



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB3483

Introduced 02/23/05, by Rep. Shane Cultra - William B. Black

SYNOPSIS AS INTRODUCED:

35 ILCS 505/8

from Ch. 120, par. 424

Amends the Motor Fuel Tax Law. Provides that, beginning on January 1, 2006, revenues from the tax that are transferred to the Department of Transportation for distribution shall be distributed as follows: (i) 49.10% (same now) to the municipalities of the State; (ii) 15.15% (now, 16.74%) to the counties of the State having 1,000,000 or more inhabitants; (iii) 18.27% (same now) to the counties of the State having less than 1,000,000 inhabitants; and (iv) 17.48% (now, 15.89%) to the road districts of the State. Effective January 1, 2006.

LRB094 08929 BDD 39149 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT in relation to taxes.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Motor Fuel Tax Law is amended by changing
5 Section 8 as follows:

6 (35 ILCS 505/8) (from Ch. 120, par. 424)

7 Sec. 8. Except as provided in Section 8a, subdivision
8 (h)(1) of Section 12a, Section 13a.6, and items 13, 14, 15, and
9 16 of Section 15, all money received by the Department under
10 this Act, including payments made to the Department by member
11 jurisdictions participating in the International Fuel Tax
12 Agreement, shall be deposited in a special fund in the State
13 treasury, to be known as the "Motor Fuel Tax Fund", and shall
14 be used as follows:

15 (a) 2 1/2 cents per gallon of the tax collected on special
16 fuel under paragraph (b) of Section 2 and Section 13a of this
17 Act shall be transferred to the State Construction Account Fund
18 in the State Treasury;

19 (b) \$420,000 shall be transferred each month to the State
20 Boating Act Fund to be used by the Department of Natural
21 Resources for the purposes specified in Article X of the Boat
22 Registration and Safety Act;

23 (c) \$2,250,000 shall be transferred each month to the Grade
24 Crossing Protection Fund to be used as follows: not less than
25 \$6,000,000 each fiscal year shall be used for the construction
26 or reconstruction of rail highway grade separation structures;
27 \$2,250,000 in fiscal year 2004 and each fiscal year thereafter
28 shall be transferred to the Transportation Regulatory Fund and
29 shall be accounted for as part of the rail carrier portion of
30 such funds and shall be used to pay the cost of administration
31 of the Illinois Commerce Commission's railroad safety program
32 in connection with its duties under subsection (3) of Section

1 18c-7401 of the Illinois Vehicle Code, with the remainder to be
2 used by the Department of Transportation upon order of the
3 Illinois Commerce Commission, to pay that part of the cost
4 apportioned by such Commission to the State to cover the
5 interest of the public in the use of highways, roads, streets,
6 or pedestrian walkways in the county highway system, township
7 and district road system, or municipal street system as defined
8 in the Illinois Highway Code, as the same may from time to time
9 be amended, for separation of grades, for installation,
10 construction or reconstruction of crossing protection or
11 reconstruction, alteration, relocation including construction
12 or improvement of any existing highway necessary for access to
13 property or improvement of any grade crossing including the
14 necessary highway approaches thereto of any railroad across the
15 highway or public road, or for the installation, construction,
16 reconstruction, or maintenance of a pedestrian walkway over or
17 under a railroad right-of-way, as provided for in and in
18 accordance with Section 18c-7401 of the Illinois Vehicle Code.
19 The Commission shall not order more than \$2,000,000 per year in
20 Grade Crossing Protection Fund moneys for pedestrian walkways.
21 In entering orders for projects for which payments from the
22 Grade Crossing Protection Fund will be made, the Commission
23 shall account for expenditures authorized by the orders on a
24 cash rather than an accrual basis. For purposes of this
25 requirement an "accrual basis" assumes that the total cost of
26 the project is expended in the fiscal year in which the order
27 is entered, while a "cash basis" allocates the cost of the
28 project among fiscal years as expenditures are actually made.
29 To meet the requirements of this subsection, the Illinois
30 Commerce Commission shall develop annual and 5-year project
31 plans of rail crossing capital improvements that will be paid
32 for with moneys from the Grade Crossing Protection Fund. The
33 annual project plan shall identify projects for the succeeding
34 fiscal year and the 5-year project plan shall identify projects
35 for the 5 directly succeeding fiscal years. The Commission
36 shall submit the annual and 5-year project plans for this Fund

1 to the Governor, the President of the Senate, the Senate
2 Minority Leader, the Speaker of the House of Representatives,
3 and the Minority Leader of the House of Representatives on the
4 first Wednesday in April of each year;

