

Chapter 4
LOCAL ROADS AND STREETS FUNDING

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Any municipality may negotiate an agreement with the Department whereby the municipality may use such funds as are available to it for that purpose for the construction or maintenance of a State highway within its boundaries, or with the corporate authority of a county or road district for the construction or maintenance of a highway on the county highway system or township or district road system outside of its municipal boundaries ([605 ILCS 5/9-101](#)).

The county board may negotiate an agreement with the Department whereby the county may use such funds as are available to it for that purpose for the construction or maintenance of a highway on the State highway system, or with a municipality for the construction or maintenance of streets on the municipal street system of such municipality ([605 ILCS 5/9-101](#)).

4-3.06 Asset Management

4-3.06(a) General

LPAs may use MFT funds for asset management, if the assets are eligible to be constructed or maintained with MFT funds. This includes the following categories:

- Pavements
- Structures
- Culverts/Storm Sewers
- Pavement Markings
- Highway Signs

Asset management may be completed by consulting engineers or LPA staff. See [Section 5-5](#) for preliminary engineering agreements. Employee salaries may be compensated according to Section 4-3.03(c). See [Chapter 6](#) for requirements on structures.

4-3.06(b) Pavement Management Studies

Pavement management involves procedures (e.g., pavement condition rating provided by the pavement evaluation study) that are more comprehensive than the procedures used in the pavement evaluation. Using the values assigned for the existing pavement condition and the present and projected traffic, the Pavement Management Report should provide the following information:

- a projected average pavement condition index using a specified level of funding for a specified period;
- a projected level of funding necessary to provide a specified average pavement index after a specified period; and
- a recommended schedule of pavement improvement strategies and timetable for improvements that will meet the selected parameters.

Projects of this nature will be evaluated and approved by CBLRS on a case-by-case basis. When the LPA requests to use MFT funding, CBLRS, in cooperation with the district, will establish monitoring procedures to evaluate the effectiveness of the Pavement Management Program.

4-3.06(c) Inventories

Inventories are vital to asset management. Each asset class will have a variety of unique inventory categories; however, at a minimum, all inventories should have the following fields:

- ID Number – It is a unique identifier code that allows the asset to be tracked, and may be a sequential or alpha-numeric code, or any other system.
- Description – It is an explanation of the asset that may require numerous fields, including height, width, thickness, material type, etc.
- Condition Rating – It is an evaluation of a current condition of the asset, which should be used to determine future maintenance or rehabilitation.
- Location – It is an identifier that establishes the geographic position of the asset.
- Date(s) – It is the day when an event occurred; it should include installation/construction date, inspection/rating date, maintenance date, and replacement date.

4-3.06(d) Inspections

The asset owner must have a systematic strategy for conducting field inspections and reporting its findings. It must be clear to the inspection team which elements and attributes to investigate. The inspection report should accurately and clearly record all findings and may include photographs representing the condition of the asset and/or any significant defects.

4-3.06(e) Software/Hardware

The asset owner may purchase or develop asset management software to assist with the inventory and inspection management. Annual software license fees and maintenance costs are eligible MFT expense. Hardware may be purchased only if it is a mobile, is an integral part of the asset management system, and is used exclusively for eligible highway assets.

