Improving equity in transportation fees, fines, and fares
Findings and recommendations for northeastern Illinois

April 2021
Contents

Overview .................................................................................................................................................... 2
Why fees, fines, and fares? .......................................................................................................................... 10
Equity and mobility challenges in northeastern Illinois ................................................................. 12
Transportation funding challenges ..................................................................................................... 22
Roadways .................................................................................................................................................. 22
Transit ........................................................................................................................................................ 23
Distribution of the cost of public services and infrastructure ............................................................ 25
Equity of Illinois’ tax system ..................................................................................................................... 25
Equity of transportation fees, fines, and fares ..................................................................................... 26
Consequences and outcomes of the impacts of fees, fines, and fares .................................................. 49
Existing fee and fare programs .............................................................................................................. 53
Recommendations ................................................................................................................................... 55
Improve mobility options ....................................................................................................................... 56
Implement progressive tax strategies ..................................................................................................... 57
Make transportation fees for households with low income more affordable ................................. 59
Ensure households with low income can access tools that provide lower costs .............................. 62
Pilot initiatives that coordinate fee and fare collection ....................................................................... 63
Make paying for parking more feasible for both residents and delivery drivers ............................. 65
Implement traffic and parking violation fine reform ............................................................................ 66
Next steps.................................................................................................................................................. 71
Methodology ............................................................................................................................................ 73
Overview

Metropolitan Chicago’s transportation system is a literal route to opportunity for the region’s residents, connecting them to jobs, education, and services. Unfortunately, these opportunities are not evenly shared in northeastern Illinois. Persistent transportation inequities exist, many disproportionately impacting mobility options in communities of color and people with disabilities. These inequities range from the costs of fees and fines to access to efficient commutes and the high cost of driving. Beyond individual benefits, improving mobility for residents currently challenged by transportation inequities will help to promote inclusive growth. This will require significant investments across modes to increase affordability for residents with low income and connectivity in communities with limited transit, bicycle, and pedestrian connections.

To begin addressing these issues, the Chicago Metropolitan Agency for Planning (CMAP) analyzed how residents pay for the transportation system and how the structure of transportation fees, fines, and fares fits with the financial realities of many households with low income. While they are just one piece of a household’s transportation costs and overall tax burden, residents with low income would benefit from reforms that make transportation fees, fines, and fares more affordable and the overall tax system less regressive. Northeastern Illinois residents already have several ways they can lower the fees and fares they pay, such as by using I-PASS accounts and Ventra cards. However, many residents are unable to access these tools, particularly those without bank accounts.

Residents of northeastern Illinois must also navigate a multitude of public agencies to pay their transportation fees, fines, and fares. Residents who fail to pay these costs incur late fees and fines. Fines have a disproportionately high financial burden for households with low income that can lead to late fees, high debt levels, and other negative impacts. Moreover, data on traffic safety enforcement indicate that Black residents are more likely to receive citations, leading to expensive fines.

However, decades of underfunding the transportation system — particularly the public transit system — have impeded the region’s ability to achieve its mobility equity goals. To ensure the system is maintained while providing necessary enhancements and expansions, ON TO 2050 recommends securing growing and stable revenue sources to fully fund the transportation system. To achieve this, new and increased transportation user fees must be implemented so that travelers pay according to the benefits they receive from system investments.

ON TO 2050 also recommends that new user fees be implemented carefully to avoid undue burdens on residents with low income. Affordable and accessible mobility options play a key role in creating pathways to opportunity for people of color and people with disabilities, who disproportionately live in poverty.
Residents with disabilities or who are Black or Latinx disproportionately live in poverty

<table>
<thead>
<tr>
<th>Proportion of residents living below the federal poverty level, selected categories, Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Area, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>20%</td>
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<tr>
<td>10%</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>White alone, not Hispanic or Latino</td>
</tr>
<tr>
<td>Overall poverty rate</td>
</tr>
<tr>
<td>Hispanic or Latino origin (of any race)</td>
</tr>
<tr>
<td>With any disability</td>
</tr>
<tr>
<td>Black or African American alone</td>
</tr>
<tr>
<td>6.5%</td>
</tr>
<tr>
<td>11.8%</td>
</tr>
<tr>
<td>15.7%</td>
</tr>
<tr>
<td>19.0%</td>
</tr>
<tr>
<td>24.4%</td>
</tr>
</tbody>
</table>

Source: Chicago Metropolitan Agency for Planning analysis of American Community Survey 5-year estimates, 2019.

Note: Selected categories are not mutually exclusive.

For households with low income, it can be challenging to meet basic household expenses, including transportation costs. The cost of vehicle ownership in particular is high, yet many households with low income and residents of color lack access to transit options that connect them to jobs within a reasonable travel time. Consumer expenditure data show that those with low income spend 16 percent of their income on transportation costs, on average, while those with high income spend just 6 percent.
Transportation costs are a larger percentage of income for residents with low income

**Transportation expenditures as a percent of income, Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Area, 2018**

![Chart showing transportation expenditures as a percent of income for low, medium, and high income groups in 2018.](chart.png)

Note: Incomes used are the mean for each income bracket. Income cutoffs are in the Methodology appendix. Consumer unit sample sizes: high 195; medium 183; low 187.


**Project development**

To work toward the goal of aligning transportation revenue and equity objectives, CMAP conducted its first comprehensive analysis on impacts of transportation fees, fines, and fares to residents and households with low income. CMAP used quantitative data and qualitative research to understand the challenges of balancing inclusive growth with the need for transportation revenue.

This project sought to:

- Assess the impacts of fees, fines, and fares on residents in the region with low income
- Evaluate strategies to reduce the financial burden
- Understand the tradeoffs between affordability strategies and other goals and objectives, including ensuring the transportation system generates sufficient revenue, including from its users
- Recommend policy changes to reduce inequitable financial impacts experienced by residents with low income

This report was developed with significant contributions from transportation agencies, researchers, and advocates. In addition to interviewing many experts on these topics, CMAP convened a group of partners and stakeholders from across the region to provide feedback on the analysis and identify policy changes.
Assessing equity

Transportation user fees, fines, and transit fares are part of the tax system as a whole, where every broad-based fee, fine, or fare imposed without regard to income level has the potential to be regressive. When these fees, fines, and fares disproportionately impact residents with low income, residents of color may also be disproportionately affected. The following findings summarize CMAP’s assessment of the affordability of several transportation fees, fines, and fares and the impacts on residents and households in northeastern Illinois with low income.

Illinois’ tax system is regressive. Illinois’ overall tax system is regressive, owing to a flat income tax rate and comparatively low tax exemptions. The 20 percent of non-elderly residents with the lowest incomes paid 14.4 percent of their income in taxes while the top 1 percent of taxpayers paid 7.4 percent. States with less regressive structures integrate several features in their income tax structure to mitigate the impacts of regressive sales and excise taxes like transportation user fees.

The cost of driving is a burden for households with low income. Driving is the most expensive mode of travel. This is due to the numerous costs of owning and operating a vehicle, rather than any associated fees, such as motor fuel taxes or tolls. The larger issue is that households with low income often lack the money to cover basic household expenses, so any sort of transportation fee is unaffordable. Depending on where they live, households with low income may also lack mobility options beyond driving.

Households with low income pay proportionately less in fees associated with driving. The burden of the state motor fuel tax is borne less by households with low income since they tend to drive fewer miles. Likewise, households with low income tend to own fewer vehicles, thus spend less on vehicle registration fees. Tolls are also not a substantial share of transportation expenses for people with low income.
Households with low income have fewer vehicles and drive fewer miles than other households

<table>
<thead>
<tr>
<th>Average vehicles owned and miles driven for northeastern Illinois households, by income group</th>
<th>Average miles driven per weekday</th>
<th>Average vehicles available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>20 miles</td>
<td>1.1 Low income</td>
</tr>
<tr>
<td>Medium income</td>
<td>42 miles</td>
<td>1.7 Medium income</td>
</tr>
<tr>
<td>High income</td>
<td>53 miles</td>
<td>1.9 High income</td>
</tr>
</tbody>
</table>

Source: Chicago Metropolitan Agency for Planning analysis of U.S. Census data and CMAP Activity-Based Model.

Some drivers experience challenges accessing lower toll options. The tolling system currently in place presents challenges to residents without bank accounts. Drivers with an I-PASS can pay tolls at a lower rate, but many households with low income do not have one, particularly unbanked drivers.

Unpaid fines can be financially devastating. Households with lower income pay a substantially larger share of weekly wages on a fine than households with higher income. These fines can compound to become a major source of debt for residents with low income. When residents with low income cannot pay their fines, they may experience bankruptcy, tax garnishment, vehicles impoundment, employment prohibition, and credit score damage.

