

Chapter Four

**LOCAL ROADS AND STREETS
FUNDING**

BUREAU OF LOCAL ROADS AND STREETS MANUAL

Chapter Four
LOCAL ROADS AND STREETS FUNDING

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LOADS ROADS AND STREETS FUNDING

Local Public Agencies (LPAs) receive funding for their local roads and streets from a variety of sources including federal and State programs, the Motor Fuel Tax fund, and local sources. This Chapter provides an overview of each source that provides funding for projects on local facilities for which BLRS is involved in some part of the administration. Guidance for obtaining these funds and the implementation of these programs can be found in this Manual's Chapter 9 for State and MFT funds and, in Chapter 17 for federal funds.

4-1 FEDERAL PROGRAMS

Federal programs provide funding for transportation projects through the Highway Trust Fund (HTF). Funds are collected through revenue from certain highway user taxes, primarily the federal gasoline tax and a variety of tire and truck sales taxes. These taxes are credited to the HTF to be used for transportation spending. Federal funding has been expanded to encompass not only highway projects but also transit and environmental projects. All states receive federal funding. The amount is dependent, among other factors, on the revenue contribution of each individual state.

The functional classification of a road or street facility is one of the significant factors that affect federal funding eligibility for several categories. Section 27-3 of this Manual discusses the functional classification system. "Local" facilities (e.g., those off the State highway system) may be functionally classified as local, collector, or arterial.

Section 4-1 provides a brief discussion on the National Highway System (NHS) funding and discusses those categorical Federal-aid programs that provide funds available to local governments for transportation improvements. Unless otherwise noted, federal funds can generally be used to fund 80% of eligible costs.

4-1.01 National Highway System

The National Highway System is a network of selected principal arterial routes identified as essential for international, interstate, and regional commerce and travel, national defense, and the transfer of people and goods to and from major intermodal facilities. NHS funds are distributed based on a formula that incorporates each state's lane-miles of principal arterials (excluding Interstates), vehicle-miles traveled on those arterials, diesel fuel consumption on the state's highways, and the per capita principal arterial lane-miles. Although NHS funding is important nationwide, very few miles of the local highway systems in Illinois are on the National Highway System. See Section 3-1.01(a) of this Manual for additional information on NHS.

4-1.02 Surface Transportation Program

4-1.02(a) General

The Surface Transportation Program (STP) provides federal funds for the following types of projects:

- highway projects on all functional classes, except facilities functionally classified as “local”;
- bridge projects on any public road, including “local” functional classes;
- transit capital projects; and
- public bus terminals and facilities.

The basic objective of STP is to provide Federal-aid for improvements to facilities not on the NHS. The Program is aimed at providing more flexibility in determining transportation solutions and enhanced planning and management systems to the states and local governments.

STP funds also may be used for activities such as environmental provisions, modifications to meet accessibility for disabled requirements, infrastructure-based intelligent transportation system capital improvements, and privately owned inter-city bus terminals and facilities.

STP funds are distributed to each state based on its lane-miles of Federal-aid highways; total vehicle-miles traveled on those highways, and estimated contributions to the Highway Account of the Highway Trust Fund. Because of its emphasis on highway facilities that do not have national importance, STP provides the largest source of Federal-aid funds available for local facilities in Illinois.

Once the funds are distributed to the states, each state must set aside 10% for safety construction activities and 10% for transportation enhancements. Each state must then divide 50% of the funds by population between each of its areas over 200,000 and the remaining areas of the state. The remaining 30% can be used in any area of the state.

Before distribution of the funds statewide, 1.5% of the funds are set aside for Highway Planning and Research (HPR) purposes.

A State’s STP allocation is further subdivided according to Federal-aid provisions. These are discussed in the following Sections.

4-1.02(b) Urban

Urban areas receive an STP suballocation based on the state’s urban population. Illinois identifies these funds as “STU.” Urban areas are those areas identified by the U.S. Bureau of Census as having a contiguous population of 50,000 or more (urbanized areas) or 5000 or more but less than 50,000 (small urban areas). The urban area boundaries are established by the State, in cooperation with the Metropolitan Planning Organizations (MPOs) and other appropriate local officials, and approved by FHWA. For the STP urban suballocation (STU), the distribution formula segregates urban population densities into the following three categories:

- less than 50,000;

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- between 50,001 and 200,000; and
- more than 200,000.

The urban STP suballocation provides specific funding amounts for each urban area nationwide with populations exceeding 200,000. There are five metropolitan areas in Illinois meeting the 200,000 population level — Chicago, Peoria, Rockford, Quad Cities (Rock Island-Moline-Bettendorf-Davenport), and East St. Louis/St. Louis. There are eight areas in Illinois that have populations over 50,000 but less than 200,000. The Central BLRS specifies the STU suballocation of funds based on percentages of population of the urban area to the districts.

By law, any urban area of over 50,000 must undertake a process to develop transportation plans and programs formulated on the basis of transportation needs and with due consideration to comprehensive, long-range land use plans, development objectives, and social, economic, environmental, and energy conservation goals. The structure for this type of program must include a designated MPO agreed to by the local units of government and officially designated by the Governor as the recognized body. Further distribution of STU funds in these areas is coordinated by the designated MPO.

The third area of population, less than 50,000, receives STU fund allocation at the district level. The distribution is also based on population.

4-1.02(c) Rural

Rural areas are all areas outside of urbanized and small urban areas.

Prior to the recent federal highway authorization bills, four counties in District One (e.g., Will, Kane, Lake, McHenry) received funds that were provided for improvement to Federal-aid Secondary (FAS) designated routes. An agreement was reached by IDOT and the four District One counties to distribute a minimum of \$2 million of STR funds per year to the counties as replacement funds for FAS funds that are no longer available.

District One distribution of STR funds by IDOT is determined as follows:

- 50% of the annual allotment is allocated equally to the counties; and
- 50% of the annual allotment is allocated based on the proportion of total population per county.

The formula for distribution of the STR funds to Districts 2 through 9 is as follows:

- 10% divided equally among the downstate counties, Districts 2 through 9; and
- the balance being allocated to the downstate counties on the basis of the following three factors with equal weight being given to each factor:
 - + non-urban area,
 - + non-urban population, and
 - + non-urban mileage (total all systems).

Federal requirements stipulate that up to 15% of the rural STP suballocation can be spent on rural minor collectors.

4-1.02(d) Bridges

STP funds may be used to replace or rehabilitate bridges (e.g., structures longer than 20 ft (6 m)) on any public road. Allowing STP funding for work on a bridge is intended to reduce the number of bridges on the HBP eligibility list. See Section 6-1.01 of this Manual for the definition of a bridge.

4-1.02(e) Safety

The Highway Safety Improvement Program (HSIP) is a core Federal-aid funding program with the goal of achieving a significant reduction in traffic fatalities and serious injuries on all public roads. Highway safety improvement projects correct or improve a hazardous road location or feature, or address a highway safety problem. Detailed guidelines for this program can be found in the IDOT HSIP policy.

High Risk Rural Roads Program (HRRRP) is a specific set-aside provision of the HSIP to support construction and operational safety improvements on roadways functionally classified as a rural major or minor collector or rural local road that have fatal and incapacitating injury crash rates higher than the statewide average for those functional classes of roads; or, that will have increases in volume that are likely to create such rates.

The federal funding level is a maximum of 90 percent of the total improvement cost for HSIP and HRRRP projects with the LPA being responsible for the 10 percent matching funds. All phases of a safety improvement project are eligible for these programs, including preliminary engineering, land acquisition, construction and construction engineering.

Local Rail/Highway Grade Crossing Safety Program is a set-aside of the federal HSIP funds to reduce the number of fatalities and serious injuries at public highway-railway crossings through the elimination of hazards and/or the installation/upgrade of warning devices at crossings. These include flashing light signals and gates, circuitry upgrades, or approach work at railroad/highway grade crossings. IDOT selects eligible rail safety projects on the local highway system. See Section 40-2 for more information on safety at railroad/highway crossings.

Railroad crossing and approach work is eligible for 90% federal funding. Signals and gates can be funded with 100% federal funds.

Rural Sign Upgrade Program is intended to upgrade existing regulatory and warning signs in accordance with the Manual on Uniform Traffic Control Devices (MUTCD) and include new warning or regulatory signs. The program covers signs in rural areas (those outside the urban area boundaries) for highways under the jurisdiction of municipalities with population less than 5,000, townships or road districts, and counties. The program is based upon the number of fatal and serious injury crashes over the past five years on the local highway system and LPAs' financial need relative to rural mileage.

The program provides 100 percent funding for the replacement of existing substandard regulatory and warning signs up to a maximum of \$25,000 per eligible LPA. LPAs may also apply for new warning or regulatory signs that enhance safety and are based upon a benefit-cost analysis in addition to the maximum \$25,000 amount. Eligible costs include signs, sign posts, mounting hardware, and shipping and handling. Installation cost is the responsibility of the LPA.

The Illinois Safe Routes to School Program (SRTS) is a federally funded program which supports projects and programs that enable and encourage walking and bicycling to and from school. The program applies to schools serving grades Kindergarten through 8th grade.

The program provides 100 percent federal funding for infrastructure and non-infrastructure projects.

4-1.02(f) Transportation Enhancements

Federal-aid sets aside 10% of STP funding for transportation enhancements (TE), which is allocated before all other STP suballocations (e.g., STU, STR). Transportation enhancements encompass a broad range of activities that go beyond the traditional accommodations for cars, trucks, and transit. However, these projects must relate to surface transportation. The following types of projects are eligible for transportation enhancement funding in Illinois:

- restoration of historic transportation facilities,
- bikeway and pedestrian facilities,
- landscaping and scenic beautification,
- scenic or historic highway programs,
- historic preservation,
- safety and educational programs for pedestrian and bicycles,
- acquisition of scenic easements and scenic or historic sites,
- establishment of transportation museums,
- preservation of abandoned railroad corridors for conversion to pedestrian and/or bicycle trails, and
- control and removal of outdoor advertisements.

TE projects are eligible for 80% federal funding, except for the purchase of right-of-way, which is funded at 50% of federal funds.

The Office of Planning and Programming is responsible for determining which projects are eligible for TE funds. For additional guidance, see the *Illinois Transportation Enhancement Program (ITEP) Guidelines and Procedures*.

4-1.02(g) Storm Sewers

Work on a highway project involving the construction, repair, rehabilitation, or replacement of storm sewers and combined sewers (when permitted by law) is eligible for Federal-aid funding for sewers that are structurally deficient. Generally, participation will be based on the sewer size needed solely for highway purposes.

4-1.03 Highway Bridge Program

4-1.03(a) General

The Highway Bridge Program (HBP) provides funds for bridges that are structurally deficient and/or functionally obsolete and have a sufficiency rating of 80 or less and are located on a public road. A bridge is defined as any structure having a length greater than 20 ft (6.1 m). See Section 6-1.02 of this Manual for the definition of a bridge.

A bridge is structurally deficient if the deck, superstructure, substructure, or culvert has an evaluation rating of 4 or less, or if the structural evaluation or waterway adequacy has an appraisal rating of 2 or less. The bridge is functionally obsolete if the deck geometry, underclearances, or the approach roadway alignment has an appraisal rating of 3 or less, or if the appraisal rating for structural evaluation or waterway adequacy is 3. These evaluation and appraisal ratings and the sufficiency rating can be found in the Illinois Structure Inventory System (ISIS) as discussed in Section 6-2 of this Manual. An HBP eligible bridge having a sufficiency rating of 80 or less is eligible for rehabilitation. An HBP eligible bridge that has a sufficiency rating of less than 50 is eligible for replacement.

