

# **Highway User Fee Funding Of Local Roads in Illinois**

## **Tri-County Regional Planning Commission**

**Presentation by Craig Fink**

**May 2, 2016**

# Public Roads in Illinois

## Local Jurisdiction (Local Roads)

- County Highways
- Township/Road District Roads
- Municipal Streets

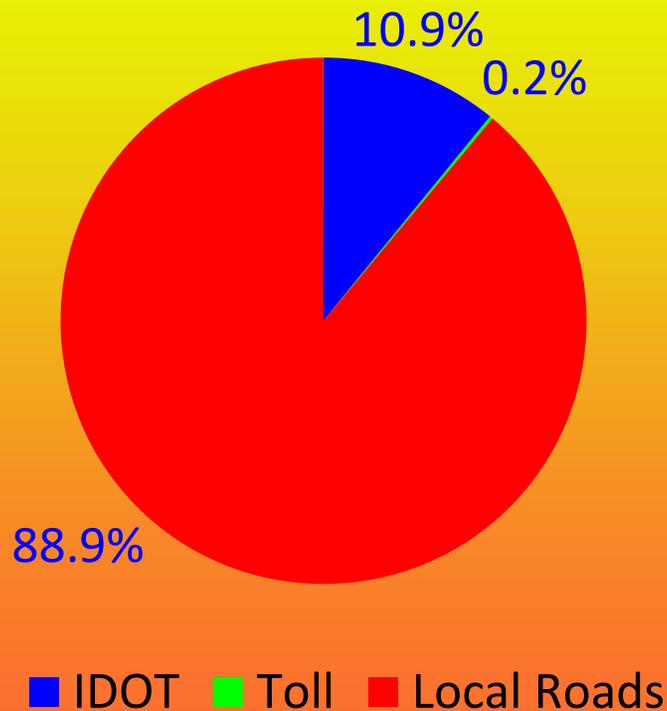
## State Jurisdiction (State Highways = IDOT)

- State Highways
- US Highways
- Interstate Highways

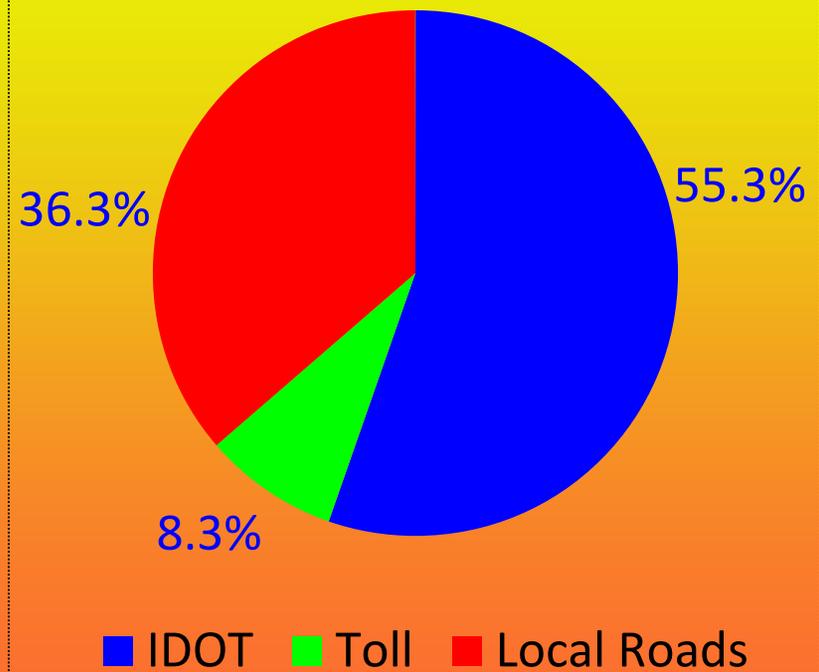
## Toll Roads

# Illinois Highway & Street Facts 2014

## Centerline Road Mileage



## Vehicle Miles of Travel





# User Fees Collected by State

(A Portion Returned to Roads)

## Motor Fuel Tax (MFT)

- Paid at the Pump
  - Collected from Wholesale Distributors

## Motor Vehicle Revenue (MVR)

- Paid at Secretary of State
  - Vehicle Registration
  - Driver's License
  - Certificates of Title

**VERY IMPORTANT POINT TO BE MADE.**

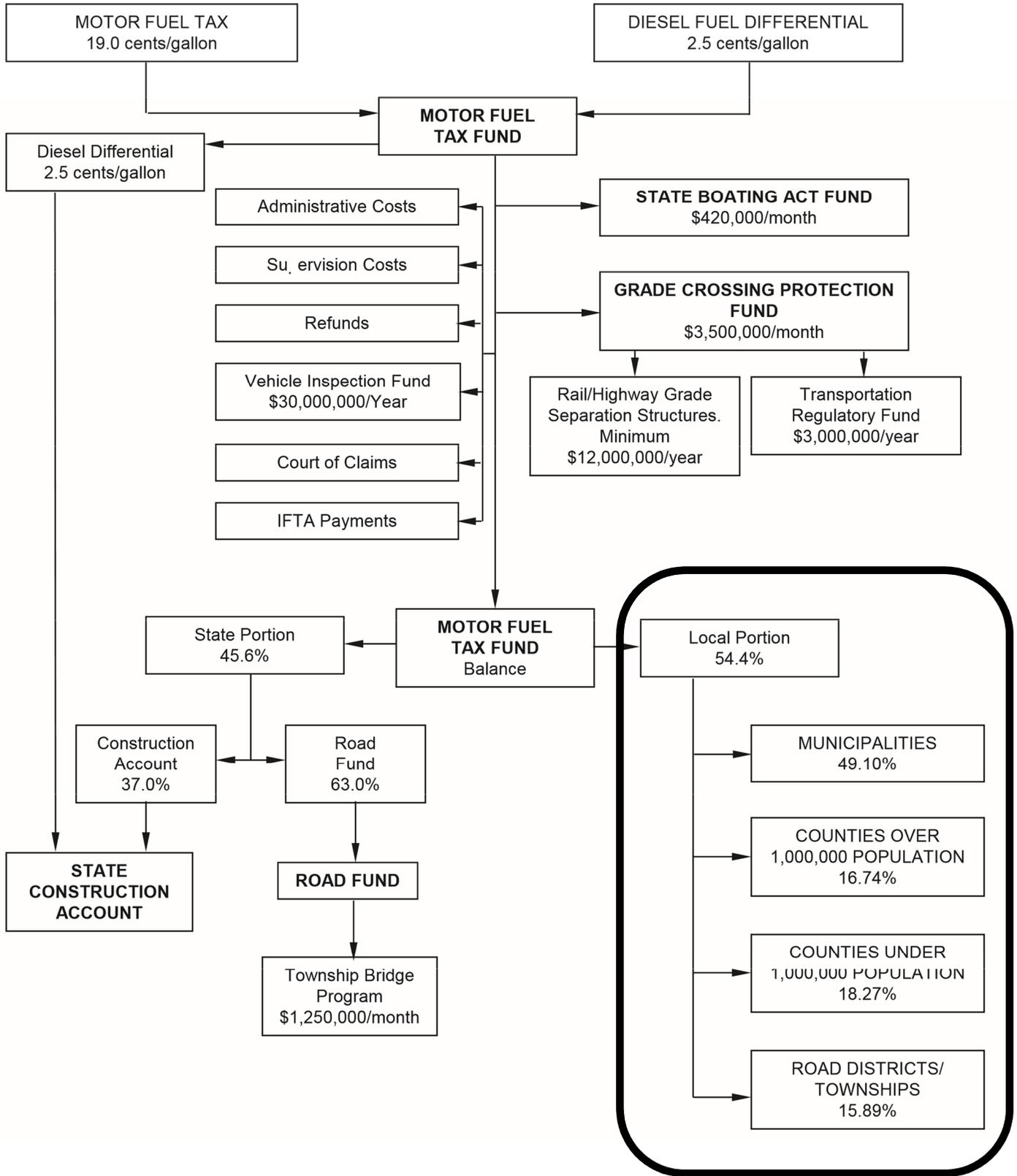
**Local Roads share directly in the revenue stream of MFT but they do NOT share directly in the MVR revenue stream.**

**In other words,**

**if the MFT revenue collected by the State increases,  
Local Roads share of that revenue  
automatically increases proportionally.**

**If the MVR revenue collected by the State increases,  
Local Roads receive none of that increase.**

## DISTRIBUTION OF THE ILLINOIS MOTOR FUEL TAX FUND



# Key Moments for Transportation Funding in Illinois

## Federal Surface Transportation Assistance Act of 1982

- Increased Max. Vehicle to 80,000# on Federal System
- Increased Federal Motor Fuel Tax by 5¢/Gallon
  - 4¢ to 9¢/Gallon
- Invested Heavily in Upgrades to Federal System