Maintaining affordable fares is necessary so that residents may access economic opportunities and conduct everyday activities. Residents of all income levels rely on transit. But transit access is especially crucial for residents with low income, as they tend to own fewer vehicles because of the high cost of driving. Households with low income take 20 percent more transit trips than other households. When work commutes are excluded, these households take twice as many trips — indicating that they are more likely to use transit for trips required to live their daily lives. The cost of a fare varies by many factors, some of which can result in transit expenses comprising a relatively high share of earnings for a household with low income. CMAP estimates that expanding reduced fares to all residents with low income would result in them taking 15 percent more transit trips.
Recommendations

Improving mobility for residents with low income will require significant investments in transit, bicycle, and pedestrian infrastructure, funding to administer programs, and revenues to recoup losses from reducing fees or fares. CMAP and the resource group considered a variety of strategies to determine which recommendations would best meet the goals of reducing impacts on residents with low income, as well as other ON TO 2050 goals. Based on these considerations and the priorities of the resource group, recommendations are as follows:

- Improve mobility options

- Implement progressive tax strategies

- Make transportation fees more affordable for households with low income
  - Expand reduced fare permits
  - Expand reduced vehicle registration fees
  - Vary state and local vehicle registration fees based on vehicle value
  - Ensure any new transportation network company fees support regional transit goals

- Ensure households with low income can access tools that provide lower costs
  - Encourage employers to participate in the Transit Benefit Fare Program
  - Bolster efforts that help riders use Ventra
  - Develop a lower-cost alternative to I-PASS transponders
  - Waive any road usage charge equipment cost

- Pilot initiatives that coordinate fee and fare collection
  - Increase availability of I-PASS accounts, including to unbanked households
  - Allow local vehicle fees to be paid at the Illinois Secretary of State
  - Implement full fare integration across service providers

- Make paying for parking more feasible for both residents and delivery drivers
  - Designate short-term loading and standing spaces with reduced transaction fees
  - Ensure multiple payment options for drivers without credit cards

- Implement traffic and parking violation fine reform
  - Integrate ability to pay through income-based fines or ability to pay waivers
  - Assess appropriateness of fine and late fee amounts
  - Report ticketing outcomes and impacts with an equity lens
  - Offer alternatives to monetary fines
  - Improve repayment plans and collection practices
  - End employment prohibitions due to ticket debt
Agenda for implementation

In recent years, the State of Illinois and the region have made notable progress on improving equity in fees and fines. The Illinois Tollway substantially reduced fees for missed tolls in 2020 as part of an initiative to first issue invoices rather than violation notices for unpaid tolls. The Tollway plans to also expand its I-PASS Assist program in 2021 to additional drivers with low income as part of its plan to stop accepting cash tolls. The recently enacted Public Act 101-0652 includes provisions rescinding holds on license renewal or reinstatement due to failure to pay traffic violation fines and suspensions due to failure to pay fines from automated speed and red light cameras.

CMAP and other regional partners will work to implement these recommendations through legislation, policy changes, new initiatives, and other reforms. These recommendations require action and investments by policymakers and transportation agencies like the State of Illinois, the Tollway, the region’s transit agencies, and local governments. Further, CMAP must continue to conduct further analysis to pursue policies that ensure the transportation system promotes equitable outcomes for all residents.
Why fees, fines, and fares?

Metropolitan Chicago’s transportation system, particularly the public transit system, has experienced decades of underfunding. To ensure the system is maintained while providing necessary enhancements and expansions, ON TO 2050, the region’s long-range comprehensive plan, recommends fully funding the region’s transportation system. ON TO 2050 also recommends that new user fees be implemented carefully to avoid undue burdens on residents with low income. The funding decisions that policymakers and transportation agencies make greatly impact residents’ ability to access the system.

A person’s socioeconomic status, race, or ability should not result in disparate mobility options. Yet many of the region’s residents who are low income and people of color live in communities where transit connections from home to work are limited. When people have access to a multimodal transportation system that connects them to their destinations, it increases opportunities and improves quality of life. ON TO 2050 seeks to promote inclusive growth by improving mobility options that spur economic opportunity for low-income communities, people of color, and people with disabilities.

Within northeastern Illinois, CMAP estimates that 22 percent of households have an income less than 60 percent of the region’s median level.1 These households are disproportionately comprised of Black and Latinx residents. Residents with disabilities also disproportionately have low income and are less likely to drive alone for commuting to work than residents without disabilities, presenting unique transportation challenges.2

ON TO 2050 recommends that revenues be collected as direct user fees from those who benefit from the transportation system. While this helps improve horizontal equity — treating system users similarly in terms of the costs they pay and benefits they receive — it may not support vertical equity. Vertical equity refers to the distribution of financial burdens based on a person’s ability to pay. Horizontal and vertical equity goals can conflict. For example, horizontal equity requires that a driver with low income pay the same toll as every other driver who benefits from using a toll road, but vertical equity requires that they pay less than a driver with higher income. Most transportation user fees have been structured with horizontal equity in mind. But it is important to make sure that vertical equity and issues of affordability are considered so they do not unduly impede mobility.

Scope: researching questions and topics

This report seeks to explore equity in transportation fees, fines, and fares; specifically:

- Assess the impacts of fees, fines, and fares on residents in the region with low income
- Evaluate strategies to reduce the financial burden

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1 Chicago Metropolitan Agency for Planning analysis of Activity-Based Model results.
2 American Community Survey 5-year estimates, 2019.
• Understand the tradeoffs between affordability strategies and other goals and objectives, including horizontal equity and revenue generation

• Recommend policy changes to reduce the inequitable financial impact experienced by residents with low income

To undertake this work, CMAP began a process to qualitatively and quantitatively assess the impacts of several transportation fees, fines, and fares; namely:

• Fees and fines associated with motor vehicle usage:
  - Motor fuel tax
  - Road usage charges (ON TO 2050 recommendation)
  - Motor vehicle registration fees
  - Priced parking
  - Tolling
  - Traffic and parking violation fines
  - Transportation network company fees

• Fares on fixed-route public transit

Process: convening partners and stakeholders

This report was developed with significant contributions from transportation agencies, researchers, and advocates. In addition to interviewing many experts on these topics, CMAP convened a group of partners and stakeholders from across the region to help provide feedback on the project. This group met several times between November 2019 and December 2020. During these meetings, the members discussed and provided feedback on the project’s objectives and scope; analysis and assessment of the equity of each fee, fine, and fare; evaluation of strategies to improve vertical equity; recommendations; and priorities for implementation. The group also discussed gaps in the region’s work on planning-related equity issues, which CMAP and partners will use to guide future work. The group included representatives from:

- Active Transportation Alliance
- Center for Neighborhood Technology
- City of Chicago, Department of Transportation
- City of Chicago, Office of Equity and Racial Justice
- Chicago Jobs Council
- Chicago Transit Authority
- Cook County
- Equiticity
- Equity Institute, YWCA of Evanston
- Heartland Alliance
- Illinois Tollway
- Little Village Environmental Justice Organization
- Metra
- Metropolitan Planning Council
- Muse Community Design
- Pace
- Regional Transportation Authority
- Union of Concerned Scientists
- University of Chicago Inclusive Economy Lab
- University of Illinois at Chicago
Equity and mobility challenges in northeastern Illinois

Access to mobility options plays a key role in creating pathways to opportunity for low-income communities, people of color, and people with disabilities. Yet, persistent transportation inequities exist in metropolitan Chicago. Historically, policymakers and planners have been complicit in reinforcing inequities for residents with low income and people of color, especially Black people. Racism and inequitable distribution of resources have shaped the built environment through housing policy, zoning codes, transportation planning, urban renewal, and pollution-generating facilities and roadways.

These inequities have caused mobility challenges. Many residents with low income and residents of color have limited transportation options that would efficiently connect them to economic and other opportunities. Transportation costs are rising, increasing the financial burden on all residents, particularly residents with low and moderate incomes. At the same time, residents nationwide with low income have experienced slow income growth. Between 2000 and 2018, they saw just 1.8 percent growth in median income, while upper income households experienced 7.9 percent growth. Black and Latinx residents are especially impacted by this trend because they are a disproportionate part of the overall population that is low income. This section will provide an overview of the equity context under which transportation fees, fines, and fares operate.

Households with low income struggle to pay for basic household needs

Households with low income must use their limited financial resources to meet basic needs. These expenses include housing, transportation, and food, as well as expenses necessary to maintain employment like commuting costs and child care. However, national data from the Federal Reserve indicate that 17 percent of adults were not able to pay their bills in full. These financial realities mean that even if transportation fees, fines, and fares are a relatively small part of household expenses, they remain a noticeable daily expense. As a result, they may cause some residents undue hardship, leading to less efficient mobility decisions, such as additional driving to avoid paying for parking or tolls, or taking all transit trips in a single day.

In metropolitan Chicago, 11.8 percent of residents live below the federal poverty level, which is $25,926 for a household with two adults and two children. Across the larger 15-county metropolitan area, this equates to 1.1 million residents. Among residents with disabilities, 19 percent live below the federal poverty level, representing a disproportionate share of residents in the metropolitan area.

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Figure 1 illustrates the differences in poverty rates across several categories, showing that the poverty rate of Black residents is nearly four times that of white residents, while the poverty rates of residents of Hispanic or Latinx origin of any race are greater than the overall rate.  

**Figure 1.**

**Finding:** Black residents, Hispanic residents, and residents with disabilities are a disproportionate share of those living in poverty

<table>
<thead>
<tr>
<th>Proportion of residents living below the federal poverty level, selected categories, Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Area, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>20%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White alone, not Hispanic or Latino</td>
<td>6.5%</td>
</tr>
<tr>
<td>Overall poverty rate</td>
<td>11.8%</td>
</tr>
<tr>
<td>Hispanic or Latino origin (of any race)</td>
<td>15.7%</td>
</tr>
<tr>
<td>With any disability</td>
<td>19.0%</td>
</tr>
<tr>
<td>Black or African American alone</td>
<td>24.4%</td>
</tr>
</tbody>
</table>

People of color also disproportionately live in the region’s disinvested communities and economically disconnected areas. These communities have seen decades of declining employment, population, and public and private investment, leading to the erosion of tax bases and public services. Residents of these communities are often denied access to economic opportunity, resulting in many households having severe financial constraints.

