

Illinois Chamber of Commerce Transportation Infrastructure Financing Principles - 2015 Legislative Session

Transportation is the foundation of Illinois' economy, providing a competitive advantage that has powered Illinois throughout its history. Today, our transportation infrastructure crisscrossing the state still provides an advantage but needs investment to keep them working at peak performance. As the center of North America's freight and passenger networks, strong transportation infrastructure is essential for Illinois's economy.

The Illinois Chamber of Commerce believes that investment in transportation infrastructure supports a vibrant and dynamic economic environment and ensures that Illinois businesses can move and access the resources they need while employing Illinoisans and fueling economic growth.

Adequate funding of Illinois' road, bridge, rail and other transportation infrastructure needs is vital to the economy of Illinois. For that reason, the Illinois Chamber of Commerce supports a comprehensive funding program that meets the following principles:

- To ensure that all public funds that are dedicated to road and bridge investment through the Road Fund are indeed spent for those purposes, the legislature should pass an amendment creating a Constitutional protection, or "lock box", for the Road Fund against diversions.
- The State should also perform a thorough review of all permitting, contracting, bidding and regulatory processes in order to make sure that transportation dollars go as far as possible.
- A new state capital program for transportation should be enacted in 2015 and generate at least \$1.8 billion a year in new revenue. The majority of the revenue should be dedicated to road, bridge and rail infrastructure, but a significant portion should be allocated to the state's transit systems. Also, maintenance of existing infrastructure should be prioritized over new projects.
- Funding for a new capital plan should come first from funds that are currently diverted from the Road Fund, including the state's current sales tax on motor fuel. The State should consider exempting motor fuel from the sales tax (thus, eliminating a tax on a tax) and substituting it with an increase in the gas tax in an amount that could result in lower fuel costs to consumers and businesses. Such a gas tax increase should be tied to a form of CPI.
- Recognizing that all citizens benefit from our transportation systems - not just direct users - the state should enact a new tax or tax increment that is as broad as possible and at the lowest level possible that adequately contributes to our transportation funding needs.
- Motor vehicle registrations should be increased at a level consistent with the increase in CPI since the last increases were enacted. Electric and hybrid vehicle registrations should be increased to a level that recognizes they contribute less to road funding than other vehicles.
- Illinois' commercial distribution fee should be repealed.
- Illinois retailers are disadvantaged in comparison to neighboring states and any capital bill should be aware of this disadvantage and add to this burden only as a last resort.
- The Illinois Department of Transportation and the Illinois Department of Revenue should consistently work together in examining long-term funding solutions to make Illinois a leader in this issue and ensure investment remains at levels that we can maintain our place as the transportation hub of North America.
- The Illinois Department of Transportation should implement pilot programs to assess funding mechanisms, including vehicle miles traveled and other potential funding mechanisms.