# Key Moments for Transportation Funding in Illinois

## Illinois in 1983 (Including PA 83-12)

- Increased Max. Vehicle to 80,000# on State System
- Increased Registration Fees on New Heavier Trucks
  - Revenue Stream to IDOT
- Increased State Motor Fuel Tax (MFT) by 5½¢/Gallon
  - 7½¢ to 13¢/Gallon
- Added an Additional 2½¢/Gallon to Diesel
  - From 7½¢ to 15½¢/Gallon on Diesel
- Increased IDOT's Share of MFT Revenue Stream
  - From 35% to 70%
- Decreased Local Road's Share of MFT Revenue Stream
  - From 65% to 30%
- Invested Heavily in Upgrades to State System

# Key Moments for Transportation Funding in Illinois

## Illinois in 1984 to 2000

### (Including Build Illinois and Illinois First)

- IDOT Included Local Roads in Transportation Funding Plan
  - Worked with County Engineers
  - Worked with Township Highway Commissioners
  - Worked with Municipal Representatives
- “Boats Rise Equally” Approach
  - 2000 = First Full Year of Illinois First
  - Last Increase for Local Roads Share of MFT & MVR

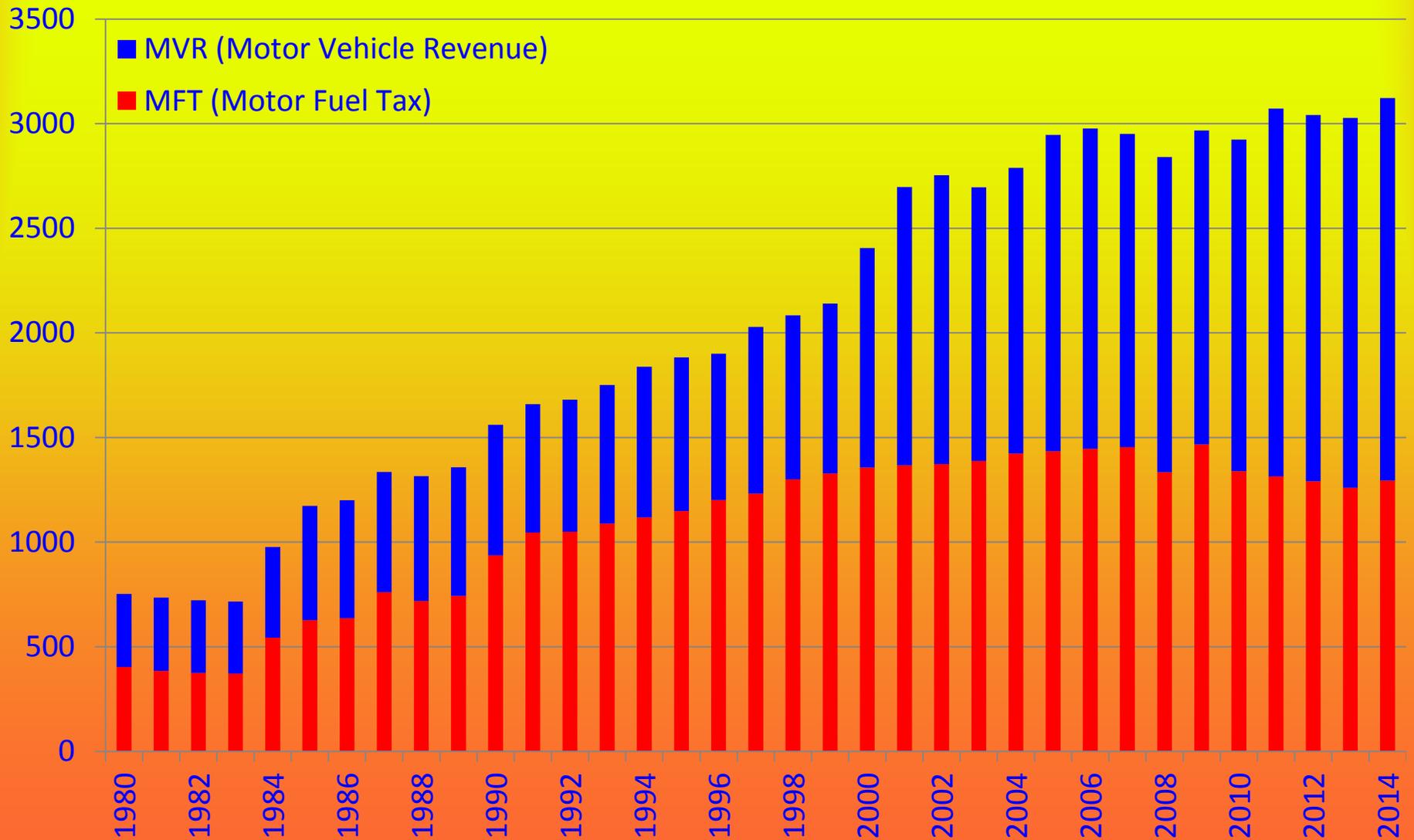
# Key Moments for Transportation Funding in Illinois

## Illinois Jobs Now in 2009

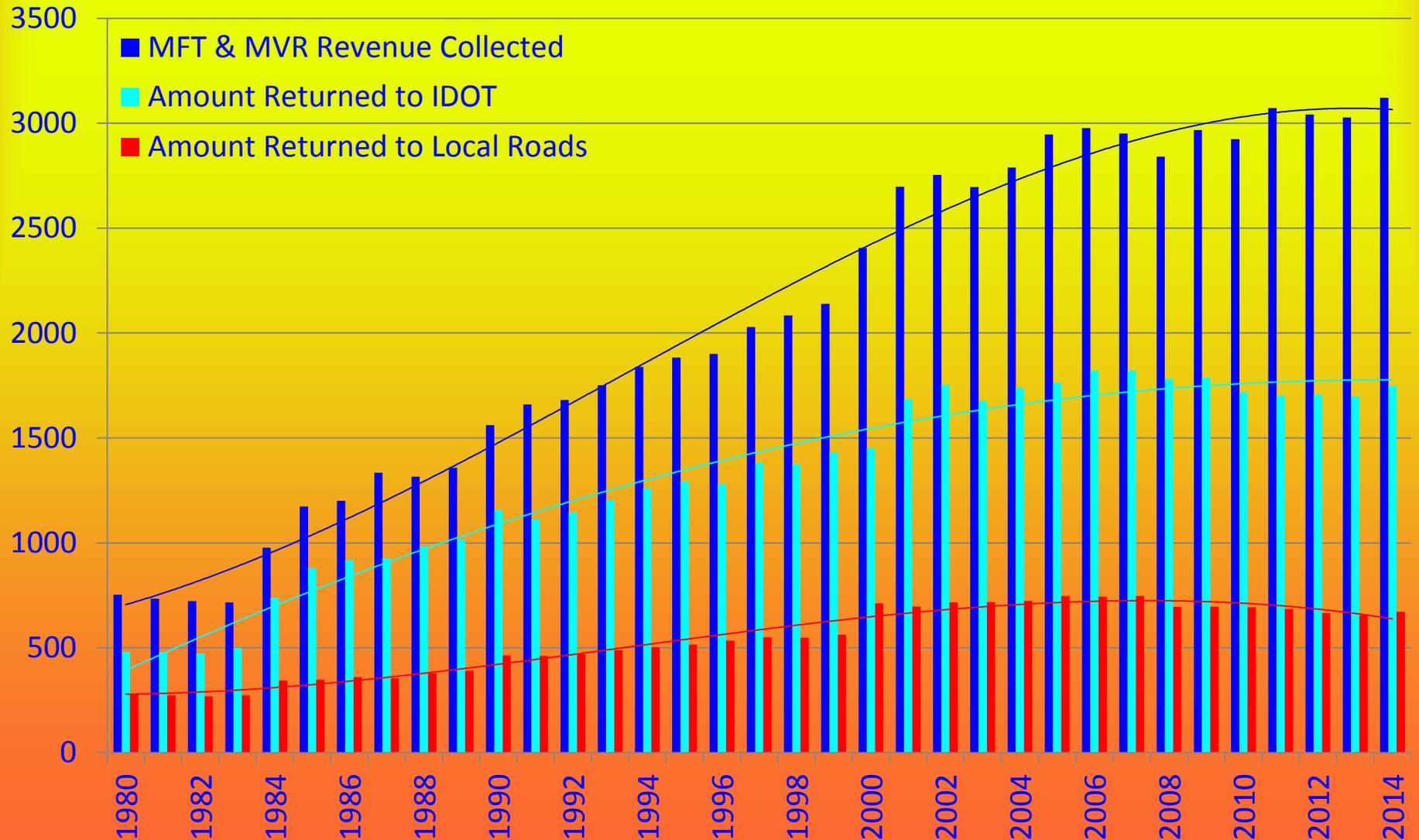
- Increased Max. Vehicle to 80,000# on Local Roads
- Increased Vehicle Registration Fees
  - Revenue Stream to New Capital Projects Fund
  - 100% Dedicated to Pay for Bonds
  - State Collects New Revenue Stream in Perpetuity
- Initial \$3.054 Billion in Bond Proceeds to State System
  - 86% of Original Appropriation
- One-Time \$0.5 Billion in Bond Proceeds to Local Roads
  - 14% of Original Appropriation
- No Revenue Stream to IDOT
- No Revenue Stream to Local Roads
- No Upgrades on Local Road System