Illinois' share of HBP funds is based on its relative share of the total cost to repair or replace deficient highway bridges nationwide. HBP funds available to local facilities are largely based on the Federal-aid provision that no less than 15% of the funds must be used on public roads that are functionally classified as local roads (urban and rural) or rural minor collectors. Bridges on local facilities that are functionally classified otherwise (e.g., rural major collectors, rural arterials, urban collectors, urban arterials) are considered for HBP funding in the same pool as bridges on the State highway system. LPAs receive 20% of the State's allocation of HBP funds. These funds are allocated to the counties based on the square footage of deficient LPA bridges in each county.

In addition to rehabilitating or replacing eligible bridges, the following work is eligible for the use of HBP funds:

- approach roadways pursuant to Section 4-1.03(d) of this Manual;
- bridge painting (spot painting is not eligible) – sufficiency rating (SR) of 80 or less can be funded as a sole item of work;
- seismic retrofit – no SR restriction; can be funded as a sole item of work;
- historic bridges – inventory for historic significance and preservation in accordance with 23 U.S.C. 144(o);
- bridge inspection – routine NBIS, fracture critical, special, damage and underwater bridge inspections are eligible, including underwater scour evaluation, training, and equipment purchase, and/or rental;
- initial cost for posting signs immediately adjacent to the bridge;
- anti-icing/de-icing applications – the bridge must be HBP eligible; and
- scour countermeasures – countermeasures must be designed, but may be used at any structure with scour problems or potential scour problems.

If any rehabilitation or reconstruction is done on a bridge, regardless of funding, the bridge is not eligible for HBP funding for a period of 10 years.

4-1.03(b) Illinois Major Bridge Program

IDOT dedicates 20% of its HBP fund for a Major Bridge Improvement Program. Bridges under the jurisdiction of a LPA and eligible for HBP funding that have a total project cost for all engineering, utilities, land acquisition, and construction for replacement or rehabilitation of more than \$1,000,000 are candidates for this Program. Funds for this Program can only be used to fund up to 80% of the construction and construction engineering. The LPA is responsible for the cost of preliminary engineering, land acquisition, utilities, and other pre-construction activities.

4-1.03(c) Discretionary Bridge Program

The Discretionary Bridge Program (DBP) is a federal program that is designed to replace or rehabilitate deficient, high-cost highway bridges. Eligible projects are those with construction costs exceeding \$10 million or exceeding twice the amount allocated to a State for the fiscal year under 23 U.S.C. 144. Projects nationwide are ranked according to a Rating Factor based on a variety of factors (e.g., Sufficiency Rating, traffic volumes, importance to national defense, project costs). These are bridges that are so expensive to replace or rehabilitate that if a State DOT used its annual HBP appropriation it would exhaust the HBP funds. Although DBP funds are available for any eligible bridge on a public highway, bridges on local facilities do not qualify often because of the factors in the Rating Factor.

4-1.03(d) Approach Limits for HBP Projects

1. Requirements specified in Eligible Projects, 23 C.F.R. § 650.405 shall be considered in establishing reasonable touchdown points for approach work to be funded with HBP funds. These requirements include the following:
 - a. Replacement, 23 C.F.R. § 650.405(b)(1). Total replacement of a structurally deficient or functionally obsolete bridge with a new facility constructed in the same general traffic corridor. A nominal amount of approach work, sufficient to connect the new facility to the existing roadway or to return the gradeline to an attainable touchdown point in accordance with good design practice is also eligible. The replacement structure must meet the current geometric, construction and structural standards required for the types and volume of projected traffic on the facility over its design life.
 - b. Rehabilitation, 23 C.F.R. § 650.405(b)(2). The project requirements necessary to perform the major work required to restore the structural integrity of a bridge, as well as work necessary to correct major safety defects, are eligible except as noted under ineligible work. Bridges to be rehabilitated both on or off the Federal-Aid System shall, as minimum, conform with the provisions of 23 C.F.R. § 625, Design Standards for Federal-aid Highways, for the class of highway on which the bridge is a part.
 - c. Ineligible work, 23 C.F.R. § 650.405(c). Except as otherwise prescribed by the Administrator, the costs of long approach fills, causeways, connecting roadways, interchanges, ramps, and other extensive earth structures, when constructed beyond the attainable touchdown point, are not eligible under the bridge program.

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2. The following guidelines shall be used in establishing reasonable touchdown points:
 - a. **EXISTING LOCATION (Bridge Project Only)**
When replacing or rehabilitating a bridge to current Department standards on existing grade and location, all approach work items required to transition back into the existing roadway and safety appurtenances pertaining to the bridge are eligible. The cost of any temporary detour required to maintain traffic while the structure is being built is eligible.
 - b. **EXISTING LOCATION (Roadway project with bridge included)**
This applies to projects that upgrade a roadway that also results in rehabilitation or replacement of an eligible bridge. When replacing or rehabilitating a substandard bridge to minimum standards or greater, on existing grade and location, bridge work items will be limited to 50 feet of approach work at beginning and end of bridge. All approach work items in the 100 feet are eligible for consideration for HBP funding. (This allows the coverage of the cost of approach slabs, select material behind the abutments, guardrail attachments and other approach work items.) If a detour is required, associated roadway costs required to maintain traffic while the structure is being built are eligible. This section applies to a roadway segment project which has a bridge project included within it.
 - c. **NEW LOCATION**
When replacing a bridge that must be raised or relocated due to substandard vertical and horizontal alignment, substandard clearances, hydraulic design issues, constructability issues, etc., the minimum amount of approach roadway work necessary to tie the relocated alignment back into the existing roadway is eligible. The alignment will conform to current Department standards based on the functional classification and projected traffic volumes for that particular roadway.
3. In accordance with previous paragraphs 1 and 2 of this Section, every deficient bridge scheduled for rehabilitation or replacement shall be evaluated individually by the LPA to establish reasonable touchdown points for approach work. IDOT may approve the reasonable touchdown points for eligible bridges as long as the total length of the approach work does not exceed 1,200 feet.
4. If the LPA determines that the reasonable touchdown points should exceed the criteria in paragraph 3, the project shall be submitted to IDOT (who will coordinate with FHWA) with supporting documentation for review and approval. The issue may also be addressed at a federal project coordination meeting. A statement from the county engineer that all elements are designed to the operating speed, which does not exceed the posted or statutory speed, shall be considered sufficient documentation by both IDOT and FHWA that the touchdown points are reasonable.

4-1.04 HBP Soft Match Credit Program

Under 23 U.S.C. 144(n), a State may allow up to 80% of the State and local source amount expended on off-system bridge construction to be credited to the non-federal share of HBP eligible bridge replacement or rehabilitation projects. The bridge work must follow the structural design policies for the HBP funding program as defined in the Section 4-1.03 and Chapter 36 of this Manual.

4-1.04(a) Purpose

One of the primary objectives of this Program is to provide an alternative process for counties to remove deficient bridges from the bridge inventory. Although the design requirements applicable to the HBP apply, the Program allows a number of requirements that would apply to projects receiving HBP funds to be waived. The federal contract requirements and clearances by federal agencies are waived, but all State and local contract requirements and clearances must be met.

The criteria and guidelines for approval of the HBP Soft Match Credit Program are provided in the following Sections.

4-1.04(b) Project Eligibility

To be eligible for the HBP Soft Match Credit, the bridge must meet the following criteria:

1. The bridge must be on the federal HBP Selection List. See Section 4-1.03 of this Manual for HBP eligibility requirements.
2. The bridge must be on a road with a functional classification of a local road or rural minor collector.
3. The bridge must not have been replaced nor had major rehabilitation within 10 years of the planned new construction date, regardless of type of funds used.
4. The bridge must not be controversial. The following items may raise concerns and can be used for general guidance in determining whether a bridge is controversial:
 - unresolved right-of-way agreements/acquisition,
 - historic bridge implications,
 - environmental problems,
 - permit problems/delays, and/or
 - pending/potential lawsuits.
5. Only construction from back-to-back of abutment is eligible for credit, using the same basis as items that are designed based on this Manual's Section 36-2 structural guidelines.
6. Only actual construction (e.g., hard construction) costs are eligible for earning credit. Right-of-way acquisition, preliminary engineering, and construction engineering are not eligible.

4-1.04(c) Submittal and Crediting Process

In addition to normal bridge project submittal requirements, the county desiring the HBP Soft Match Credit must submit the following items to the district:

1. Planning. During the preliminary engineering phase, submit the following:
 - a. A request for consideration of the project for the Program from the county engineer. See Figure 4-1A for a sample request and certification letter.
 - b. A certification by the owner and county engineer stating the project is not controversial. See Figure 4-1A for a sample request and certification letter.

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- c. A Bridge Condition Report must be submitted and approved in accordance with Section 10-2.03. FHWA waivers must be requested for exceptions to the HBP policy for credit structures, when required (e.g., replacement of a structure with a sufficiency rating of 50 or greater).
2. Project Completion. After the project is completed, the district is responsible for forwarding the following items to the Central BLRS.
 - a. a certification by the county engineer that the project being considered has been constructed in accordance with the design standards applicable to the HBP, that the structure has been added to the inventory and is not deficient (i.e., deck, super and substructure appraisal ratings are 6 or higher), and geometrics are sufficient;
 - b. Form BLR 13510, Final Report, Notice of Completion and Acceptance of Improvement Constructed Under the Illinois Highway Code; and
 - c. notification of final eligible construction cost of the bridge within the guidelines of this policy. See Figure 4-1B for an example Notification of HBP Soft Match Credit Eligible Cost.

4-1.04(d) BLRS Responsibilities

Once the project has been completed, IDOT is responsible for completing the following tasks:

1. District. The district will:
 - make a final inspection of the project and document its completion; and
 - notify the Central BLRS of the final eligible construction cost of the project upon completion.
2. Central BLRS. The Central BLRS will conduct the following:
 - a. Submit a list of credit-eligible bridges annually in August of each year to FHWA for approval.
 - b. Maintain and credit a “special discount” in the name of the county for 80% of eligible costs of construction. Inform the districts annually of the county balances in the special accounts.

Approve and execute agreements with Federal authorization for HBP projects that utilize the HBP Soft Match Credit.

(name), Regional Engineer
Attn: Bureau of Local Roads and Streets
(District address)

(date)

Subject: HBP Soft Match Credit Request

(County name) County requests that Section (number) and Structure Number (number) located (bridge location) be approved as an eligible HBP Soft Match Credit project. A Bridge Condition Report is attached.

I certify that the above project meets the criteria outlined in the Illinois Department of Transportation HBP Soft Match Credit program and that, to the best of my knowledge and belief, the bridge is non-controversial. I understand that if said project is deemed to be controversial, the project would not be considered eligible for the Soft Match Credit program.

Sincerely,

(name), County Engineer

Bridge Office Use Only:

Project is on the Federal HBP Selection List

(*name*), Regional Engineer
Attn: Bureau of Local Roads and Streets
(*district address*)

(*date*)

Subject: HBP Soft Match Credit Eligible Cost

(*County name*) County certifies that Section (*number*) and Structure Number (*number*) located over (*location*) has been constructed in accordance with the design standards applicable to the HBP, that the structure has been added to the inventory and is not deficient.

I also certify that \$ (*cost*) is the final eligible construction cost of the completed project, and understand that 80% of this amount will be credited to the county's HBP Soft Match Credit account upon approval by IDOT. A detailed breakdown of the eligible pay items and construction costs for back-to-back abutment is attached.

Sincerely,

(*name*), County Engineer

NOTIFICATION OF HBP SOFT MATCH CREDIT ELIGIBLE COST

Figure 4-1B

4-1.04(e) Use of the Soft Match Credit

The eligible costs may apply as credit toward the 20% local match required on Federal-aid bridge projects. This credit provision does not increase an agency's allocation of HBP funds, but will permit usage of funds already allocated to an agency at a rate up to 100%. The project should be included in the LPA and district highway programs at a HBP funding level of 100%.

If a county desires to use their Soft Match Credit on a project, they must submit a letter to the district indicating their desire to do so along with the cost estimate and project information. The federal share agreed to at the time of project authorization may not be increased by subsequent additions of off-system bridge credits. The Soft Match Credit can only be applied to the construction phase of a bridge project at the time of construction authorization.

