- PLANNING
- FUNDING
- NEWS & PUBLS
- RESOURCE

home > Funding > Measure I > Mountain/Desert projects

## Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. San Bernardino County voters approved the measure in November 1989 to ensure that needed transportation projects were implemented countywide. Measure I expires in 2010. See current Measure I news at Measure I Central.

SANBAG administers Measure I revenue and is responsible for:

- 1) Determining which projects receive Measure I funding, and
- 2) Ensuring that transportation projects are implemented.

Learn more about Measure I Funding Policy

Measure I will generate approximately \$1.8 billion for transportation improvements in San Bernardino County throughout the life of the 20-year sales tax.

See these Measure I projects:

- Mountain Desert
- San Bernardino Valley

Measure I Funding

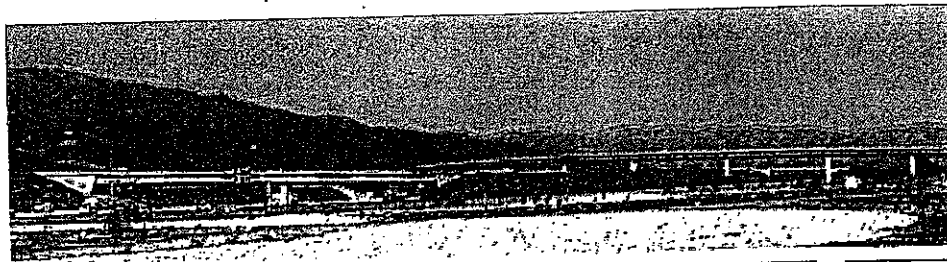
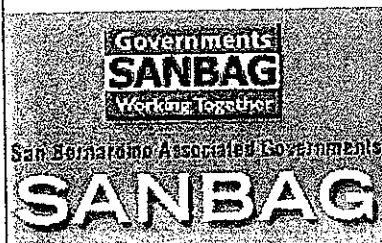
Federal  
Transportation  
Funding

State Transportation  
Funding

Local Agency  
Resources



| [text only](#) | [contact us](#) | [sitemap](#) | [search:](#)



[ABOUT SANBAG](#)

[PROJECTS](#)

[COMMUTER INFO](#)

[PLANNING](#)

[FUNDING](#)

[NEWS & PUBLS](#)

[RESOURCE](#)

[home](#) > [Funding](#) > [Measure I](#) > [Policy](#)

## Measure I Policy for San Bernardino County

In November 1989, San Bernardino County voters approved passage of Measure I authorizing the San Bernardino County Transportation Authority to impose a one-half of one percent retail transactions and use tax applicable in the incorporated and unincorporated territory of the County of San Bernardino for a period not to exceed twenty years. San Bernardino Associated Governments (SANBAG), acting as the Authority, is authorized to administer the programs described in the Measure. Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan set forth in Ordinance No. 89-1.

Following is a summary of the categories of expenditures contained in the Measure. For more specific guidance, refer to Ordinance 89-1.

### Valley Expenditure Plan

#### Major Projects

This category provide for expenditures necessary for the construction and/or improvement of highways within the San Bernardino Valley area, including Interstate 10, Interstate 215, State Route 210, State Route 60, and State Route 71.

#### Local Distribution

This category of Measure I revenue is distributed to the cities and County within the Valley region on a per capita basis using the most recent State Department of Finance estimates of city and unincorporated county population. Revenues in this category shall be expended on streets and roads pursuant to a Twenty-Year Transportation Plan and a Five-Year Capital Improvement Program adopted by resolution of the local jurisdictions. The transportation plan and improvement program shall be updated annually and available for public

#### Arterial Program

The arterial program shall fund improvements to major thoroughfares within the

Valley region. Expenditures for projects funded by the arterial program shall be undertaken pursuant to the Twenty-Year Transportation Plan and Five-Year Capital Improvement Program adopted by the Authority. The transportation plan and improvement program shall be updated annually and made available for public review.

### **Commuter Rail Program**

Commuter rail expenditures shall include purchase and/or preservation of rail rights-of-way for, 1) a San Bernardino-West Valley-Los Angeles corridor; 2) a San Bernardino-Riverside-Orange County corridor; and 3) other rail linkages within San Bernardino County. Expenditures shall also be made for development of a comprehensive rail transit plan and other acquisitions necessary for the development and operation of major rail facilities.

### **Elderly and Handicapped Transit Program**

Funds in this category shall be expended annually for a program of reduced fares and enhanced service for elderly and handicapped transit users in the Valley region, to be developed by the Authority in cooperation with transit service agencies.

### **Traffic Management and Environmental Enhancement Program**

Expenditures within this category shall include projects for both traffic management and environmental enhancement planning in the Valley region.

---

## **Mountain/Desert Expenditure Plan**

The Mountain/Desert region is defined as the Victor Valley, North Desert, Colorado River, Morongo Basin, and Mountain Subareas. Revenue generated within the subareas shall be returned to each subarea, where local representatives shall make decisions related to revenue expenditure. Revenues will be accounted for separately for each subarea and allocated based upon a formula of population (50%) and sales tax generation (50%).

Measure I funds within the Mountain/Desert region shall be expended 65% for arterial and regional needs which include state highways; 30% for local needs; and 5% for elderly and handicapped transportation services and fare reductions. If the full 65% is not needed for regional projects, the balance may be added to the local portion.