This report will focus on reducing inequity for households with low income, defined by 60 percent of the median household income for the Chicago metropolitan statistical area (MSA) in 2018 (see Methodology). A primary goal is to ensure fees, fines, and fares are not a barrier to mobility for households with low income, who are disproportionately people of color.

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5 U.S. Census Bureau, American Community Survey, 2019. Data are for the Chicago-Naperville-Elgin, IL-IN-WI metropolitan area. Population that is Hispanic or Latino includes people of any race.

Figure 2 provides an overview of households in each income category used in this report.

**Finding:** Among households in northeastern Illinois, 23 percent met CMAP’s definition of low income.

![Proportion of northeastern Illinois households by income level, modeled, 2015](image)

**Cost of driving is unaffordable for many households with low income**

Consumer expenditure data show that those with low income spend a substantial part of their incomes on transportation. Figure 3 illustrates the average proportion of income spent on transportation costs, including driving and public transit.

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Note: Households are defined as low-income if they have an income at or below 60 percent of the regional median household income by household size. Medium-income households are between 60 percent and 140 percent of the regional median household income by household size. High-income households are those with income levels greater than 140 percent of the regional median income.

Source: Chicago Metropolitan Agency for Planning Activity Based Model.

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7 CMAP analysis of U.S. Department of Labor Bureau of Labor Statistics 2018 Consumer Expenditure Survey Public-Use Microdata. In the Consumer Expenditure Survey, a consumer unit consists of all members of a particular household who are related by blood, marriage, adoption, or other legal arrangements; a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or two or more persons living together who use their incomes to make joint expenditure decisions.
Figure 3.

Finding: Residents with low income spend 16 percent of their income on transportation costs.

<table>
<thead>
<tr>
<th>Transportation expenditures as a percent of income, Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Area, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="chart.png" alt="Pie charts showing transportation expenditures" /></td>
</tr>
</tbody>
</table>

- **16%** for Low income
- **10%** for Medium income
- **6%** for High income

Note: Incomes used are the mean for each income bracket. Income cutoffs are in the Methodology appendix. Consumer unit sample sizes: high: 195; medium: 183; low: 187.


Figure 4 illustrates the ways that vehicle ownership drives expenditures on vehicle purchases, fuel and oil, and other vehicle expenses (insurance, financing, maintenance, and other vehicle charges). The Chicago MSA, with its substantial public transportation assets, has lower transportation expenditures than the United States as a whole, owing partly to lower vehicle ownership. Primarily, affordability challenges experienced by households with low income are driven by the numerous costs of owning and operating a personal vehicle, rather than the associated fees, fines, and fares. The larger issue is that households with low incomes often lack the income to cover typical base household expenses, so any sort of transportation fee is unaffordable.
Figure 4.

Finding: The costs of owning a vehicle, rather than fees, fines, and fares, account for most transportation expenditures across income groups

| Transportation expenditures by type and income category, Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Area, 2018 |
|---|---|---|---|---|
| Vehicle purchase outlays | Vehicle insurance | Vehicle rentals and other fees (includes tolls)* | Local public transportation* |
| $10,000 | $9,947 |
| $7,500 | $7,999 |
| $5,000 | $4,030 |
| $2,500 | |
| $0 | |

*Excludes fees and fines for trips out of the region. In this table “Vehicle rentals and other fees” includes leases, licenses, and tolls, but does not include finance charges (shown here as part of the purchase outlays) or the other expenses specifically delineated.


Households with low income spend a substantial proportion of their income on transportation when they own a vehicle. Households in the low-income group owned an average of one vehicle, while households in the other income groups owned an average of nearly two vehicles. However, vehicle ownership rates vary within income groups. Nationally, the Center for Neighborhood Technology found that Black and Latinx residents living in households with no vehicles were more likely to be in poverty than white households with no vehicles.8 Within the Chicago MSA, Figure 5 illustrates that households with more vehicles have higher incomes on average, even within the low-income category.

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Finding: Even among households with low income, those with more income own more vehicles, driving higher expenses on transportation

![Figure 5.](image)

**Transportation expenditures by number of owned or leased vehicles for households with low income, Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Area, 2018**

> Bubble size is proportionate to the number of low income households

Note: Consumer units with no owned vehicles may have costs incurred for borrowed cars and trucks, rented cars and trucks, as well as vehicles that were sold in the course of the year. For example, zero-vehicle consumer units that regularly rent vehicles may buy vehicle insurance and pay for fuel.

Vehicle owners also incur costs in the form of time spent on paying fees and other related activities. Drivers need to interact with a variety of facilities to acquire and renew state vehicle registrations, get state emissions testing annually if their vehicle is more than four years old, acquire and renew local vehicle licenses, and obtain an I-PASS account, all in addition to regular vehicle maintenance and motor fuel.

**Mobility impacts access to opportunity for residents in economically disconnected communities**

Daily commutes are longer for many residents with low income and residents of color, especially Black commuters. These lengthier commutes hinder residents’ ability to connect to available and attainable employment opportunities and reduce overall productivity and quality of life. Likewise, many residents with disabilities lack sufficient access to mobility options to commute to work and conduct their daily lives.

This is particularly true for residents living in economically disconnected areas (EDAs) — parts of the region with concentrated low incomes, limited English proficiency residents, and/or non-white residents — where access to transit options does not always ensure access to jobs within a...
reasonable travel time. Many of these residents must commute to jobs located far from frequent transit service. In part, this is driven by planning and land use decisions that have not prioritized affordable housing or commercial and industrial development in infill locations with transit access. At the same time, these same residents tend to have limited employment opportunities within their own communities. Differences in commutes depend on what part of the region a worker lives in, with the longest commutes found for residents of the west and south sides of Chicago as well as parts of the south suburbs, as illustrated in Figure 6. Additional time spent driving increases transportation costs, including potentially making a driver more likely to incur fines.

**Figure 6.**

**Finding:** Communities with lower income levels have longer average commutes, even among economically disconnected communities

<table>
<thead>
<tr>
<th>Average one-way commute time, in minutes, and average median income for workers in Economically Disconnected Area clusters</th>
<th>Majority white</th>
<th>Majority Black</th>
<th>Majority Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>S. Chicago</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>W. Chicago</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>SW. Chicago</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>S. suburbs and Joliet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>NW Chicago and remaining collar counties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>SW suburbs</td>
<td></td>
<td></td>
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<tr>
<td>28</td>
<td>Waukegan area</td>
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<tr>
<td>20</td>
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</tbody>
</table>

Note: Average commute time is weighted by number of workers and average income is weighted by population.

Source: Chicago Metropolitan Agency for Planning analysis of American Community Survey data, 5-year estimates, 2010–2014. $25,000 $30,000 $35,000 $40,000 $45,000 $50,000 Average median income

In 2017, just 55 percent of residents in metropolitan Chicago lived in areas with at least moderately high transit availability, while just 53 percent of jobs were accessible via at least moderately high transit availability. Limited connectivity in the transit network is common in many of the region’s more rural areas, often making it necessary to own a vehicle. As of 2015, just 41.5 percent of the region’s population and 38.2 percent of the region’s jobs were located in areas with “high” or “very high” walkability.

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9 Chicago Metropolitan Agency for Planning, ON TO 2050, Population and Jobs with at Least Moderately High Transit Availability, https://www.cmap.illinois.gov/2050/indicators/population-jobs-transit-availability. This is based on a CMAP-created index that considers multiple factors: proximity to transit stops, frequency of service, destinations reachable without a transfer, and walkability.
Auto trips represent the vast majority of work trips. Meanwhile, even before the COVID-19 pandemic, transit ridership was declining. Income plays an important role in travelers’ mode choices for their commutes.

Figure 7 shows how workers on either end of the earnings spectrum are less likely to travel to work by car and are more likely to travel by transit. Travelers with lower income are the least likely to drive alone to work and the most likely to walk, likely in part because auto ownership can be unaffordable for many commuters with lower income.

In the suburbs, commuters earning lower wages are less likely than commuters earning higher wages to use public transportation. Rather, many carpool to get to industrial and retail job centers in more diffuse locations in the region that are not well served by transit. Workers in the highest earning categories also have lower rates of auto commutes. High earners are afforded more choice in where to live and may live in areas with better access to transit, such as near transit connections to Chicago’s central business district. For example, high earners in the suburban parts of the region are the most likely to use transit, given that they use Metra commuter rail to reach jobs in the city.
Equity in transportation fees, fines, and fares

Finding: Workers on either end of the earnings spectrum are less likely to travel to work by car and are more likely to travel by transit.

Systemic racism creates inequities in transportation safety and enforcement

Equity in fees, fines, and fares is impacted by bias in public safety and law enforcement systems. Beyond improving the transportation system, parallel work must be done to reduce inequities in how traffic laws are enforced. Although the enforcement system is not the focus of this analysis, this report outlines the well-documented challenges faced by people of color in other related systems.