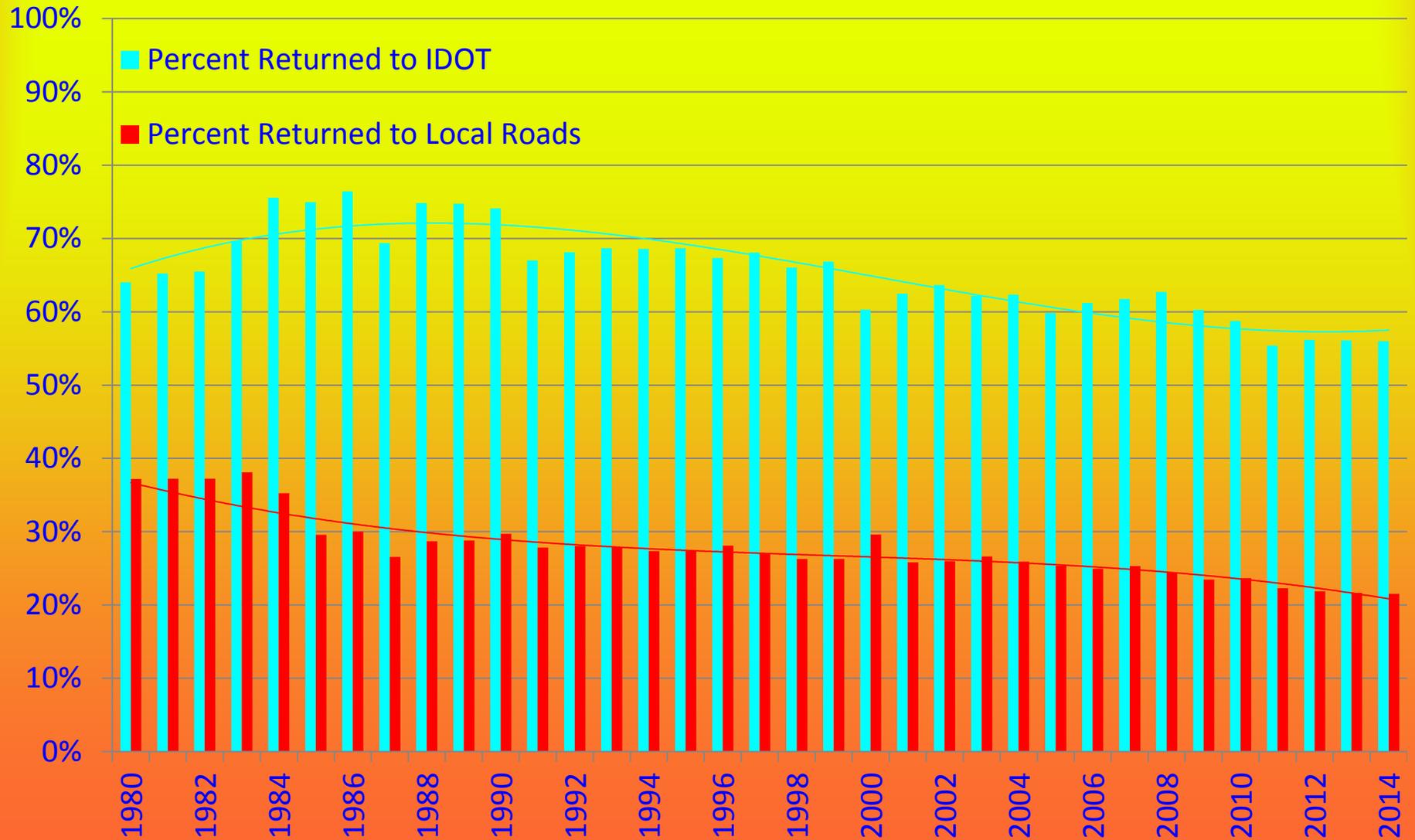
# State of Illinois – Highway User Fees Collected [\$ Millions]



# State of Illinois – Highway User Fees Returned to Roads (Revenue Stream, No Bond Proceeds) [\$ Millions]



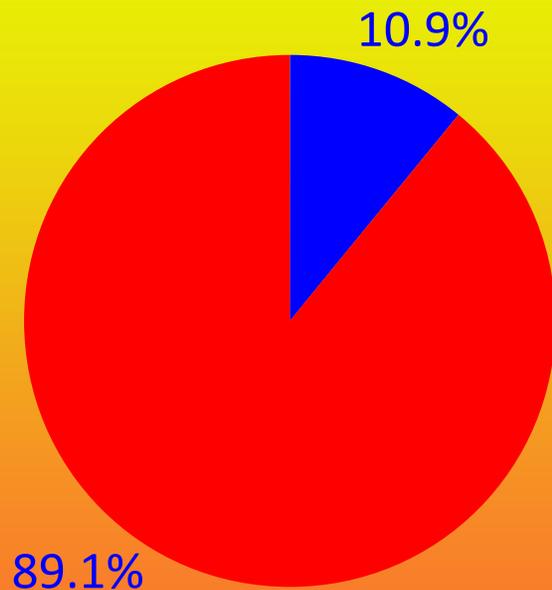
# State of Illinois – Highway User Fees Returned to Roads (Revenue Stream, No Bond Proceeds) [Percent of User Fee Revenues Collected]



# Illinois Highway & Street Facts 2014

## Centerline Road Mileage

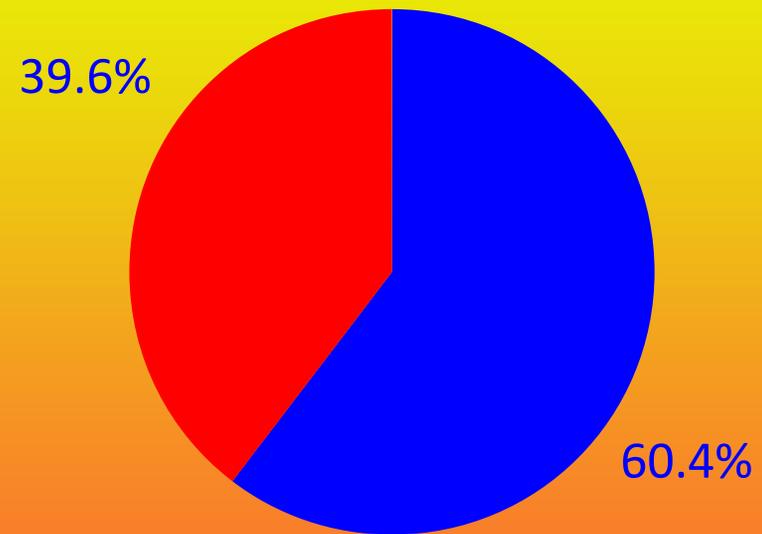
(No Toll Roads)



■ IDOT ■ Local Roads

## Vehicle Miles of Travel

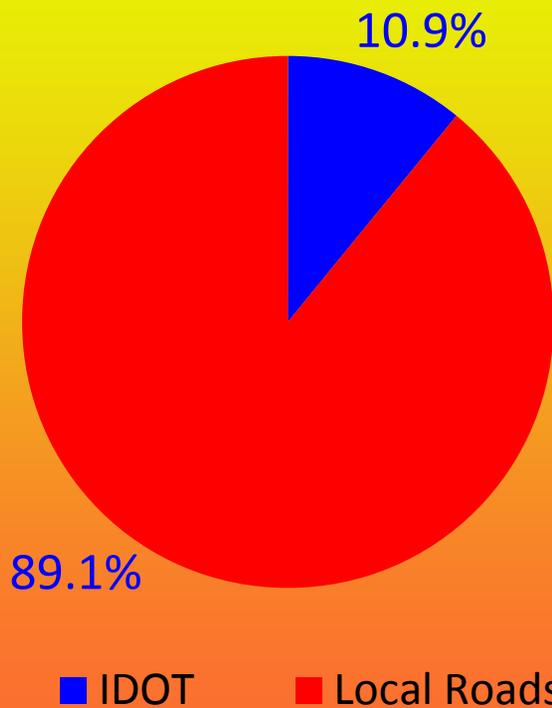
(No Toll Roads)



