

REBUILD IL UPDATE

Transportation for Illinois Coalition

1

Why REBUILD Illinois?

- A sustainable increase in transportation had not been provided since 2000, when a small increase in funding was created by increasing registration fees.
- The motor fuel tax is the primary funding source for transportation. It had not been raised since 1990.
- Illinois' funding was so low that we risked not matching federal dollars due to a lack of state funds.
- Illinois' roads, bridges, and transit systems were all in a state of decay.
 - Illinois roads were in the worst condition in history and IDOT had prioritized projects that receive federal match. Snow removal services, for example, do not receive federal match.
 - Despite prioritizing bridges, Illinois ranks third in the country in structurally deficient bridges. The number of weight limited bridges was increasing every year.
 - The RTA was the oldest system in the country, in terms of the age of its rolling stock.
 - Local roads purchasing power had declined by 300% since 2000 (last increase)

2

REBUILD Illinois Funding Principles

- Funds must first fill the annual maintenance gap (difference between what is needed each year and what is currently available)
- Revenues that are raised must be protected under the terms of the constitutional amendment (lockbox)
- Revenues must be sustainable to grow over time in order to meet inflationary demands
- Though the program should emphasize annual pay-as-you-go maintenance dollars, it must also provide for a bond component to meet additional pressures
- The program must be multimodal, inclusive of all modes of transportation
- Electric vehicles should pay their fair share
- There should be a fund set aside to recruit and train disadvantaged populations for careers in the transportation construction industry
- Reforms related to performance-based decision-making and efficient use of construction dollars should be included to bolster taxpayer confidence in the program

3

REBUILD Illinois Overview

- Motor Fuel Tax increase 19 cents and indexed to inflation
 - Increased the Diesel Differential by five cents
- Transitioned the state revenue from sales tax on motor fuel to the Transportation Renewal Fund over five years. (5% total)
- Increased vehicle registration fees by \$50
- Instituted a \$100 electric vehicle fee, paid annually at registration
- Increased registration for commercial vehicles and (most) trailers by \$100

4

REBUILD Illinois Overview

- New revenues deposited into the Transportation Renewal Fund (TRF)
- TRF distribution set in statute
 - 80% dedicated to road and bridge maintenance
 - 60% to State Construction Account Fund
 - 40% to local roads, distributed through the same formula as the MFT fund distribution
 - 20% dedicated to mass transit
 - 90% to the RTA
 - 10% to downstate transit systems

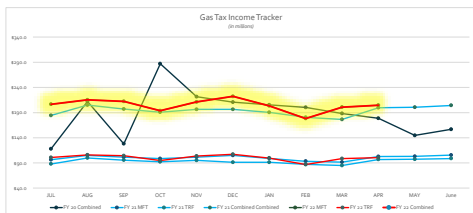
5

REBUILD Revenue vs Projected

- All forms of revenue declined during the COVID pandemic, but Motor Fuel Tax and Vehicle Registrations have rebounded to close to our predictions
- In general, the REBUILD Illinois program revenues are performing close to the original estimates.
- Certificate of Title remains down, but this is likely a result of limited vehicle inventory
- Sales tax on motor fuel is over performing

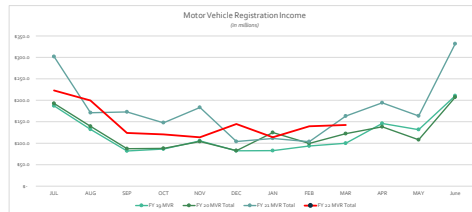
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REBUILD Illinois Revenue vs Projected



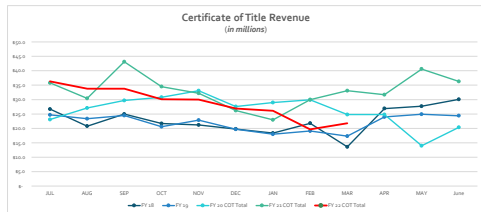
7

REBUILD Illinois Revenue vs Projected



8

REBUILD Illinois Revenue vs Projected



9

REBUILD Illinois Sales Tax Revenue vs Projected

- When REBUILD Illinois passed, sales tax on motor fuel was scheduled to be transferred to the Road Fund at a rate of 1% every year, until the state's 5% sales tax all goes to the Road Fund.
- FY 22 was the first year that transfer occurred. In the first year, the sales tax was estimated to raise **\$120 million**.
- In FY 22, the sales tax will raise over **\$132 million**. The increase is due to higher gas prices.

10

REBUILD Illinois: Spring 2022 Session

- In the final days of session, leaders were under mounting pressure to relieve high gas prices and nearly every legislator had concerns about allowing the scheduled inflation increase to the motor fuel tax to go forward on July 1. Many were calling for gas price relief.
- TFIC staff, leadership, and members held frequent meetings with leaders in the General Assembly to advocate for a minimal impact on transportation revenues.

11

REBUILD Illinois: Spring 2022 Session

- As part of a series of tax breaks, the Illinois General Assembly passed a measure to avoid increasing the motor fuel tax with inflation on July 1. Instead, the motor fuel tax will adjust for inflation on January 1, 2023, and again on July 1, 2023.
- To ensure transportation funding is unaffected, the revenue flowing into the Leaking Underground Storage Tank Fund (LUST) will be transferred to the Transportation Renewal Fund (TRF) for one year.
- LUST Fund receives 1.1 cents per gallon of gasoline and the predicted loss to the TRF was 2.2 cents per gallon.

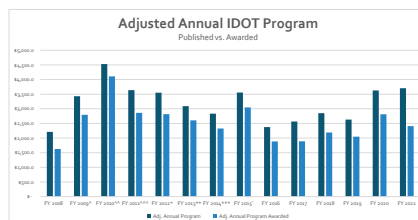
12

REBUILD Illinois Status Update

- IDOT testified \$33.2 billion was allocated under REBUILD Illinois. Of that, \$25 billion was for roads and bridges. These numbers include pay as you go and bond funds.
- To date, \$7.3 billion in the road and bridge program has been awarded.
- Federal funds from the Infrastructure Investment and Jobs Act (IIJA) include \$11.2 billion for the road and bridge program, which is a 12% increase over expected revenue

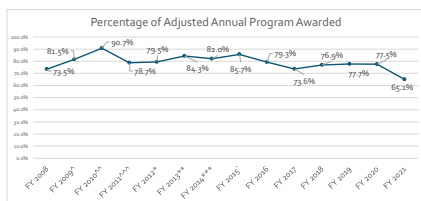
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REBUILD Illinois Status Update



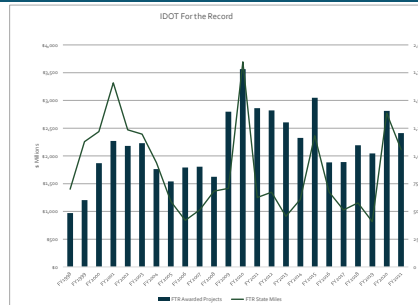
14

REBUILD Illinois Status Update



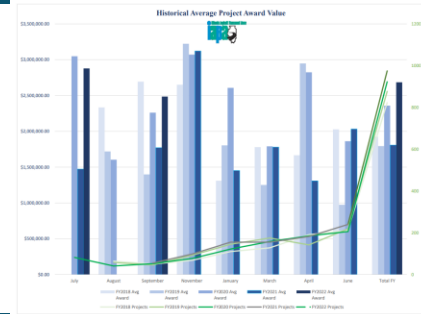
15

IDOT For the Record



16

Historical Average Project Award Value



17