5 (d) of the amount remaining after allocations provided for
6 in subsections (a), (b) and (c), a sufficient amount shall be
7 reserved to pay all of the following:

8 (1) the costs of the Department of Revenue in
9 administering this Act;

10 (2) the costs of the Department of Transportation in
11 performing its duties imposed by the Illinois Highway Code
12 for supervising the use of motor fuel tax funds apportioned
13 to municipalities, counties and road districts;

14 (3) refunds provided for in Section 13 of this Act and
15 under the terms of the International Fuel Tax Agreement
16 referenced in Section 14a;

17 (4) from October 1, 1985 until June 30, 1994, the
18 administration of the Vehicle Emissions Inspection Law,
19 which amount shall be certified monthly by the
20 Environmental Protection Agency to the State Comptroller
21 and shall promptly be transferred by the State Comptroller
22 and Treasurer from the Motor Fuel Tax Fund to the Vehicle
23 Inspection Fund, and for the period July 1, 1994 through
24 June 30, 2000, one-twelfth of \$25,000,000 each month, for
25 the period July 1, 2000 through June 30, 2003, one-twelfth
26 of \$30,000,000 each month, and \$15,000,000 on July 1, 2003,
27 and \$15,000,000 on January 1, 2004, and \$15,000,000 on each
28 July 1 and October 1, or as soon thereafter as may be
29 practical, during the period July 1, 2004 through June 30,
30 2006, for the administration of the Vehicle Emissions
31 Inspection Law of 1995, to be transferred by the State
32 Comptroller and Treasurer from the Motor Fuel Tax Fund into
33 the Vehicle Inspection Fund;

34 (5) amounts ordered paid by the Court of Claims; and

35 (6) payment of motor fuel use taxes due to member
36 jurisdictions under the terms of the International Fuel Tax

1 Agreement. The Department shall certify these amounts to
2 the Comptroller by the 15th day of each month; the
3 Comptroller shall cause orders to be drawn for such
4 amounts, and the Treasurer shall administer those amounts
5 on or before the last day of each month;

6 (e) after allocations for the purposes set forth in
7 subsections (a), (b), (c) and (d), the remaining amount shall
8 be apportioned as follows:

9 (1) Until January 1, 2000, 58.4%, and beginning January
10 1, 2000, 45.6% shall be deposited as follows:

11 (A) 37% into the State Construction Account Fund,
12 and

13 (B) 63% into the Road Fund, \$1,250,000 of which
14 shall be reserved each month for the Department of
15 Transportation to be used in accordance with the
16 provisions of Sections 6-901 through 6-906 of the
17 Illinois Highway Code;

18 (2) Until January 1, 2000, 41.6%, and beginning January
19 1, 2000, 54.4% shall be transferred to the Department of
20 Transportation to be distributed as follows:

21 (A) 49.10% to the municipalities of the State,

22 (B) until January 1, 2006, 16.74%, and beginning
23 January 1, 2006, 15.15% to the counties of the State
24 having 1,000,000 or more inhabitants,

25 (C) 18.27% to the counties of the State having less
26 than 1,000,000 inhabitants,

27 (D) until January 1, 2006, 15.89%, and beginning
28 January 1, 2006 17.48% to the road districts of the
29 State.

30 As soon as may be after the first day of each month the
31 Department of Transportation shall allot to each municipality
32 its share of the amount apportioned to the several
33 municipalities which shall be in proportion to the population
34 of such municipalities as determined by the last preceding
35 municipal census if conducted by the Federal Government or
36 Federal census. If territory is annexed to any municipality

1 subsequent to the time of the last preceding census the
2 corporate authorities of such municipality may cause a census
3 to be taken of such annexed territory and the population so
4 ascertained for such territory shall be added to the population
5 of the municipality as determined by the last preceding census
6 for the purpose of determining the allotment for that
7 municipality. If the population of any municipality was not
8 determined by the last Federal census preceding any
9 apportionment, the apportionment to such municipality shall be
10 in accordance with any census taken by such municipality. Any
11 municipal census used in accordance with this Section shall be
12 certified to the Department of Transportation by the clerk of
13 such municipality, and the accuracy thereof shall be subject to
14 approval of the Department which may make such corrections as
15 it ascertains to be necessary.