Agreement language under "Division of Cost" for using the Soft Match Credit should be as follows:

**HBP=100%*

**Soft Match Credit not to exceed \$_____ (This amount should be whatever the county wants, equal to or less than the current balance of credit for the county at the time of authorization.) with balance to _____ (This should be the name of the LPA or State.).*

4-1.05 High Priority Projects

High Priority Projects are those that are specified by the Congress. The total of High Priority funds available nationwide in a given year are a specified percentage of the total allocated under federal funding.

4-1.06 Congestion Mitigation and Air Quality Improvement

The Congestion Mitigation and Air Quality Improvement (CMAQ) Program provides a flexible funding source to State and local governments for transportation projects and programs designed to help meet the requirements of the Clean Air Act as amended in 1990. Funding is available to areas that do not meet the National Ambient Air Quality Standards (NAAQS). These are considered nonattainment areas. Funding is also available to areas that were previously in nonattainment but are now in compliance. These are referred to as maintenance areas. Funds are distributed to states based on a formula that considers an area's population by county and the severity of its air quality problems within the nonattainment and maintenance areas. Greater weight is given to carbon monoxide nonattainment and maintenance areas. Eligible activities for funding include:

- transit improvements,
- travel demand management strategies,
- traffic flow improvements, and
- public fleet conversions to cleaner fuels.

Illinois currently has two nonattainment areas, Chicago and Metro East, and one maintenance area, Jersey County eligible for funding under CMAQ.

4-1.07 Bicycle Facilities

The implementation of pedestrian and bicycle accommodations may be authorized for Federal-aid participation as either incidental features of highways, or as independent projects, where all of the following conditions are satisfied:

1. The safety of the motorist, bicyclist, and/or pedestrian will be enhanced by the project.
2. The project is initiated or supported by the appropriate State and local highway agencies and/or the Federal Land Management Agency. Projects must be located and designed pursuant to a plan, which provides due consideration for safety and contiguous routes.
3. Independent bicycle projects, incidental bicycle projects, and non-construction bicycle projects must be principally for transportation rather than recreational use, and must meet the project conditions for authorization, where applicable.
4. A public agency has formally agreed to:
 - accept the responsibility for the operation and maintenance of the facility;
 - ban all motorized vehicles, other than maintenance vehicles or snowmobiles, where permitted by State or local regulations, from pedestrian walkways and bicycle paths; and
 - ban parking, except in the case of emergency, from bicycle lanes that are contiguous to traffic lanes.
5. The estimated cost of the project is consistent with the anticipated benefits to the community.
6. The project will be designed in substantial conformity with the latest official design criteria.

4-1.08 Emergency Relief

The Emergency Relief (ER) Program provides funding to assist State and local governments with the expense of repairing serious damage to Federal-aid highways after FHWA has determined that natural disasters or catastrophic failures have occurred. Federal requirements specify that ER funds may only be used for emergency repairs to restore essential highway traffic, to minimize damage resulting from a natural disaster or catastrophic failure, or to protect the remaining facility and make permanent repairs. Emergency repairs are eligible for 100% federal reimbursement. The federal participation ratio for restoration work is 80%. Basic eligibility criteria are as follows:

1. The Governor must make a formal proclamation of the existence of a disaster.
2. There must be at least \$700,000 of eligible damage in the State.
3. Damage must be on a Federal-aid highway.
4. Damage must require work that is beyond "heavy maintenance" (e.g., work frequently performed by the applicant's maintenance crews).

5. Only sites with damage repair estimated to cost \$5,000 or more may be eligible.
6. Damage must have occurred as a direct result of the disaster.

For more information on the ER Program on Federal-aid highways, review the following documents or contact the district:

- *FHWA Emergency Relief Manual,*
- *A Guide to the Federal-Aid Highway Emergency Relief Program,* and
- *A Summary of Emergency Relief (ER) Procedures for Federal-Aid Highways.*

4-1.09 Innovative Bridge Research and Construction Program

The Innovative Bridge Research and Construction Program is a discretionary program that promotes the use of innovative materials technology in the construction of bridges and other structures. The Program is a subset of the Technology Deployment Initiatives and Partnerships (TDIP) Program. TDIP is intended to accelerate the adoption of innovative technologies. The LPA is responsible for monitoring and documenting the performance of the experimental features of the project. The federal share can be 100% of the cost of the preliminary engineering and construction of the “innovative material” portion of the project.

4-1.10 National Scenic Byways Programs

Federal funds are allocated for technical assistance and grants to states to develop Scenic Byway Programs and to undertake related projects along roads designated as National Scenic Byways, All-American Roads, or State Scenic Byways. These are routes that have scenic, cultural, national, recreational, or archeological qualities. Illinois currently has designated five National Scenic Byways — Meeting of the Great Rivers, the Great River Road, the Lincoln Highway, the National Road, and the Ohio River Scenic Route.

4-1.11 Federal Lands Highways

In Illinois, the Federal Lands Highways (FLH) Program provides funding for public land highways. The Shawnee National Forest in southern Illinois and the Midewin National Tallgrass Prairie in Will County contain the only Public Lands highways eligible for FLH funds within the State. Illinois receives an allocation to be used on the Forest Highways. FHWA also makes discretionary funds available.

4-1.12 Ferry Boats Discretionary Program

Federal funds are allocated for the construction of ferry boats and ferry terminal facilities that are mostly publicly owned or publicly operated. The funds are distributed to states at the discretion of the FHWA Administrator based on the relative merits of applications received from the states.

4-1.13 Transportation and Community and System Preservation Pilot Program

The Transportation and Community and System Preservation Pilot (TCSP) Program is a comprehensive initiative of research and grants to investigate the relationships among transportation, community, system preservation, and private sector-based initiatives. States, local governments, and Metropolitan Planning Organizations (MPOs) are eligible for discretionary grants to plan and implement strategies that:

- improve the efficiency of the transportation system;
- reduce environmental impacts of transportation;
- reduce the need for costly future public infrastructure investments;
- ensure efficient access to jobs, services, and centers of trade; and
- examine private sector development patterns and investments that support these goals.

The TCSP funds can be used to fund 100% of the eligible project costs. For additional guidance, see the FHWA pamphlet “Transportation and Community and System Preservation Pilot Program.”

4-1.14 National Corridor Planning and Development Program

The purpose of the National Corridor Planning and Development Program is to provide allocations to states and MPOs for coordinated planning, design, and construction of corridors of national significance, economic growth, and international or interregional trade. Eligibility for NCPD Program funds is limited to:

- states and MPOs;
- the 21 corridors identified in ISTEA;
- the 8 corridors added in by the National Highway Designation Act of 1995;
- the 14 corridors added by the 1998 TEA-21;
- any modifications to these eligible corridors made in succeeding legislation; and
- other significant corridors selected by the U.S. Secretary of Transportation considering:
 - + any increase since NAFTA in commercial vehicle traffic volume at border stations or ports of entry in each State and in the State as a whole;
 - + projected further increases in this type of traffic;
 - + flow of international truck-borne commodities through each State;
 - + reduction in travel time through a major international facility;
 - + leveraging of federal funds via use of innovative financing, using funds from other Title 23 programs, other federal funds and/or State, local, and private funds;
 - + value of cargo and the economic costs of congestion; and
 - + economic growth and development in areas underserved by existing highway infrastructure.

The types of projects that are eligible for funding include the following:

- feasibility studies,
- comprehensive corridor planning and design activities,
- location and routing studies,
- multi-state and intrastate coordination for corridors, and
- environmental review or construction after review by the U.S. Secretary of Transportation of a development and management plan for the corridor or useable section of the corridor.

4-1.15 Value Engineering

Value Engineering (VE) is the systematic application of recognized techniques by a multi-disciplinary team to identify the function of a product or service, establish a worth for that function, generate alternatives through the use of creative thinking, and provide the needed functions to accomplish the original purpose of the project, reliably and at the lowest life-cycle cost without sacrificing safety, necessary quality, and environmental attributes of the project. The purpose of VE is to improve project quality, reduce project costs, foster innovations, eliminate unnecessary and costly design elements, and to ensure efficient investments. VE is applicable to all Federal-aid highway projects with an estimated cost of \$50 million or more and all federal-aid bridge projects with an estimated cost of \$40 million or more. See Section 17-2.03 for VE Procedures.

4-1.16 Asset Management

Asset management is a business process and a decision-making framework that covers an extended time horizon, draws from economics as well as engineering, and considers a broad range of assets. The asset management approach incorporates the economic assessment of trade-offs among alternative investment options and uses this information to help make cost-effective investment decisions.

In accordance with Section 303, Title 23, United States Code (U.S.C.) Federal funds may participate in the costs incurred by local highway agencies for management systems related to the development, establishment, and implementation of a system for managing each of the following:

- Highway pavement of Federal-aid highways
- Bridges on and off Federal-aid highways
- Highway safety
- Traffic congestion
- Public transportation facilities and equipment
- Intermodal transportation facilities and systems

The management systems listed above and the data collection and data management that support these systems are funded as a direct project cost. Costs associated with updating data components may be considered necessary expenses associated with running a functioning management system, but in implementing the management system, it may be necessary to augment the system data with updated annual or biennial data collection.

4-2 STATE PROGRAMS

4-2.01 General

The State of Illinois provides funding to local governments for transportation-related improvements under a variety of programs. Section 4-2 provides a brief discussion on these various sources of funding. In all cases, any interested parties should contact the district for more information on these Programs.

4-2.02 Township Bridge Program

4-2.02(a) Source and Distribution

605 ILCS 5/6-901 provides a State-funded program of \$15 million per year to construct bridges on the township or district road system. Funds appropriated to IDOT for this Program are apportioned to the counties in the same manner as Motor Fuel Tax (MFT) revenues for the use by road districts. Each county will subsequently allocate these funds to all eligible road districts in that county. The allocation to the road districts will be made in the same manner and be subject to the same conditions as are MFT revenues allocated for use of the district road system. However, no allocation will be made to any road district that has not levied taxes for road and bridge purposes at the maximum rates permitted without referendum as established by each individual section: 605 ILCS 5/6-501, 605 ILCS 5/6-508, and 605 ILCS 5/6-512. The rate will be determined by dividing the current year's tax levy amount by the previous year's assessed valuation, as adjusted. The district road system may permanently transfer, into the regular road fund (605 ILCS 5/6-501), joint bridge tax fund (605 ILCS 5/6-508), or county unit road tax (605 ILCS 5/6-512), a sufficient amount of money so that the levy and/or the transfer are at least equal to the maximum rates permitted without referendum. Road districts not currently levying the required rate because of the Property Tax Extension Limitation Law (PTELL) are eligible if they were levying at the required rate prior to PTELL and continue to levy the maximum amount after the imposition of PTELL.

For every \$4 of State TBP funds used, \$1 of local funds must be committed to the project. Local funds are defined as any other source of funds available to the district road system other than federal and State funds that have been appropriated through IDOT.

Funds apportioned but not obligated by the LPA within 48 months of the date when the apportionment is made, will lapse. Funds that have lapsed will not be available to the county treasurer for use by the road districts but, instead, will be deposited in the Township Bridge Lapse Pool; see Section 4-2.03 of this Manual.

4-2.02(b) Use of Township Bridge Program Funds

The following will apply to the use of Township Bridge Funds:

1. Project Scope. The Township Bridge Program provides State funding for the construction or rehabilitation of bridges 20 ft (6 m) or more in length, measured back-to-back of the abutment along the roadway centerline on the district road system, including a reasonable vertical and horizontal approach. It also includes the necessary engineering and right-of-way costs to complete the project.