BUREAU OF LOCAL ROADS & STREETS

June 2018

LOCAL ROADS AND STREETS FUNDING

4-3-19

| WORK ITEM | REFERENCE |
|--|--|
| Construction and Maintenance of: | |
| • Joint Improvements/ Construction or Maintenance Agreements | 605 ILCS 5/4-409, 605 ILCS 5/9-101 |
| • Municipal Streets and Extensions, Municipal Alleys, County Highways and Extensions, State Highways, and Federal-aid Routes within the municipality | 605 ILCS 5/7-202.1, 202.1a, 202.1b, 202.2, 202.3 & 202.4 |
| • Traffic Control and School Crossing Signals | 605 ILCS 5/7-202.5 |
| • Street Lighting Systems | 605 ILCS 5/7-202.6 |
| • Storm Sewers | 605 ILCS 5/7-202.7 |
| • Pedestrian Subway or Overhead Crossings | 605 ILCS 5/7-202.8 |
| • Sidewalks and Pedestrian Paths | 605 ILCS 5/7-202.15 |
| • Off-Street Parking Facilities | 605 ILCS 5/7-202.17 |
| • Bicycle Signs, Paths, Lanes, or Bicycle Parking Facilities | 605 ILCS 5/7-202.20 |
| • Grade Separations and Approaches | 605 ILCS 5/7-202.21 |
| • Non-dedicated Subdivision Roads established before July 23, 1959 | 605 ILCS 5/7-202.21a |
| Allotment of Funds for: | |
| • Investments and Deposits | 50 ILCS 340/1 |
| • Matching Federal-aid Funds | 605 ILCS 5/7-202.10 |
| • Engineering Services | 605 ILCS 5/7-202.12 |
| • Retirement of Indebtedness (MFT Eligible Items) | 605 ILCS 5/7-202.13 |
| • Local Mass Transit Districts | 605 ILCS 5/7-202.14 |
| • Motor Vehicle Safety Inspection Lanes Operation and Maintenance | 605 ILCS 5/7-202.19 |
| • Payment of Principal and Interest on Road Bonds | 605 ILCS 5/7-202.18 |
| • Engineering Investigation | 605 ILCS 5/7-202.11 |
| • Toll Bridge Studies | 605 ILCS 5/7-202.16 |
| Although the Statutes do not explicitly state that MFT funds can be used for the work items below, IDOT has determined that the costs for these items are eligible if they are related to MFT maintenance or construction. | |
| • Curb Ramps | BLRS Man. Sect. 4-3.03(b) |
| • Right-of-Way | BLRS Man. Sect. 4-3.03(b) |
| • Salt Storage Facilities | BLRS Man. Sect. 4-3.03(b) |
| • Equipment Operations Costs | BLRS Man. Sect. 4-3.03(b) |
| • Utility Adjustments | BLRS Man. Sect. 4-3.03(b) |
| • Wages or Salaries | BLRS Man. Sect. 4-3.03(c) |
| • Holidays, Vacation, and Sick Leave | BLRS Man. Sect. 4-3.03(c) |
| • Workers' Compensation Insurance Premiums | BLRS Man. Sect. 4-3.03(c) |
| • Retirement Fund and Social Security Fund | BLRS Man. Sect. 4-3.03(c) |
| • Health, Hospitalization, and Life Insurance | BLRS Man. Sect. 4-3.03(c) |
| • Asset Management | BLRS Man. Sect. 4-3.06 |
| • Miscellaneous Expenses in Connection with Bond Issue Improvements | BLRS Man. Sect. 4-4.02 & 4-3.02(f) |
| • Tree Trimming and Tree Removal | BLRS Man. Sect. 14-1.06(c) |
| • Railroad Signal Protection and Crossing Work | BLRS Man. Chapter 40 |

Note: All uses of Motor Fuel Tax are subject to the provisions and limitations reflected in the *BLRS Manual* and the States statutes.

PERMISSIBLE USES OF MFT FUNDS (BY MUNICIPALITIES)