Subarea representatives shall agree on a regional road network upon which funds slated for arterial improvements may be used by each jurisdiction as deemed appropriate. Funds for local improvements will be controlled by each local jurisdiction, as well as the local share of transit funds. Each jurisdiction shall adopt a Five-Year Capital Improvement Program and a Twenty-Year Transportation Plan which shall be consistent with other local and regional plans.

---

## Complete Measure I Funding Policy

All documents are in Acrobat PDF format.

- **Measure I Subarea Boundaries**
  - Boundaries (53K)
- **Allocation Formula Policies**
  - Policy 34002, Measure I Allocation Formula Policies (20K)
- **Local Expenditure Policies**
  - Policy 34100, Responsibilities (27K updated 8/4/03)
  - Policy 34101, Street Purpose and Definitions and Guidelines (34K)
  - Policy 34102, Specific Determinations (35K)
  - Policy 34103, Special Accounting Requirements (33K)
  - Policy 34104, Informal Determination (19K)
  - Policy 34105, Five-Year Capital Improvement Plans for Expenditure of Measure I Pass Through Funds (26K)
- **Elderly and Handicapped Funds and Policies**
  - Policy 34200, Measure I Elderly and Handicapped Funds (26K)
  - Policy 34201, Measure I Elderly and Handicapped Policies (26K)
- **Valley Traffic Management and Environmental Enhancement Policies**
  - Policy 34300, Valley Management & Environmental Enhancement Policies, Guidelines & Criteria for Project Selection & Funding (25K)
- **Valley Arterial Program Policies**
  - Policy 34400, Measure I Valley Arterial Program-Policies, Guidelines & Criteria (30K)
  - Policy 34401, Project Selection and Prioritization Process with the Valley Areas (27K)
- **Ordinance No. 89-1 (30K)**

San Bernardino County Transportation Authority Transportation Expenditure Plan and Retail Transactions and Use Tax Ordinance.

  - Ordinance No. 89-1 Expenditure plan (61K)
  - Ordinance No. 89-1 Schedule E Mountain-Desert Area Expenditure Plan (29k)
- **Ordinance No. 90-1 (39k)**

Ordinance of San Bernardino County Transportation Authority Amending Ordinance No. 89-1 Relating to Implementation of a Transaction and Use Tax

## Forms

- **View/download the Five Year Plan Forms:**

- Mountain/Desert Plan Form (Excel)
- Valley Plan Form (Excel)
- Expenditure Strategy Form (Word)
- Measure I Resolution Form (Word)

Measure I Funding

Federal  
Transportation  
Funding

State Transportation  
Funding

Local Agency  
Resources

Page updated: October 17, 2006

| [home](#) | [about sanbag](#) | [projects](#) | [commuter info](#) | [planning](#) | [funding](#) | [news](#) | [resources](#) |  
| [contact us](#) | [site map](#) | [text only home page](#) | [text only navigation page](#) |