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2. Project Selection. The highway commissioners, in cooperation with the county engineer, are responsible for selecting the bridges to be constructed based on the following (in order of priority):
 - safe and expeditious transportation of school pupils,
 - movement of agricultural equipment and products,
 - rural free delivery mail routes, and
 - meeting anticipated traffic needs of the general public.
3. Use in Combination with Other Funds. Funds allocated through the Program may be used in conjunction with any other source of funds to complete a project. This includes matching of federal funds for bridge projects. The only condition is that at least for every \$4 of the TBP fund, \$1 must come from local funds. Local funds are defined as any other source of funds, including MFT, available to the road district other than federal and State funds that have been appropriated through IDOT.
4. Funding Limitations. Project costs are eligible for payment from those available funds apportioned prior to the award of the contract for the project. Exceptions that may be funded considering subsequent apportionment are indebtedness and contract additions.

4-2.03 Township Bridge Lapse Pool

Pursuant to 605 ILCS 5/6-906, funds apportioned to the counties for the Township Bridge Program are considered lapsed if they are not obligated within 48 months to the date of the apportionment. IDOT has established an administrative program whereby allocated TBP funds that have lapsed are placed in a TBP Lapse Pool. This fund provides additional monetary assistance to townships that have insufficient financing for larger bridges that are beyond the normal scope of the Township Bridge Program. The State will provide a maximum of 80% of the construction and construction engineering cost. The LPA must provide the remaining 20%.

The following items are considered when evaluating candidates for this funding:

1. Posting. Structures with low load postings or closures receive a higher priority than non-posted structures.
2. Average Daily Traffic Volume (ADT). Structures with traffic volumes less than 25 ADT are generally eliminated from consideration.
3. Adverse Travel. Longer adverse travel required by a bridge closure receives a higher priority.
4. Cost. Structure replacement costs greater than 2 years of TBP allotment to the county receives higher priority.
5. Safety. Information pertaining to crashes or hazardous conditions and how they will be rectified will be considered.
6. School and Mail Routes. Routes used for schools or mail delivery receive a higher priority.
7. Growth. New growth, either residential or industrial, relating to increased traffic is considered.
8. Letting Dates. Preference is given to those structures that can be replaced within 1 year.

4-2.04 Illinois Grade Crossing Protection Fund

Safety at railroad/highway grade crossings has long been a matter of public concern. The extreme severity of grade crossing crashes creates a safety issue of major significance.

Each month, \$3,500,000 from the Motor Fuel Tax fund, see Section 4-3 of this Manual, is deposited into an account in the State Treasury, known as the Grade Crossing Protection Fund (GCPF), for the improvement of railroad/highway crossings on local highway systems. Each fiscal year not less than \$12,000,000 must be used for the construction or reconstruction of rail/highway grade-separation structures. Up to \$2,000,000 per year can be spent on pedestrian overpasses and underpasses. The normal maximum GCPF for a project is \$12,000,000.

Additionally, Grade Crossing Protection Funds are available for incentive payments to local highway agencies in exchange for the closure of existing highway/rail grade crossings. Depending on the level of vehicular traffic, the incentive payments can range from \$50,000 to \$70,000.

The Illinois Commerce Commission (ICC) may also order up to \$2,000,000 per year in Grade Crossing Protection Funds for the improvement of grade crossing surfaces and up to \$300,000 per year for the maintenance and renewal of 4 quadrant gate vehicle detection systems located at non-high speed rail grade crossings.

Funds can only be used upon approval from ICC and for projects that improve the safety of at-grade crossings and grade-separation structures. GCPF can be used for improvements at railroad crossings on the county, township, road district, and municipal road and street systems. However, the fund cannot be used for improvements at railroad crossings on the State highway system.

Through a cooperative effort of ICC, IDOT, railway companies, and LPAs, hazardous crossing locations are identified and, where practical, corrective measures are funded by the program. GCPF is primarily used for the following types of improvements:

- the construction or upgrade of crossing protection (e.g., new or additional signals, gates, circuitry upgrades);
- the construction or improvement of any highway necessary for access to property due to a crossing closure; and/or
- the construction, reconstruction, relocation, or removal of grade-separated structures.

Figure 4-2A summarizes the typical cost divisions for grade crossing improvements. Additional information on the Grade Crossing Protection Fund can be found at the Illinois Commerce Commission website.

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Improvement Type	GCPF (%)	LPA (%)	Railroad Company (%)
Signal Installation	85 (1)	10 (2)	5
Bridge Replacement (no Federal funds)	60	30-40	0-10 (4)
Bridge (with Federal funds)	Up to 60	Remainder (3)	0 -10 (Lump Sum) (5)
New At-Grade Crossings- Signals	50	50	0
New At-Grade Crossing- Surface	0	100	0

Notes:

- (1) *Typically, all GCPF portions are not to exceed a lump-sum amount, with another party being apportioned any remaining costs over and above the estimated cost.*
- (2) *The LPA contribution may be waived in exchange for a crossing closure at a second location.*
- (3) *This portion may be funded under the Highway Bridge Program (HBP), the Surface Transportation Program (STP), Township Bridge Program (TBP), and/or other federal, State, or local funds.*
- (4) *The railroad company's contribution is dependent upon its existing bridge maintenance responsibilities.*
- (5) *The railroad company's contribution is voluntary unless the new bridge replaces a grade crossing protected by active warning devices. A minimum 5% contribution from the railroad is required for these projects.*

These cost distributions are typical; ICC will determine the actual cost distributions.

GRADE CROSSING PROTECTION FUND ALLOCATIONS

Figure 4-2A

4-2.05 Economic Development Program

The Economic Development Program (EDP) provides State assistance for highway improvements that provide access to new or expanding industrial distribution or tourism developments. The primary intent is to make available State matching funds that will be a positive contribution in the location and selection process and to target those projects that will aid in expanding the State's existing job base and create new employment opportunities. EDP is designed to assist where the development of these facilities is imminent. Ineligible projects include those that only provide access to retail establishments, that only improve opportunities for future development, or that are speculative in nature. This Program is administered jointly by the IDOT Office of Planning and Programming and the Central BLRS.

EDP provides up to 50% in State funds for costs to improve access to eligible sites. The remaining funds must be provided by local or private sources. The basic funding arrangement may be altered on a case-by-case basis for projects that include improvements on roads under State jurisdiction. When work is on a State highway, the State funds will pay up to 100% of eligible costs.

Local matching funds may consist of local road and bridge tax funds, the LPA's Motor Fuel Tax allocation, or other local revenues. Funds obtained from the Truck Access Route Program, Section 4-2.06, can also be applied to the local matching funds. Local matching funds cannot include grant funds received from other State agencies.

See the IDOT publication, Guidelines for the Economic Development Program, for additional information.

4-2.06 Truck Access Route Program

The Truck Access Route Program (TARP) assists local government agencies in upgrading highways to accommodate 80,000-pound (36,000-kg) trucks. Projects must connect to a truck route on one end and terminate at a truck generator and/or another truck route (unless phase construction is approved). The LPA must pass a resolution designating the road as a Class II or Class III truck route and post signs with that designation, see section 3-2.02(d).

TARP is designed to help pay the cost difference of upgrading local highways to meet additional weight and geometric requirements. The State provides up to \$45,000 per lane-mile and \$22,000 per intersection or up to 50% of the entire project, whichever is less. The State's share of the cost is not to exceed \$900,000.

The Central BLRS administers TARP. See the IDOT publication, Guidelines for the Economic Development Program, for additional information.

4-2.07 State Matching Assistance Program

The State Matching Assistance Program is designed to assist counties in matching federal funds when the county cannot derive sufficient matching funds from local taxation. Counties receive a Surface Transportation Program Rural (STR) allotment that may be used to fund up to 80% of eligible project costs. Counties are allowed to levy a Federal-aid matching tax to use for the local share. Although an 80/20 federal/local matching ratio is allowable for STR projects, a lower matching ratio is considered to be more equitable when determining the need for matching funds because the counties receive other Federal-aid funds (e.g., HBP, STU) that require a local match. Some counties do not have a sufficient tax base to generate the local funds needed for the match. The State Matching Assistance Program provides \$4 million per year addressing this problem.

The county is required to levy a Federal-aid matching tax of at least 0.045% to be eligible for assistance. To receive the maximum amount, the county is required to have a tax rate of 0.05%. If the rate is 0.045%, the allocation is 90% of the maximum. If the rate is between 0.045% and 0.05%, the assistance is prorated. If the rate falls below 0.045%, the county may retain its eligibility for assistance if a permanent transfer of funds from a non-highway fund to the Federal-aid matching tax fund is made to meet the equivalent of the minimum eligibility threshold.

The maximum assistance amount for each county is established as the difference between the amount required to match the county's STR allotment using a computer-generated Federal/local matching ratio and the funds generated by the county's Federal-aid matching tax. This matching ratio is variable each year and is generated to result in the use of the entire State matching assistance amount. All counties with a short fall under this formula receive full funding of the shortfall.

The amount of funds received by each county varies from year-to-year. The variable amount of STR funds available each year and the local Equalized Assessed Valuation, as provided by the Department of Revenue, have a direct correlation on the amount of funds to be disbursed based on shortfall. As an example, when the STR allotment increases, the poorer counties will have a greater need for an additional match. Conversely, when the allotment decreases, the poorer counties will not have a need to match as much Federal funding and will require less State matching assistance funds.

State matching funds may be used for any Federal-aid project. Two factors impact the implementation of the State Matching Assistance Program:

1. Lump-Sum Use. Counties may use its accumulated matching funds to defray any part or the entire non-federal portion of any local Federal-aid project, regardless of the federal matching percentage. However, the State matching assistance must be committed as a lump-sum rather than a percentage of the project cost.
2. Anticipation. There can be no anticipation of State matching funds (e.g., no county can commit more State matching assistance funds to a project than it has available at the time of letting). However, existing agreements for active projects may be amended to increase the amount of State matching assistance when it becomes available.

4-2.08 County Consolidated Program

The County Consolidated Program provides \$21.8 million per year for distribution to all counties except Cook County. The counties share equally \$8 million of the funds with the remaining portion distributed using the Motor Fuel Tax formula, which is based on the amount of motor vehicle license fees. The funds must be deposited in the agency's MFT account and can be expended for any permissible MFT use. See Section 4-3 of this Manual for more details on the Motor Fuel Tax.

4-2.09 Needy Townships

The Needy Townships Program provides \$10 million per year of State assistance for needy townships and road districts that levy at the maximum tax rate allowed without referendum, but do not generate enough revenue to meet a minimum level of funding per mile of roadway. The funds must be deposited in the MFT account and can be expended for any permissible MFT use. This program is available to areas with the lowest ability to generate revenue on a per-mile basis. The eligible townships and assistance levels are set based on the equalized assessed valuation, annual average MFT distribution per mile, and average maintenance cost per mile.

4-2.10 High-Growth Cities

The High-Growth Cities Program provides \$4 million of State assistance per year to municipalities with populations over 5,000 that are experiencing above-normal population growth. Any municipality having an increase in population of at least 5% either through the comparison of two consecutive decennial census or the comparison of a decennial census and a special census within a given decade is eligible for this program. Funding is allocated among eligible cities based on their current population and per capita increase compared to all eligible cities. The funds must be deposited in the LPA's MFT account and can be expended for any permissible MFT use.

4-2.11 County Engineer Salary Program

This program is designed to aid counties in paying a reasonable professional salary for their county engineers. In exchange for an equal amount of a county's federal Surface Transportation Program (STP) allotment, the state will provide state funds to pay up to one-half of a county engineer's salary.

Recommended salaries have been established for the 99 counties in Illinois that receive rural STP federal-aid highway funds. The recommended salaries are established by a ranking system considering five factors:

- county MFT allotment
- county lane mileage
- county population
- county assessed valuation
- county system vehicle miles of travel

The sum of the five individual ranks is used to determine an overall rank. The magnitude of the responsibilities for each ranked county has been related to comparable department civil engineer responsibilities and an equivalent recommended salary established for each county. The county rankings are computed each year using the latest available data, and the respective recommended salaries are adjusted annually in a like manner as the department's salary bracket for civil engineers.