Drivers incur additional transportation-related costs when they are cited for traffic violations. Traffic violations straddle both the transportation and law enforcement systems. According to a 2018 report by the U.S. Department of Justice’s Bureau of Justice Statistics, the most common reason for interaction with the police is being a driver in a traffic stop.\(^\text{10}\)

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Historically, traffic safety enforcement has had an inequitable impact on communities of color, with data indicating people of color are involved in a disproportionate share of traffic stops.\textsuperscript{11} National surveys show Black adults are about half as likely to have a positive view of local police performance as white adults.\textsuperscript{12} That Black and Latinx communities are at greater risk for both discriminatory enforcement and traffic violence is not a coincidence; both challenges are manifestations of systemic racism that is embedded in the built environment.\textsuperscript{13} The Government Alliance on Race and Equity has defined systemic racism as “racial bias among interlocking institutions and across society, causing cumulative and compounding effects that systematically advantage white people and disadvantage people of color.”\textsuperscript{14}

At the same time, higher numbers of pedestrian and bicycle crashes occur in neighborhoods with greater shares of residents with low income and residents of color.\textsuperscript{15} Solving safety challenges requires comprehensive and context-sensitive solutions. However, many in the transportation and planning fields have focused on engineering and have not actively engaged with the role that traffic safety enforcement can play in perpetuating racial and economic inequities.

These challenges exist in all kinds of communities across the country. ON TO 2050 recommends that any enforcement mechanisms that address traffic safety disparities in both low-income communities and communities of color also avoid disproportionate financial and enforcement burdens on these same communities. Extensive research conducted by the U.S. Commission on Civil Rights in 2017 revealed the national scope of racial inequity in court debt, fines, and fees, many of which are traffic-related.\textsuperscript{16} ON TO 2050 recommends that any enforcement mechanisms that address traffic safety disparities in both low-income communities and communities of color also avoid disproportionate financial and enforcement burdens on these same communities. The region will need to work together to eliminate inequities in the system and develop processes, practices, and protocols to ensure equity.

**Many households with low income are unbanked and under-banked**

One challenge faced by households with low income is a lack of access to or ability to use a bank account, known as unbanked and underbanked, respectively. Having a bank account or


credit card helps facilitate many transactions, including using modern, electronic methods for paying transportation fees, fines, and fares. Many entities that collect fees, fines, and fares use cost differences to incent the adoption of these methods by their customers because of their collection efficiency. However, it is well documented that people with low income are more likely to be unbanked and therefore unable to achieve these savings. In Illinois, it is estimated that 41 percent of households with annual income under $30,000 are either unbanked or underbanked. With incomes above $75,000, the unbanked rate falls to 1.1 percent of households and the underbanked rate to 10 percent. From other perspectives, 11.4 percent of households without a high school diploma were unbanked, while 1.8 percent of households with a college degree were unbanked.

Among the unbanked, the reliance on cash is significant. Two-thirds of unbanked households used cash for paying bills in a typical month in 2017. Thirty-nine percent of such households used nonbank money orders, and 22 percent used prepaid cards. Less than 10 percent of unbanked households used electronic payments, checks, debit cards, and credit cards.

Transportation funding challenges

The region’s transportation system is funded through a variety of federal, state, regional, and local revenue sources. However, federal and state revenues are not enough to reach a state of good repair, and underinvestment in capital maintenance has created a significant backlog of projects. ON TO 2050 recommends that those who benefit from the transportation system fund it through direct user fees, but this may result in disproportionate impacts on households with low income.

Making fees and fares more affordable to residents with low income could potentially result in lower revenues and may require investments in programs or infrastructure. Further investments in the system could also improve travel times and reliability and even reduce the need for vehicle maintenance. Given current revenue constraints, this would drive a need to increase revenues in other ways or reprioritize existing investments toward strategies to help residents with low income. This section will provide an overview of the region’s transportation funding system, as well as funding constraints.

Roadways

The state’s roadway system is primarily funded through both federal and state revenues, such as the state motor fuel tax revenue and state vehicle registration fee. In 2019, the state increased

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several transportation revenue sources, such as its motor vehicle registration fee and motor fuel tax (MFT) rates, as part of the legislation called Rebuild Illinois. The legislation also provides for indexing the MFT rate to inflation to limit the erosion of the revenue’s purchasing power over time. Even with these revenues, estimated to increase available funding by more than $2 billion annually, resources will be insufficient to make needed investments in maintaining, enhancing, and expanding the system.

Several forces continue to erode the MFT’s long-term viability as an adequate or fair source of revenue. The tax revenue depends on how much fuel that drivers purchase — directly related to how far people drive. Increased fuel efficiency and a lack of substantive growth in vehicle travel will undermine the ability of the MFT, even indexed to inflation, to keep pace with the cost of operating and maintaining the transportation system over the long term. ON TO 2050 recommends long-term replacement of the MFT with a road usage charge, which would be collected as a per-mile fee when driving on public roadways. A road usage charge would provide a more sustainable revenue source, as it would grow with vehicle travel rather than motor fuel consumed.19

At the local level, transportation departments use a mix of state motor fuel tax disbursements and locally imposed taxes and fees, including motor fuel taxes, vehicle licenses, and priced parking, as well as property and sales taxes. Local governments may also use fine revenue for transportation or other purposes, but fine levels should be set to promote safety outcomes and are not appropriate as a revenue generator.

**Transit**

The region’s transit system’s operations are funded through transit fares and other operating revenue, including the Regional Transportation Authority (RTA) sales tax, state assistance, a portion of Chicago’s real estate transfer tax, and limited federal support.20 Revenues collected through transit fares and other smaller system-generated revenue supported 39.8 percent of service operations in 2019.21 Capital costs are funded primarily through federal sources, as well as state support from motor fuel tax revenues directed to the RTA and state bonding. Capital

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19 A road usage charge would also prevent a growing horizontal inequity related to electric and hybrid vehicles that will arise if the state continues with an MFT, even with the supplemental $100 electric vehicle fee. Electric vehicle drivers, as well as hybrid vehicle drivers, will typically pay less than other drivers. In addition, electric vehicle drivers who drive few miles will pay as much as those who drive substantially more.

20 The 2021 Regional Transit Operating Budget includes 2.3 percent from The Coronavirus Aid, Relief, and Economic Security (CARES) Act and 7.7 percent from other federal relief funding.

infrastructure needs are significantly underfunded, with an estimated 34 percent of the region’s transit assets exceeding their useful life as of 2020.22

State of Illinois law requires system-generated revenue to recover at least 50 percent of system operating expenses for CTA, Metra, and Pace and 10 percent for Pace ADA paratransit. State statute provides for adjustments to calculating the ratio, which explains why actual fare revenue comes in below the 50 percent mark. To achieve this requirement, the RTA sets a unique recovery ratio for each service board during the budget process each year.23 Each agency’s individual recovery ratio reflects projected income from other eligible operating revenues, as well as estimated ridership, including revenue from the fares, which vary depending on several factors.

Revenues from these sources vary between the operators, which is why each agency has a unique recovery ratio. For example, nearly one out of every three trips taken on Pace is paid for with a free or reduced fare permit, driving down the total collected fare revenue and requiring the rest of the system to compensate to reach the region’s required mark. Any changes to fare policies that reduce revenue need to account for the constrained funding environment with new sources of revenue or an adjustment to the ratio required of the service operators.

The State of Illinois historically funded mandatory free and reduced fare programs at $34 million annually, although the cost of providing these services far exceeds the reimbursement. Starting in fiscal year 2015 and for each subsequent year, the state reduced the subsidy by nearly one half, requiring each agency to recoup revenue for these programs elsewhere.

In addition to reduced funding for statutorily required reduced and free ride permits, the transit agencies have experienced other decreases in state support.24 When public funding for operations decreases, unless there are equal cuts to operating services, the service operators must compensate with additional system-generated revenues to maintain the region’s recovery ratio. The State has imposed a 1.5 percent administrative fee for collecting the RTA sales tax, as well as a 5 percent reduction in state matching funds through the Public Transportation Fund. In total, these state cuts, in addition to the cuts to the reduced and free fare subsidy, amounted to a $56 million regional operating reduction in 2019, or 1.8 percent of budgeted revenue, and were estimated to impact the 2020 operating budgets by $46 million.

22 Regional Transportation Authority. Adopted 2021 Operating Budget, Two-Year Financial Plan, and Five-Year Capital Program.

23 The 2021 operating budget counts CARES Act and other additional federal relief funding as system-generated revenue. With the inclusion of these funds, for 2021, CTA’s specified recovery ratio is 54.75 percent, Metra’s is 52.5 percent, and Pace’s is 30.3 percent for suburban service and 10 percent for ADA paratransit.

24 The challenges of insufficient operating funding have recently been compounded by the state’s delinquency on remitting transit revenues. As of November 2020, the state owed the RTA $193.3 million. Late payments have forced the agency into short-term borrowing to fill budget gaps, with interest costing $5.2 million in 2019 and $4.6 million through November 2020.
Distribution of the cost of public services and infrastructure

In the United States, people and businesses pay taxes and fees to fund the cost of public goods and services. At the state and local level, the overall tax burden and distribution across taxpayers vary depending on the location. Different states and localities have different tax structures. The variance is based on reliance on income tax, property tax, sales and excise taxes, or other taxes or fees, as well as the specific structure of those taxes.