Current RUTF Revenue Sources and Increase Options

| Type of Financing                 | Description/Mechanism  | Estimated Amount Generated  | Advantages  | Disadvantages   | Constitutionally Protected?                           | When Last Adjusted  | Rate if Adjusted to CPI since last change   |
|-----------------------------------|--|---|---|---|---|---|---|
| Fuel Tax (452A.3)                 | <p>Cents per gallon tax on motor fuels, including some alternative fuels.</p> <p>Current Rate (as of July 1, 2007):</p> <ul style="list-style-type: none"> <li>Gasoline: 20.7 cents per gallon</li> <li>Gasohol/E-85: 19 cents per gallon</li> <li>Diesel: 22.5 cents per gallon</li> </ul> <p>The fuel tax is the only significant source of RUTF revenue that is applied to non-Iowans as well as Iowans. The DOT has estimated that 35 percent of large truck travel in Iowa is from out-of-state trucks and 15 percent of passenger car/small truck travel in Iowa is from non-Iowans. In total, approximately 10 percent of RUTF revenue is paid by non-Iowans primarily due to fuel tax payments.</p> <p>Mechanism: Increase fuel tax across the board</p> | <ul style="list-style-type: none"> <li>\$22 million per year for each cent increase</li> </ul>                          | <ul style="list-style-type: none"> <li>Collection and administration process already in place</li> <li>Generally proportional to system usage</li> <li>Generates a significant portion of revenue from non-Iowans</li> <li>Paid by all users of the highway system</li> </ul>   | <ul style="list-style-type: none"> <li>Increased fuel efficiency results in lower revenue</li> <li>Higher fuel prices lead to reduced driving and reduced fuel tax collections</li> <li>Fees are fixed and do not adjust for inflation</li> </ul> | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>July 1, 2007</li> </ul> <p>adjustment based on share of gasohol consumed in Iowa in CY 2006. Gasoline rate changed from 21 cents per gallon to 20.7 cents per gallon.</p> <ul style="list-style-type: none"> <li>Last revenue generating change in fuel tax rates occurred in 1989.</li> </ul> | <ul style="list-style-type: none"> <li>Gasoline: 32.4 cents per gallon</li> <li>Gasohol/E-85: 30.7 cents per gallon</li> <li>Diesel: 36.4 cents per gallon</li> </ul> |
|                                   | <p>Mechanism: Increase diesel fuel tax only</p>  | <ul style="list-style-type: none"> <li>\$6.5 million per year for each cent increase</li> </ul>                         | <ul style="list-style-type: none"> <li>Applies to all vehicle types</li> <li>Results in a modest increase in annual fuel expenditures for the average driver (13,000 miles a year at 20 miles per gallon):</li> <li>1¢ increase: \$6.50 per year</li> <li>2¢ increase: \$13.00 per year</li> <li>3¢ increase: \$19.50 per year</li> <li>4¢ increase: \$26.00 per year</li> <li>5¢ increase: \$32.50 per year</li> <li>6¢ increase: \$39.00 per year</li> <li>7¢ increase: \$45.50 per year</li> <li>8¢ increase: \$52.00 per year</li> <li>9¢ increase: \$58.50 per year</li> </ul> | <ul style="list-style-type: none"> <li>Retains ethanol fuel tax reduction.</li> </ul>   |   |   |   |
|                                   | <p>Mechanism: Eliminate gasohol/E-85 fuel tax reduction</p> <p>This would result in a fuel tax rate of 20 cents per gallon for gasoline, gasohol and E-85.</p>   | <ul style="list-style-type: none"> <li>\$7.5 million per year</li> </ul>  | <ul style="list-style-type: none"> <li>Simplifies fuel tax rate administration.</li> <li>Simplifies fuel tax rate schedule.</li> </ul>  | <ul style="list-style-type: none"> <li>Increased freight costs for Iowa shippers.</li> <li>May result in reduced consumption of ethanol blended fuels.</li> </ul>   |   |   |   |
|                                   | <p>Mechanism: Add automatic annual adjustment to fuel tax rates based on an inflation index such as the construction cost index</p> <p>Amount of additional revenue generated is dependent on rate of inflation.</p>   | <ul style="list-style-type: none"> <li>Variable. A 3 percent adjustment would generate \$13 million per year</li> </ul> | <ul style="list-style-type: none"> <li>Automatically addresses loss of buying power.</li> </ul>   | <ul style="list-style-type: none"> <li>Could result in significant increases in years with high inflation.</li> </ul>   |   |   |   |
| Use Tax on Motor Vehicles (423.5) | <p>Five percent use tax that is imposed on the sale of new and used motor vehicles and trailers</p> <p>Mechanism: Increase to 6 percent.</p>   | <ul style="list-style-type: none"> <li>\$54 million per year</li> </ul>   | <ul style="list-style-type: none"> <li>Collection and administration process already in place</li> <li>Provides revenue source based on ability to pay</li> <li>Proportional to cost of vehicle</li> </ul>  | <ul style="list-style-type: none"> <li>Not proportional to system usage</li> <li>May discourage sales of motor vehicles</li> <li>Fluctuates with economic cycles</li> </ul>   | <ul style="list-style-type: none"> <li>No</li> </ul>  | <ul style="list-style-type: none"> <li>1992</li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul>   |

