

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

IOWA COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State funds:

- Counties receive a portion of revenues from the Iowa Department of Transportation Road User Tax Fund. This fund is comprised of motor vehicle taxes, motor vehicle registration and title fees, fees for new vehicle registration and other revenues.
- Counties receive a portion of revenues from the Transportation Investment Moves the Economy to the 21st Century (TIME-21) Fund. TIME-21 was established in 2008 and generates revenues by charging certain vehicle registration fees and schedules, and increasing trailer and title fees.

From County Funds:

Counties Transportation Funding, Iowa 2012

Revenue Source	Share
Road Use Tax Fund (RUTF) distribution from the Iowa Department of Transportation. (The RUTF is comprised of motor vehicle taxes, motor vehicle registration and title fees, fee for new vehicle registration, and other revenues.)	43%
Property tax revenues	24%
Direct federal and state revenues	17%
Local Option Sales Tax revenues	5%
Miscellaneous receipts. (These receipts include Driver's License and Permit Fees, Special Assessments, Disaster Aid, and other revenues.)	5%
TIME-21 Revenue. (Generated by changing certain vehicle registration fees and schedule, and increasing trailer and title fees.)	3%
Bridge Replacement Funds (BROS)	2%
Tax refunds and credits	<1%

- Counties use property tax revenues to fund transportation projects.

Share of County Owned Road Miles Out of Public Roads Statewide	79%
Share of County Owned Bridges Out of Public Bridges Statewide	79%
Share of Structurally Deficient Bridges Out of County Owned Bridges	25%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Counties have property tax rate limitations and expenditure limitations.
Levy Personal Property Taxes		
Levy Local Option Sales Taxes	X	May impose either a local sales tax or a local vehicle tax with a maximum rate of 1%. The county must collect signature of at least 5% of voting population to adopt the tax.
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee	X	
Form Special Districts for Transportation	X	

- Some counties impose local option sales taxes to fund transportation.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Large truck travel is still increasing. Between 2005 and 2007, large truck travel in Iowa increased over three percent which is equivalent to an additional 152 million miles of large truck travel in the state over those two years. Some of this increase is due to growth in renewable fuel production in Iowa. Ethanol production capacity has nearly doubled in the last two years which results in a doubling of truckloads of corn shipped to those plants. That reflects an increase of approximately 600,000 truckloads annually.
- Revenues to the Road Use Tax Fund (RUTF) and Federal Highway Trust Fund (HTF) have flattened recently and it is probable that those funding sources will decline as fuel tax revenues continue to decrease and other forms of funding are negatively impacted by a poor economy.
- The inflation of construction costs has been at a high level the last few years which has dramatically reduced the buying power of already limited funding.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- Transportation Investment Moves the Economy to the 21st Century (TIME-21) Fund was created in 2008 as a new revenue stream. Revenues are dedicated primarily to maintenance and construction of certain primary highways in the state (60 percent), secondary roads (20 percent), and municipal streets (20 percent). Revenues were generated by changing certain vehicle registration fees and schedule, and increasing trailer and title fees.

BREAKDOWN OF COUNTY TRANSPORTATION FUNDING¹

County Share	33%
State Share	58%
Federal Share	9%

¹ This is an estimated based on information from Iowa State Association of Counties.