In some states, residents with high incomes pay a higher proportion of their income in taxes than residents with lower incomes. These tax systems are more progressive and promote vertical equity. They typically feature progressive elements in their income tax, such as exemptions or graduated rates. In other states, residents with high incomes pay a lower proportion of their income in taxes than residents with lower incomes. These systems are considered regressive and typically feature fewer progressive elements in their income tax or a higher reliance on sales and excise taxes, which are not based on income level.

Equity of Illinois’ tax system

The distribution of the tax burden impacts Illinois’ broader economic vitality. In 2018, the Institute on Taxation and Economic Policy ranked Illinois’ tax system as the 8th most regressive structure in the United States. The 20 percent of non-elderly residents with the lowest incomes paid 14.4 percent of their income in taxes, while the top 1 percent of taxpayers paid 7.4 percent. While Illinois relies on sales and excise taxes to a relatively typical degree, these taxes often have regressive impacts on the overall tax system. States with less regressive structures integrate several features in their income tax structure to mitigate the impacts of these taxes.

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However, Illinois’ income tax structure features a flat income tax rate and comparatively low tax exemptions. Illinois taxes all personal income at the same rate, rather than a graduated approach where higher incomes are taxed at higher rates.\(^{26}\) Currently, Illinois exempts $2,275 per individual from taxable income for filers with income lower than $250,000 ($500,000 for a joint return). Illinois also provides an Earned Income Tax Credit (EITC) for households with low to moderate income that are eligible for the federal EITC. The Illinois EITC is currently 18 percent of the federal EITC and is a refundable credit, meaning that it can be greater than the amount of tax liability.

**Equity of transportation fees, fines, and fares**

Transportation user fees, fines, and transit fares are one portion of a resident’s overall tax and fee burden. They function as part of the tax system as a whole, where every broad-based fee, fine, or fare imposed without basis in income level has the potential to be regressive. Even when these expenses are not primary parts of the tax burden, many residents perceive outlays like

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tolls or transit fares as substantial relative to other expenses, because they have to pay them on a more regular basis, particularly if they have to pay in cash.\textsuperscript{27} Indeed, particularly noticeable fees like priced parking are often used as a traffic management tool to drive behavior.

The following section will assess the vertical equity of transportation fees, fines, and fares, and the impacts on residents and households in northeastern Illinois with low income. When these fees, fines, and fares disproportionately impact residents with low income, residents of color may also be disproportionately affected.\textsuperscript{28} Policies may not have an overtly racist intent yet produce inequitable outcomes for people of color.

**State motor fuel tax and proposed road usage charge**

The State of Illinois imposes a 38.7 cents per gallon tax on motor fuel, with the rate rising with inflation every July. Only drivers pay MFTs directly and therefore only residents with low income who drive a car are directly impacted. This would also be true with road usage charges, when implemented. Current travel patterns and the fuel efficiency of personal vehicles affect the payments that drivers make in MFT today. Drivers are impacted by the motor fuel tax to the degree that they use fuel, a function of both miles driven and vehicle efficiency. An average driver in Illinois pays approximately $200 annually in state MFT and would pay a similar amount under a potential road usage charge structured to replace the current revenue from MFT. Drivers would pay a road usage charge solely based on how many miles they drive.

**Households with low income incur lower motor fuel tax and likely lower road usage charge payments**

CMAP analysis indicates that communities with median household income under 60 percent of the region median tend to have lower typical household MFT payments than areas with higher median household income. These MFT payments totaled approximately $220 per year and $350 per year, respectively, in aggregate for all household vehicles.\textsuperscript{29} These communities with lower income had lower MFT payments because of varying combinations of fewer vehicles per household and low annual mileage. Differences in MFT payments across communities of different income levels were not driven by notable differences in vehicle fuel economy. On the municipal and community area level, no relationship between median vehicle fuel economy and median household income exists.


\textsuperscript{28} Where possible, the assessment of transportation fees, fines, and fares that follows provides quantitative analysis on both income and racial dimensions. However, data limitations did not allow a full analysis of the impact of every fee, fine, and fare by race or ethnicity.

\textsuperscript{29} Chicago Metropolitan Agency for Planning analysis of American Community Survey estimates for 2011-2015; odometer readings from the Illinois Environmental Protection Agency, 2015-17; and fuel economy estimates from the U.S. Environmental Protection Agency.
As a result, shifting from a motor fuel tax to a road usage charge would not impose a greater burden on typical lower-income households relative to typical higher-income households. To compare the tax burden of a MFT to a road usage charge, CMAP estimated a revenue neutral rate for passenger vehicles. Under a $0.0195 per mile rate — chosen because it raises the same amount of revenue overall as the MFT — areas with lower median household income would experience an $11 typical increase in annual burden, while areas with higher median household income would experience a $14 typical increase, on average. The higher change in burden is partially driven by the fact that households in higher-income communities have higher mileage on average than households in lower-income communities.

Since aggregating to the community level may obscure household-level characteristics, CMAP’s Activity-Based Model was also used to investigate relationships between income and driving patterns. The analysis reflects that lower-income households drive fewer miles on average than medium- and higher-income households, resulting in lower tax payments for the MFT and a potential road usage charge. While Table 1 compares modeled miles driven by income group for all households, the results for households that own one or more vehicles are similar. Ninety percent of all households in the region have one or more vehicles, while 75 percent of households with low income have one or more vehicles.30

Table 1.

Finding: Households with low income drive fewer miles than other households

<table>
<thead>
<tr>
<th>Income level of household</th>
<th>Share of modeled households</th>
<th>Share of total miles driven</th>
<th>Average miles driven per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>22%</td>
<td>11%</td>
<td>20 miles</td>
</tr>
<tr>
<td>Medium</td>
<td>36%</td>
<td>37%</td>
<td>42 miles</td>
</tr>
<tr>
<td>High</td>
<td>42%</td>
<td>53%</td>
<td>53 miles</td>
</tr>
<tr>
<td>All households</td>
<td>100%</td>
<td>100%</td>
<td>42 miles</td>
</tr>
</tbody>
</table>

Source: Chicago Metropolitan Agency for Planning analysis of U.S. Census data and CMAP’s Activity-Based Model

**Motor fuel taxes do not represent a major cost burden relative to other costs of driving**

Both motor fuel taxes and road usage charges are fees intended to capture funds based on use of the roadway network. Because they drive fewer miles, lower-income households pay a similar share of their income in motor fuel tax as higher-income households — approximately 0.2 percent of income for four-person households across each income group. The rate structures treat drivers of all incomes the same, resulting in a lack of vertical equity for households that lack sufficient access to other transportation modes. However, it is mostly other driving costs, such as vehicle purchase, repairs, insurance, and the price of motor fuel itself, not the MFT or a road usage charge, that make driving unaffordable for some households.

30 Chicago Metropolitan Agency for Planning, Activity-Based Model
Vehicle registration fees
The State of Illinois imposes a vehicle registration fee, and many municipalities impose their own vehicle license fees. Vehicle registration fee revenue tends to provide the stability necessary to fund or issue bonds for multi-year transportation programs. The State periodically raises these fees to ensure that the revenues are sufficient to maintain and improve the transportation system. The State of Illinois recently increased registration fees, with annual passenger vehicle rates increasing from $101 to $151.31 With 10.8 million registered vehicles, these fees are the Illinois Department of Transportation’s largest source of state-generated funding. Nearly 8 million passenger cars are registered in Illinois. Growth in actual passenger vehicle registrations was just 1.2 percent between 2010 and 2019, which is consistent with stagnation in the state’s population.

Many municipalities impose annual vehicle fees as well. Within northeastern Illinois, 159 municipalities impose these fees on residents, ranging from $5 to $90. Some municipalities restrict these revenues for transportation investments, while others use the revenue for general purposes.

Households with low income own fewer vehicles than other households
State and local vehicle fees are inherently regressive. Because everyone pays the same amount regardless of income, drivers with low income pay a higher percentage of their income on these fees than higher-income drivers. Additionally, the annual $151 payments may impose a burden on low-income households. However, many people with low income are not affected by the fee because they don’t own a vehicle. Data indicate that households nationwide with less than $25,000 in annual income account for 13.4 percent of vehicles.32

Within northeastern Illinois, lower-income communities tend to have fewer vehicles per household than higher-income communities.33 In addition, results from CMAP’s Activity-Based Model indicate that households with low income in the region own 1.1 vehicles on average, while households with medium and high income own 1.7 and 1.9 vehicles on average, respectively. In the aggregate, households with low income account for 23 percent of households in the region but own 16 percent of the vehicles. Figure 9 compares vehicle ownership by income level in the aggregate for the CMAP region.

31 Electric vehicle registrations were increased from a discounted $35 biennial fee to $251 annually, which is comprised of the same base registration fee as all vehicle owners, $151, plus an additional $100 fee in lieu of paying the MFT. As of March 2020, electric vehicles account for 0.3 percent of passenger vehicles in Illinois, with 21,336 active registrations out of nearly 8 million passenger vehicles registered in Illinois.


33 Chicago Metropolitan Agency for Planning analysis of American Community Survey data, 2014-18 estimates
Figure 9.

Finding: Households with low income own fewer vehicles than households with medium and high income

Indeed, not owning a vehicle allows people with low income to avoid paying vehicle fees. However, in areas with insufficient transit access to employment and services, or bicycle and pedestrian facilities, not owning a vehicle may not be a reasonable alternative.

