



RTA Chairman Kirk Dillard calls for tax increase to fund mass transit

By Natasha Korecki | May 4, 2015

Regional Transportation Authority Chairman Kirk Dillard on Monday made the case for a new tax to help pay for mass transit infrastructure, arguing the agency has a more than \$30 billion backlog in projects.

Dillard made the comments before the City Club of Chicago as the agency that oversees the CTA, Metra and PACE braces for its share of proposed cuts by Gov. Bruce Rauner. Dillard, a former Republican state senator from Hinsdale, said he will argue that mass transit should be part of any capital bill considered by state lawmakers.

"Our gas tax has not been raised in Illinois since 1990. Its buying power today is 60 percent of what it [was], it's not adjusted for inflation. And our infrastructure in Illinois is crumbling," Dillard said. "My case on behalf of mass transit is we know for every dollar spent on mass transit, there's a \$4 return."

Dillard pointed to renovation of the CTA's Brown Line, saying real estate values within a mile of the elevated train line went up by 40 percent.

"I'm open for any place to go for the needed infrastructure money. But if Gov. Rauner and the Legislature broadened the sales tax base in Illinois, sales taxes are a major component of RTA funding and it just makes sense that we be part of the broadening of the sales tax," Dillard said. "I would gladly trade Springfield's funding for an ability to have a permanent, stable revenue source either through a sales tax or a service tax."

The Illinois portion of the gas tax is 19 cents. Dillard said it was up to lawmakers to decide by what amount, if any, it could be increased.

Dillard would not commit to whether he believed CTA riders should endure a fare increase similar to one already imposed on Metra riders.

"With [former CTA chief] Forrest Claypool's replacement coming in . . . when the dust settles in Washington and Springfield, the CTA needs to go back and assess where it's at on the operating side," Dillard said.

Rauner's budget has called for nearly \$170 million in transit cuts, which his administration says represents less than 5 percent of the agency's revenue.

But what is daunting to Dillard, he said, was a \$36 billion backlog of capital and infrastructure needs at the RTA.

“I’ll figure out how to deal with operations — including innovations, public-private partnership, venture capital, you name it,” Dillard said. “But we have a \$30 billion-plus backlog. . . . I need trains and elevated trains and buses that run. They need to be upgraded. We have a population of millennials, as they’re called, who are much more mass transit dependent. I gotta have capital money for running, really one of the oldest systems in America.”

Dillard said he plans to head to Springfield to ask to be included in any capital bill.

Asked if Rauner would warm to the idea of a tax to benefit mass transit in Illinois, a spokesperson responded: “Gov. Rauner supports investing in the state’s infrastructure but believes government reform is essential before revenue can be discussed,” spokeswoman Catherine Kelly wrote in an email. “Uncompetitive bidding is costing taxpayers millions of dollars every year, and we need to drive value in our capital projects.”