

F I N A L R E P O R T

JOINT TRANSPORTATION STUDY SUBCOMMITTEE OF THE SENATE AND HOUSE COMMITTEES ON TRANSPORTATION, SENATE AND HOUSE COMMITTEES ON WAYS AND MEANS, AND SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON TRANSPORTATION AND LAW ENFORCEMENT

January, 1981

The Transportation Study Subcommittee was authorized by the Legislative Council to hold two meetings to develop legislative recommendations for local taxing authorities to assist in the operations and expansion costs of municipally-owned airports, to develop recommendations for funding alternatives to assist municipal and regional mass transit systems in providing efficient and adequate transportation for our citizens, to study needs relating to the maintenance of secondary roads, to study the feasibility of the state acquiring all railroad right-of-way in the state and to develop a comprehensive plan for the orderly acquisition on a prioritized basis of railroad right-of-way, to study railroad bonding and other rail problems, and to study highway funding problems. The members of the Subcommittee include the following:

Senator Richard F. Drake, Co-chairperson
Representative Sonja Egenes, Co-chairperson
Senator C. Joseph Coleman
Senator Richard Comito
Senator Norman J. Goodwin
Senator C. W. Hutchins
Senator John W. Jensen
Senator Arthur A. Small, Jr.
Representative Wayne Bennett
Representative Betty A. Hoffmann
Representative Daniel Jay
Representative Robert M. L. Johnson
Representative Myron B. Oxley
Representative Jack W. Woods

The Subcommittee held its first meeting on November 20, 1980 and received testimony from the State Department of Transportation relative to the funding needs for the primary road system. The Department indicated that several problems have emerged which threaten the ability of the Department to adequately maintain the primary road system. The major problems are that the state revenue base is unresponsive to inflation and other cost pressures, the public's efforts to conserve our energy resources has significantly affected the motor fuel tax revenues, the soaring costs of highway construction have adversely affected the purchasing power of the revenue contributed by the highway user, and the existing size of

the state highway network is far in excess of the financial support provided by current funding mechanisms. Currently, only 57 miles of the primary road system can be capitalized annually while recent studies indicate that an annual capitalization rate of 160 miles is needed to sustain the system at current levels of service. With current available revenue, the Department indicated that there is an annual shortfall of \$140 million. The Department also provided funding alternatives devised by the staff to the Subcommittee but as of this date, the Transportation Commission has not adopted any specific recommendations relating to the funding of the primary road system.

The Subcommittee also received a report regarding the current status of the Iowa Railway Finance Authority. The Governing Board has developed a policy to promote an economically viable railway transportation system to satisfy user needs and maximize economic, energy, and social benefits for the citizens of this state and to encourage ownership and control of railway facilities in the private sector whenever economically practicable. The Board has recently employed bond counsel but suggested that there may be some difficulties in marketing bonds due to the fact the bond interest would not exempt from federal taxes.

The Subcommittee also received a report from the Public Transit Division of the State Department of Transportation indicating a need for additional funds to provide additional transit services. Some of the programs the Division feels need to be implemented include the state employee bus pass program, a study of the need for developing ground transportation centers, a school bus coordination study, and the creation of a bus bank to refurbish old buses and place them in a central pool to be loaned to communities for providing transit services. The report also indicated that state funding has remained constant while local and federal funding has increased. Also of interest was a recent federal report which indicates that the share of operating funds obtained from fares has been decreasing nationally which has not been the situation in Iowa.

The Transportation Study Subcommittee held its last meeting on December 5, 1980. The purpose of the meeting was to discuss the railroad branchline assistance fund, off-the-top allocations from the road use tax fund, the bridge formula as it relates to weight, functional classification of roads, and to discuss alternative funding mechanisms for the road use tax fund with emphasis toward funding the primary road fund. The Subcommittee requested that the following bills be drafted by the Legislative Service Bureau:

1. A highway bonding bill to authorize the State Department of Transportation to bond for primary roads.
2. A bill for an Act to provide for the levying of excise taxes on motor fuel and special fuel as a percentage of statewide average wholesale prices. The bill will contain provisions providing for a

minimum tax of 13 cents per gallon on motor fuel and 15 cents per gallon on special fuel and a clause to prohibit the tax from increasing or decreasing more than one cent per gallon each six months.

3. A bill to provide that the sale of motor fuel and special fuel will be subject to the existing sales and use tax with the crediting of the sales and use tax receipts from the sale of motor fuel and special fuel to the road use tax fund or the primary road fund.

The Subcommittee recommended that the Legislative Service Bureau draft the following bills for consideration by the appropriate committees of the Sixty-ninth General Assembly:

1. A bill to reduce the current shrinkage allowance to eight-tenths of one percent and provide for bad debt write-off under the present fuel tax law.

2. A bill to amend section 312.2, subsection 9, which allocates annually from the road use tax fund to the Soil Conservation Department the sum of \$500,000 for planting or maintenance of wind erosion control barriers designed to reduce wind erosion interfering with the maintenance of highways in the state to reduce the amount of the allocation of \$250,000 and restrict its use to along the highway to protect the highway.

3. A bill to authorize the use of railroad assistance funds for the restoration, conservation, and improvement of railroad main lines, terminals, switching yards and sidings.

4. A bill to amend the current bridge table B to prohibit additional axles on a short wheel base truck. The current bridge table B does not place any restriction on number of axles on a vehicle. Therefore, on short wheel base trucks, the addition of extra axles can radically increase permissible loading of the vehicle which may overstress bridges.