A county must agree to pay the county engineer a salary, exclusive of normal expenses, of at least 95% of the recommended salary to be eligible for the program. The amount of the exchange shall be no more than one-half of the salary paid to the county engineer with no upper salary limit, recognizing that a county may pay more than the recommended salary.

The county and the department shall enter into an agreement covering the terms of the exchange. An agreement can be entered into at any time during the year.

A county who shares an engineer with another county will qualify for this program by paying at least 95% of either the following:

1. The salary of at least 60% of the current recommended salary, or
2. A salary that, when combined with the salary paid by the county sharing the engineer, totals 60% of the sum of the current recommended salaries of the two counties.

4-2.12 Funding for Jurisdictional Transfers

Funds may be provided by the State, based on the present worth of the highway or structure, to the LPA that agrees to assume jurisdiction for the facility. The present worth is determined using the life-cycle cost of keeping the highway in a serviceable condition.

4-2.13 Park Access Program

The Park Access Program provides funding for road projects that are located within or provide access to State parks and historic sites. The projects are selected jointly by IDOT, the Illinois Department of Natural Resources (IDNR), and the State Historic Preservation Officer (SHPO). Applications should be sent to IDNR. Funding is allocated at 100% of the total project cost.

4-2.14 Noise Abatement Program

The Noise Abatement Program provides State funding for noise abatement projects along existing fully access-controlled State routes in urban areas. LPAs are required to provide 50% local matching funds. Federal funds can be used to supplement the project cost if the project is designed to meet federal criteria. Costs associated with preliminary engineering, construction, and construction engineering are eligible. Costs associated with right-of-way and utilities are not eligible. The sponsoring agency must document the traffic-generated noise levels prior to applying for funds, and it must also pass a zoning ordinance regarding land use. Contact the Office of Planning and Programming for more information.

4-2.15 Access to Transit Capital Improvement (Operation Green Light) Program

The Access to Transit Capital Improvement Program seeks to improve multi-modal access to mass transit facilities. Municipalities, mass transit districts, mass transit carriers, and Regional Transportation Authority's service boards are eligible to apply for these funds. The Division of Public and Intermodal Transportation administers the program. The State share is 100%. Eligible projects must meet one or more of the following criteria:

- introduce innovations;
- reduce congestion;
- have regional application;
- enhance transit operations on roadways;
- improve pedestrian, bicycle, bus, and auto access to transit facilities; and/or
- reduce conflicts among modes in congested areas near transit facilities.

Land acquisition, engineering, and construction are eligible. Parking lots, depot improvements, and maintenance are not eligible.

4-3 MOTOR FUEL TAX (MFT)**4-3.01 Source**

In 1929, the Illinois General Assembly adopted a law placing a tax (e.g., 0.19 cents/gallon and an additional 2.5 cents/gallon on diesel fuel) on the operation of a motor vehicle on public highways and of operation of recreational watercraft on the water based on the consumption of motor fuel. Proceeds from this tax are administered by IDOT, with a portion of these revenues being allotted to counties, townships, and municipalities. The collection and distribution of these funds are outlined in the Motor Fuel Tax Law, 35 ILCS 505/1 *et seq.* and are referred to as the Motor Fuel Tax funds.

4-3.02 Distribution**4-3.02(a) General**

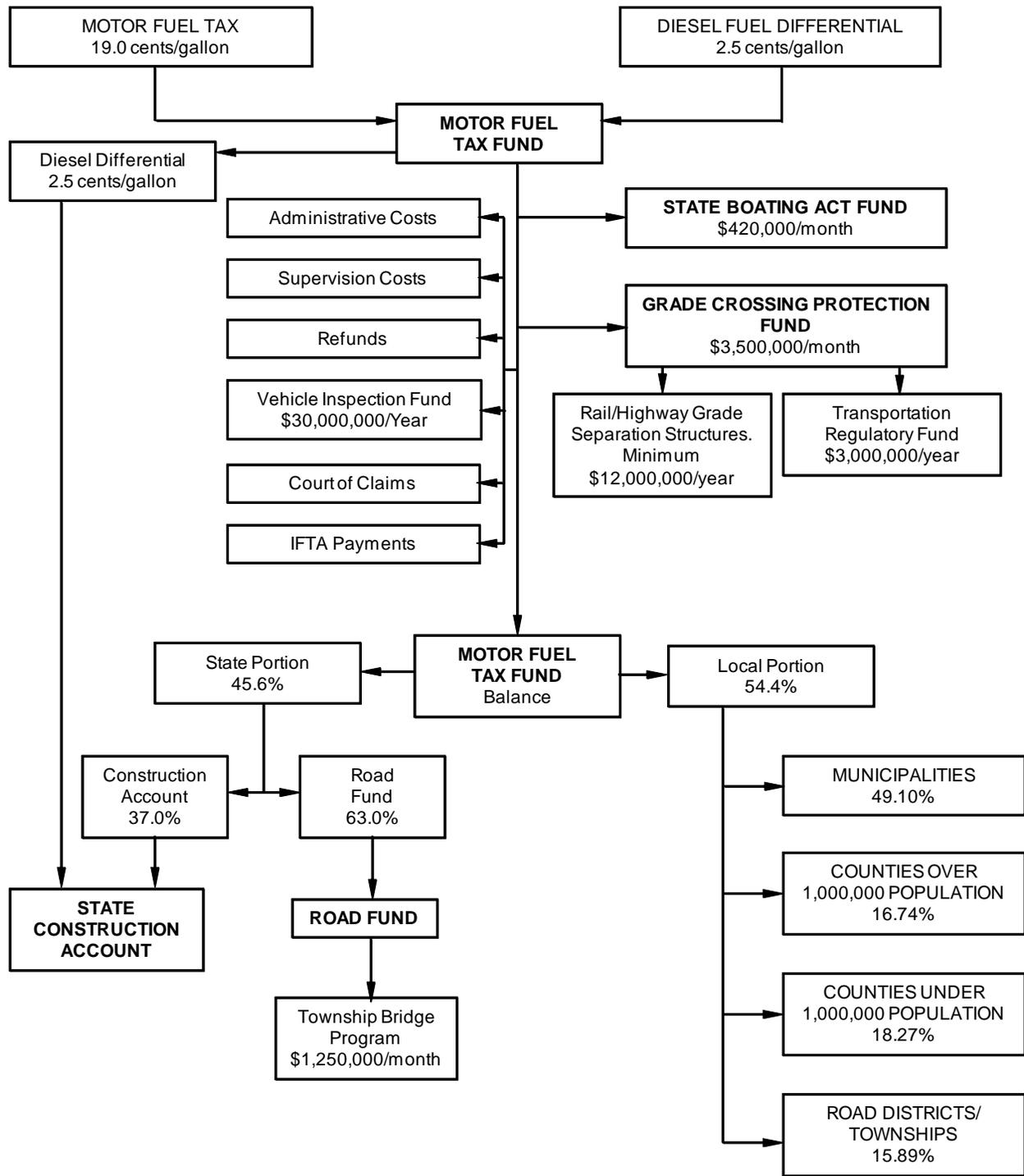
MFT funds are paid out to the units of local government in accordance with the Motor Fuel Tax Fund, 35 ILCS 505/8 provisions. All money collected by the Department of Revenue is distributed after the first day of each month. No funds are held in escrow for retroactive changes in allocations. Therefore, allocations will vary from month to month.

Figure 4-3A illustrates the distribution of Motor Fuel Tax funds. After deductions set by law, 54.4% of the remainder is distributed to LPAs. The following sections describe the allocation of the MFT funds to the counties, municipalities, and townships. See the IDOT publication, MFT Funds: Source, Distribution and Uses by (Municipalities) (Counties) (Townships) for more information.

4-3.02(b) Municipalities

A municipality's share of the total MFT municipal allocation is based on the ratio of that municipality's population to the total population of all incorporated areas in the State. The population figure is determined by the latest decennial census taken by the U.S. Bureau of Census. When the Illinois Secretary of State certifies the population count (65 ILCS 5/1-7-2), the Department of Transportation adjusts the municipal population figure on which the MFT allotment is based to agree with the certification (35 ILCS 505/8).

This municipal population figure for the purposes of determination of MFT allotments will remain in effect until the next decennial census, or if a change in population has been determined in accordance with the law. The following also applies to MFT allotments:



MOTOR FUEL TAX DISTRIBUTION

Figure 4-3A

1. MFT Allotments to New Municipalities. Before MFT allotments can be made to a newly incorporated municipality, articles of incorporation must be first filed with the Secretary of State. After the Secretary of State officially notifies IDOT that a Certificate of Incorporation has been issued, and after a census has been conducted, monthly MFT allotments will be made to the new municipality.

With respect to the census that must be made by the municipality, IDOT requires the submittal of:

- an ordinance adopted by the municipal board or council providing for the taking of the census;
- an affidavit executed by the municipal clerk and attached to the ordinance certifying to the passage of the ordinance; and
- an affidavit signed by the municipal clerk and president or mayor, and attested to by a notary public, giving the date of the census and the population of the municipality.

Forms BLR 04310, BLR 04311, and BLR 04312 may be used.

If all required information is provided, the municipality will be notified of the date on which the first allotment will be made.

2. Change in Municipal MFT Allotments Due to Annexing of New Territory. If new territory has been annexed after the last federal census was taken, and the municipality desires to have its allotment increased because of this fact, it must take a census of the annexed territory. The municipality must provide IDOT with executed copies of the information listed above. If all required information is provided, IDOT will notify the municipality of the date when the first allotment, reflecting the new population, will be made.
3. Change in Municipal MFT Allotments Due to Special Census. To change the population figure upon which MFT allocations are based, a municipality must contact the Director of the Census, Department of Commerce, Washington, D.C. to determine the procedures to conduct a special census. No other census will be accepted. This census must be an actual count of all inhabitants residing within the corporate boundaries; estimates or a census taken of only selected areas within a municipality are not acceptable.

After the Bureau of Census determines the census, the Director of the Census will furnish to the Office of the Secretary of State and the municipality a report of the results. The Office of the Secretary of State will then certify that it has received the results with a copy to the municipality and IDOT giving the new population of the municipality.

Upon receipt and review of the certification, IDOT will change the population figure upon which the municipality's MFT allocations are based and will notify the municipality of the date when the first allotment will be made due to the population change. MFT funds may not be used to pay for the cost of conducting any census.

4-3.02(c) County

Counties that have 1,000,000 or more inhabitants receive a special designated allocation. Allocations to counties having less than 1,000,000 inhabitants receive allocations in proportion to the amount of motor vehicle license fees received from vehicles registered in each county during the preceding calendar year. On or before April 15 of each year, the Secretary of State submits a full report to IDOT detailing the amount of motor vehicle license fees received from vehicles registered in each county during the preceding calendar year, pursuant to 35 ILCS 505/8(e).

4-3.02(d) Townships (Road Districts)

35 ILCS 505/8 defines “road district” as any road district provided for by the Illinois Highway Code. Road districts also include park districts, forest preserve districts, and conservation districts organized under Illinois law. The term “township or district road” also includes roads maintained by park districts, forest preserve districts, and conservation districts.

The following applies to MFT funds for road districts:

1. Road Districts. MFT funds apportioned for use by road districts are allotted to the several counties in the State. These allotments are apportioned among the counties in the proportion which the total mileage of township or district roads in that county bears to the total mileage of all township or district roads within the State. Funds allotted to the counties for the use of its road districts must be apportioned among the eligible road districts in proportion to the eligible mileage of township or district road systems in each eligible road district.

Any park district, forest preserve district, or conservation district must comply with all statutes related to road districts with respect to receiving Motor Fuel Tax allotments (Attorney General’s Opinion No. 85-024, dated December 2, 1985).