Figure 4-3B

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| WORK ITEM | REFERENCE |
|--|--|
| Construction and Maintenance of: | |
| • County Highways, State Highways, and County Unit Roads | 605 ILCS 5/5-701.1, 701.2, 701.3, 701.7 & 701.17 |
| • County Garages | 605 ILCS 5/5-701.9 |
| • Office Space (Counties over 1,000,000 population) | 605 ILCS 5/5-701.12 |
| • Bicycle Signs/Markings, Paths (counties over 500,000 population) | 605 ILCS 5/5-701.13 |
| • Grade Separations and Approaches | 605 ILCS 5/5-701.14 |
| • Non-dedicated Subdivision Roads established before July 23, 1959 | 605 ILCS 5/5-701.15 |
| • Joint Improvements/ Construction or Maintenance Agreements | 605 ILCS 5/4-409, 605 ILCS 5/9-101 |
| Allotment of Funds for: | |
| • Investments and Deposits | 50 ILCS 340/1 |
| • Retirement of Indebtedness (MFT Eligible Items) | 605 ILCS 5/5-701.4 |
| • Paying Bonds for Superhighways | 605 ILCS 5/5-701.5 |
| • Engineering Investigations | 605 ILCS 5/5-701.6 |
| • Matching Federal-aid Projects or Projects Eligible for Federal-aid | 605 ILCS 5/5-701.7 |
| • Local Mass Transit Districts | 605 ILCS 5/5-701.8 |
| • Circuit Court or Other Governmental Expenses Related to County Highway Department (Counties over 1,000,000 population) | 605 ILCS 5/5-701.10 |
| • Payment of Principal and Interest on Road Bonds | 605 ILCS 5/5-701.11 & 701.16 |
| Although the Statutes do not explicitly state that MFT funds can be used for the work items below, IDOT has determined that the costs for these items are eligible if they are related to MFT maintenance or construction. | |
| • Engineering Services | BLRS Man. Sect. 4-3.02(e) |
| • Right-of-Way | BLRS Man. Sect. 4-3.03(b) |
| • Salt Storage Facilities | BLRS Man. Sect. 4-3.03(b) |
| • Storm Sewers | BLRS Man. Sect. 4-3.03(b) |
| • Traffic Control Devices | BLRS Man. Sect. 4-3.03(b) |
| • Sidewalks and Curb Ramps | BLRS Man. Sect. 4-3.03(b) |
| • Equipment Operating Costs | BLRS Man. Sect. 4-3.03(b) |
| • Utility Adjustments | BLRS Man. Sect. 4-3.03(b) |
| • Salary and Expenses of County Engineer | BLRS Man. Sect. 4-3.03(c) |
| • Wages or Salaries | BLRS Man. Sect. 4-3.03(c) |
| • Holidays, Vacation, and Sick Leave | BLRS Man. Sect. 4-3.03(c) |
| • Workers' Compensation Insurance Premiums | BLRS Man. Sect. 4-3.03(c) |
| • Retirement Fund and Social Security Fund | BLRS Man. Sect. 4-3.03(c) |
| • Health, Hospitalization, and Life Insurance | BLRS Man. Sect. 4-3.03(c) |
| • Asset Management | BLRS Man. Sect. 4-3.06 |
| • Miscellaneous Expenses in Connection with Bond Issue Improvements | BLRS Man. Sect. 4-4.02 |
| • Tree Trimming and Tree Removal | BLRS Man. Sect. 14-1.06(c) |
| • Railroad Signal Protection and Crossing Work | BLRS Man. Chapter 40 |

Note: All uses of Motor Fuel Tax are subject to the provisions and limitations reflected in the *BLRS Manual* and the States statutes.

PERMISSIBLE USES OF MFT FUNDS (BY COUNTIES)

