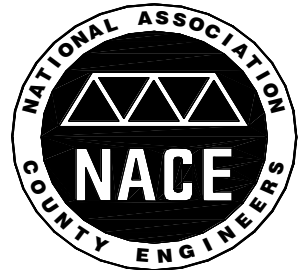


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# *IOWA COUNTY ENGINEERS ASSOCIATION*

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## **NEWS RELEASE**

### **Utilization of increase RUTF revenues by Iowa counties**

**Posted on: January 9, 2017**

The Iowa Legislature approved a 10 cent per gallon fuel tax increase in 2015, effective March 1 of that year. This resulted in a major, one-time increase in Road Use Tax Fund (RUTF) revenues for the State's road agencies. Secondary road and farm-to-market allocations to counties increased by about \$90 Million dollars per year.

With the additional funding becoming available, counties road departments began reactivating needed projects that had been previously postponed due to lack of resources. At the end of 2016, the Iowa County Engineers Association polled the county engineers and asked them to identify the projects that the new funding had enabled to be accomplished, over and above their regular slate of project work. Collectively, they reported 240 such projects.

Eighty extra bridges and twenty box culverts were replaced, and 20 others rehabilitated, at a cost of \$33.3 Million. \$55.8 Million was expended on ninety-nine overdue pavement rehabilitation /reconstruction projects, to improve ride-ability and extend service lifetimes on the paved system. Another \$9.2 Million was spend on various other types of work, such as road grade reconstruction, restoration of surfacing on granular roads, seal coating, and safety investments.

Over the next few years, counties will continue to use the increased resources to catch up on previously deferred maintenance and repairs. However, the fuel tax increase's benefits will fade as time passes. The Iowa DOT projects that, between 2017 and 2021, fuel taxes will decline year by year – due to increased vehicle fuel economy, electric cars and demographic factors. As a result, total Road Use Tax Fund revenues will only grow about 1.5 percent per year. While this is good, costs are expected to escalate at 3 to 4 percent per year, gradually eroding purchasing power.

In the longer term, road and highway financing will have to evolve to fit the changing times. For the moment, however, Iowa's road and highway agencies will all do their best to obtain the maximum possible return out of the highway dollar.

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