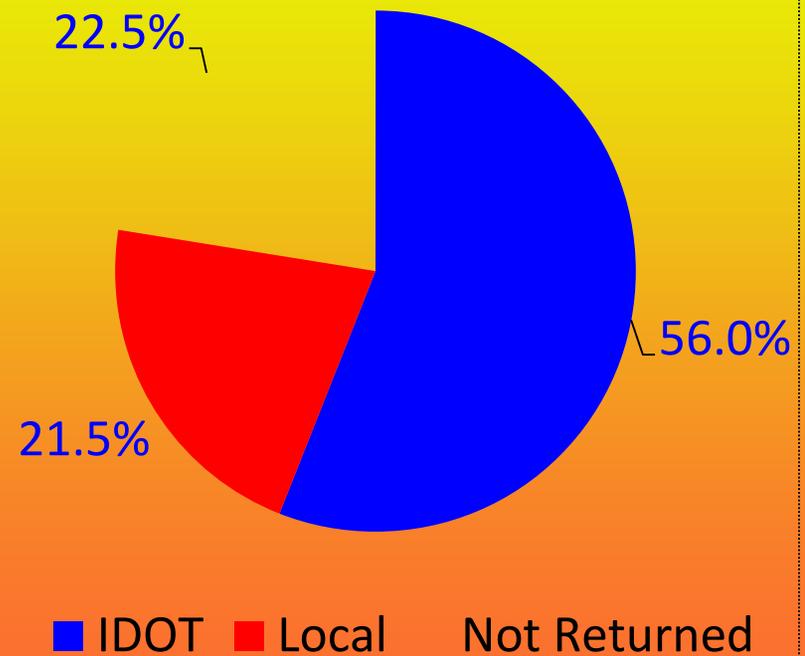
■ IDOT ■ Local Roads

# Contribution vs Share of Revenue 2014

## Centerline Road Mileage (No Toll Roads)

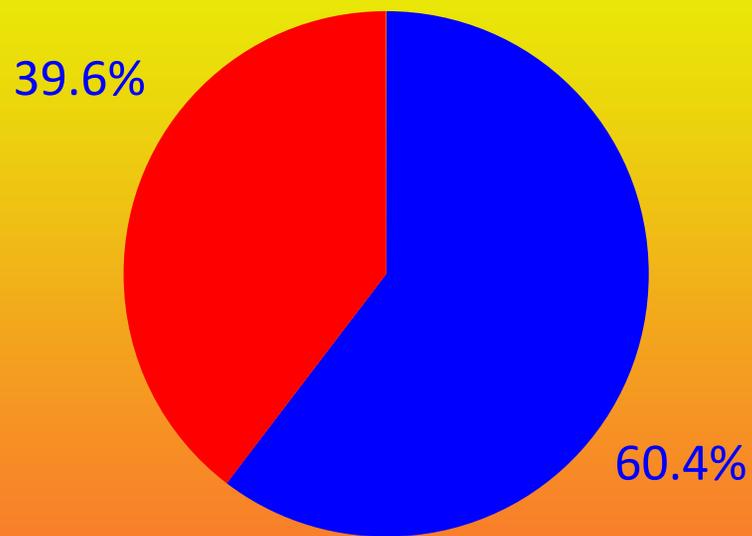


## Share of MFT and MVR Returned to Roads



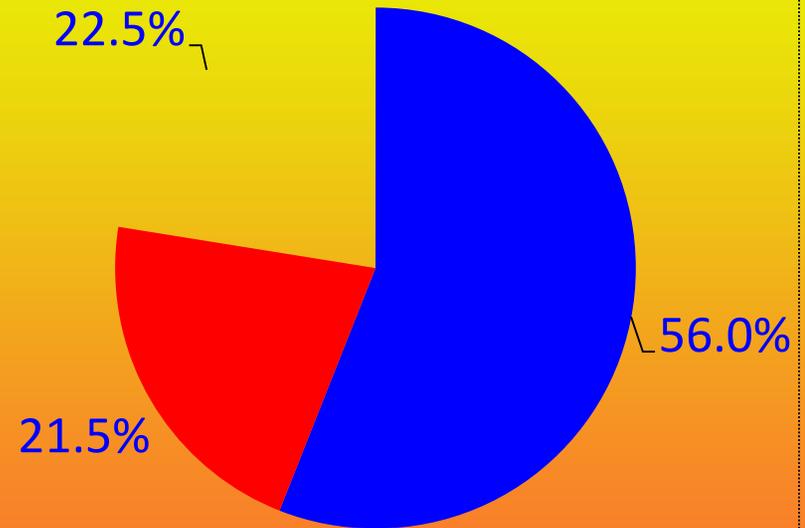
# Contribution vs Share of Revenue 2014

## Vehicle Miles of Travel (No Toll Roads)



■ IDOT ■ Local Roads

## Share of MFT and MVR Returned to Roads



■ IDOT ■ Local ■ Not Returned

# What if . . .

**. . . Local Roads had received 40% of Highway User Fees Collected by the State in 2014?**

**Answer: Local Roads would have received an additional \$577 Million, an 86% increase.**

**. . . Local Roads had received 40% of Highway User Fees Collected by the State from 1980 to 2014?**

**Answer: Local Roads would have received an additional \$9.9 Billion.**

## In Effect . . .

- . . . Local Roads were donors to the State of Illinois in the amount of \$ 577 Million in highway user fees collected by the State in 2014.
- . . . Local Roads have been donors to the State of Illinois to the tune of roughly \$9.9 Billion in highway user fees collected by the State from 1980 thru 2014.

This is neither Equitable nor Sustainable  
for Local Roads!

# Needs? What Needs?

ILLINOIS ASSOCIATION OF COUNTY ENGINEERS (IACE)  
REVENUE COMMITTEE

COUNTY HIGHWAY AND TOWNSHIP/ROAD DISTRICT ROAD  
2014 REVENUE SHORTFALL

Items	Annual Total [\$ Millions]	Total [\$ Millions]
System Preservation Shortfall =	318	-----
80,000# Highway System Shortfall * = (Includes System Preservation Shortfall)	3,191	63,816

\* Assumes Upgrade of 5% of Necessary Mileage per Year (20-Year Program)

