

20 November 2023

TO: Legislative Services Agency

From Iowa Department of Transportation

RE: Streamlining of Road Use Tax Fund Reporting Requirements

Background:

There are two legislatively required Road Use Tax Fund (RUTF) reports that can be eliminated because they are duplicative and no longer necessary.

1. Annual RUTF Efficiency Report: Session law was passed in 2012 requiring Iowa Department of Transportation (DOT) to submit quarterly reports to the legislature regarding implementation of efficiency measures identified in the January 2012 RUTF Efficiency Report. The session law was amended in 2014 to turn this into an annual report. There is also a related session law from 2015 related to this report.
2. Annual listing of primary road and bridge project funded with the revenue from the 2015 increase: The 2015 legislation to increase the excise tax on motor fuel included session law that requires Iowa DOT to list critical road and bridge construction projects funded with the excise tax increase in each annual five-year transportation improvement program. This was an important component of the legislation to demonstrate how those funds are being put to use. However, now that it is eight years past the bill's passage, the increased revenue has become a smaller component of the overall funding used to program construction projects (combined state and federal funding) and the Iowa DOT and Iowa Transportation Commission have clearly demonstrated their commitment to use those funds as the legislature intended.

Solution and Goal:

The 2012 RUTF Efficiency Report is out-of-date, and Iowa DOT regularly highlights new efficiency measures in communications with legislators at an individual and committee level. Due to ongoing communications with legislators and the outdated reference to implementing a ten-year old report, it is recommended to eliminate this session law reporting requirement.

Furthermore, to free up Iowa DOT staff resources and streamline the five-year program development process, it is recommended the annual listing of projects funded with the 2015 fuel tax increase be eliminated from session law. This change does not remove the clearly stated intent of the legislature in the session law that 100 percent of these funds be spent on critical road and bridge projects.