| Type of Financing              | Description/Mechanism  | Estimated Amount Generated  | Advantages   | Disadvantages  | Constitutionally Protected?                             | When Last Adjusted  | Rate if Adjusted to CPI since last change   |
|--------------------------------|--|---|--|--|---|---|---|
| Driver's License Fee (321.191) | <p>A fee charged for the privilege to operate a motor vehicle</p> <p>\$4 per year (non-commercial)*</p> <p>\$8 per year (commercial)*</p> <p>* Does not include the one-time surcharge assessed through 6/30/08 for the driver information system update (\$3).</p> <p>Mechanism: Double driver's license fee</p> <p>Mechanism: Institutionalize the current \$3 surcharge as an increase as of 7/1/08.</p> <p>Fees charged to register and license vehicles and trailers</p> <p>Fee Schedule for Automobiles, Mini-Vans and Sport Utility Vehicles (321.109 and 321.113)</p> <p>Fee = 1 percent of value + \$0.40 x Weight<br/>100</p> <ul style="list-style-type: none"> <li>• &lt;= 5 model years old: value component of fee is not reduced</li> <li>• 6 model years old: 75 percent of value component is applied</li> <li>• 7 to 8 model years old: 50 percent of value component is applied</li> <li>• &gt;= 9 model years old: \$35 (1994 and newer model year)</li> <li>• The fee schedule varies based on age, type of vehicle and other factors for older model year vehicles</li> </ul> <p>Fee Schedule for Pickups (all trucks &lt;= 3 tons) (321.122)</p> <ul style="list-style-type: none"> <li>• &lt;=10 model years old: \$65 per year</li> <li>• 11 to 13 model years old: \$55 per year</li> <li>• 14 to 15 model years old: \$45 per year</li> <li>• &gt;15 model years old: \$35 per year</li> </ul> <p>Mechanism: Increase minimum registration fee to \$50 for automobiles, mini-vans and SUVs.</p> <p>Minimum fee varies based on age, model year and other factors.</p> | <ul style="list-style-type: none"> <li>• \$12 million per year on average</li> <li>• \$1.5 million per year</li> </ul>  | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Does not fluctuate with economic cycles</li> </ul>    | <ul style="list-style-type: none"> <li>• Not proportional to system usage</li> </ul>   | <ul style="list-style-type: none"> <li>• TED</li> </ul> | <ul style="list-style-type: none"> <li>• One-time surcharge established in 2003.</li> <li>• License fee last increased in 1987</li> </ul>   | <ul style="list-style-type: none"> <li>• \$7.30 per year (non-commercial)</li> <li>• \$14.60 per year (commercial)</li> </ul>   |
| Registration Fees              | <p>Fees charged to register and license vehicles and trailers</p> <p>Fee Schedule for Automobiles, Mini-Vans and Sport Utility Vehicles (321.109 and 321.113)</p> <p>Fee = 1 percent of value + \$0.40 x Weight<br/>100</p> <ul style="list-style-type: none"> <li>• &lt;= 5 model years old: value component of fee is not reduced</li> <li>• 6 model years old: 75 percent of value component is applied</li> <li>• 7 to 8 model years old: 50 percent of value component is applied</li> <li>• &gt;= 9 model years old: \$35 (1994 and newer model year)</li> <li>• The fee schedule varies based on age, type of vehicle and other factors for older model year vehicles</li> </ul> <p>Fee Schedule for Pickups (all trucks &lt;= 3 tons) (321.122)</p> <ul style="list-style-type: none"> <li>• &lt;=10 model years old: \$65 per year</li> <li>• 11 to 13 model years old: \$55 per year</li> <li>• 14 to 15 model years old: \$45 per year</li> <li>• &gt;15 model years old: \$35 per year</li> </ul> <p>Mechanism: Increase minimum registration fee to \$50 for automobiles, mini-vans and SUVs.</p> <p>Minimum fee varies based on age, model year and other factors.</p>   | <ul style="list-style-type: none"> <li>• \$29 million per year if no grandfathering.</li> <li>• If applies to future vehicles as they drop to the minimum the amount generated is as follows: <ul style="list-style-type: none"> <li>• FY 2009: \$2.1 million</li> <li>• FY 2010: \$4.3 million</li> <li>• FY 2011: \$6.7 million</li> <li>• FY 2012: \$9.3 million</li> <li>• FY 2013: \$12 million</li> <li>• FY 2014: \$15 million</li> <li>• FY 2015: \$17 million</li> <li>• FY 2016: \$20 million</li> <li>• FY 2017: \$23 million</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Collection and administration process already in place</li> <li>• Equitable for cars</li> </ul>                         | <ul style="list-style-type: none"> <li>• Not proportional to system usage</li> <li>• Higher administrative and enforcement costs</li> <li>• Not equitable for pickups</li> <li>• Encourages retention of older vehicles</li> </ul> | <ul style="list-style-type: none"> <li>• Yes</li> </ul> | <ul style="list-style-type: none"> <li>• Formula last adjusted in 1919.</li> <li>• Weight-value applied to mini-vans and SUVs in 1992</li> <li>• Pick-up formula last adjusted in 1988</li> </ul> | <ul style="list-style-type: none"> <li>• N/A for automobiles, mini-vans and sport utility vehicles since formula has built in adjustment based on value component of formula</li> <li>• Pick-up registration fees if adjusted to reflect CPI per year <ul style="list-style-type: none"> <li>• &lt;=10 model years old: \$114</li> <li>• 11 to 13 model years old: \$97 per year</li> <li>• 14 to 15 model years old: \$79 per year</li> <li>• &gt;15 model years old: \$62 per year</li> </ul> </li> </ul> |
|                                |  |   | <ul style="list-style-type: none"> <li>• Partially reflects increase in construction costs.</li> <li>• Modest increase in fees from existing minimum.</li> </ul> |  | <ul style="list-style-type: none"> <li>• Yes</li> </ul> | <ul style="list-style-type: none"> <li>• 1992 and 2002</li> </ul>   | <ul style="list-style-type: none"> <li>• Varies</li> </ul>  |