# Needs? What Needs?

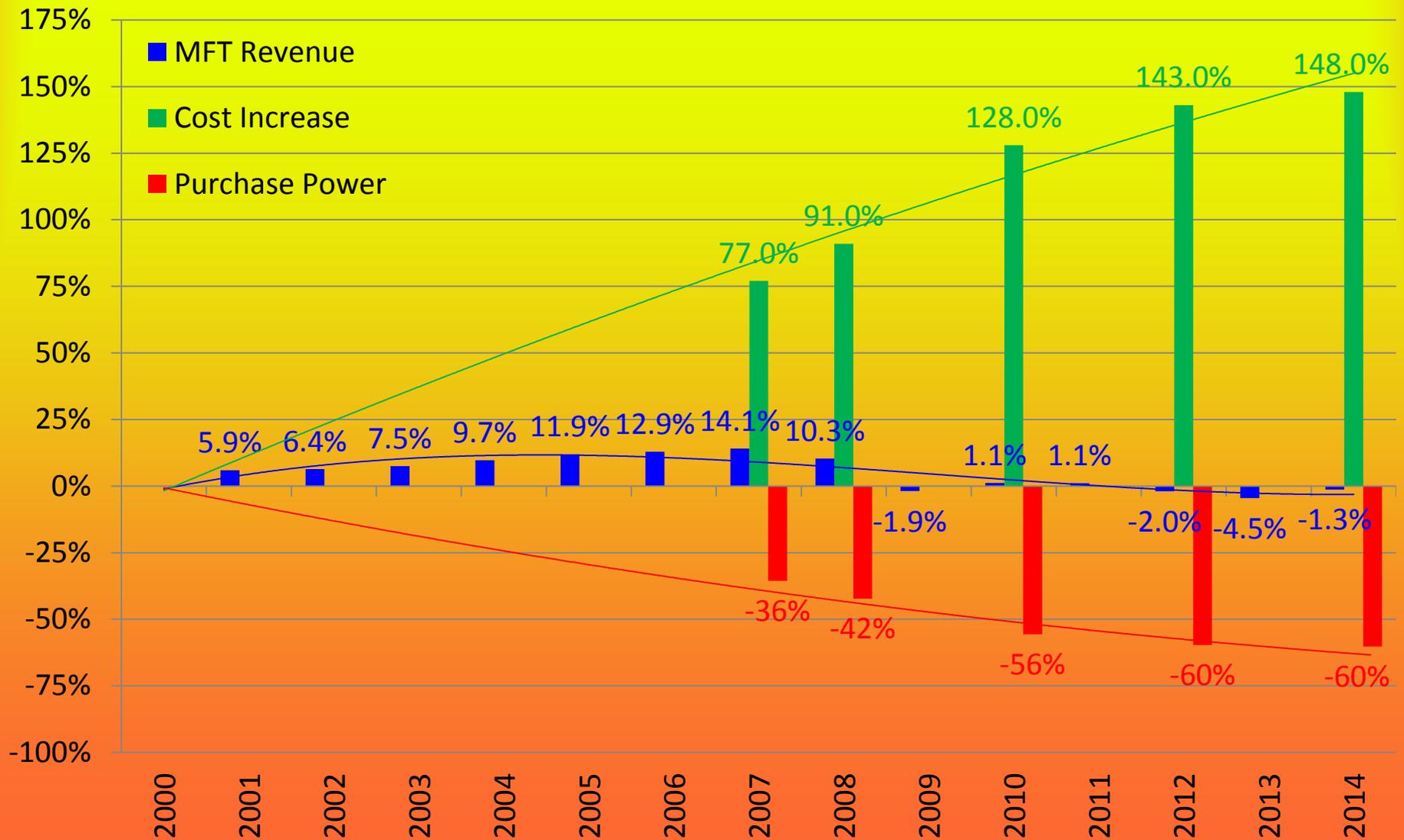
## ILLINOIS ASSOCIATION OF COUNTY ENGINEERS (IACE) REVENUE COMMITTEE

### LOCAL ROAD 2014 REVENUE SHORTFALL

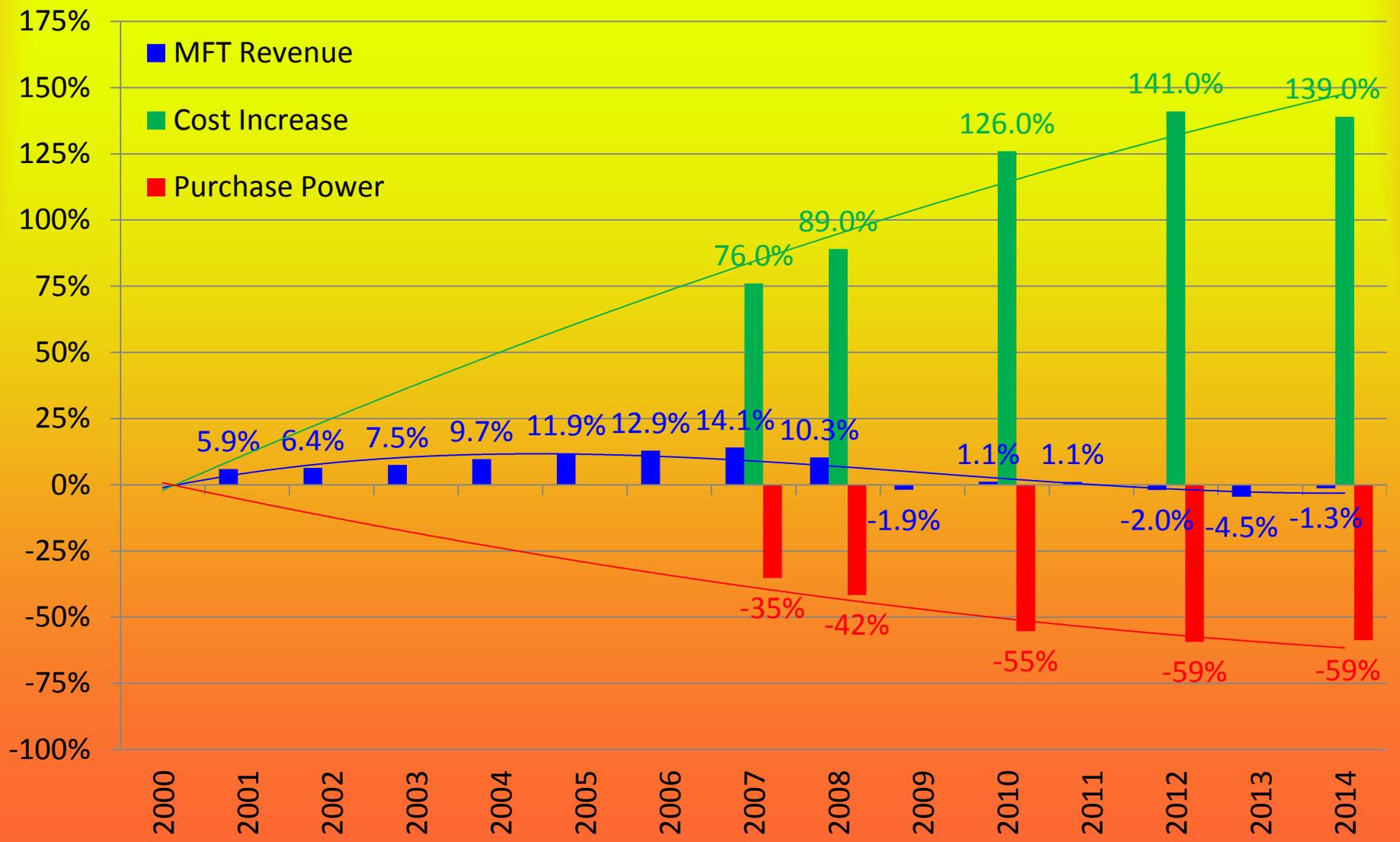
Items	Annual Total [\$ Millions]	Total [\$ Millions]
System Preservation Shortfall =	624	-----
80,000# Highway System Shortfall * = (Includes System Preservation Shortfall)	6,382	125,376

\* Assumes Upgrade of 5% of Necessary Mileage per Year (20-Year Program)

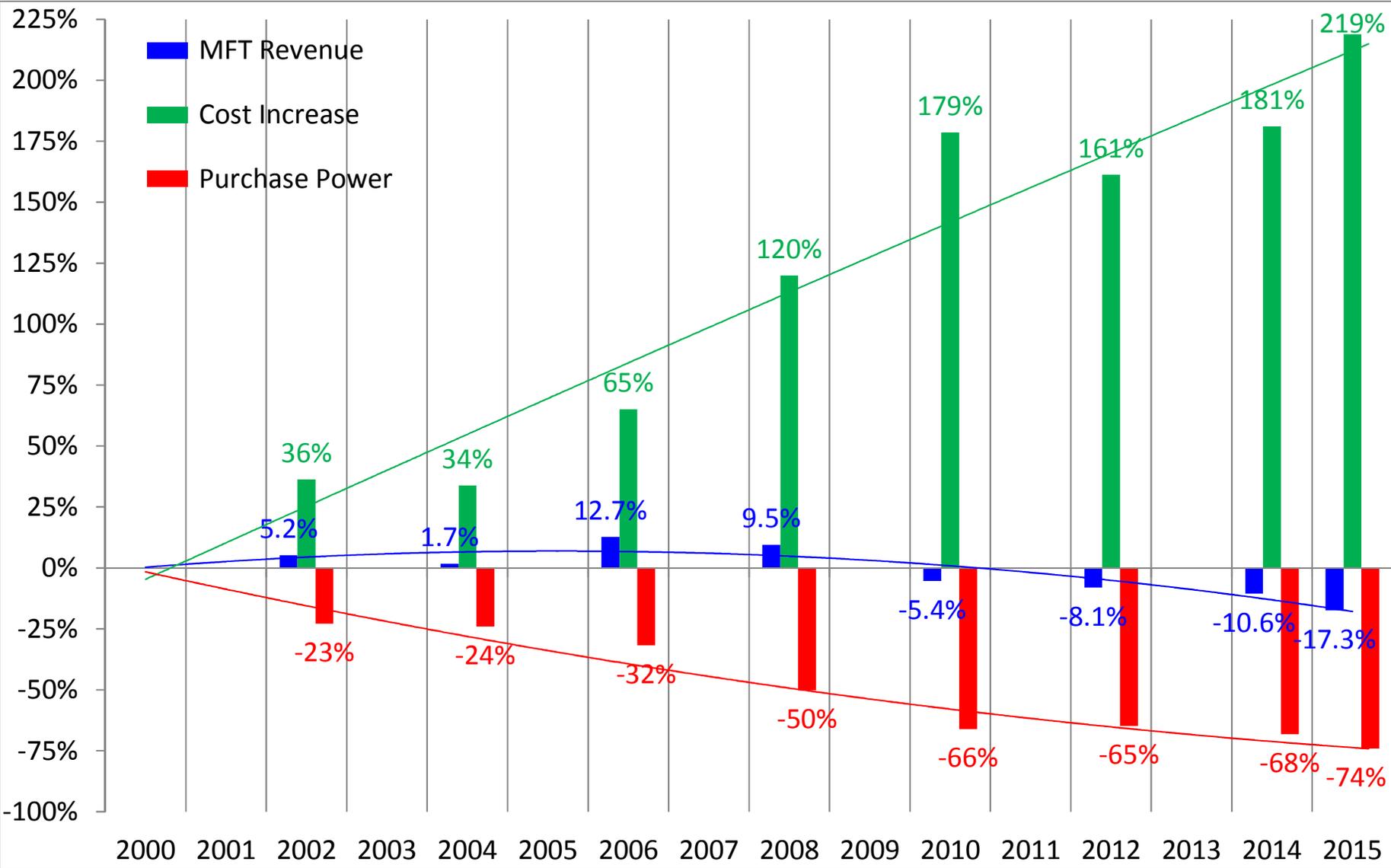
# State of Illinois – MFT Revenue/Costs vs. Purchase Power Counties [% Increase over State FY 2000]



