

# STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

## ILLINOIS COUNTIES

### FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

#### From State Funds:

- Counties receive a portion of the state motor fuel tax revenues.
- The Illinois Department of Transportation provides grants for truck access routes and economic development available to counties on a competitive basis.

#### From Federal Funds:

- Counties receive a portion of the federal-aid highway system revenues given to the state for roads and bridges.

#### From County Funds:

- Counties use property tax revenues to fund transportation projects.
- Counties use revenues from the collection of local fees (i.e. permits, engineering for other agencies, etc.) to fund transportation projects.
- Counties dedicate revenues from local option sales taxes to fund transportation projects.
- A few counties in the Chicago Metro area levy a local option gas tax and dedicate the revenues for transportation projects.
- Counties may dedicate revenues from general occupation and use taxes to public safety and transportation with the approval of qualified voters in a referendum.
- Counties may levy an occupation tax and a use tax on vehicle renters. The rates must not to exceed 1 percent each on the gross receipts of vehicle renters and the price of each individual rental contract, respectively.

### COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Counties face an ongoing problem of decreased funding coupled with increased construction costs. The state motor fuel tax is main source of revenue for county transportation projects and it is a set fee per gallon of fuel and does not adjust with inflation. In addition, motorists are driving more fuel efficient vehicles, which result in a decreasing revenues.

Share of County Owned <b>Road Miles</b> Out of Public Roads Statewide	<b>11%</b>
Share of County Owned <b>Bridges</b> Out of Public Bridges Statewide	<b>15%</b>
Share of <b>Structurally Deficient Bridges</b> Out of County Owned Bridges	<b>7%</b>

### COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Counties have limitations on property tax rates and a property tax freeze.
Levy Personal Property Taxes		
Levy Local Option Sales Taxes	X	Counties may levy a use tax on vehicle renters with rates not to exceed 1% of gross receipts.
Levy a Local Gas Tax	X	Only a few counties are authorized by the state to levy their own gas tax.
Charge a Motor Vehicle License or Registration Fee		
Form Special Districts for Transportation		

- The State of Illinois is diverting an increasing amount of revenues from the motor fuel tax away from transportation funds, leaving less money to be distributed to local agencies.
- Counties often use local taxes (property taxes, sales taxes and gas taxes) to fund transportation projects, but with a poor economy, taxes are even more unpopular and increases require voter approval in a referendum. Passing these ballot measures, including property tax increases, local option sales taxes and local option gas taxes, is virtually impossible.
- Federal and State regulations are becoming increasingly time consuming and costly which leads small local contractors to cease performing work for local agencies. This eliminates competition and increases construction costs to local agencies.

### BREAKDOWN OF COUNTY TRANSPORTATION FUNDING<sup>1</sup>

County Share	<b>60%</b>
State Share	<b>25%</b>
Federal Share	<b>15%</b>

<sup>1</sup> This is an estimate based on information from County Engineer, Stephenson County, Illinois. Percentages will vary by county.