Figure 4-3C

BUREAU OF LOCAL ROADS & STREETS
LOCAL ROADS AND STREETS FUNDING

June 2018

4-3-21

| WORK ITEM | REFERENCE |
|---|------------------------------------|
| Construction and Maintenance of: | |
| • Township and District Roads | 605 ILCS 5/6-701.1 & 701.2 |
| • Grade Separations and Approaches | 605 ILCS 5/6-701.1 & 701.2 |
| • Bicycle Signs and Markings | 605 ILCS 5/6-701.7 |
| • Non-dedicated Subdivision Roads established before July 23, 1959 | 605 ILCS 5/6-701.8 |
| • Joint Improvements/ Construction or Maintenance Agreements | 605 ILCS 5/4-409, 605 ILCS 5/9-101 |
| Allotment of Funds for: | |
| • Investments and Deposits | 50 ILCS 340/1 |
| • Engineering Services | 605 ILCS 5/6-701.3 |
| • Retirement of Indebtedness (MFT Eligible Items) | 605 ILCS 5/6-701.4 |
| • Local Mass Transit Districts | 605 ILCS 5/6-701.5 |
| • Payment of Principal and Interest on Road Bonds | 605 ILCS 5/6-701.6 |
| • Township's Share of the Great River Road Projects | 605 ILCS 5/6-701.9 |
| <p>Although the Statutes do not explicitly state that MFT funds can be used for the work items below, IDOT has determined that the costs for these items are eligible if they are related to MFT maintenance or construction.</p> | |
| • Right-of-Way | BLRS Man. Sect. 4-3.03(b) |
| • Salt Storage Facilities | BLRS Man. Sect. 4-3.03(b) |
| • Storm Sewers | BLRS Man. Sect. 4-3.03(b) |
| • Traffic Control Devices | BLRS Man. Sect. 4-3.03(b) |
| • Sidewalks and Curb Ramps | BLRS Man. Sect. 4-3.03(b) |
| • Equipment Operating Costs | BLRS Man. Sect. 4-3.03(b) |
| • Utility Adjustments | BLRS Man. Sect. 4-3.03(b) |
| • Wages or Salaries | BLRS Man. Sect. 4-3.03(c) |
| • Holidays, Vacation, and Sick Leave | BLRS Man. Sect. 4-3.03(c) |
| • Workers' Compensation Insurance Premiums | BLRS Man. Sect. 4-3.03(c) |
| • Retirement Fund and Social Security Fund | BLRS Man. Sect. 4-3.03(c) |
| • Health, Hospitalization, and Life Insurance | BLRS Man. Sect. 4-3.03(c) |
| • Asset Management | BLRS Man. Sect. 4-3.06 |
| • Miscellaneous Expenses in Connection with Bond Issue Improvements | BLRS Man. Sect. 4-4.02 |
| • Tree Trimming and Tree Removal | BLRS Man. Sect. 14-1.06(c) |
| • Railroad Signal Protection and Crossing Work | BLRS Man. Chapter 40 |

Note: All uses of Motor Fuel Tax are subject to the provisions and limitations reflected in the *BLRS Manual* and the States statutes.

PERMISSIBLE USES OF MFT FUNDS
(By Townships and Road Districts)

Figure 4-3D

4-4 LOCAL FUNDING

4-4.01 Local Road and Bridge Taxes

County and road districts can impose taxes to provide local funding for roadway and bridge projects. These funds are typically used solely for costs associated with these roadway and bridge projects.

4-4.02 Bonds

Any LPA may finance a highway improvement project with the proceeds of a bond issue and request that the use of MFT funds for the payment of principal and interest when retiring the bonds. If MFT funds will be used to pay any portion of the project cost or LPA indebtedness, the entire improvement must be accomplished under the general supervision of IDOT. Any portion of the improvement that is ineligible for MFT funding may not be included in the cost of the indebtedness to be repaid with MFT funds.

There are generally two types of bond issues for which a LPA may commit future MFT allotment; these are discussed in the following subsections.

4-4.02(a) **General Obligation Bonds**

Any LPA may issue General Obligation Bonds for constructing a highway improvement. The LPA issuing the bonds establishes a general tax levy that is pledged toward retiring the bonds. When MFT funds are used to retire the bonds, the tax levy must be cancelled. Except as otherwise permitted by law, the question of issuing the bonds must be submitted by referendum to the voters of the taxing district ([605 ILCS 5/5-605](#), [605 ILCS 5/6-510](#), [605 ILCS 5/6-513](#), and [65 ILCS 5/8-4-1](#)).

4-4.02(b) **MFT Fund Bonds**

Counties, road districts, and municipalities are authorized to issue bonds to construct highway improvements and to repay the principal and interest with MFT funds, pursuant to [30 ILCS 385/1 - 385/4](#). These are identified as “Motor Fuel Tax Fund Bonds” and must be administered in a manner similar to General Obligation Bonds. Because the bond issue is not secured by a property tax levy, it will not be necessary to provide a “certification of cancellation of tax levy.”

