



Illinois Legislative News

Report predicts billions in motor fuel tax revenue losses if state meets EV goals

Union-tied research group pushes for mileage tax to shore up road-building funds

By **NIKA SCHOONOVER**
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Despite Illinois' efforts to smoothly integrate electric vehicles into the state's economy, a new report from the Illinois Economic Policy Institute is warning of a potential steep decline in transportation revenue as the process of electrification accelerates.

The primary issue is motor fuel taxes, which will see a significant drop as more electric vehicles make their way to the road and fewer people fill their cars with gas.

Since motor fuel taxes make up the backbone of state funding for road and bridge projects, ILEPI, which has strong ties to organized labor, warned in its report that new revenue sources will have to be identified to ensure the state's 10-year capital improvements plan remains on track.

"There's absolutely a benefit to having EVs but it will ultimately have a strong impact on transportation funding," Mary Tyler, the author of the report, said in an interview. "It's something that I don't think is talked about enough."

Motor fuel tax is the state's leading source of transportation funding and makes up 52 percent of Illinois' total transportation revenue and 82 percent of its contributions to the federal highway trust fund.

The report's main policy recommendation is implementing a "vehicle miles traveled," or VMT, fee which would replace the existing motor fuel tax with a fee determined by the number of miles a car travels on Illinois roads.

The idea has been floated in the past, including by Gov. JB Pritzker in an interview with *The Arlington Heights Daily Herald* during his initial gubernatorial campaign in 2018.

"In some states (such as Oregon), they have done tests recently for a VMT tax because we have more and more electric cars on the road, more and more hybrids, and because gas mileage is rising," then-candidate Pritzker told the outlet. "It's only fair if you're on a road and traveling on that road that you should pay your fair share."

In his four years as governor, however, Pritzker has not made a serious legislative push for a VMT, and spokesperson Alex Gough said in an email Monday he has no plans to do so.

"Gov. Pritzker never proposed a vehicle mileage tax and has no intention of doing so now," Gough said in a statement. "What he said is that other states are studying the issue and it would be worthwhile to look at the results of those studies."

It's an issue that ILEPI says will become more pressing as the state moves toward its goal of putting 1 million electric vehicles on state roads by the end of the decade – a goal written into law with the passage of the Climate and Equitable Jobs Act in 2021.

Even before this promise was made, Illinois was seeing a yearly increase in electric vehicles. From 2017 to

2021, electric vehicle registrations have increased from 8,255 to 36,482. The most recent data from the Illinois Secretary of State's office shows that, as of December 2022, there are 57,311 electric vehicle registrations.

"Looking at the growth we're seeing, we're seeing it grow at a faster rate than what we ever have before," Tyler said.

According to Tyler's estimate, Illinois would have to add 119,000 electric vehicles every year in order to meet its goal of one million by 2030. If that came to fruition, the state would lose \$765 million in combined sales and motor fuel tax when accounting for added EV fees. Counting federal revenues, that figure would jump up to \$1.1 billion.

Electric vehicles aside, Tyler said fuel-efficient vehicles pose an additional threat to the state's transportation revenue. Roughly 10 percent of registered vehicles in Illinois are electric, while the rest of the 11 million are increasingly becoming more fuel-efficient.

"If you take a look at the picture of all the vehicles on the road, as newer vehicles come out that are more fuel-efficient, that means we're just having overall, on average, a more fuel-efficient fleet," Tyler said.

Tyler calculated that the total state and federal revenue loss over the next decade would be about \$4.3 billion.

That loss would be especially threatening to the back half of Pritzker's historic 10-year, \$45 billion capital infrastructure plan known as Rebuild Illinois.

The roads-and-bridges portion of the 2019 program was made possible in large part by doubling the state's motor fuel tax, which hadn't seen an increase since 1990, then tying it to inflation in subsequent years. The infrastructure plan also increased Illinois' annual electric vehicle registration fee by \$100 annually.

Tyler said while the fee hike helped replace some of the lost revenue, it won't go far enough.

"As soon as the change can be made, the better," Tyler said. "Even to this

day, there are EVs on the road that are not paying as much as they would be on motor fuel tax. So there is an impact, it's just right now the impact isn't as big as what it will be in the future."

In response to questions about revenue declines, Gough, Pritzker's spokesperson, said Rebuild Illinois "is a six-year plan that relies on a variety of revenue streams to ensure the state can continue investing in infrastructure once the plan is complete."

Other policy areas to explore, Tyler suggests, include increasing existing registration fees even further, implementing a separate hybrid vehicle fee and creating an electric vehicle-specific kilowatt-per-hour fee.

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Supreme Court sets March timeline for oral arguments in cash bail appeal

Both sides agree to timeline that would further delay Pretrial Fairness Act's implementation

By **JERRY NOWICKI**
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An appeal to the Illinois Supreme Court regarding the constitutionality of a state law that would end cash bail appears to be at least two months away from resolution under a new timeline approved by the court on Jan. 5, 2023.

Attorney General Kwame Raoul filed the agreed motion setting the timeline for the high court's appeal of a lower court ruling that invalidated provisions of the SAFE-T Act criminal justice reform that would have eliminated cash bail on Jan. 1. The motion, Raoul's office wrote in its filing, had been agreed to by all parties in the case, scheduling briefs to be filed in January and February, with oral arguments to begin sometime in March. A ruling would come sometime thereafter at an unspecified date.

The matter came to the Supreme Court in a Friday, Dec. 30, appeal by Raoul's office, following Kankakee County Judge Thomas Cunningham's decision that lawmakers overreached their constitutional authority in passing a measure to abolish cash bail in Illinois.

Cunningham wrote in a 36-page decision that the cash bail provisions effectively and improperly amended a section of the state's constitution that states, "all persons shall be bailable by sufficient sureties," except in a few specific circumstances.

He also wrote that ending cash bail is an improper overreach by lawmakers, who have no constitutional authority to govern the administrative functions of Illinois courts due to the separation of powers. Bail, Cunningham wrote, has been held by the Supreme Court to be "administrative" in nature.

The constitution also specifically mentions bail in a section on victims' rights, when it states victims have a right "to have the safety of the victim and the victim's family considered in denying or fixing the amount of bail." Cunningham found that eliminating bail prevents courts from "effectuating the constitutionally mandated safety of the victims and their families."

The ruling initially left the impending cash bail reform in limbo in at least 64 of Illinois' 102 counties that had joined the consolidated lawsuit. A Dec. 31 order from the Illinois Supreme Court, however, stayed the cash bail provisions' implementation statewide until the court could rule on an appeal to the case.

The Jan. 5 order set the timeline for that appeal.

On Wednesday, Jan. 4, Gov. JB Pritzker said he was disappointed in the delayed implementation of the reform, which he and advocates say corrects an unfair system that allows wealthy individuals to pay their way out of jail as they await trial regardless of the seriousness

of the crime they are accused of committing, while keeping poorer individuals who can't make bail incarcerated pretrial even if they're accused of relatively minor crimes.

The measure that would replace cash bail, should the new law be allowed to take effect, would give judges greater authority to keep an individual incarcerated pretrial if they're accused of more serious offenses, but it would also limit the number of offenses for which pretrial detention can be ordered.

"The whole purpose here is fairness," Pritzker said. "And I think that we will continue to fight for that. And I think those of us who believe in this know that there's even more work to do, but I am comfortable and confident that this is constitutional."

Neither Cunningham's ruling nor the Supreme Court's orders thus far have invalidated other provisions of the SAFE-T Act which had already taken effect, such as reforms to police officer training and certification standards and police body camera requirements.

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