**Impact of vehicle registration fees depends on local fees imposed**

Across the region, the aggregate effect of state and local vehicle fees varies by both fee levels and income levels. Figure 10 compares typical household state and local vehicle fees paid, based on typical household vehicle ownership, to median household income, by municipality or Chicago Community Area. Although the fees are relatively low compared to income levels, households with median-level incomes in many Chicago neighborhoods and several suburbs are paying more than a half a percent of their income annually in state and local registration fees.
Figure 10.
Finding: State and local vehicle registration fees reach more than a half a percent of income in some communities
However, all communities in the region have residents of varying income levels who own vehicles. Table 2 compares vehicle fee levels by income level, for a four-person household.

Table 2.

**Finding: Higher local vehicle fees drive a higher cost burden**

<table>
<thead>
<tr>
<th>Income level, four-person household</th>
<th>$151 State fee as a percent of income</th>
<th>State + $25 local fee as a percent of income</th>
<th>State + $75 local fee as a percent of income</th>
</tr>
</thead>
<tbody>
<tr>
<td>60% of median income ($51,350)</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.4%</td>
</tr>
<tr>
<td>140% of median income ($119,818)</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Source: Chicago Metropolitan Agency for Planning analysis.

ON TO 2050 encourages municipalities to impose user fees to fund infrastructure that meets community needs. However, the impact of these fees is greater for drivers in municipalities with higher fees. While these fees are regressive, they remain a small piece of the overall cost of vehicle ownership. For typical vehicle costs, these fees represent approximately 2 percent of the annual cost of owning a vehicle, which can reach $10,000.

**Tolling**

Tolling allows the high cost of urban expressway construction to be borne by users of those facilities, rather than the general public. In Illinois, such user fees have allowed Illinois Tollway facilities to be maintained and improved, while IDOT-maintained expressways have fallen into disrepair due to a lack of adequate and consistent funding. The need for expanded tolling has been recognized by ON TO 2050, which recommends IDOT and the Tollway implement tolling in conjunction with planned reconstruction of existing, untolled facilities. This is meant to defray the costs of reconstruction and provide a sustainable revenue source for ongoing maintenance and modernization.

Base charges for the Illinois Tollway vary by facility. The Tri-State Tollway, first constructed more than 60 years ago, has a price of approximately $0.06 per mile. Newer facilities have higher rates to cover more of the initial cost of facility construction, rising to approximately $0.20 per mile on the newly constructed Illinois Route 390.

Likewise, the payment method affects toll rates. The financial viability of toll roads requires that the cost of collection be substantially lower than the collected revenue. Automated collection via a transponder costs very little compared to alternative payment methods. As a result, the Tollway charges more for higher-cost transactions, both to cover costs and, more importantly, to provide a financial incentive for people to choose payment methods with lower costs to the Tollway.
More than 90 percent of the Tollway’s transactions are via the electronic I-PASS transponder, the second-highest electronic collection percentage among peer U.S. toll agencies.\(^{34}\) That is likely to increase, as cash tolls are being phased out on the Tollway system. Nearly 70 percent of Chicago Skyway transactions are electronic, but unlike Illinois Tollway facilities that offer a discount for electronic transponder payment, cash and electronic toll rates are the same. To obtain an I-PASS transponder, the account holder must pay $30 up front; $20 is credited to the I-PASS account and $10 is a refundable deposit. The Tollway’s cost of collecting I-PASS tolls is significantly lower than pay-by-plate online tolling, used by motorists who did not have an I-PASS transponder in their windshield.\(^{35}\)

To maximize toll collection efficiencies, the Illinois Tollway has put strong financial incentives in place to encourage I-PASS use. As compared to I-PASS tolls, a typical toll schedule for passenger vehicles is double for “pay-by-plate” transactions for 14 days after the toll.\(^{36}\)

To avoid tolls and fees, Tollway customers with I-PASS accounts need to keep funds in their accounts. For customers with credit, debit, and prepaid cards, this is easy through the I-PASS auto-replenish program.\(^{37}\) Customers with depleted accounts have 14 days to pay by plate, or an invoice fee occurs. For customers without auto-replenish, cards may be used online or over the phone to add funds. Customers can also purchase Illinois Tollway gift cards at Jewel-Osco using any payment method and replenish their account using the gift card online or over the phone. Cash, checks, and cards are accepted at four suburban service oases or at the Illinois Tollway headquarters in Downers Grove. Checks may also be mailed to a processing center.

**Existing tolling does not significantly impact households with low income**

At this time, on average, tolls do not appear to be a substantial share of transportation costs nor a primary driver of transportation outlays for people with low income. Consumer Expenditure Survey data indicate that other vehicle expenses, which include tolls, make up just 3 percent of transportation expenses for households with low income and 6 percent for other households. Rather, vehicle ownership overall is the primary driver of transportation expenses.

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35 Illinois Tollway (Mike Colsch), *Video Tolling and Collections*, March 2017, https://www.illinoistollway.com/documents/20184/532181/20170313_CSPVideoTolling.pdf/24556ba4-7001-47e0-ad73-333b83ec3194?version=1.0. In 2015, the cost of collecting tolls was $0.08 per dollar for I-PASS transponder transactions, including capital expense (gantries, cameras, etc.). Pay-by-plate online tolling, for motorists who did not have an I-PASS transponder in their windshield, have higher expenses, $0.20 per dollar collected in 2015. Expenses per dollar collected for cash transactions, which are being phased out, were $0.43 for coin machines and $0.48 for manual lanes (with an in-person attendant).


The impact of tolling on people with lower income is dependent on several variables. People with low income tend to have fewer cars than people with high income. In addition, average annual household miles traveled by auto are higher for people with higher income. Households with low income may drive fewer miles to avoid the various costs associated with driving, representing trips suppressed by financial constraints.

While drivers can avoid driving on the Tollway and paying a toll, doing so can make trips longer. Thus, drivers with low income still use these facilities because they provide a faster route. While the Tollway serves low-income areas of south suburban Cook County and its customer base includes drivers of all income levels, much of the Tollway system is in wealthier suburban counties. In addition, Illinois Tollway per-mile fees are lower than those of many peer toll agencies nationally, so impacts on lower-income communities have been limited.

**Expanding tolling would primarily impact households with moderate and high income**

ON TO 2050’s recommendation to expand tolling to expressways as they are reconstructed may impact greater numbers of travelers with low income. Using its Activity-Based Model, CMAP compared a “baseline” 2015 scenario with a “tolling” 2015 scenario, as if the remainder of the IDOT expressway system in the CMAP region had been tolled at a rate of $0.20 per mile. Under this scenario, toll revenues would increase by nearly 400 percent. In aggregate, daily toll revenues would rise from a baseline of approximately $1.8 million to an estimated $8.8 million. Table 3 indicates that under the expanded tolling scenario, the highest income group would continue to pay a majority of the tolls collected — and would pay a slightly increasing share.

**Table 3.**

**Finding: Households with low income would pay more in tolls, but a lower share of overall tolls under expanded tolling**

<table>
<thead>
<tr>
<th>Estimates for passenger tolls, CMAP region, 2015</th>
<th>Low income</th>
<th>Medium income</th>
<th>High income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of daily toll revenues</td>
<td>8%</td>
<td>6%</td>
<td>34%</td>
</tr>
<tr>
<td>Daily cost per resident</td>
<td>$0.08</td>
<td>$0.27</td>
<td>$0.44</td>
</tr>
</tbody>
</table>

Source: CMAP activity-based model

While the expanded tolling scenario would result in higher collections from households with low income, tolls per resident per day would remain lower than those paid by residents with higher incomes. These model results indicate both lower mileage on the Tollway by drivers with low income and a lower increase in mileage than households in other income groups.

**Lower tolls through I-PASS are less accessible to unbanked households**

The tolling system currently in place presents challenges to unbanked residents with lower incomes who need to access the tollway system. If tolling is expanded, particularly in low-income areas, equity calls for people with lower incomes to have access to the lowest-cost tolls.
rates. However, households with low income tend to be unbanked or underbanked, making I-PASS accounts less accessible to them.

While I-PASS use is already high at the Illinois Tollway, expanded tolling would require channeling an even greater number of customers to I-PASS transponders so that low-income households can take advantage of the lowest toll rates available. This is an important task to meet the needs of households with low income, particularly the unbanked.

**Priced parking**

Priced parking is recommended in ON TO 2050 as one component of developing more walkable communities. CMAP recommends pricing to manage demand, so the price would be higher in areas with higher demand and free in areas with low demand. Parking revenue should not be a goal in and of itself; it should be considered a benefit of a well-managed transportation system. In places where the demand for parking is high, using pricing to balance demand allows for a more efficient use of land, improves travel time reliability by ensuring the availability of open parking spaces, and facilitates business activity by opening up high-demand spaces closest to businesses.

There are several potential approaches to pricing parking that have been implemented in Chicago and some suburban communities. Priced parking is generally found at Metra commuter stations; on-street in high-demand areas in Chicago, Oak Park, Forest Park, Evanston, and Hinsdale; or in garages in very high-demand locations near a variety of destinations. Additionally, residential permit parking is a form of priced parking that addresses high on-street parking demand. From a regional perspective, broader implementation of priced parking in appropriate locations could have many positive impacts. But it is also important to consider the potential negative impacts, particularly equity impacts. These policies can impact drivers with limited income, particularly those without access to transit or with ambulatory disabilities.

