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DeKalb County Government
Sycamore, Illinois
**Special
Highway Committee Minutes
May 15, 2019**

A special meeting of the Highway Committee of the DeKalb County Board was held on Wednesday, May 15, 2019, at 6:00pm in Conference Room East of the DeKalb County Government Administrative Center, located at 110 East Sycamore Street, Sycamore, Illinois 60178.

Chairman Plote called the meeting to order at 6:00pm and called for the roll. Committee members present were Ms. Emmer, Mr. Osland, Mr. West and Vice Chair Willis. Mr. Luebke was absent. Mr. Pietrowski joined the meeting at 6:07pm. The County Engineer, Mr. Nathan Schwartz, County Administrator, Mr. Gary Hanson, County Board Members, Mr. Tim Bagby, Mr. Scott Campbell and Mr. John Frieders and one other guest were also present.

APPROVAL OF AGENDA:

Motion made by Vice Chair Willis and seconded by Mr. Osland to approve the agenda as presented. The motion passed unanimously.

PUBLIC COMMENTS: None

RESOLUTION #R2019-39: SEEKING PERMISSION FROM THE STATE OF ILLINOIS TO HAVE THE OPTION TO IMPOSE A LOCAL COUNTY MOTOR FUEL TAX

Mr. Schwartz provided the Committee with a brief background for the requested resolution. **A motion was made by Vice Chair Willis and seconded by Mr. Osland to approve Resolution #R2019-39.** Chairman Plote stated this issue was first addressed by the County during the 2015-2016 timeframe and it had a couple of different stipulations with it. One being it was implied the issue would need to come before the voters back then and second the State is considering a statewide increase to the MFT Tax this time around linked to indexing. Chairman Plote requested the County Engineer explain indexing as it pertains to the subject of MFT tax this evening. Mr. Schwartz stated the State is considering a possible increase to the State MFT tax from 19 cents a gallon of gasoline to 44 cents per gallon, a 25 cent increase. Annually, by June 1st the State would index an increase to the State MFT tax based on the CPI for the past year. Then, on July 1st the increase would take effect. For example, if the State decides to increase the current MFT tax to 44 cents and CPI was 1%, the increase for July 1st would be 0.004 cents. At no time could the increase be greater

than 1 cent for any given year. If the County is granted permission to impose a County MFT tax and the County Board later directs that one be implemented, the same index would also apply for the County imposed MFT tax. Both would be rounded to the nearest tenth of a penny but never increased more than 1 cent regardless of the rate of inflation.

Mr. Schwartz continued with his general background discussion of this issue and those comments are contained within the attached document.

The Federal Government has also been speaking about a two trillion Capital Plan but made no mention of increasing the Federal Gas Tax. It is unsure how such a plan would be funded.

The Committee inquired how this additional income at the State level would be distributed. Mr. Schwartz indicated it would be distributed through the current MFT distribution formula. The Committee wondered if any thought had been given to 20 cents being allocated through the MFT distribution channels and the remaining 5 cents be designated to go directly to the municipalities and counties. Mr. Schwartz stated no such discussions were being held alluding to that possibility.

Mr. Schwartz made it very clear to the Committee that this resolution only requests the State to add DeKalb County to current pertinent legislation which would authorize the County Board to impose such a tax if they felt the need was present. The County Board would set the amount of the tax if they so desired to implement the tax.

If the State of Illinois was so inclined to raise the State MFT tax at this time and include an indexing provision, the MFT tax increase should never have to be addressed in the future. Therefore, this may be the last chance for counties to be included in the authority to impose a local County MFT tax.