| Type of Financing Registration Fees | Description/Mechanism   | Estimated Amount Generated   | Advantages   | Disadvantages  | Constitutionally Protected?                           | When Last Adjusted  | Rate if Adjusted to CPI since last change                |
|-------------------------------------|---|--|--|--|---|---|--|
|                                     | <p>Mechanism: Increase minimum registration fee to \$125 for automobiles, mini-vans, SUVs, and pickups. Minimum fee varies based on age, model year, and other factors.</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p> | <ul style="list-style-type: none"> <li>\$236 million per year if no grandfathering.</li> <li>If applies to future vehicles as they drop to the minimum the amount generated is as follows:               <ul style="list-style-type: none"> <li>FY 2010: \$15 million</li> <li>FY 2011: \$31 million</li> <li>FY 2012: \$44 million</li> <li>FY 2013: \$59 million</li> <li>FY 2014: \$73 million</li> <li>FY 2015: \$86 million</li> <li>FY 2016: \$100 million</li> <li>FY 2017: \$112 million</li> </ul> </li> <li>\$21 million per year if no grandfathering.</li> <li>Estimate if applied to newly purchased vehicles:               <ul style="list-style-type: none"> <li>FY 2010: \$3.1 million</li> <li>FY 2011: \$6.3 million</li> <li>FY 2012: \$9.4 million</li> <li>FY 2013: \$13 million</li> <li>FY 2014: \$16 million</li> <li>FY 2015: \$18 million</li> <li>FY 2016: \$20 million</li> <li>FY 2017: \$21 million</li> </ul> </li> <li>\$39 million per year if no grandfathering.</li> </ul> | <ul style="list-style-type: none"> <li>Partially reflects increase in construction costs.</li> </ul> | <ul style="list-style-type: none"> <li>Large increase from existing minimums.</li> </ul> | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>1992 and 2002</li> </ul> | <ul style="list-style-type: none"> <li>Varies</li> </ul> |
|                                     | <p>Mechanism: Adjust weight-value formula by using 1.1 percent of value instead of 1 percent of value</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p>   | <ul style="list-style-type: none"> <li>\$39 million per year if no grandfathering.</li> <li>Estimate if applied to newly purchased vehicles:               <ul style="list-style-type: none"> <li>FY 2010: \$3.1 million</li> <li>FY 2011: \$6.3 million</li> <li>FY 2012: \$9.4 million</li> <li>FY 2013: \$13 million</li> <li>FY 2014: \$16 million</li> <li>FY 2015: \$18 million</li> <li>FY 2016: \$20 million</li> <li>FY 2017: \$21 million</li> </ul> </li> <li>\$39 million per year if no grandfathering.</li> </ul>  |  |  | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>2002</li> </ul>          | <ul style="list-style-type: none"> <li>N/A</li> </ul>    |
|                                     | <p>Mechanism: Adjust weight-value formula by extending the time to drop to minimum fee from 9 years to 12 years.</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p>  | <ul style="list-style-type: none"> <li>\$88 million per year if no grandfathering.</li> <li>Estimate if applied to newly purchased vehicles and those vehicles not already paying the minimum fee:               <ul style="list-style-type: none"> <li>FY 2010: \$14 million</li> <li>FY 2011: \$26 million</li> <li>FY 2012 and beyond: \$39 million</li> </ul> </li> <li>\$88 million per year if no grandfathering.</li> </ul>   |  |  | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>2002</li> </ul>          | <ul style="list-style-type: none"> <li>N/A</li> </ul>    |
|                                     | <p>Mechanism: Adjust weight-value formula by extending the year each adjustment to the formula occurs by one year</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p>   | <ul style="list-style-type: none"> <li>\$88 million per year if no grandfathering.</li> <li>Estimate if applied to newly purchased vehicles and those vehicles not already paying the minimum fee:               <ul style="list-style-type: none"> <li>FY 2010: \$8.0 million</li> <li>FY 2011: \$16 million</li> <li>FY 2012: \$16 million</li> <li>FY 2013 and beyond: \$30 million</li> </ul> </li> <li>\$88 million per year if no grandfathering.</li> </ul>   |  |  | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>2002</li> </ul>          | <ul style="list-style-type: none"> <li>N/A</li> </ul>    |

| Type of Financing                | Description/Mechanism  | Estimated Amount Generated   | Advantages  | Disadvantages   | Constitutionally Protected?                           | When Last Adjusted                                     | Rate if Adjusted to CPI since last change             |
|----------------------------------|--|--|---|---|---|--|---|
| Registration Fees<br>(Continued) | <p><b>Mechanism:</b> Adjust weight-value formula by extending the year each adjustment to the formula occurs by three years</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p>  | <ul style="list-style-type: none"> <li>\$88 million per year; if no grandfathering</li> <li>Estimate if applied to newly purchased vehicles and those vehicles not already paying the minimum fee:</li> <li>FY 2010: \$8.0 million</li> <li>FY 2011: \$24 million</li> <li>FY 2012: \$40 million</li> <li>FY 2013: \$62 million</li> <li>FY 2014: \$74 million</li> <li>FY 2015 and beyond: \$88 million</li> </ul>  | <ul style="list-style-type: none"> <li>Simplifies fee schedule</li> </ul>                               | <ul style="list-style-type: none"> <li>Eliminates value based component which reflects ability to pay.</li> </ul> | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>2002</li> </ul> | <ul style="list-style-type: none"> <li>N/A</li> </ul> |
|                                  | <p><b>Mechanism:</b> Eliminate weight-value and apply a fixed fee based on age of vehicle to automobiles, mini-vans, SUVs, and pickups. Fee starts at \$500 per year for the first model year and is reduced annually by \$50 until it reaches a minimum of \$125.</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p>   | <ul style="list-style-type: none"> <li>Estimate if applied to newly purchased vehicles:</li> <li>FY 2010: \$49 million</li> <li>FY 2011: \$89 million</li> <li>FY 2012: \$121 million</li> <li>FY 2013: \$145 million</li> <li>FY 2014: \$160 million</li> <li>FY 2015: \$174 million</li> <li>FY 2016: \$188 million</li> <li>FY 2017: \$193 million</li> </ul>   | <ul style="list-style-type: none"> <li>Simplifies fee schedule</li> </ul>                               | <ul style="list-style-type: none"> <li>Eliminates value based component which reflects ability to pay.</li> </ul> | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>N/A</li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul> |
|                                  | <p><b>Mechanism:</b> Eliminate weight-value and apply a fixed fee based on age of vehicle to automobiles, mini-vans, SUVs, and pickups. Fee starts at \$500 per year for the first model year and is reduced annually by \$50 until it reaches a minimum of \$125. ALL OLDER VEHICLES PAY A MINIMUM OF \$125.</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p>                | <ul style="list-style-type: none"> <li>Estimate if applied to newly purchased vehicles:</li> <li>FY 2010: \$327 million</li> <li>FY 2011: \$368 million</li> <li>FY 2012: \$400 million</li> <li>FY 2013: \$423 million</li> <li>FY 2014: \$438 million</li> <li>FY 2015: \$453 million</li> <li>FY 2016: \$466 million</li> <li>FY 2017: \$472 million</li> </ul>   | <ul style="list-style-type: none"> <li>Simplifies fee schedule</li> </ul>                               | <ul style="list-style-type: none"> <li>Eliminates value based component which reflects ability to pay.</li> </ul> | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>N/A</li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul> |
|                                  | <p><b>Mechanism:</b> Apply weight/value formula to pick-ups Increase the registration fee for pickup trucks making it equivalent to automobiles (i.e. vehicle weight and value). It would generate approximately \$57 million annually to the RUTF, if applied to all pickup trucks currently registered at 3, 4 and 5 tons.</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p> | <ul style="list-style-type: none"> <li>\$54 million per year with no grandfathering.</li> <li>If weight-value adjustment applies only to model year 2010 and later pickups (phased in approach), the additional revenue to the RUTF is projected as follows:</li> <li>FY 2010: \$4 million</li> <li>FY 2011: \$13 million</li> <li>FY 2012: \$22 million</li> <li>FY 2013: \$32 million</li> <li>FY 2014: \$41 million</li> <li>FY 2015: \$47 million</li> <li>FY 2016: \$51 million</li> <li>FY 2017: \$54 million</li> </ul> | <ul style="list-style-type: none"> <li>Consistency with formula for cars, mini-vans and SUVs</li> </ul> | <ul style="list-style-type: none"> <li>Significant increase in fee from existing fee structure.</li> </ul>        | <ul style="list-style-type: none"> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>N/A</li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul> |