2. Minimum Taxes. To be eligible for MFT allocations, the road district must levy a tax or taxes for road and bridge purposes. To receive the maximum MFT allocation, the road district must levy a tax or taxes for road and bridge purposes at an extension rate of at least 0.08% of its assessed valuation. To meet this requirement, the road district may use both its regular road fund (605 ILCS 5/6-501) and permanent road fund (605 ILCS 5/6-601) either separately or in combination to equal the required percentage. If the road district does not levy a tax or taxes for road and bridge purposes at an extension rate of at least 0.08% of its assessed valuation, the road district’s MFT allocation shall be the percentage of the maximum allocation equal to the percentage obtained by dividing the rate extended by the road district for road and bridge purposes by 0.08%.

On or before July 1 of each year, the county clerk of each county will file a certificate with IDOT certifying the rate of road district tax levies in that county in accordance with the above formula. If the county clerk fails to file this certificate, the allotment to the county for the road districts will not be made. However, if the county clerk later in the year does make a proper certification, the allocation will be made beginning with the first month’s allotment following the date of certification.

If the tax and/or taxes are not levied in accordance with the Motor Fuel Tax Law, the MFT allotments of the ineligible road district will be reallocated to the eligible road districts within the county. The ineligible road district, upon subsequent compliance with the MFT law, will once again be eligible; however, allotments will not be retroactive.

3. Property Tax Extension Limitation Law (PTELL). PTELL limits the increases in a taxing district's extensions. PTELL allows a taxing district to receive a limited inflationary increase in tax extensions on existing property. Increases in property tax extensions are limited to a lesser of 5% or the increase in the Consumer Price Index. This affects non-home-rule taxing districts in Cook County and in the collar counties (i.e., DuPage, Kane, Lake, McHenry, Will). PTELL allows the county board of other counties, by ordinance or resolution, to submit to the voters of the county, the question of whether to make all non-home rule-taxing districts that have all or a portion of their equalized assessed value situated in the county subject to PTELL (35 ILCS 200/18-185 to 200/18-245).

As a result of PTELL, some road districts are unable to levy the minimum 0.08% road and bridge tax, which would result in some road districts becoming ineligible to receive the maximum MFT funds. 35 ILCS 505/8 enables road districts under PTELL to receive the maximum MFT funds. To become eligible, the road district must have been levying the minimum 0.08% road and bridge tax prior to PTELL and continue to tax at the maximum allowable amounts allowed by PTELL or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less.

4. Eligible Roads. According to 35 ILCS 505/8, IDOT is required to determine the mileage of all township and road district highways within the State for the purpose of allotting and allocating Motor Fuel Tax funds for use in road districts. Generally, a portion of a highway improved, designed, or ordinarily used for vehicular travel, exclusive of the berm or shoulder, is referred to as the roadway and is included in the mileage total provided that the highway is a public way for vehicular travel. Previously unreported public highways must be 0.04 miles (0.06 km) or longer to be included in the inventory for mileage totals.

To be considered a public way for vehicular travel, a road must be both "open" and "passable." The roadway must be free of obstructions (e.g., no gates, chains, fences, fallen trees) that prevent the public from gaining access to the full length of the road. There cannot be any no-trespassing, road-closed, or other signs or markers that prohibit public travel. Roads leading up to a closed bridge or culvert are considered a public way for vehicular travel if the approaches are passable. Vehicular travel may be prohibited or restricted for no more than 90 days in any one calendar year, pursuant to 625 ILCS 5/15-316.

A road is "passable" if the road can be traversed in a four-wheel drive vehicle in dry conditions without having to leave the roadway. The following criteria are used by IDOT to determine passability:

- a. Ruts. The roadway must be free of excessive ruts or potholes. Ruts in excess of 9 in (225 mm) should not exist on the majority of the roadway unless a four-wheel drive vehicle can straddle the ruts and traverse the road with relative ease at a low rate of speed.
- b. Delineation. For dirt roadways, delineation of the roadway must be readily identifiable, by either wheel paths or cross section recognition.

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- c. Clearance. Vegetation and other obstructions lateral to the roadway should be adequately cleared to allow a standard size 4-wheel drive vehicle to pass without rubbing and scratching the vehicle.
- d. Drainage. Adequate drainage is provided to prevent ponding on the roadway or erosion of the roadway, except in instances of seasonal or prolonged flooding.

If the open and/or passable criteria have not been met, IDOT will notify the township road commissioner and the county engineer of the problem and allow 30 days to correct it. If the problem is not corrected within 30 days, the road will be removed from MFT eligibility.

Township roads will be re-inventoried within a cycle to be determined by the district to determine MFT eligibility and verify length. A 5-year cycle is desirable.

4-3.02(e) Engineering Studies

MFT funds may be used by counties and municipalities for engineering studies, as permitted by the Illinois Highway Code. These studies must be restricted to costs incurred in performing only countywide or municipal-wide highway surveys or investigations, where the costs or conditions are such that the work cannot be accomplished as part of one or more construction sections. These surveys and investigations must also be limited to those necessary for the planning of future construction, reconstruction, or rehabilitation of streets and highways including the necessary appurtenances. They should be based on present and future traffic volumes and types, drainage facilities, traffic needs due to future expansion, and factors that will affect the design and location of future improvements. Any reports prepared in connection with these surveys or investigations must be filed with IDOT - one copy with the district and one copy with Central BLRS (605 ILCS 5/5-701.6 and 605 ILCS 5/7-202.11).

MFT funds may not be used for the hiring of planning engineers to make a comprehensive survey of the county or municipality that would lead only to the enactment of a new zoning ordinance.

Engineering studies that are designed to provide the highway authority with a report on the present condition and projected service life of specific highways or the entire highway network may be funded with MFT revenues. Pavement evaluation studies should be comprehensive reports that reflect the effects on present conditions produced by environmental factors, traffic volumes, and drainage characteristics. The approval of MFT funding for a pavement evaluation study will be subject to the following conditions:

1. Evaluations. The study should only include those evaluations that are necessary for the planning of future construction, reconstruction, rehabilitation, or maintenance of street and highway systems. Base the evaluations on present and future traffic volumes and types, drainage facilities, and traffic needs due to future expansion that would affect the maintenance or design of future improvements. Do not include any evaluation of streets or highways that obviously have no structural value (e.g., oiled earth).
2. Approval. Prior district approval is required for the individual roads and streets to be evaluated.

3. Treatment Recommendations. Based on the evaluations, provide various rehabilitation treatments for at least a 10-year projected service life. The district must approve the various treatments selected. When the evaluation indicates that none of the selected rehabilitation treatments are adequate, include in the study the needed information to indicate the adequate thickness of overlay to provide satisfactory performance. When an evaluation indicates that reconstruction is necessary, any information furnished in the evaluation is considered as information only. The new design must be based on IDOT's design procedures. See Chapter 44 of this Manual for information on pavement design.
4. Disclaimer. IDOT is not bound by the results of the evaluation. IDOT reserves the right to approve or disapprove any proposed rehabilitation treatment regardless of the evaluation.

4-3.02(f) Highway and Street Bond Issues

The Illinois Highway Code allows MFT funds to be used for the payment of principal and interest on approved bond issue improvements. Miscellaneous administrative expenses (e.g., legal fees, treasurer's fees, recording fees, and engineering fees) may also be included in the cost of the bond issue to retire the bonds. Election costs incurred in submitting the bond issue to referendum are not considered eligible MFT expenses (605 ILCS 5/5-701.5, 605 ILCS 5/5-701.11, 605 ILCS 5/6-701.6, and 605 ILCS 5/7-202.18). No more than 50% of the annual MFT allotment should be used to pay off bonds and their interests. This will allow funds to be available for maintenance and other needed improvements.

4-3.03 Uses of MFT Funds

4-3.03(a) General

This Section clarifies issues pertaining to 605 ILCS 5/5-701, 605 ILCS 5/6-701, and 605 ILCS 5/7-202, defines parameters for the use of MFT funds, and determines under what conditions MFT funds may or may not be used. Figures 4-3B through 4-3D summarize the permissible uses of MFT funds, and reference either the applicable section of the statute or the applicable Section of the BLRS Manual that discusses the use. Also, consider the following:

1. Cities. For cities with a population greater than 500,000, 25% of the MFT funds must be spent on non-arterial streets.
2. Counties. If the county highway system is being maintained in an acceptable condition, a maximum of 30% of a county's MFT funds may, with IDOT approval, be used for county unit road district roads.
3. Municipalities. A municipality can use MFT funds to match a Federal-aid project up to 50% of the cost of the project.
4. Municipality Street Extensions. Municipalities may construct and maintain extensions of municipal streets outside the corporate limits of the municipality, including parts of such streets that extend into another municipality, if it is performed pursuant to an agreement between the municipalities, see 605 ILCS 5/7-202.3. Municipalities may construct and maintain extensions of municipal streets within the corporate limits of any park district whose territorial limits are coterminous with the territorial limits of the municipality, pursuant to 605 ILCS 5/7-202.4.

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5. Employees. For employees of an agency who may be paid from the MFT fund under the foregoing instructions, the method of payment may be one of the following:
- Where the compensation is on an hourly, daily, or monthly basis, the agency may pay the employee directly from the MFT fund for the particular MFT-eligible job on which the work is performed.
 - Where the compensation is on an hourly, daily, or monthly basis, the agency may pay the employee from the fund for which he is regularly paid. This fund may then be reimbursed from the MFT fund for the job on which the work was performed for the amount paid to the employee for the time spent on the Motor Fuel Tax job.

Under both methods of payment, the agency must maintain complete records of the dates and times for the employees who are engaged in MFT funded work and the particular projects or sections.

Reimbursements from MFT will be made promptly and periodically, preferably each month.

Payments from MFT funds to other funds for reimbursement are made in the same manner as any other payment (e.g., a claim showing the date, project or section, the class of labor, and the rate of pay must be filed and a warrant drawn against the MFT fund in favor of the fund which is being reimbursed). It is not necessary that individual claims for each employee be filed, but a separate claim must be filed for each project or section and, if it is desired, all employees working on that project during the period covered by the claim may be shown on one claim and reimbursement made by one warrant.

4-3.03(b) Construction Items

Any item included as an integral part of an MFT roadway/construction project is eligible for MFT funding. This includes engineering and land acquisition. When selecting township roads for improvement, preference should be given to school bus and mail routes. See Section 14-2 of this Manual for guidance on using MFT funds for maintenance issues. The following discusses MFT eligibility for construction items:

1. Sidewalks and Curb Ramps. MFT funds may be used for the construction of sidewalks and related curb ramps providing the following requirements are met:
 - a. Municipalities are permitted to construct sidewalks and pedestrian paths within the right-of-way of any street. Also, municipalities are permitted to construct pedestrian subway and overhead crossings.
 - b. Counties and road districts may construct sidewalks provided:
 - The amount of pedestrian use of the street or highway justifies the construction of the sidewalks.
 - The LPA agrees to assume the responsibility for sidewalk maintenance and repair.

- The sidewalk is constructed as an integral part of, or subsequent to the completion of, a major paving project built by the State or by the county or road district under State supervision.
2. Proposed Street Lighting System. Municipalities may use MFT funds for the construction or reconstruction of a street lighting system on improved (e.g., a construction section) municipal streets, county highways, and State highways (605 ILCS 5/7-202.6). The System must provide the necessary illumination required by the current edition of American National Standard Practice for Roadway Lighting published by the Illuminating Society of North America.
 3. Storm Sewers. MFT funds may be used for the construction of storm sewers and appurtenances, or combination storm and sanitary sewers and appurtenances, where legally authorized under the following conditions:
 - a. Location. Storm sewers, except for outfalls, must be built entirely within the limits of the highway improvement under consideration.
 - b. Necessity. The storm sewers must be considered to be an integral and necessary part of a highway improvement. Resolutions proposing an improvement for the express purpose of justifying the construction of a storm sewer are not acceptable.
 - c. Staging. Storm sewers may be built at the first stage of a highway improvement, provided steps are taken for the complete improvement at the time of original approval, or storm sewers may be built coincident with or after a highway improvement has been completed by the State, or by the local highway authority under State supervision.
 - d. Capacity. MFT funds may be used to provide storm sewers and appurtenances of sufficient size to accommodate only the water that would naturally flow to the roadway. If the LPA chooses to provide excess capacity to accommodate sanitary flow or water from other locations, the excess capacity must be paid for with other funds.
 - e. Outfalls. MFT funds may be used to construct municipal storm sewer outfalls outside the corporate limits up to the nearest acceptable natural waterway or connection to an acceptable existing storm sewer.
 - f. Basins. If required by local stormwater management agencies, retention/detention basins may be constructed with MFT funds. The MFT participation in construction of these basins will be determined in accordance with the capacity restrictions noted in item 3d.
 - g. Approval. Combination storm and sanitary sewers must be approved by the Illinois Environmental Protection Agency, Water Pollution Control Bureau.