16 As soon as may be after the first day of each month the
17 Department of Transportation shall allot to each county its
18 share of the amount apportioned to the several counties of the
19 State as herein provided. Each allotment to the several
20 counties having less than 1,000,000 inhabitants shall be in
21 proportion to the amount of motor vehicle license fees received
22 from the residents of such counties, respectively, during the
23 preceding calendar year. The Secretary of State shall, on or
24 before April 15 of each year, transmit to the Department of
25 Transportation a full and complete report showing the amount of
26 motor vehicle license fees received from the residents of each
27 county, respectively, during the preceding calendar year. The
28 Department of Transportation shall, each month, use for
29 allotment purposes the last such report received from the
30 Secretary of State.

31 As soon as may be after the first day of each month, the
32 Department of Transportation shall allot to the several
33 counties their share of the amount apportioned for the use of
34 road districts. The allotment shall be apportioned among the
35 several counties in the State in the proportion which the total
36 mileage of township or district roads in the respective

1 counties bears to the total mileage of all township and
2 district roads in the State. Funds allotted to the respective
3 counties for the use of road districts therein shall be
4 allocated to the several road districts in the county in the
5 proportion which the total mileage of such township or district
6 roads in the respective road districts bears to the total
7 mileage of all such township or district roads in the county.
8 After July 1 of any year, no allocation shall be made for any
9 road district unless it levied a tax for road and bridge
10 purposes in an amount which will require the extension of such
11 tax against the taxable property in any such road district at a
12 rate of not less than either .08% of the value thereof, based
13 upon the assessment for the year immediately prior to the year
14 in which such tax was levied and as equalized by the Department
15 of Revenue or, in DuPage County, an amount equal to or greater
16 than \$12,000 per mile of road under the jurisdiction of the
17 road district, whichever is less. If any road district has
18 levied a special tax for road purposes pursuant to Sections
19 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such
20 tax was levied in an amount which would require extension at a
21 rate of not less than .08% of the value of the taxable property
22 thereof, as equalized or assessed by the Department of Revenue,
23 or, in DuPage County, an amount equal to or greater than
24 \$12,000 per mile of road under the jurisdiction of the road
25 district, whichever is less, such levy shall, however, be
26 deemed a proper compliance with this Section and shall qualify
27 such road district for an allotment under this Section. If a
28 township has transferred to the road and bridge fund money
29 which, when added to the amount of any tax levy of the road
30 district would be the equivalent of a tax levy requiring
31 extension at a rate of at least .08%, or, in DuPage County, an
32 amount equal to or greater than \$12,000 per mile of road under
33 the jurisdiction of the road district, whichever is less, such
34 transfer, together with any such tax levy, shall be deemed a
35 proper compliance with this Section and shall qualify the road
36 district for an allotment under this Section.

1 In counties in which a property tax extension limitation is
2 imposed under the Property Tax Extension Limitation Law, road
3 districts may retain their entitlement to a motor fuel tax
4 allotment if, at the time the property tax extension limitation
5 was imposed, the road district was levying a road and bridge
6 tax at a rate sufficient to entitle it to a motor fuel tax
7 allotment and continues to levy the maximum allowable amount
8 after the imposition of the property tax extension limitation.
9 Any road district may in all circumstances retain its
10 entitlement to a motor fuel tax allotment if it levied a road
11 and bridge tax in an amount that will require the extension of
12 the tax against the taxable property in the road district at a
13 rate of not less than 0.08% of the assessed value of the
14 property, based upon the assessment for the year immediately
15 preceding the year in which the tax was levied and as equalized
16 by the Department of Revenue or, in DuPage County, an amount
17 equal to or greater than \$12,000 per mile of road under the
18 jurisdiction of the road district, whichever is less.

19 As used in this Section the term "road district" means any
20 road district, including a county unit road district, provided
21 for by the Illinois Highway Code; and the term "township or
22 district road" means any road in the township and district road
23 system as defined in the Illinois Highway Code. For the
24 purposes of this Section, "road district" also includes park
25 districts, forest preserve districts and conservation
26 districts organized under Illinois law and "township or
27 district road" also includes such roads as are maintained by
28 park districts, forest preserve districts and conservation
29 districts. The Department of Transportation shall determine
30 the mileage of all township and district roads for the purposes
31 of making allotments and allocations of motor fuel tax funds
32 for use in road districts.

33 Payment of motor fuel tax moneys to municipalities and
34 counties shall be made as soon as possible after the allotment
35 is made. The treasurer of the municipality or county may invest
36 these funds until their use is required and the interest earned

1 by these investments shall be limited to the same uses as the
2 principal funds.

3 (Source: P.A. 92-16, eff. 6-28-01; 92-30, eff. 7-1-01; 93-32,
4 eff. 6-20-03; 93-839, eff. 7-30-04.)

5 Section 99. Effective date. This Act takes effect January
6 1, 2006.