| Type of Financing             | Description/Mechanism  | Estimated Amount Generated  | Advantages | Disadvantages | Constitutionally Protected?   | When Last Adjusted   | Rate if Adjusted to CPI since last change   |
|-------------------------------|--|---|------------|---------------|---|--|---|
| Registration Fees (Continued) | <p>Mechanism: Trailer Registration: Increase from \$10 per year to \$20 (321.123)</p> <p>Mechanism: Motorcycle Registration 1 to 5 years old: Increase from \$20 to \$50 per year 6+ years old: Increase from \$10 to \$25 per year (321.117)</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p>  | <ul style="list-style-type: none"> <li>\$5.8 million per year with no grandfathering.</li> <li>\$2.9 million per year with no grandfathering.</li> <li>With grandfathering:                             <ul style="list-style-type: none"> <li>FY 2010: \$0.4 million</li> <li>FY 2011: \$0.8 million</li> <li>FY 2012: \$1.2 million</li> <li>FY 2013: \$1.6 million</li> <li>FY 2014: \$2.0 million</li> <li>FY 2015: \$2.1 million</li> <li>FY 2016: \$2.2 million</li> <li>FY 2017: \$2.4 million</li> </ul> </li> <li>\$10.9 million per year with no grandfathering.</li> <li>With grandfathering:                             <ul style="list-style-type: none"> <li>FY 2010: \$0.7 million</li> <li>FY 2011: \$1.4 million</li> <li>FY 2012: \$2.1 million</li> <li>FY 2013: \$2.8 million</li> <li>FY 2014: \$3.5 million</li> <li>FY 2015: \$4.2 million</li> <li>FY 2016: \$4.9 million</li> <li>FY 2017: \$5.6 million</li> </ul> </li> </ul> |            |               | <ul style="list-style-type: none"> <li>TBD</li> <li>Yes</li> </ul>              | <ul style="list-style-type: none"> <li>1997</li> <li>1981</li> </ul>   | <ul style="list-style-type: none"> <li>\$13 per year</li> <li>1 to 5 years old: \$45 per year</li> <li>6+ years old: \$23 per year</li> </ul> |
|                               | <p>Mechanism: Travel Trailer Registration: Increase from \$0.20 per square foot area to \$1 per square foot per year (Example: A 140 square foot travel trailer registration fee would increase from \$28 to \$140 per year) (321.123)</p>   | <ul style="list-style-type: none"> <li>\$4.1 million per year with no grandfathering.</li> <li>With grandfathering:                             <ul style="list-style-type: none"> <li>FY 2010: \$0.9 million</li> <li>FY 2011: \$1.7 million</li> <li>FY 2012: \$2.5 million</li> <li>FY 2013: \$3.3 million</li> <li>FY 2014: \$3.8 million</li> <li>FY 2015: \$4.3 million</li> <li>FY 2016: \$4.6 million</li> <li>FY 2017: \$4.9 million</li> </ul> </li> </ul>  |            |               | <ul style="list-style-type: none"> <li>Yes</li> </ul>                           | <ul style="list-style-type: none"> <li>1981 and 1985</li> </ul>  | <ul style="list-style-type: none"> <li>Varies based on class, age and weight</li> </ul>   |
|                               | <p>Mechanism: Motor Home Registration: Increase to adjust for inflation<br/>Fee varies by class, age and weight (Example: The registration fee for a new Class A motor home that costs less than \$20,000 would increase from \$120 to \$200 per year for the first five years.) (321.124)</p> <p>Cannot be implemented until model year 2010 vehicles due to time required to modify registration system.</p>   | <ul style="list-style-type: none"> <li>\$83.7 million per year with no grandfathering.</li> </ul>   |            |               | <ul style="list-style-type: none"> <li>Yes</li> </ul>                           | <ul style="list-style-type: none"> <li>1981 and 1989</li> </ul>  | <ul style="list-style-type: none"> <li>Varies based on weight</li> </ul>  |
|                               | <p>Mechanism: Truck Registration: Increase to adjust for inflation<br/>Fee varies by weight (Example: A truck registered at 30 tons would have an increase in registration from \$1,200 to \$2,800 per year) (321.122)</p> <p>Mechanism: Special Truck Registration: Eliminate reduced registration fees for special trucks and replace with truck registration fee schedule. (321.121)</p> <p>Mechanism: Special Truck Registration: Increase to adjust for inflation<br/>Fee varies by weight (Example: A special truck registered at 30 tons would have an increase in registration from \$625 to \$960 per year) (321.121)</p> | <ul style="list-style-type: none"> <li>\$9 million per year with no grandfathering.</li> <li>\$6.1 million per year with no grandfathering.</li> </ul>  |            |               | <ul style="list-style-type: none"> <li>Yes</li> <li>Yes</li> <li>Yes</li> </ul> | <ul style="list-style-type: none"> <li>1977, 1983, 1985 and 1989</li> <li>1977, 1983, 1985 and 1989</li> </ul> | <ul style="list-style-type: none"> <li>Varies based on weight</li> <li>Varies based on weight</li> <li>Varies based on weight</li> </ul>      |