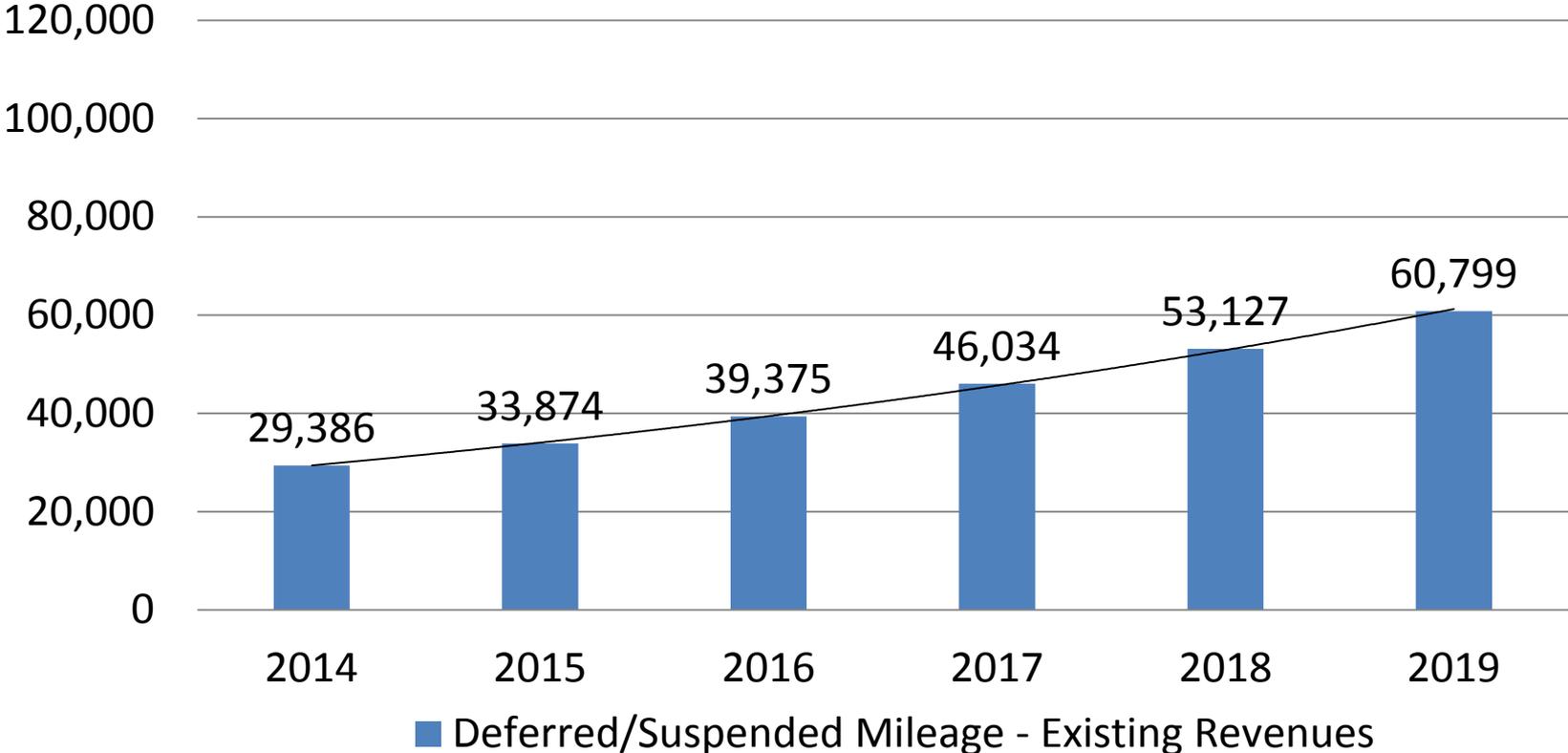
# State of Illinois – MFT Revenue/Costs vs. Purchase Power Townships/Road Districts [% Increase over State FY 2000]



# Tazewell County County Highway Maintenance



**Local Roads**  
**Miles of Deferred/Suspended Preservation**  
**Total Mileage = 129,054**



# Net Effect

**MVR and MFT Highway User Fee Revenues returned to Local Roads could only put contractors' labor, equipment and materials to work on County Highways, Township/Road District Roads and Municipal Streets 4 days in 2014 for every 10 days they were put to work in 2000.**

**We are watching our Local Road system, particularly the rural areas, slowly degrade back to conditions from an earlier time. We're watching it slowly return to dirt and mud.**

**THIS IS NOT SUSTAINABLE!**

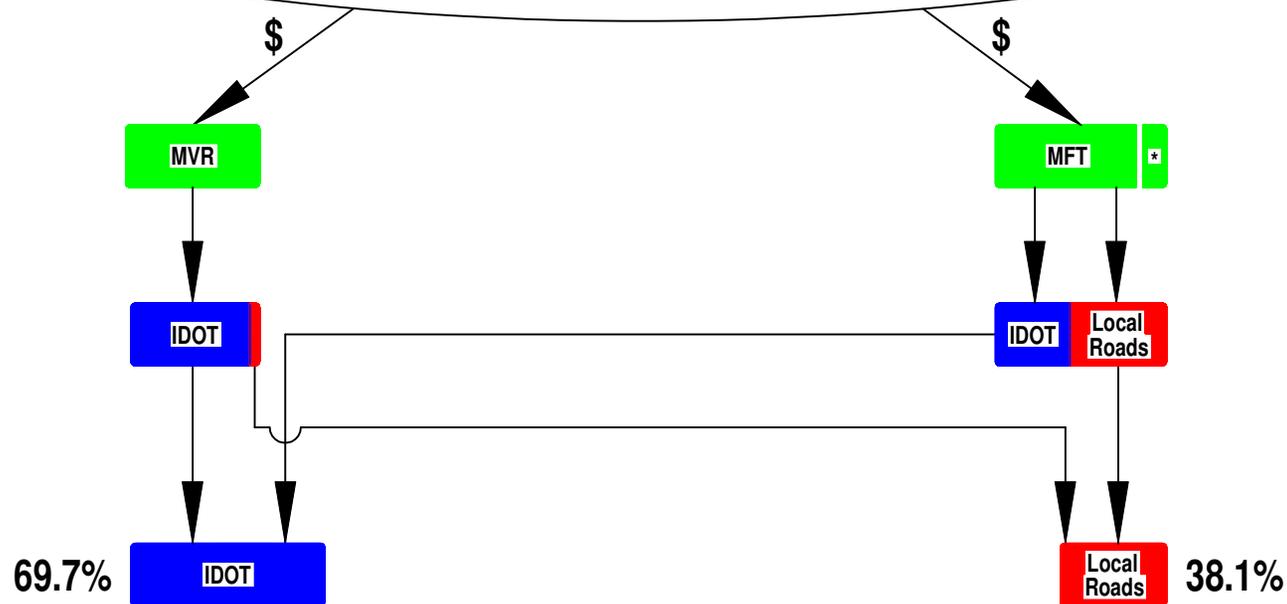
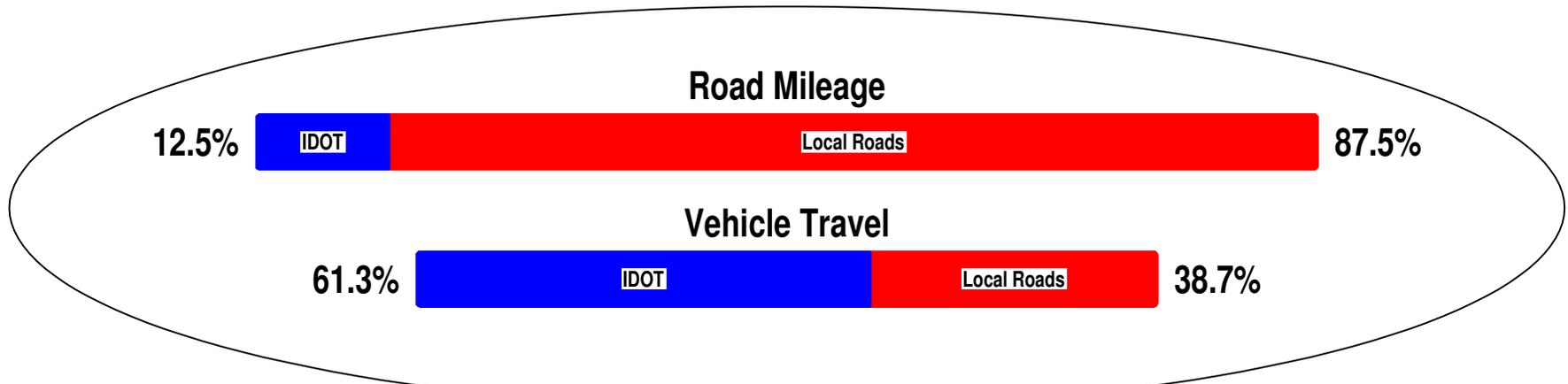
# Net Effect

Local Government is responsible for 89% of the non-toll road mileage in Illinois carrying 40% of its traffic yet the highway user fee revenue sharing mechanism is broken with the State of Illinois returning to Local Roads only 21.5% of the revenue paid by that traffic. This places an extraordinary burden on Local Government to maintain Local Roads, primarily through real estate taxes.

