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INROADS

Iowa Good Roads Association

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Road funding proposal at crucial stage of legislative session

Efforts to increase road funding in Iowa are at a critical juncture in the Iowa legislature.

The bill to increase road funding is scheduled to come up for a vote in the House Ways and Means Committee on April 3 (committee members are shown on page 4). Your contacts are needed now.

Assuming the legislature meets its targeted adjournment date of April 22nd, that leaves less than two weeks of session days for the legislature to approve desperately needed road funding.

Thanks to the tireless efforts of several key leaders and committee members in both there are bills in both the Iowa Senate and the Iowa House that have a great chance of being approved – **with your help. See next page for a summary of the legislation.**

TIME 21 FUNDING

Last year the legislature approved the TIME 21 formula that redistributes the first \$200 million of this new fund. This formula change was supported by the Iowa DOT, the Iowa League of Cities, the Iowa State Association of Counties, the

Iowa State Association of County Supervisors, the Iowa County Engineers Association and others.

Why is that important to point out now? The TIME 21 study clearly pointed out that all three jurisdictions are in need of funds. The bill that passed last year tried to address those concerns. Does that mean any jurisdiction would claim they are 100 percent happy with the formula? Of course not! But to argue about this now, may very well give a legislature to vote against the only bill that is going to pass – and every single vote is crucial to passing this legislation.

NO GAS TAX INCREASE THIS YEAR

Time and time again we have heard complaints that the funding bill does not have a gas tax increase mixed into the funding mechanisms.

There is no gas tax increase in the bill – and there won't be! Do we support an increase? Yes. Is it the fastest way to generate revenue? Yes. Does it allow us to collect revenue from people passing through Iowa? Yes.

Will the Governor sign a gas tax increase this year? No!

So let's quit talking about it for now. We lost votes in committee from some legislators because they said the bill does not go far enough. Well, guess what. No bill gets us nothing. Again, let's not give anyone an excuse not to vote for this legislation.

Legislators to vote on major road funding increase

Following is a brief outline of the approximately \$125 million road fund package legislators will be asked to approve.

It's important to point out all of the following proposals were part of the original funding package legislators were asked to consider. These proposals are not in lieu of a gas tax increase, they were included in the original package that also included a gas tax increase.

Vehicle Title Fees

Increases from \$10 to \$20

Salvage Title Fees

Increases from \$2 to \$10

Trailer Fees (less than 2000 pounds)

Increases from \$10 to \$20

Trailer Fees (more than 2000 pounds)

Increases from \$10 to \$30

Travel Trailer Fees

Increases from 20 cents per sq ft to 30 cents per sq ft.

Motorcycle Fees

Increases from \$1 to \$2 (monies to be deposited in motorcycle education fund)

Pickup Trucks Registration Fees The bill creates a bifurcated fee system.

Pickups used for Personal Use
After 2010 any new pickup registration (not used for commercial or agricultural purposes) would have their registration fees increased from the current flat fee of \$65 to a formula based on weight and value – such as automobile are currently)

Pickup Trucks used for commercial or agricultural purposes

Pickups used for commercial or agricultural purposes would have their registration fees increased from the current flat fees of \$65 to a flat fee of \$150. These vehicles would have a special plate identifying them as such.

The bill also spells out some pretty harsh penalties for falsely registering a pickup as a commercial or agricultural vehicle

Vehicle Registration Fees

Current law bases the fee on 75% of new car value if the vehicle is more than five years old and 50% is more than six years old. The fee currently drops to a flat fee of \$35 when the vehicle is nine years old.

Under the legislation, a vehicle would drop to 75% of value after seven years, 50% after nine years and a flat fee of \$75 after 12 years.

Current owners are grand fathered in so that an owner of any of the vehicles referenced above would not pay more than they are currently paying

Vehicles registered as antiques (1970-1983) will pay \$23, antiques (1969 and older) will pay \$16.

Truck Registrations

Current law contains a lengthy fee schedule for various heavier trucks. The bill calls for proportionate increases at each weight.

Call Your Legislator

House Switchboard 515 –281-3221
Senate Switchboard 515 – 281 3371

Proposed Legislation Provides Constitutional Protection to “Use Tax”

Iowa's constitution provides constitutional protection to monies deposited in the road use tax fund. That means the legislature cannot scoop these funds for non road construction purposes. However, that protection applies only once the monies are deposited into the road use tax fund. Revenue from the gas tax and registration fees must be deposited into the road use tax fund and thus have that constitutional protection. However, the “use tax,” most often thought of as a “sales tax” on new and used vehicles does not have that same constitutional protection. It was these funds that previous legislatures diverted to non road purposes. It is these same funds that we have diligently fought to get back into the road fund – to the tune of approximately \$118 million annually – over the past several years.

Although we have been successful in getting these funds back into the road fund, there is no guarantee future legislatures won't be tempted to once again begin diverting these funds when the state revenues begin to dip sometime in the future.

However, the legislation being voted on this year will prohibit future legislators from taking that action. The legislation eliminates the use tax, which is not constitutionally protected and replaces the tax with a “Fee for New Registration.” What was once the “use tax” and could be scooped at any time, now falls under the constitutional protection and the revenues must be used for only road construction purposes.

This measure is a huge step forward. Of course, we would all like to see additional funding in this legislation, but this provision is one of the most far-reaching road funding measures the Iowa legislature has dealt with in over 70 years. In the 1980's and 90's the legislature was siphoning off the equivalent of nearly six cents in gas taxes! That won't happen again under this legislation.

CONTACT YOUR LEGISLATOR NOW

We encourage you to contact your legislators now. At this time we need immediate contact with members of the House and Senate Ways and Means Committees. The House committee will be meeting April 3 and the Senate will be meeting within the next few days, as well. The Senate bill number is SF 2374. The House bill number is HF 2662

House 515-281-3221 – Senate 515-281-3371

To email your legislator use the following method to determine their address:
First name, then dot, then last name, then @legis.state.ia.us
For example: Senator Tom Reilly's address is tom.rielly@legis.state.ia.us

Senate Ways and Means Committee Members

Joe Bolkcom – Iowa City
Matt McCoy – Des Moines
Larry McKibben – Marshalltown
Jeff Angelo – Creston
Staci Appel – Ackworth
Mike Connolly – Dubuque
Bill Dotzler – Waterloo
Rob Hogg - Cedar Rapids
Hubert Houser – Carson
Larry Noble – Ankeny
John Putney – Gladbrook
Herman Quirnbach - Ames
Becky Schmitz - Fairfield
Joe Seng – Davenport
Roger Stewart – Preston
Pat Ward – West Des Moines
Mark Ziemann - Postville

House Ways and Means Committee Members

Paul Shomshor – Council Bluffs

Tom Schueller –
Tom Sands – Columbus Junction
Mark Davitt – Indianola
Dave Deyoe - Nevada
Greg Forristall - Macedonia
Marcella Frevert - Emmetsburg
Pat Grassley – New Hartford
Geri Huser - Altoona
Pam Jochum – Dubuque
Jeff Kaufmann - Wilton
Doris Kelley - Waterloo
Tyler Olson – Cedar Rapids
Eric Palmer - Oskaloosa
Dawn Pettingill – Mount Auburn
Brian Quirk – New Hampton
Mike Reasoner - Creston
Chuck Soderberg – Le Mars
Doug Struyk – Council Bluffs
Roger Thomas - Elkader
Jamie Van Fossen - Davenport
Roger Wendt – Sioux City
Tami Wiencek – Waterloo
Matt Windshitl – Missouri Valley
Phil Wise - Keokuk