**Households pay for parking, regardless of whether they drive or it is priced**

When parking is free, everyone pays for it — regardless of whether they use it or not. When parking is metered or has permits, drivers pay for it directly, although not necessarily at full cost. A grocery store with a free parking garage, for example, must make up the garage costs through higher prices for groceries. Since low-income households without cars are paying for the parking, through the grocery prices, of more affluent driving counterparts, there are inequities inherent within the current transportation system.

While charging directly for the use of a parking space will increase the financial burden on some drivers with low income, the current structure is not equitable. A goal of new pricing should be to reduce existing and future potential inequities. To understand equity as it pertains
to local priced parking, it is important to evaluate who is driving and the burden that low-income households might bear with fees, fines, and parking enforcement.\textsuperscript{38}

One way to measure the equity of parking fees considers the proportion of an individual’s income that goes to paid parking. With direct parking fees, this proportion is likely to be higher for people with low income, particularly in locations where there are no options for free parking or transit. Recommended locations for priced parking are typically in areas where the costs of providing parking facilities is particularly high, such as in dense neighborhoods also serviced by transit. The largest equity barrier is experienced by residents without transit nearby who work in neighborhoods where pricing would be most appropriate. Areas without a transit network can still benefit from parking management but most would likely continue to have mostly free parking.

Approximately 10 percent of the region’s population reports having a disability.\textsuperscript{39} For people who have difficulty walking, convenient and accessible parking should be available, priced by demand. Currently, drivers with meter-exempt handicapped parking placards may park for free at parking meters and publicly-owned parking areas. Previous abuse of the placards led to passage of a state law in 2013, limiting the people who could park for free with a placard to those who cannot physically feed the meter.\textsuperscript{40}

**Publicly subsidized parking can create equity challenges**

Building additional parking garages for use by all does not alleviate equity concerns. Since wealthier households own more cars\textsuperscript{41} and take more trips,\textsuperscript{42} a subsidized parking garage may mostly benefit households with higher income. Parking garages are expensive to construct, and when the costs are not covered by users, they encourage more driving — negating the intended purpose of satisfying the demand for parking. A CMAP study on municipally-constructed parking garages in metropolitan Chicago found construction costs range from $25,000 per space to more than $70,000 per space. When drivers pay the full cost to park and demand is still high, private parking garages will be built to fill the demand. However, this high demand for priced parking is unlikely to happen outside of Chicago’s central business district, higher-income neighborhoods with significant density, and locations with large attractions.

**Transportation network company fees**

In recent years, the rise of transportation network companies (TNCs), such as Uber, Lyft, and Via, has dramatically altered transportation choices available to residents in the seven-county

\textsuperscript{38} Victoria Transport Policy Institute notes that “Because disadvantaged people tend to drive less and rely on non-automobile modes, anything that increases transportation system diversity and land use accessibility tends to increase vertical equity.” Evaluating Transportation Equity, June 2020, https://www.vtpi.org/equity.pdf.

\textsuperscript{39} United States Census Bureau, American Community Survey, 2018 Summary Table for Chicagoland MSA

\textsuperscript{40} Illinois Public Act 97-0845 (passed July 23, 2012).

\textsuperscript{41} Federal Highway Administration, National Household Travel Survey, 2017.

\textsuperscript{42} Chicago Metropolitan Agency for Planning, Activity-Based Model
region. In the first two months of 2020, TNCs provided, on average, nearly 300,000 trips a day that started or ended in the city of Chicago. Although data on trips that take place outside of the Chicago are not publicly available, it is reasonable to assume a significant number of trips are provided by TNCs in the rest of the region. The cost of a TNC trip compared to the total cost of car ownership — and depending on the trip, the cost of taxis — make them a popular alternative for trips that would otherwise require owning a vehicle. Additionally, the ease of using TNCs, which allows for the convenience of door-to-door service, has also led to their use as an alternative to transit and other active modes. However, transit — where available — remains the region’s most affordable transportation mode excluding walking and biking.

TNCs’ ability to operate depends on the use of public infrastructure. Fees assessed on these services should ensure that users pay a fair share for use of public infrastructure and that fees can help offset the additional costs of air pollution, congestion, and the use of curb space. While some states levy a statewide tax on rides provided by TNCs, Illinois does not impose such a fee at the state level. State-implemented TNC fees vary in approach, with some collecting a flat annual permitting fee per company and others charging a per-trip fee. Per-trip fees are typically passed down to the consumer and are visible on a rider’s receipt, whereas the permit fees are not visible to riders on a per-trip basis.

There is also precedent of regional efforts to regulate and assess TNC fees. In Washington State, King County coordinates with the City of Seattle and other municipalities through a cooperative agreement to license and regulate TNC operators. The county levies a $0.23 per-ride fee for trips starting in unincorporated parts of the county and in municipalities for which it coordinates TNC licensing. In addition to the county fee, the City of Seattle imposes a separate $0.75 fee on trips within city limits.

In northeastern Illinois, the cities of Chicago and Evanston and the Village of Skokie impose a local fee per ride as allowed under the Transportation Network Providers Act (625 ILCS 57). In Evanston, the rate is $0.20 for a shared ride and $0.45 for solo rides that originate or end in the municipality. In Skokie, the fee is $0.15 and $0.35, respectively. As of January 1, 2020, the fee structure for TNC rides originating or ending in the Chicago became more nuanced, using shared status, time of day, and geography to determine the fee. The fee structure is designed to encourage ride-sharing and reduce congestion into and out of the central business district during peak hours.


44 States that collect a flat tax include Arkansas’ $15,000 permit fee and Colorado’s $111,250 annual fee, among others, while states such as Massachusetts collect a $0.20 per-trip fee. New Jersey and some other states levy both types of fees, with a $25,000 annual permit, as well as a per-trip fee of $0.50 for solo rides and $0.25 for shared rides. Shared trips are trips where the rider has authorized the TNC to add an additional rider to the trip. Not all trips where the rider authorizes sharing are actually shared; however, the lower fee is still assessed so long as the shared authorization is made. See “Policy Guide: Regulation of Transportation Network Companies.” Washington State Joint Transportation Committee. 2019.
In addition, within Chicago, trips that start or end at O’Hare International Airport, Midway International Airport, Navy Pier, or McCormick Place are charged an additional Special Venues Surcharge of $5.00 per trip. Chicago also levies a $10,000 annual fee per transportation network company that operates in the city. The city takes a different approach for taxi cabs, charging a $98 monthly fee per vehicle in operation and a $3.50 daily fee to suburban taxis. Other municipalities may impose a fee on taxis if they choose, but taxi services are not included in Illinois’ sales tax base. Wheelchair-accessible vehicles are not subject to these fees.

A scan of other state and local fees collected on TNC trips shows little variation in how fees are imposed. With the exception of New York City, which, like Chicago, has a designated congestion zone with higher fees, most state and local units of government impose either a flat fee or a fee calculated as a percentage of the trip fare, such as New York State’s 4 percent fee levied on the gross trip fare.

In northeastern Illinois, TNC fee revenue is used for both transportation and non-transportation purposes. In years prior to 2020, the City of Chicago has remitted a portion of revenues collected to the Chicago Transit Authority (CTA) for capital projects. The 2020 budget estimated that the new fee structure would raise an additional $40 million in 2020, of which $2 million would be set aside for the Chicago Department of Transportation to make bus improvements, such as Bus Priority Zones. However, the COVID-19 pandemic has significantly reduced actual revenue collected. All revenue collected by both the City of Evanston and the Village of Skokie is deposited in their general funds.

**Impact of a TNC fee on residents with low income would be unclear**

The extent to which TNC fees impact residents with low income is dependent on how much they use TNCs, similar to other transportation fees like the motor fuel tax or priced parking. Existing research is inconclusive on the extent to which people with low income use TNCs for transportation. Preliminary findings from CMAP’s My Daily Travel Survey conducted between August 2018 and April 2019 show that riders with annual income less than $25,000 take more than 20 percent of all TNC rides in the region.

These findings are contrary to surveys in other metropolitan areas conducted in recent years that have found TNC users to skew toward higher incomes, although TNCs have also been

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45 The State of Illinois levies a $4.00 airport taxi fee, but it is only collected for trips that start at the airport.

46 In some states, such as Maryland, Massachusetts, Nevada, Pennsylvania, Rhode Island, and South Carolina, TNC rides are taxed under the general sales tax. See Sophie Quinton, “How should Uber be regulated?” The Pew Charitable Trusts. 2015.

47 A survey conducted by UC Davis between 2014 and 2016 in seven major urban areas in the U.S. found that TNC use was most common among respondents with the highest incomes and with the highest levels of education; 15 percent of respondents making $35,000 or less had used TNCs, compared to 33 percent of those making $150,00 or more. A different survey of transit riders from Metropolitan Atlanta Rapid Transit Authority and New Jersey Transit conducted by the Shared Use Mobility Center found transit riders who also use TNCs earn an average of $5,700 and $27,000 more than riders who do not use TNCs, respectively.
found to serve nearly every geography within large urban areas for which data has been made available. Among urban areas where TNCs are widely available, use by residents with low income is likely to differ based on transit availability (including time of day considerations), car ownership rates, local land use patterns, community safety, and other factors. One study conducted in 2016 in Los Angeles found residents in areas with low income making more TNC trips per capita than other income groups, indicating TNCs were being used as a primary mode rather than simply as a back-up option to a personal vehicle. However, the difference in per capita use is likely to be less stark between income brackets in urban areas with better transit coverage and less automobile dependency.

