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To: [DOT-CountyEngineers](#)
Cc: [Buchwald, Donna](#); [Moore, Nicole](#); [Okerlund, Sarah](#)
Subject: Please Read - Pertinent Information Arising from COVID-19
Date: Tuesday, March 31, 2020 2:40:58 PM
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County Engineers,

In light of the current COVID-19 pandemic, your ICEA leadership and Local Systems thought it would be helpful to get information out to you about this situation, even if we don't have answers to all of the issues at this time.

Because of COVID-19 we are preparing for both some negative impacts to changes in revenue streams and some potential legislative proposals to increase funding available for infrastructure. We would like to share with you some of the information we know thus far.

Reduction in Revenue

1. Although truck traffic has remained stable, the DOT has observed a decline in passenger vehicle traffic of 40% since the start of COVID-19. As we all know, fuel sales are a vitally important source of revenue to our Road Use Tax Fund. It is inevitable that both the DOT's and the Counties' RUTF revenues will be reduced as long as the current situation continues. Unfortunately, it is impossible for us to know how long that will be.
 - a. As a side note, please know that the Road Use Tax Fund hit the \$392 million cap in March, which means that many fees that normally flow into the RUTF have now started flowing into the TIME-21 fund instead. Furthermore, RUT funds are distributed one month behind the time of their collection while the TIME-21 funds are distributed two months behind. Therefore, you will notice a natural, expected decrease in your March RUT revenue because the RUT decreased, and the TIME-21 payment that "picked up the slack" lags by another month.
 - b. Stuart Anderson, Director of the Planning, Programming, and Modal Division and Charlie Purcell, Director of the Project Delivery Division, just released a memo entitled "COVID-19 Impacts on Highway/Road/Street Funding". This memo provides additional information about COVID-19 impacts on funding and can be accessed here: https://www.iowadot.gov/local_systems/pdfs/COVID-19_Memo_to_Locals_033120.pdf.
 - c. To see the Iowa DOT Automatic Traffic Recorder Reports, go to this website: <https://iowadot.gov/maps/Data/AUTOMATIC-TRAFFIC-RECORDER-REPORTS>
2. On March 20, the Governor issued a declaration that temporarily suspended the collection of penalties and interest imposed for delinquent payment of property taxes. Essentially, this means that although property taxes will still become delinquent if paid after March 31, there will be no penalty/fee imposed for that delinquency. Therefore, many people may choose to withhold payment until after the delinquency date. See the paragraph below

excerpted from the Governor's declaration.

PROPERTY TAX PAYMENTS

SECTION ONE. Pursuant to Iowa Code §29C.6(6) and 135.144(3), in conjunction with the Iowa Department of Public Health, and at the request of multiple counties, I temporarily suspend the regulatory provisions of Iowa Code § 445.39 and Iowa Admin. Code rule 701-75.3, that require the imposition of penalty and interest for delay in payment and direct that no such penalty or interest may be imposed for the duration of this proclamation and any future extension of this suspension.

3. Several Secondary Road Departments receive Local Option Sales Tax (LOST) as a source of additional revenue. This sales tax revenue will likely be significantly impacted. As you know, there is no sales tax on grocery type items, and it is likely that people are not currently purchasing as many taxable items as they were before the pandemic. Please be aware this may also be a source of revenue for Secondary Road Departments that is likely to decline.

The above items are cause for concern because they directly and immediately impact the revenue flowing into your Departments. We encourage due caution to be exercised for the remainder of the year. This may put many counties in a precarious position. At this time, we do not know of any "backfill" or relief intended to be provided to help counties through this sudden reduction in revenue, but we will pass on any information we hear that could be helpful. (Please note, Iowa Code section [309.94](#) sets the deadline as June 1, for any type of budget or program amendment. Budget amendments to the Iowa DOT are not necessary to amend the revenues or spending to a lesser amount, but they would be necessary to amend the expenses to different categories should a category need to be increased by 10% or more, or should the total budgeted expenses increase by \$0.01 or more.)

According to Iowa Code Section [312.2](#), subsection 5, if the total funds transferred or provided to the county's Secondary Road Department during the prior fiscal year are less than 75% of the maximum allowable in transfer described in Section [331.429](#), subsection 1, the subject county's RUT allotment will be reduced by the amount that it fell short of the 75% mark, and those funds will be re-distributed to counties who met the minimum transfer criteria. At this time, there has not been any legislative relief proposed for this particular issue.

Potential for Aid

1. Congress appears to be working on some type of relief/stimulus package to aid citizens, businesses, and the economy in recovering from the hardships caused by the COVID-19 pandemic. At this time, there appear to be a few bills being worked on, but one includes \$114 billion for transportation. The vast majority of that sum is proposed for transit activities like modal, airports, Amtrak, etc., but it looks like about \$36.1 billion would be discretionary, which would likely impact the construction sector. We will provide more information if we hear or receive any "solid" evidence that a bill has passed that will impact construction. In the event that we do receive funding, it would be prudent to start developing a project or two that are sitting on the shelf ready to go at a moment's notice. Past stimulus packages have required a very quick deadline for letting projects.
2. The above referenced memo from Stuart Anderson, Director of the Planning, Programming, and Modal Division and Charlie Purcell, Director of the Project Delivery Division provides additional information about COVID-19 impacts on a potential federal stimulus can be accessed here: https://www.iowadot.gov/local_systems/pdfs/COVID-

[19_Memo_to_Locals_033120.pdf](#).

Miscellaneous Other

1. The US Department of Homeland Security has defined the transportation sector as “essential service” in emergency events.
2. Permits up to 90,000 pounds are now allowed on the Interstate, by permit, and for “relief supplies”. This of course would not include regular construction equipment or other items that LPAs get asked to permit for loads. LPAs should be aware in case they start get permit requests for the increased loads.
3. There is no change in the requirement for bridge inspections to be completed every 24 months (or more frequently as required), meaning IDOT/FHWA doesn’t plan to forgive late inspections due to COVID-19. If there is a hardship, then LPAs could certainly let Local Systems or Bridges and Structures know about it and the situation could be reassessed on a case-by-case basis.
4. A GovDelivery email was sent out Friday, March 27 regarding COVID-19 and construction issues. Please refer to that email for additional guidance on the topic.
5. At this time, there has been no change to the April 15 deadline for Budget and CFYP submissions.

Local Systems will be displaying COVID-19 information pertinent to locals on our [Local Systems webpage](#). (This may not be active yet at the time of this mailing but should be very soon. Please check back regularly.) Look for the heading at the top with COVID-19. Be sure to check this site for additional information and references, or feel free to contact me with further questions on these issues. I will try to get you answers, but if there isn’t an answer for your question at this point, I’ll do my best to share with you what we do know. As always, Local Systems will share any pertinent information as soon as we receive it and are able. Hang in there everyone!

NIKI STINN, P.E.

SECONDARY ROADS ENGINEER

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