That's a \$577 Million unfunded mandate in 2014 alone and a \$9.9 Billion unfunded mandate since 1980.

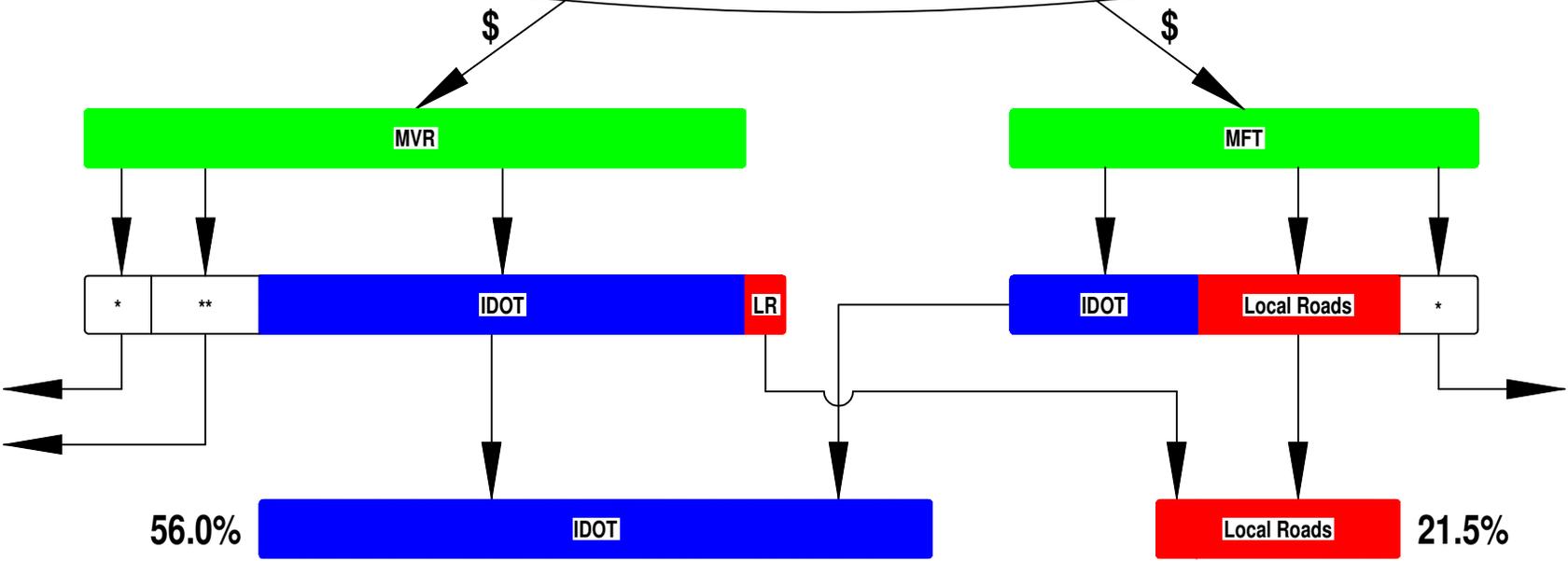
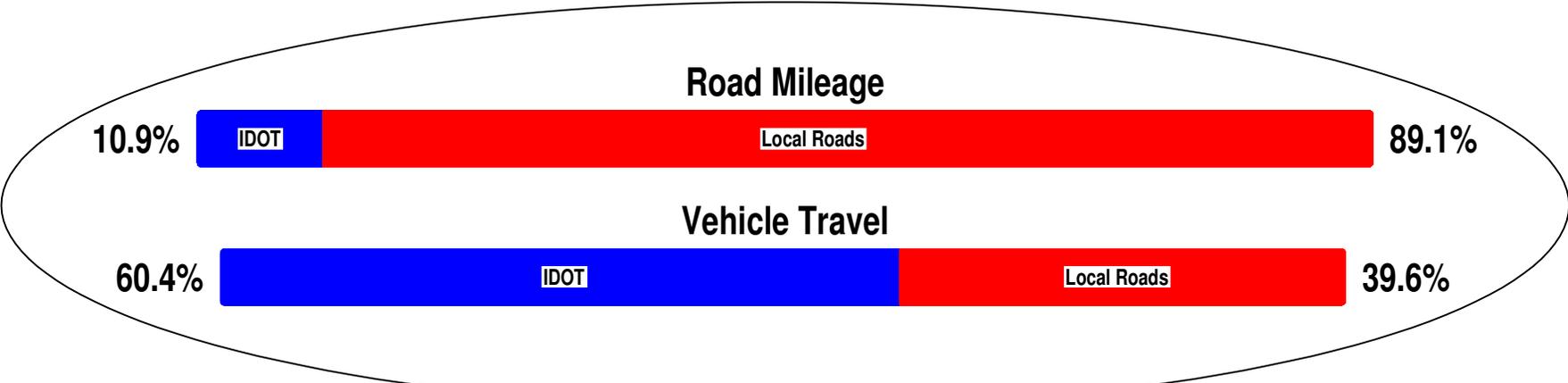
**THIS IS NOT EQUITABLE!**

# 1983 - Illinois Highway User Fees



\* Small Percentage of State Sales Tax

# 2014 - Illinois Highway User Fees



\* Not Returned to Roads

\*\* Capital Projects Fund (ILJ!)

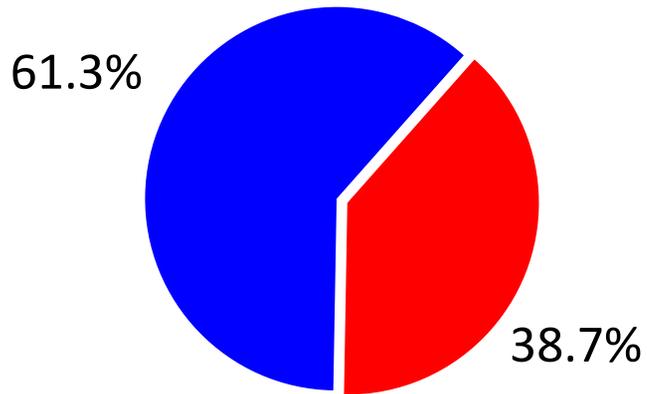
State of Illinois  
 Highway User Fee Revenues Returned to Highways  
 2014

State Fiscal Year	Driver's License and Vehicle Fees [\$ Million]	Motor Fuel Tax [\$ Million]	Total Highway User Fees [\$ Million]	IDOT Share		Local Roads Share		IDOT & Local Roads		Not Returned [%]
				[\$ Million]	[%]	[\$ Million]	[%]	[\$ Million]	[%]	
1983	344.5	371.4	715.9	498.6	69.7%	272.9	38.1%	771.5	107.8%	-7.8%
2014	1,827.9	1,294.0	3,121.9	1,748.6	56.0%	672.0	21.5%	2,420.5	77.5%	22.5%

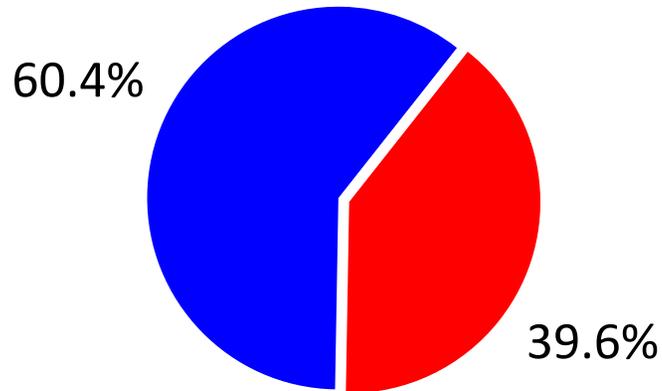
# Contribution vs Share of Revenue Stream