4-4.03 Special Assessments

Article 9 of the Illinois Municipal Code, [65 ILCS 5/9-1-1 et seq.](#) provides legislative authority for municipalities to construct local improvements that will be paid for by assessments against the properties affected. When a municipality undertakes a highway or street improvement using special assessment financing, the public benefit portion assessed against the agency may be paid with MFT funds, providing that the project itself is eligible for MFT funding. The project must be constructed under the general supervision and approval of IDOT. The procedures for initiating a special assessment project are similar to those used for a bond issue project, see [65 ILCS 5/9-1-1, et seq.](#), [605 ILCS 5/7-202.13](#).

A municipality may use a special assessment to finance the local share of a project constructed with Federal-aid funds, pursuant to [65 ILCS 5/9-2-113](#).

4-4.04 Road Impact Fees

LPAs have the authority to adopt and implement road improvement impact fee ordinances and resolutions. Road improvement impact fee means any charge or fee levied or imposed by a unit of local government as a condition to the issuance of a building permit or a certificate of occupancy in connection with a new development, when any portion of the revenues collected is intended to be used to fund any portion of the costs of road improvements ([605 ILCS 5/5-901, et seq.](#)).

4-4.05 Local General Funds

Local general funds refer to all funds that are received by the LPA through property taxes, income taxes, sales taxes, and other taxes assessed by the LPA. A portion of these funds may be allocated to roadway and bridge projects at the discretion of the LPA.

4-5 ACRONYMS

This is a summary of the acronyms used within this chapter.

| | |
|---------------|--|
| ADT | Average Daily Traffic |
| BBS | Bureau of Bridges and Structures |
| BLRS | Bureau of Local Roads and Streets |
| CBLRS | Central Bureau of Local Roads and Streets |
| CMAQ | Congestion Mitigation and Air Quality Improvement |
| EAV | Equalized Assessed Valuation |
| EDP | Economic Development Program |
| ER | Emergency Relief |
| <i>FAST</i> | <i>Fixing America's Surface Transportation Act</i> |
| FBP | Ferry Boats and Ferry Terminal Program |
| FHWA | Federal Highway Administration |
| FLAP | Federal Land Access Program |
| GCPF | Grade Crossing Protection Fund |
| HPP | High Priority Project |
| HPR | Highway Planning and Research |
| HRRR | High Risk Rural Roads |
| HSIP | Highway Safety Improvement Program |
| HTF | Highway Trust Fund |
| IDNR | Illinois Department of Natural Resources |
| IDOT | Illinois Department of Transportation |
| IEPA | Illinois Environmental Protection Agency |
| IESNA | Illuminating Engineering Society of North America |
| <i>ILCS</i> | <i>Illinois Compiled Statutes</i> |
| IRIS | Illinois Roadway Information System |
| IROADS | Illinois Roadway Analysis Database System |
| ISIS | Illinois Structure Information System |
| ITEP | Illinois Transportation Enhancement Program |
| LBU | Local Bridge Unit |
| LPA | Local Public Agency |
| <i>MAP-21</i> | <i>Moving Ahead for Progress in the 21st Century Act</i> |
| MFT | Motor Fuel Tax |
| MPO | Metropolitan Planning Organization |
| NHPP | National Highway Performance Program |
| NHS | National Highway System |
| OPP | Office of Planning and Programming |
| PL | Metropolitan Planning |
| PTELL | Property Tax Extension Limitation Law |
| RTP | Recreational Trails Program |
| SHPO | State Historic Preservation Officer |
| SMA | State Match Assistance |
| SRTS | Safe Routes to School |
| STBGP | Surface Transportation Block Grant Program |
| STP | Surface Transportation Program |
| STR | Surface Transportation Program – Rural |

BUREAU OF LOCAL ROADS & STREETS
LOCAL ROADS AND STREETS FUNDING

4-5-2

June 2018

- STU Surface Transportation Program – Urban
- TA Transportation Alternative
- TARP Truck Access Route Program
- TBP Township Bridge Program
- TIP Transportation Improvement Program

4-6 REFERENCES

1. [Illinois Compiled Statutes](#)
2. *A Guide to the Federal-Aid Highway Emergency Relief Program*, FHWA
3. *FHWA Emergency Relief Manual*, FHWA, May 2013
4. [A Guide to Federal-Aid Programs and Projects](#), FHWA