The Committee desired to include language in the resolution to mention this action was needed and could be utilized to upgrade DeKalb County Roads to the State's 80,000 pound mandate passed in 2009. It was also discussed to delete the specific cited state statute in case that were to change in the future. **Vice Chair Willis amended her motion to approve this resolution by deleting 55 ILCS 5/5-1035.1 from the last paragraph and adding the words including upgrading to an 80,000 lb. weight limit at the end of the last paragraph. Motion as amended passed unanimously.**

CHAIRMAN'S COMMENTS: None

COUNTY ENGINEER'S COMMENTS: None

ADJOURNMENT: Chairman Plote asked if there was any additional items that needed to be presented tonight and hearing none asked for a motion to adjourn. **A motion was made by Vice Chair Willis, seconded by Mr. West and passed unanimously.** The meeting was adjourned at 6:50pm.

Respectfully Submitted,

Roy Plote
Chairman

Background Information for an Optional County Motor Fuel Tax in DeKalb County

The Illinois State Motor Fuel Tax (MFT) has not been raised since 1990.

Illinois is tied with Louisiana for the 3rd oldest MFT rate.

Only Mississippi & Alaska have gone longer without raising their MFT rate.

The Illinois State Legislature is currently considering an increase to the State MFT rate but has not committed to doing so nor committed to a rate.

Illinois & Oklahoma are tied for the 19th lowest Gasoline MFT Excise Tax in the nation.

Motor Fuel excise tax rates across the nation range from 8.0 cents/gal to 57.6 cents/gal.

The Excise Tax is the only part of state taxes on motor fuel which go to transportation funding.

All states are required to add an additional 18.4 cents/gal federal motor fuel tax.

DeKalb County's annual revenue from the State Motor Fuel Tax peaked in 2007.

Since 2007, State Motor Fuel Tax payments have declined each year except one.

In 2009, the State mandated the standard weight limit on public roads be increased from 73,280 lb to 80,000 lb.

No additional funding was provided for local agencies to upgrade their roads.

93.5% of DeKalb County roads are not posted at 80,000 lb and/or receive spring postings.

The county highway system needs approximately \$113 million to accomplish this mandate.

Construction costs continue to increase while purchasing power continues to decrease.

Also in 2009, Illinois passed their last Capital Program, Illinois Jobs Now, a 5-year long program.

Illinois Jobs Now used bonds to pay for \$9 billion of transportation projects.

Of the \$9 billion, IDOT received \$8.5 billion while local agencies received \$0.5 billion.

DeKalb County's portion of the \$0.5 billion was approximately \$1.1 million over the 5 years.

This amount is enough to pave one 6-mile stretch of a county road one time.

Currently, DeKalb County does not have any supplemental transportation funding.

DeKalb County's neighbors to the east (Kendall County, Kane County, & McHenry County) all have supplemental transportation funding such as a County Motor Fuel Tax, road improvement impact fees, and a countywide sales tax to benefit transportation.

Illinois law (55 ILCS 5/5-1035.1) allows some counties to charge a local, optional, county motor fuel tax.

That law states "The proceeds from the tax shall be used by the county solely for the purpose of operating, constructing and improving public highways and waterways, and acquiring real property and right-of-ways for public highways and waterways within the county imposing the tax."

DeKalb County currently does not have a County Motor Fuel Tax.

A County Motor Fuel Tax is expected to generate \$450,000 for each cent of tax. The State Motor Fuel Tax generates only approximately \$68,950 for each cent of tax to DeKalb County.

The DeKalb County Board will consider at its May meeting if it will request **permission** for the **ability** at its discretion to impose local motor fuel taxes within the County.

Passing legislation in Springfield would not automatically apply the County Motor Fuel Tax.

If legislation is passed allowing DeKalb County to implement a County Motor Fuel Tax, the DeKalb County Board would still have to decide if it wants to pass a resolution to implement the Motor Fuel Tax.

The County Motor Fuel Tax would be generated and used only in DeKalb County.

A Motor Fuel Tax is a user fee for specific services paid by those using the roads.

A Motor Fuel Tax reduces the reliance on property tax revenues.

A vehicle travelling 15,000 miles per year with a fuel efficiency of 20 miles per gallon uses 750 gallons per year. A County Option Motor Fuel Tax of 4¢ per gallon would be \$30 per year, or \$2.50 per month.