| Type of Financing                                 | Description/Mechanism  | Estimated Amount Generated | Advantages | Disadvantages | Constitutionally Protected? | When Last Adjusted | Rate if Adjusted to CPI since last change |
|---|--|----------------------------|------------|---------------|-----------------------------|--------------------|---|
| Miscellaneous Fees - Dealer Registration (321.58) | Current Fee: \$70<br>Mechanism: Adjust for inflation by increasing to \$400  | \$1.1 million per year     |            |               | TBD                         | 1966               | \$444                                     |
| Miscellaneous Fees - Dealer Plate (321.60)        | Current Fee: \$40<br>Mechanism: Adjust for inflation by increasing to \$80   | \$0.5 million per year     |            |               | TBD                         | 1984               | \$79                                      |
| Miscellaneous Fees - Dealer License (322.5)       | Current Fee: \$70<br>Mechanism: Adjust for inflation by increasing to \$400  | \$1.0 million per year     |            |               | TBD                         | 1971               | \$355                                     |
| Miscellaneous Fees - Title (321.20)               | Current Fee: \$10<br>Mechanism: Adjust for inflation by increasing to \$20<br>Note: Per 321.52A, there is an additional \$5 surcharge applied to issuance of a title. This is not included in the current fee of \$10. | \$10 million per year      |            |               | No                          | 1985               | \$19                                      |
| Miscellaneous Fees - Salvage Title (321.52)       | Current Fee: \$2<br>Mechanism: Increase to \$5<br>Note: Per 321.52A, there is an additional \$5 surcharge applied to issuance of a salvage title. This is not included in the current fee of \$2.                      | \$0.1 million per year     |            |               | No                          | 1979               | \$6                                       |