## Traffic Carried (VMT)

1983



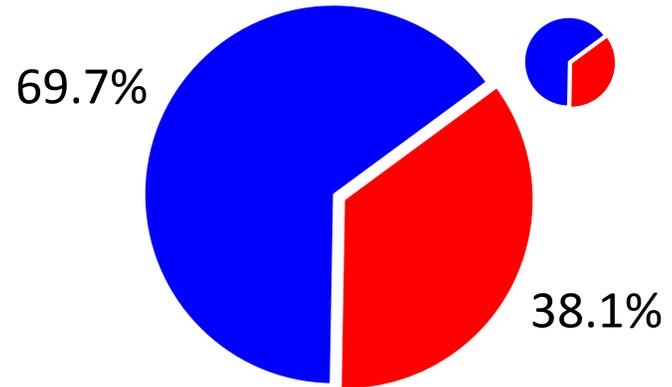
2014



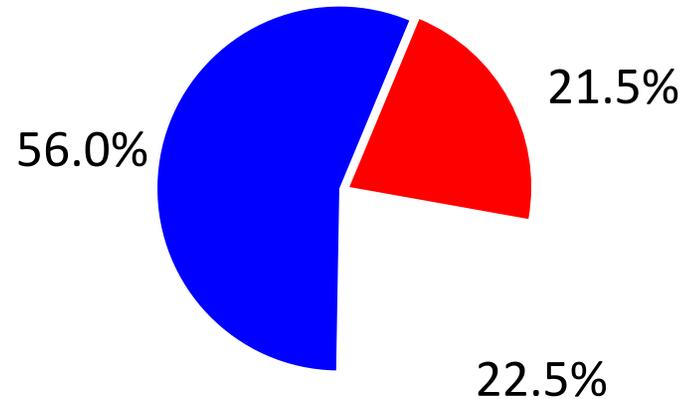
■ IDOT ■ Local Roads

## MFT and MVR Returned To:

1983 = 107.8%



2014 = 77.5%



■ IDOT ■ Local ■ Not Returned



**DELIVERING EFFICIENT, EFFECTIVE, AND STREAMLINED  
GOVERNMENT TO ILLINOIS TAXPAYERS**

**Final report submitted by:  
Task Force on Local Government Consolidation and Unfunded Mandates**

**In consultation with:  
Office of the Lieutenant Governor, Evelyn Sanguinetti  
and  
Northern Illinois University, Center for Governmental Studies**

**Approved by the Task Force on December 17, 2015**

## Unfunded State Mandates on Local Roads in Illinois

		<b>COUNTY</b>	
		Low	High
<b>T A S K</b>	Public Pension	\$ 250,000	\$ 500,000
	Collective Bargaining & Interest Arbitration	250,000	1,000,000
	Worker's Compensation		
	Health Insurance	500,000	1,000,000
	Prevailing Wage	50,000	100,000
<b>Roads and Bridges</b>		<b>58,330</b>	<b>96,556,490</b>
		<b>MUNICIPALITY</b>	
		Low	High
<b>T A S K</b>	Public Pension	\$ 100,000	\$ 250,000
	Collective Bargaining & Interest Arbitration	50,000	250,000
	Worker's Compensation	50,000	100,000
	Health Insurance	50,000	250,000
	Prevailing Wage	50,000	100,000
<b>Roads and Bridges</b>		<b>330</b>	<b>68,594,970</b>
		<b>TOWNSHIP</b>	
		Low	High
<b>T A S K</b>	Public Pension	\$ 25,000	\$ 50,000
	Collective Bargaining & Interest Arbitration		
	Worker's Compensation	25,000	50,000
	Health Insurance	25,000	50,000
	Prevailing Wage	10,000	25,000
<b>Roads and Bridges</b>		<b>900</b>	<b>486,810</b>

**PEORIA COUNTY**  
**SHARE OF \$577 MILLION UNFUNDED MANDATE ON LOCAL ROADS**  
**2014**

<b>Entity</b>	<b>Name</b>	<b>Share</b>	<b>Entity</b>	<b>Name</b>	<b>Share</b>
<b>County</b>	<b>Peoria</b>	<b>\$ 2,505,051</b>			
<b>M u n i p a l i t i e s</b>	<b>Bartonville</b>	<b>\$ 164,668</b>	<b>T o w n s h i p s</b>	<b>Akron</b>	<b>\$ 58,843</b>
	<b>Bellevue</b>	<b>50,334</b>		<b>Brimfield</b>	<b>57,857</b>
	<b>Brimfield</b>	<b>22,088</b>		<b>Chillicothe</b>	<b>36,018</b>
	<b>Chillicothe</b>	<b>155,151</b>		<b>Elmwood</b>	<b>40,308</b>
	<b>Dunlap</b>	<b>35,270</b>		<b>Hallock</b>	<b>58,204</b>
	<b>Elmwood</b>	<b>53,362</b>		<b>Hollis</b>	<b>35,191</b>
	<b>Glasford</b>	<b>26,007</b>		<b>Jubilee</b>	<b>45,452</b>
	<b>Hanna City</b>	<b>31,173</b>		<b>Kickapoo</b>	<b>41,694</b>
	<b>Kingston Mines</b>	<b>7,685</b>		<b>Limestone</b>	<b>75,041</b>
	<b>Mapleton</b>	<b>6,871</b>		<b>Logan</b>	<b>62,374</b>
	<b>Norwood</b>	<b>12,164</b>		<b>Medina</b>	<b>65,018</b>
	<b>Peoria</b>	<b>2,926,587</b>		<b>Millbrook</b>	<b>55,525</b>
	<b>Peoria Heights</b>	<b>156,652</b>		<b>Princeville</b>	<b>60,376</b>
<b>Princeville</b>	<b>44,227</b>	<b>Radnor</b>	<b>48,237</b>		
<b>West Peoria</b>	<b>113,443</b>	<b>Rosefield</b>	<b>37,590</b>		
			<b>Timber</b>	<b>44,439</b>	
			<b>Trivoli</b>	<b>52,487</b>	

**PEORIA COUNTY TOTAL = \$ 7,185,387**

**TAZEWELL COUNTY**  
**SHARE OF \$577 MILLION UNFUNDED MANDATE ON LOCAL ROADS**  
**2014**

Entity	Name	Share	Entity	Name	Share
County	Tazewell	\$ 2,113,973			
M u n i c i p a l i t i e s	Armington	\$ 8,728	T o w n s h i p s	Boynton	\$ 57,824
	Creve Coeur	138,712		Cincinnati	54,737
	Deer Creek	17,915		Deer Creek	49,388
	Delavan	42,980		Delavan	44,104
	East Peoria	595,511		Dillon	55,627
	Green Valley	18,042		Elm Grove	62,363
	Hopedale	22,012		Fondulac	15,028
	Mackinaw	49,622		Groveland	51,551
	Marquette Heights	71,862		Hittle	43,175
	Minier	31,860		Hopedale	64,352
	Morton	413,947		Little Mackinaw	58,792
	North Pekin	40,028		Mackinaw	57,916
	Pekin	867,591		Malone	43,136
South Pekin	29,162	Morton	42,301		
Tremont	56,900	Sand Prairie	57,511		
Washington	385,115	Spring Lake	116,486		
			Tremont	56,974	
			Washington	90,546	

**TAZEWELL COUNTY TOTAL = \$ 5,925,771**

**WOODFORD COUNTY**  
**SHARE OF \$577 MILLION UNFUNDED MANDATE ON LOCAL ROADS**  
**2014**

Entity	Name	Share	Entity	Name	Share
County	Woodford	\$ 631,238			
M u n i p a l i t i e s	Bay View Gardens	\$ 9,619	T o w n s h i p s	Cazenovia	\$ 59,975
	Benson	10,764		Clayton	62,551
	Congerville	12,062		Cruger	22,387
	El Paso	71,506		El Paso	31,237
	Eureka	134,742		Greene	64,818
	Germantown Hills	87,487		Kansas	19,592
	Goodfield	21,884		Linn	62,139
	Kappa	5,776		Metamora	69,300
	Metamora	92,525		Minonk	62,589
	Minonk	52,879		Montgomery	53,946
	Panola	1,145		Olio	55,711
	Roanoke	52,548		Palestine	62,512
	Secor	9,492		Panola	68,850
Spring Bay	11,502	Partridge	30,734		
Washburn	29,391	Roanoke	65,140		
			Spring Bay	17,196	
			Worth	72,675	

**WOODFORD COUNTY TOTAL = \$ 2,115,912**

**TRI-COUNTY**  
**SHARE OF \$577 MILLION UNFUNDED MANDATE ON LOCAL ROADS**  
**2014**

**TRI-COUNTY TOTAL = \$ 15,227,070**

# In Conclusion

40% of every highway user fee dollar

collected by the State of Illinois

as well as

40% of any additional investment in

transportation by the State of Illinois

needs to be returned to Local Roads

through existing formula.

## What Can Local Elected Officials Do?

- **Prioritize to our State Legislators and the Governor that our #1 transportation concern is that 40% of all highway user fees collected by the State of Illinois as well as 40% of any additional investment in transportation by the State of Illinois needs to be returned to Local Roads through existing formula.**
- **Let our State Legislators and the Governor know that we want to see that in the next Transportation Capital Bill.**
- **Let our State Legislators and the Administration know that we want IDOT to work with Local Roads Officials to develop a statewide transportation plan that accomplishes this.**
- **Ask your statewide associations to stay informed and consider advocating the same through such organizations as TFIC (Transportation for Illinois Coalition).**

## What Can State Elected Officials Do?

- **Ensure that the next State Transportation Capital Bill delivers 40% of all highway user fees collected by the State of Illinois as well as 40% of any additional investment in transportation by the State of Illinois to Local Roads through existing formula.**
- **Have IDOT work with Local Roads Officials to develop a transportation plan that accomplishes this.**
- **Reach out to the Local Roads Officials in your district for information on any transportation issues.**

**QUESTIONS?**

**Craig Fink, P.E.  
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Tazewell County, Illinois**

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