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4. Parking Facilities. MFT funds may be used by LPAs to acquire right-of-way and construct parking lanes adjacent to the roadway. Municipalities may also use MFT funds for off-street parking facilities (605 ILCS 5/7-202.17). MFT funds used for parking facilities are subject to the following conditions:
 - a. Public Availability. All parking facilities must be generally available to the public and may not contain individually reserved parking spaces. However, parking facilities in commercial areas or adjacent to public buildings must contain spaces reserved for disabled individuals.
 - b. Restricted Parking. Parking spaces or lanes restricted for use by “residents only” or other special restrictions will be considered on an individual basis. Requests, presenting the need for and the conditions of the restriction, require approval by Central BLRS. Requests should be submitted through the Regional Engineer. Requests that provide for individually assigned parking spaces will not be approved.
 - c. Revenue-Producing Parking. MFT funds may be used for a revenue-producing, off-street parking area. The disposition of parking revenues must be in accordance with the provisions of Chapter 9 of this Manual.
 - d. Resetting Parking Meters. MFT funds may be used for moving and/or resetting parking meters where the work is made necessary by the construction of an MFT improvement.
 5. Traffic Control Devices. MFT funds may be used for the installation and maintenance of all or any warranted traffic control devices. These traffic control devices may include, but are not limited to, traffic signals, beacons, signs, and pavement markings.
 6. Right-of-Way Expenses. MFT funds may be used to purchase any right-of-way that may be required to construct a highway improvement. Legal fees, appraisal fees, and survey fees associated with these purchases may also be paid with MFT funds provided that MFT funds are not used to reimburse any public official or to reimburse any other fund for the salary and expenses of the state attorney, municipal attorney, municipal engineer, or others who are officials of the LPA.

IDOT approval of MFT expenditures for right-of-way is contingent upon adequate documentation that legal requirements have been met, that property owners are being treated equitably, and that the purchase price is fair.
 7. County Garages. Counties may use MFT funds for constructing and maintaining a garage used for the storage and maintenance of construction or maintenance vehicles or equipment (605 ILCS 5/5-701.9). MFT funds may not, however, be used to purchase property for the construction of the garage (Attorney General’s Opinion F-1968, May 22, 1968). Office space may be constructed by counties with a population greater than 1,000,000.
 8. Construction and Maintenance of Salt Storage Facilities. MFT funds may be used for the construction, reconstruction, maintenance, and rental of structures for the storage of salt used for highway maintenance provided that:

- MFT funds are not used to purchase the property for construction; and
 - MFT funds are not urgently needed for other improvements.
9. Bicycle Facilities. LPAs may use MFT funds to construct bicycle facilities under the following conditions:
- a. Counties. Counties may use MFT funds for:
 - placing, erecting, and maintaining signs or surfacing markings to designate official bike routes along a county highway;
 - the construction and maintenance of bicycle routes along county highways or along State highways by agreement with IDOT in counties with a population over 500,000. Also, the Bikeway Act contains provisions that allow the expenditure of MFT funds in counties of over 500,000 population for construction and maintenance of bikeways along public utility or railroad right-of-way (605 ILCS 30/2); and
 - paying the county's share for bicycle facilities constructed as part of a federally eligible transportation project on, adjacent to, or intended to serve any county highway (605 ILCS 5/5-701.7).
 - b. Municipalities. Municipalities may use MFT funds for the construction and maintenance of bicycle paths, lanes, or bicycle parking facilities, as well as signing and marking bicycle routes along streets within the municipality (605 ILCS 5/7-202.20).
 - c. Townships/Road Districts. Township and road districts can use MFT funds for signing and marking bicycle routes along township roads (605 ILCS 5/6-701.7).
10. Railroad Crossings. Railroad crossing upgrades are eligible for MFT funds.
11. Utilities. The cost of moving or removing existing publicly owned utilities, made necessary by road and street improvements, may be paid with MFT funds, with the exception of municipally owned utilities lying outside the corporate limits. The cost of moving or removing existing privately owned utilities, made necessary by road or street improvements, may be paid with MFT funds if the existing facilities are located on private right-of-way. If the existing utilities are located on public right-of-way, the cost of moving or removing them must be borne by the utility company. Utility agreements are necessary when an improvement requires relocation or adjustment of utility appurtenances except when existing permits provide for moving or removing a utility. Section 5-7 of this Manual provides guidance on the preparation of a utility agreement.
12. Equipment Operations. Equipment operation costs are eligible for MFT funds. However, the purchase and repair of this equipment are not eligible.
13. Cattle Passes. The costs of constructing cattle passes on improvements involving the use of MFT funds must meet the following:

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- a. Property Owners. Where the improvement is on an existing road or street, the property owner is responsible for the entire cost of the cattle pass, except where the crossing is made on any waterway or natural channel for water and where a culvert or bridge is maintained as required for road purposes. In these cases, the owners or occupants are not required to pay for or construct any more of the crossing than the additional cost in excess of the necessary cost of a suitable culvert or bridge for road purposes.
- b. Local Governments. In special cases, the local governmental agency may participate in the cost of constructing cattle passes to the extent that the highway or traveling public is benefited by having the livestock pass under the highway, rather than at grade and, where new or additional right-of-way is being obtained, the value of the right-of-way can be considered as an offset on all or part of the cost of the livestock pass.
- c. Submission. Before the authorization of the expenditure of MFT funds can be made for the construction of livestock passes, the LPA must submit the following information for consideration:
 - the estimated cost of the livestock pass;
 - the estimated value of land taken from the property owner plus damages to land not taken, if any;
 - the amount paid the landowner for the land, either in cash or other consideration; and
 - the estimated value to the traveling public because the livestock crossing will be underneath the roadway rather than at grade.

4-3.03(c) Salary and Expenses

The following applies to MFT eligibility for salaries and expenses:

1. Counties. The county engineer's salary and expenses may be paid out of general or highway funds of the county (605 ILCS 5/5-202). MFT funds allocated to the county for highway purposes may be used to pay the salary and expenses related to the county engineer's duties required by the Illinois Highway Code (605 ILCS 5) or the Department. However, MFT funds allocated to counties to be used by road districts may not be used to pay any portion of a county engineer's salary or expense (Attorney General's Opinion No. 457, August 21, 1933).
2. Road Districts. A highway commissioner is an elected public official and an officer of the township or road district. The commissioner's salary may not be paid with MFT funds allotted to the counties for use by the road district (Attorney General's Opinion No. 928, March 14, 1927). Road district treasurer fees may not be reimbursed with MFT funds.
3. Municipalities. If the corporate authorities of a municipality appoint an individual to a position within the Public Works Department or Engineering Department, the municipality must first provide for the individual's compensation for all of the duties of the officer by ordinance. The municipality shall not pay any portion of the salary of the appointed position from the MFT funds allotted to the municipality (Attorney General's Opinion No. 315, April 29, 1952).

4. Employee Salaries and Fringe Benefits. The following applies:

- a. Wages or Salaries. Other public employees who are not classified as elected public officials or officers of the LPA (e.g., other engineers, technical staff, foreman, laborers) may be paid from the MFT fund for the time actually engaged in MFT funded construction or maintenance projects. They must receive the same rate of pay as they would normally receive from the agency while engaged in other work of a similar classification.
- b. Holidays, Vacation, and Sick Leave. Payment of a prorated portion of holidays, vacation, and sick leave may be made with MFT funds for costs incurred by the agency while working on MFT funded maintenance and construction projects.
- c. Health, Hospitalization, and Life Insurance. Payment of a prorated portion of health, hospitalization, and life insurance premiums may be made with MFT funds for costs incurred on MFT funded maintenance and construction projects.
- d. Workers' Compensation Insurance Premiums. Worker's compensation premiums covering county, road district, and municipal employees are eligible for payment with MFT funds. These premiums may be paid with MFT funds in the prorated share of the employees' salary that is paid from MFT revenues.
- e. Retirement and Social Security. Counties, municipalities, and road districts whose employees are covered under the provisions of the Illinois Municipal Retirement Fund, 40 ILCS 5/7-101 *et seq.*, may use MFT funds to pay their contributions to the Municipal Retirement Fund. The term "municipality" in the Illinois Municipal Retirement Fund includes not only municipalities, but also other political subdivisions, including counties and townships. The provision provides that the political subdivisions' contribution will be paid from the same funds from which the employee's compensation is paid, and also provides that the political subdivision may levy a tax to reimburse the fund from which the contribution was made. If a tax is levied for that purpose, the MFT account must be reimbursed as the taxes are collected, and the amount of the reimbursement shown on the statement accompanying the request for expenditure of MFT funds for the next period.

Counties, municipalities, and road districts whose employees are covered under the provisions of the Social Security Enabling Act, 40 ILCS 5/21-101 *et seq.*, of the State may also use MFT funds to pay their contributions to the Social Security fund for work that is part of construction or maintenance of an MFT project.

5. Legal Fees. The following applies:

- a. County. Because the Office of State's Attorney is statutory and the duties, salary, and expenses of the Office are provided for by the State law, MFT funds cannot be used to pay the Office of State's Attorney expenses (55 ILCS 5/3-9001 *et seq.*).

- b. Municipal. The city attorney is an appointed municipal official, and the salary and duties are prescribed by the governing body of the municipality. MFT funds cannot be used to pay for legal work performed by a city attorney on MFT funded projects. However, because the city attorney's duties are not prescribed by law, the compensation of other persons, whom the governing body of the municipality might elect to hire to perform legal work in connection with the acquisition of right-of-way for MFT construction improvements, may be paid with MFT funds.
- c. Road Districts. Payment of attorney's fees and legal costs in connection with the procurement of right-of-way may be paid with MFT funds, providing:
 - the right-of-way is in the name of the road district;
 - the right-of-way pertains to an MFT road district construction project; and
 - no fees for legal work are paid to any county, township, or road district official (State's Attorneys' fees are not eligible).

4-3.03(d) Non-Dedicated Subdivision Roads Established Prior to July 23, 1959

Counties (605 ILCS 5/5-701.15), Road Districts (605 ILCS 5/6-701.8), and Municipalities (605 ILCS 5/7-202.21a) may use MFT funds for eligible maintenance or construction projects on non-dedicated subdivision roads established prior to July 23, 1959 if property owners in the subdivision where such road is situated provide proportional matching contributions, whether in cash, kind, services or otherwise.

Non-dedicated subdivision road refers only to those roads which were denoted as such on a subdivision plat filed prior to July 23, 1959, which have not been dedicated to the public (Illinois Attorney General's Opinion 96-008). If cash contributions are provided by property owners the cash shall be deposited in the appropriate MFT account. Any in kind, services, or otherwise contribution shall be used on or for the road, and shall be documented with auditable paperwork supporting contribution's value. **If labor is provided as a matching contribution, the prevailing hourly wage rate published by the Illinois Department of Labor for the type of labor and location of work shall be used. If materials are provided as a matching contribution, materials shall comply with all IDOT policies, specifications, and certifications.**

Non-dedicated subdivision roads improved with County or Road District MFT funds to meet standards established by the County, become part of the road district system. Non-dedicated subdivision roads improved with Municipal MFT funds to meet standards as established by the Municipality, become part of the municipal street system.