Potential RUTF Revenue Sources

| Type of Financing                          | Description   | Advantages  | Disadvantages   |
|--|---|---|---|
| Sales Tax                                  | Assess sales tax on fuel purchases.<br>A. 1 percent sales tax on fuel would generate approximately \$65 million per year based on fuel prices in August 2007.   | <ul style="list-style-type: none"> <li>Provides a mechanism to apply local option sales tax on the purchase of fuel</li> <li>Requires less frequent legislative action on fuel tax because revenues will increase as the price of fuel increases</li> <li>Creates opportunity to generate revenue from sources outside of Iowa</li> <li>Compensates for roadway deterioration resulting from usage of system for the production of ethanol</li> </ul> | <ul style="list-style-type: none"> <li>Requires enabling legislation</li> <li>Administration and collection system would need to be developed</li> <li>Because tax is tied to the price of fuel, the amount of tax could change significantly if fuel prices experience large fluctuations</li> <li>Requires enabling legislation</li> <li>Administration and collection system would need to be developed</li> <li>Potential regulatory issues</li> <li>Could put the producer at competitive disadvantage</li> </ul>                                      |
| Severance Tax on Exported Ethanol          | A tax collected by the state either based on a percent of value or a volume-based fee on resources extracted from the earth that are exported out of the state. Typically charged to producer or first purchaser.<br>Potential revenue dependent on rate set and volume exported. Estimated FY 2007 ethanol production used outside of Iowa 1.7 billion gallons. A severance tax of 1 cent per gallon would generate \$17 million in FY 2007. FY 2009 ethanol production used outside of Iowa is estimated to be 6.0 billion gallons which would generate \$60 million at 1 cent per gallon.<br>Tax based on the vehicle miles traveled within a state. | <ul style="list-style-type: none"> <li>More direct measure of actual costs incurred</li> <li>Highly related to needs for capacity and system preservation because as travel increases, the need for capacity and preservation improvements increase, but so does revenue</li> <li>Low tax rate needed to fund current needs</li> <li>May be graduated based on vehicle size, weight, emissions or other characteristics</li> </ul>                    | <ul style="list-style-type: none"> <li>Requires enabling legislation</li> <li>Administration and collection system would need to be developed</li> <li>Potentially high administrative, compliance and infrastructure costs</li> <li>Technology needs to mature</li> <li>Privacy concerns</li> </ul>  |
| Per-Mile Tax                               | Based on the vehicle miles traveled in Iowa in 2005 (31.6 billion), a 1 cent per-mile fee would generate \$316 million per year.  | <ul style="list-style-type: none"> <li>Satisfies urgent infrastructure needs, which exceed available finances</li> <li>Encourages state, local and private-sector partnerships</li> </ul>   | <ul style="list-style-type: none"> <li>Requires enabling legislation</li> <li>Administration and collection system would need to be developed</li> <li>May be seen as an equity issue</li> </ul>  |
| Transportation Improvement District        | Geographic areas are defined and tax imposed within the area to fund transportation improvements with voter approval.<br>Revenue potential varies   | <ul style="list-style-type: none"> <li>Allows earlier and faster construction of facilities</li> <li>Satisfies urgent infrastructure needs, which exceed available finances</li> <li>Avoids inflationary construction costs</li> </ul>  | <ul style="list-style-type: none"> <li>Requires enabling legislation</li> <li>Requires state or community to extend payments for long periods of time</li> <li>Does not generate new money</li> <li>May cost more over time due to bond interest</li> <li>Requires annual resources be used for debt service rather than new needs</li> </ul>   |
| Bonds for Primary Road System Improvements | A written promise to repay borrowed money at a fixed rate on a fixed schedule. Can be limited to very specific situations, such as projects that exceed a certain dollar threshold, projects that cannot easily be phased over time (border bridges) and/or projects that can reasonably generate sufficient revenue (tolls) to service their own bond debts.<br>Revenue potential varies.<br>Long-term leasing of toll roads to private sector for up-front payment.<br>Revenue potential varies.  | <ul style="list-style-type: none"> <li>Influx of one-time capital</li> <li>Shifts responsibility to contractor</li> </ul>   | <ul style="list-style-type: none"> <li>Requires enabling legislation</li> <li>Administrative process needed to let, execute, contract, and monitor performance</li> <li>Requires high-usage corridor to be marketable; Iowa may not have any candidates</li> <li>Built-in toll increases</li> <li>Potentially higher tolls to make project profitable</li> <li>Requires very long-term decision that removes flexibility</li> <li>Very limited ability for in-state contractors to participate in construction</li> </ul>                                   |
| Privatization                              | Revenue potential varies.   | <ul style="list-style-type: none"> <li>Specific road segments/corridors generate their own revenue</li> </ul>   | <ul style="list-style-type: none"> <li>Requires enabling legislation</li> <li>Expensive to initiate due to needed capital investment</li> <li>Ongoing administrative costs</li> <li>Requires sufficient traffic levels to generate enough revenue to pay for the costs of tolling, along with the maintenance and construction cost; Iowa may not have any reasonable corridors meeting requirements.</li> <li>Public resistance may lead to adjustments in travel patterns to avoid tolls</li> <li>There are federal restrictions in some cases</li> </ul> |
| Tolling                                    | Implementing fees to travel on road segments.<br>Revenue potential varies based on length of tolled segment and toll rate, but a typical rate is 6 cents per mile.  |   |   |

| Type of Financing                  | Description  | Advantages   | Disadvantages   |
|------------------------------------|--|--|---|
| Development Impact Fees            | A fee charged to developers for off-site infrastructure needs that arise as a result of new development.   | <ul style="list-style-type: none"> <li>• Additional source of funding to off-set increased needs due to new development</li> <li>• Places the cost of improvement on the development that caused the need</li> </ul>   | <ul style="list-style-type: none"> <li>• Typically a local jurisdiction fee and is difficult to apply statewide</li> <li>• Potential negative impact on future development</li> <li>• Can be difficult to establish and administer</li> <li>• Can be an equity issue when costs are passed on to homeowners in the case of a housing development</li> </ul> |
| Public-Private Partnerships (PPPs) | Contractual agreements formed between a public agency and private sector entity that allow private participation in the delivery of transportation projects.<br><br>Revenue potential varies.  | <ul style="list-style-type: none"> <li>• Expedited completion compared to conventional delivery methods</li> <li>• Avoids inflationary construction costs</li> <li>• Delivery of new technology developed by private entities</li> <li>• Substitution of private resources and personnel for constrained public resources</li> <li>• Access to new sources of private capital</li> </ul> | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• May be less efficient</li> <li>• Could lead to higher tolling than under a public-only project</li> <li>• Very limited ability for in-state contractors to participate in construction</li> </ul>   |
| Design-Build                       | Contractual agreements whereby a single bid is accepted for both the design and construction of a project. A variation of this is the design-build-operate-maintain contract whereby a private contractor is also responsible for operation and future maintenance.<br><br>At least 32 states have statutory or administrative provisions that authorize design-build. | <ul style="list-style-type: none"> <li>• Intended to accelerate construction schedule since some activities can occur simultaneously under design-build.</li> <li>• Intended to allow construction to begin sooner</li> <li>• Reduces administrative burden by having one contract and point-of-contact.</li> <li>• Can result in reduced construction costs</li> </ul>                  | <ul style="list-style-type: none"> <li>• Requires enabling legislation</li> <li>• Very limited ability for in-state contractors to participate in construction</li> <li>• Not appropriate for all types of projects</li> <li>• Potential for cost overruns if scope of work is not properly defined up front.</li> </ul>                                    |