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Illinois Chamber of Commerce backs transportation modernization funding proposal

(Springfield) - Last night, Representative André M. Thapedi, D-Chicago, introduced a transportation modernization program backed by the Illinois Chamber of Commerce, to raise \$2 billion in annual revenue offset with pro-consumer and pro-business reforms.

[House Bill 3823](#) phases out the state sales tax on motor fuel, so consumers will realize a combined 15 cent per gallon Motor Fuels Tax increase. The sales tax swap eliminates a state tax on motor fuel, narrows the price gap between Illinois and neighboring states, and will create consumer savings when gas rises above \$2 per gallon.

"We do not take tax increases lightly," said Illinois Chamber of Commerce President and CEO Todd Maisch. "That is why the Illinois Chamber drafted, introduced and lead a coalition to support the 'lock box amendment' that passed with overwhelming support in 2016, guaranteeing that funds raised for transportation would be spent on transportation."

The legislation directs the Secretary of State to determine a schedule of registration fees based on the year of the vehicle. The provision aims to ensure drivers with older vehicles, who may drive fewer miles, get less miles per gallon, or are less able to afford registration fees, will see a decrease in their registration costs. Many other states have tiered registration fees, including Iowa, Missouri, and Michigan. Besides potentially lowering fees for those who are not as able to afford them, HB 3823 includes \$2 million in funding for building trades training programs for disadvantaged populations.

To prevent the Motor Fuel Tax increase from hurting the trucking industry, the Chamber's proposal eliminates the Commercial Distribution Fee to make Illinois more competitive with surrounding states.

"Trucking employs more people than any other industry in the country, and this fee has put Illinois at a historic disadvantage since it was instituted by former Governor Rod Blagojevich," said Don Schaefer, executive vice president of the Mid-west Truckers Association. "Truckers are the beating heart of Illinois transportation and we need to cultivate an environment where they can drive and thrive."

HB 3823 allocates \$600 million for IDOT and \$240 million for local governments, which is a 40 percent increase over today's local government transportation funding. It also allocates \$670 million for transit.

"From the very beginning of our history, Illinois leaders have recognized the importance of transportation infrastructure, starting with canals built six years after statehood," said Rebecca Mason, executive director of the Infrastructure Council at the Illinois Chamber of Commerce. "Two hundred years later, we find ourselves in a dire situation with more than 660 bridges in less than acceptable condition right now in Illinois. We must again invest in our state."

The program bonds \$4 billion in funding to the Illinois Department of Transportation

(IDOT) to accelerate bridge improvements enabling the state to begin addressing unsafe transportation necessities immediately.

“The reports of bridge conditions on Lake Shore Drive and I-80 have underscored how important it is to invest in our bridges,” said Matt Hart, executive director of the Illinois Trucking Association. “When bridges are closed or weight-limited, freight traffic has to be re-routed creating more congestion and wear and tear on our vital infrastructure. We need to invest in our bridges to keep them safe, modern and efficient for trucks and traffic.”

Additionally, the legislation provides a number of efficiency reforms, including the development of a Type II Noise Suppression program to address noise issues in communities affected by new or expanded roads.

"If no significant investment is made in state transportation funding, nearly 40 percent of road miles and 20 percent of bridges will be in unacceptable condition by 2022," said Maisch. "We must act now to improve and invest in our infrastructure system to ensure Illinois remains the transportation hub of North America."

The plan increases the Motor Fuels Tax by 15 cents per gallon on July 1, 2019, registration fees and certificate of title fees by \$50 on January 1, 2020 for some drivers and decreases fees on January 1, 2021 for others as the Secretary of States moves away from a singular registration fee. The plan also increases the registration fees for electric vehicles to bring their contribution to the roads they travel in line with other vehicles.

“We are very thankful to Rep. Thapedi for taking a leadership role in this vital conversation,” said Maisch. “Together, our modernization program balances revenue increases with pro-business and pro-consumer reforms that will help improve Illinoisans' lives and businesses throughout the state.”

Additional information including annual funding breakdown [here](#).

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