4-3.03(e) Investments and Deposits

The use of MFT funds involves cash flow planning to determine when MFT funds are available to expend. Generally speaking, MFT funds must be highly liquid to meet the anticipated costs for highway construction projects and/or maintenance projects. If the MFT cash flow analysis shows that funds are available to earn an investment return, MFT funds may then be invested or deposited in financial instruments that have no tolerance for risk of principal. The LPA must comply with the Public Funds Investment Act (30 ILCS 235). In addition, the Investment of Municipal Funds Act (50 ILCS 340) provides additional investment options.

The LPA may use MFT funds to purchase:

- tax anticipation warrants that shall bear interest not to exceed four percent;

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- municipal bonds;
- bonds and other interest bearing obligations of:
 - the United States;
 - the State of Illinois;
 - any other state; or
 - any political subdivision or agency of the State of Illinois or of any other state;
- savings certificate of deposits of any State or National Bank if such certificates are fully insured by the Federal Deposit Insurance Corporation; or
- treasury notes and other securities issued by agencies of the United States.

In addition, the LPA may use MFT funds to make deposits in:

- savings accounts of any State or National Bank if such accounts are fully insured by the Federal Deposit Insurance Corporation; or
- withdrawable capital accounts or deposits of State or federal chartered savings and loan associations which are fully insured by the Federal Savings and Loan Insurance Corporation.

No bank or savings and loan association shall receive public funds unless it has complied with 30 ILCS 235/6.

A copy of the debt instrument shall be provided to the Department. Any financial instrument that results in a loss of principal shall be considered an ineligible use of MFT funds. Any loss of principal of MFT funds shall be reimbursed with other local funds. Any interest earned less any fees from investments and deposits shall be credited back to the MFT funds according to Section 9-1.08(e) of this Manual.

4-3.04 Using MFT in Conjunction with Other Funds

The following applies:

1. County Bridge Funds. MFT funds may be used in conjunction with the County Bridge Fund to construct a bridge provided that the improvement is designed and constructed as an MFT project. The county's commitments to aid road districts and municipalities must comply with 605 ILCS 5/5-501. Road districts and municipalities may also use MFT funds to pay their share of the cost of joint bridge improvements with the county.
2. Township Bridge Funds. MFT funds may be used for the local share in conjunction with a bridge constructed under the Township Bridge Program, see Section 4-2.02 of this Manual.
3. Federal Funds. For counties and municipalities, MFT funds may be used to match federal funds. For municipalities, the participation in the cost of the improvement is limited to 50%. In addition, any LPA may use its MFT funds for any eligible MFT item included in a federally funded project.
4. Other Funds. MFT funds may be used for any phase of a project in conjunction with other funds provided that the entire improvement is designed according to MFT policies and constructed under the supervision of IDOT.

4-3.05 Joint Improvements - Written Contracts and Construction or Maintenance Agreements

Any highway authority may enter into a written contract with any other highway authority for the jurisdiction, maintenance, administration, engineering, or improvement of any highway or portion thereof subject to the approval of IDOT (605 ILCS 5/4-409). MFT funds may be used for any eligible portion of the joint project provided that the entire project is accomplished under the supervision of IDOT.

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**

Local highway agencies 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 of time;
- a projected level of funding necessary to provide a specified average pavement index after a specified period of time; 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 Central BLRS on a case-by-case basis. When the LPA requests to use MFT funding, Central BLRS, 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

4-3(18)

LOCAL ROADS AND STREETS FUNDING

Oct 2013

WORK ITEM	REFERENCE
<p>Construction and Maintenance of:</p> <ul style="list-style-type: none"> • Joint Improvements/ Construction or Maintenance Agreements • Municipal Streets and Extensions, Municipal Alleys, County Highways and Extensions, State Highways, and Federal-aid Routes within the municipality • Traffic Control and School Crossing Signals • Street Lighting Systems • Storm Sewers • Pedestrian Subway or Overhead Crossings • Sidewalks and Pedestrian Paths • Off-Street Parking Facilities • Bicycle Signs, Paths, Lanes, or Bicycle Parking Facilities • Grade Separations and Approaches • Non-dedicated Subdivision Roads established before July 23, 1959 <p>Allotment of Funds for:</p> <ul style="list-style-type: none"> • Investments and Deposits • Matching Federal-aid Funds • Engineering Services • Retirement of Indebtedness • Local Mass Transit Districts • Motor Vehicle Safety Inspection Lanes Operation and Maintenance • Payment of Principal and Interest on Road Bonds • Engineering Investigation • Toll Bridge Studies 	<p>605 ILCS 5/4-409, 605 ILCS 5/9-101</p> <p>605 ILCS 5/7-202.1, 202.1a, 202.1b, 202.2, 202.3 & 202.4</p> <p>605 ILCS 5/7-202.5</p> <p>605 ILCS 5/7-202.6</p> <p>605 ILCS 5/7-202.7</p> <p>605 ILCS 5/7-202.8</p> <p>605 ILCS 5/7-202.15</p> <p>605 ILCS 5/7-202.17</p> <p>605 ILCS 5/7-202.20</p> <p>605 ILCS 5/7-202.21</p> <p>605 ILCS 5/7-202.21a</p> <p>50 ILCS 340/1</p> <p>605 ILCS 5/7-202.10</p> <p>605 ILCS 5/7-202.12</p> <p>605 ILCS 5/7-202.13</p> <p>605 ILCS 5/7-202.14</p> <p>605 ILCS 5/7-202.19</p> <p>605 ILCS 5/7-202.18</p> <p>605 ILCS 5/7-202.11</p> <p>605 ILCS 5/7-202.16</p>
<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>	
<ul style="list-style-type: none"> • Curb Ramps • Right-of-Way • Salt Storage Facilities • Equipment Operations Costs • Utility Adjustments • Wages or Salaries • Holidays, Vacation, and Sick Leave • Workers' Compensation Insurance Premiums • Retirement Fund and Social Security Fund • Health, Hospitalization, and Life Insurance • Asset Management • Miscellaneous Expenses in Connection with Bond Issue Improvements • Tree Trimming and Tree Removal • Railroad Signal Protection and Crossing Work 	<p>BLRS Man. Sect. 4-3.03(b)</p> <p>BLRS Man. Sect. 4-3.03(c)</p> <p>BLRS Man. Sect. 4-3.06</p> <p>BLRS Man. Sect. 4-4.02 & 4-3.02(f)</p> <p>BLRS Man. Sect. 14-1.03(i)</p> <p>BLRS Man. Chapter 40</p>

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 MOTOR FUEL TAX FUNDS
(By Municipalities)**

Figure 4-3B

BUREAU OF LOCAL ROADS & STREETS
LOCAL ROADS AND STREETS FUNDING

Oct 2013

4-3(19)

WORK ITEM	REFERENCE
<p>Construction and Maintenance of:</p> <ul style="list-style-type: none"> • County Highways, State Highways, and County Unit Roads • County Garages • Office Space (Counties over 1,000,000 population) • Bicycle Signs/Markings, Paths (counties over 500,000 population) • Grade Separations and Approaches • Non-dedicated Subdivision Roads established before July 23, 1959 • Joint Improvements/ Construction or Maintenance Agreements <p>Allotment of Funds for:</p> <ul style="list-style-type: none"> • Investments and Deposits • Retirement of Indebtedness • Paying Bonds for Superhighways • Engineering Investigations • Matching Federal-aid Projects or Projects Eligible for Federal-aid • Local Mass Transit Districts • Circuit Court or Other Governmental Expenses Related to County Highway Department (Counties over 1,000,000 population) • Payment of Principal and Interest on Road Bonds 	<p>605 ILCS 5/5-701.1, 701.2, 701.3, 701.7 & 701.17 605 ILCS 5/5-701.9 605 ILCS 5/5-701.12 605 ILCS 5/5-701.13 605 ILCS 5/5-701.14 605 ILCS 5/5-701.15 605 ILCS 5/4-409, 605 ILCS 5/9-101</p> <p>50 ILCS 340/1 605 ILCS 5/5-701.4 605 ILCS 5/5-701.5 605 ILCS 5/5-701.6 605 ILCS 5/5-701.7 605 ILCS 5/5-701.8 605 ILCS 5/5-701.10</p> <p>605 ILCS 5/5-701.11 & 701.16</p>
<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>	
<ul style="list-style-type: none"> • Engineering Services • Right-of-Way • Salt Storage Facilities • Storm Sewers • Traffic Control Devices • Sidewalks and Curb Ramps • Equipment Operating Costs • Utility Adjustments • Salary and Expenses of County Engineer • Wages or Salaries • Holidays, Vacation, and Sick Leave • Workers' Compensation Insurance Premiums • Retirement Fund and Social Security Fund • Health, Hospitalization, and Life Insurance • Asset Management • Miscellaneous Expenses in Connection with Bond Issue Improvements • Tree Trimming and Tree Removal • Railroad Signal Protection and Crossing Work 	<p>BLRS Man. Sect. 4-3.02(e) BLRS Man. Sect. 4-3.03(b) BLRS Man. Sect. 4-3.03(c) BLRS Man. Sect. 4-3.06 BLRS Man. Sect. 4-4.02</p> <p>BLRS Man. Sect. 14-1.03(i) BLRS Man. Chapter 40</p>

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 MOTOR FUEL TAX FUNDS
(By Counties)

Figure 4-3C

BUREAU OF LOCAL ROADS & STREETS
LOCAL ROADS AND STREETS FUNDING

4-3(20)

Oct 2013

WORK ITEM	REFERENCE
<p>Construction and Maintenance of:</p> <ul style="list-style-type: none"> • Township and District Roads • Grade Separations and Approaches • Bicycle Signs and Markings • Non-dedicated Subdivision Roads established before July 23, 1959 • Joint Improvements/ Construction or Maintenance Agreements <p>Allotment of Funds for:</p> <ul style="list-style-type: none"> • Investments and Deposits • Engineering Services • Retirement of Indebtedness • Local Mass Transit Districts • Payment of Principal and Interest on Road Bonds • Township's Share of the Great River Road Projects 	<p>605 ILCS 5/6-701.1 & 701.2 605 ILCS 5/6-701.1 & 701.2 605 ILCS 5/6-701.7 605 ILCS 5/6-701.8 605 ILCS 5/4-409, 605 ILCS 5/9-101</p> <p>50 ILCS 340/1 605 ILCS 5/6-701.3 605 ILCS 5/6-701.4 605 ILCS 5/6-701.5 605 ILCS 5/6-701.6 605 ILCS 5/6-701.9</p>
<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>	
<ul style="list-style-type: none"> • Right-of-Way • Salt Storage Facilities • Storm Sewers • Traffic Control Devices • Sidewalks and Curb Ramps • Equipment Operating Costs • Utility Adjustments • Wages or Salaries • Holidays, Vacation, and Sick Leave • Workers' Compensation Insurance Premiums • Retirement Fund and Social Security Fund • Health, Hospitalization, and Life Insurance • Asset Management • Miscellaneous Expenses in Connection with Bond Issue Improvements • Tree Trimming and Tree Removal • Railroad Signal Protection and Crossing Work 	<p>BLRS Man. Sect. 4-3.03(b) BLRS Man. Sect. 4-3.03(c) BLRS Man. Sect. 4-3.03(c) BLRS Man. Sect. 4-3.03(c) BLRS Man. Sect. 4-3.03(c) BLRS Man. Sect. 4-3.06 BLRS Man. Sect. 4-4.02</p> <p>BLRS Man. Sect. 14-1.03(i) BLRS Man. Chapter 40</p>

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 MOTOR FUEL TAX 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 the purpose of 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 refers 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.