TNCs may fill a critical mobility gap for residents with low income who cannot afford a car and live in areas with low transit availability. However, there are very limited data on use of TNCs by residents of northeastern Illinois with low income, and it is difficult to assess the extent to which TNCs play this role outside of the city of Chicago. ON TO 2050 recommends that private companies share data that aid planning for the region’s transportation network, while still ensuring rider privacy. Expanding access to TNC origin and destination data across northeastern Illinois could be one way to better understand user demographics and the use of TNCs by people of color and residents with low income.

The price of using TNC services is higher than the existing local fee itself, which may range from $0.15 to $0.45 in the suburbs where imposed and would not exceed $1.25 on shared trips in the city of Chicago. Where fees in Chicago are $1.25 or higher, riders can reduce the fee by either using a shared ride or switching to public transit.

Traffic and parking violation fines
For most traffic and parking violations, the consequence of enforcement is a monetary fine. These fines are generally assessed without consideration of income or ability to pay, leading people with low income to pay a larger share of their income than people with high income. The financial burden of fines is especially borne by Black and Latinx residents in the region, who are disproportionately low income.

Traffic violation fines have disproportionate impacts

In 2018, municipal police departments and county sheriffs in the CMAP region performed 1,613,832 traffic stops.\(^5^1\) Sixty percent were for moving violations, which include speeding, traffic signal, and lane violations, among others.\(^5^2\) After stopping a motorist, a law enforcement officer may issue a verbal warning, written warning, or a citation. Data analysis found that traffic stops resulted in a motorist receiving a citation 31 percent of the time — with the majority of citations for moving violations. Speeding led as the most common reason for both a stop and a moving violation citation, although speeding was more likely to lead to a citation than other moving violations.

Some national survey research suggests an association between higher income and speeding; drivers with household income exceeding $100,000 are more likely to report speeding than drivers in lower-income households ($30,000 or less).\(^5^3\) However, this association is complicated by the fact a subset of respondents reporting high household incomes are young drivers who still live with their parents — a population at higher risk for speeding.

Disaggregating the data by race and ethnicity indicates motorists identified as Black are stopped at a substantially higher rate than other racial and ethnic groups; motorists identified as Black make up 31.2 percent of those stopped in the data while comprising only 16.7 percent of the region’s population.\(^5^4\) However, motorists identified by law enforcement as Black were less likely to receive a citation once stopped -- receiving a citation in 22.8 percent of stops, compared to roughly 35 percent of stops for all other racial and ethnicity groups\(^5^5\). Overall,

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\(^{51}\) CMAP analysis of 2018 IDOT Traffic Stop Study data. It should be noted that from 2017 to 2018, the Chicago Police Department, which makes up the largest share of law enforcement traffic stops in the region, increased traffic stops by more than 70 percent. At the same time, citations issued by the Chicago Police Department were largely flat. Matt Masterson, “ACLU Report Finds Chicago Police Traffic Stops Jumped by 200K in 2018,” WTTW, December 19, 2019, https://news.wttw.com/2019/12/19/aclu-report-finds-chicago-police-traffic-stops-jumped-200k-2018

\(^{52}\) IDOT Illinois Traffic Stop Study data divide the reason for traffic stops into four categories: moving violations, equipment, license plate/registration, and commercial vehicle.


\(^{54}\) There are a number of limitations to using census racial and ethnic share of residential population data as a benchmark for comparison. One major issue is that driver population likely differs from the residential population. Utilization of census residential population figures does not account for the fact non-residents of the region also use the roadways and are stopped by law enforcement. Additionally, members of different racial and ethnic groups in the region drive at different rates, as indicated by prior CMAP analysis that show white workers in the region drive alone as their commute mode at a higher rate than Black workers. Chicago Metropolitan Agency for Planning, Travel Trends: Understanding how our region moves, 2016, https://www.cmap.illinois.gov/documents/10180/517201/FY17-0012+Travel+Trends+Snapshot/

\(^{55}\) The Illinois Traffic Stop Study data rely on law enforcement officers to identify the race and ethnicity of stopped drivers, which may not align with driver racial and ethnic self-identification. Additionally, there is no differentiation in the data between race and ethnicity, with a single option for “Hispanic or Latino.”
Figure 11 shows motorists identified as Black are most likely to receive citations on a per capita basis, receiving 81 citations per 1,000 Black residents in the region compared to an overall rate of 60 citations per 1,000 residents overall.

**Finding:** Motorists identified as Black received more tickets than other motorists

Since traffic violation fines in the region are a fixed amount, irrespective of the driver’s income, people with low income must pay a larger share of their income than those with higher incomes for the same violation. They have limited capacity to pay off fines in full and greater difficulty in using payment plans that require a down payment.

Traffic violation penalties vary greatly in severity depending on the offense, from a small monetary fine to incarceration. In Illinois, a “minor traffic offense” is either a petty or business offense under the Illinois Vehicle Code or a similar provision of a local ordinance. Petty offenses are only punishable by fines below $1,000 and do not carry a potential prison sentence. Business offenses carry fines above $1,000 and no prison sentence.

Figure 12 provides a selection of common minor traffic offenses and their burden on residents with low income for illustrative purposes. Penalty amounts were drawn from the Illinois

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**Figure 11.**

**Number of traffic citations per 1,000 residents by race, northeastern Illinois, 2018**

<table>
<thead>
<tr>
<th>Race</th>
<th>Citations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>80</td>
</tr>
<tr>
<td>White</td>
<td>60</td>
</tr>
<tr>
<td>Hispanic</td>
<td>40</td>
</tr>
<tr>
<td>Asian</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
</tr>
</tbody>
</table>

Note: Traffic citations per capita disaggregated by race should be interpreted cautiously, as the Illinois Traffic Stop Study and the American Community Survey use different methods to determine race and ethnicity. The former relies on law enforcement identification of motorists, and the latter utilizes respondent self-identification.


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Vehicle Code since local government traffic codes across the region are based on the state framework. Residents with low income have to work longer to pay off penalties compared to residents with high income for the same offense. It should be noted that court fees, fines, and costs (collectively known as assessments) may be levied in addition to the traffic violation fine, which can further increase the disproportionate burden for motorists with low income. The Criminal Traffic Assessment Act provides that defendants who appear in court for a minor traffic offense must pay court costs of $226.\footnote{Illinois Criminal Traffic Assessment Act (705 ILCS 135/15-50).}

**Finding:** Residents with low income have to work longer to pay off fines relative to residents with higher income for the same offense

These fines represent a significant share of income for a family with low income. Table 4 shows that even for individuals and families earning 60 percent of the median income level, the highest fines can exceed half of a week’s income. These proportions are greater for individuals and families with lower incomes.
Table 4.

Finding: Traffic violation penalties are a significant share of weekly income for drivers with low income

<table>
<thead>
<tr>
<th>Fine amount</th>
<th>Percent of weekly earnings for a family with low income ($987.50)</th>
<th>Percent of weekly earnings for an individual with low income ($358)</th>
<th>Selected Illinois Vehicle Code traffic violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>$600</td>
<td>60.8%</td>
<td>155.8%</td>
<td>Driving without mandatory insurance</td>
</tr>
<tr>
<td>$164</td>
<td>16.6%</td>
<td>45.8%</td>
<td>Failure to obey a stop sign</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Speeding 1-20 MPH above limit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Head, tail or side light violation or broken headlight</td>
</tr>
<tr>
<td>$100</td>
<td>10.1%</td>
<td>27.9%</td>
<td>Red light camera ticket</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Automated speed enforcement: speeding 10+ MPH above limit</td>
</tr>
<tr>
<td>$50</td>
<td>5.1%</td>
<td>14.0%</td>
<td>Automated speed enforcement: speeding 6-10 MPH above limit</td>
</tr>
<tr>
<td>$75</td>
<td>7.6%</td>
<td>20.9%</td>
<td>Electronic communication device: first offense</td>
</tr>
</tbody>
</table>

Note: Low-income household defined as earning 60 percent of the 2018 Chicago MSA median income. For illustration, the low-income threshold for a 3-person family ($51,330 annual, $987.50 weekly) and a 1-person household ($18,616 annual, $358 weekly) was selected. The $600 fine amount for driving without mandatory insurance includes both the $500 minimum fine (maximum of $1,000 for the first offence) and the $100 mandatory driver’s license reinstatement fee following the stipulated 3-month license suspension.

Source: CMAP analysis of Illinois Vehicle Code (625 ILCS 5), Illinois Supreme Court Rule 529, Criminal and Traffic Assessment Act (705 ILCS 135), and U.S. Census data.

Initial research shows parking ticket fines can be highly inequitable; more regional data are needed

An important consideration in implementing priced parking is the burden of enforcement and associated tickets. Without enforcement, people will not pay for parking and it would be impossible to manage parking demand. Parking violation fine amounts vary by violation type and can range from lower amounts for expired meters to significantly higher for parking in prohibited areas or without proper registration. A ProPublica investigation found that eight of the 10 ZIP codes in Chicago with the most accumulated ticket debt per adult are majority Black and highlighted how unpaid parking tickets can quickly spiral into personal bankruptcy.58

Parking violation fines are experienced by both residents and workers. Delivery drivers, taxi drivers, and ride-hail drivers are expected to provide quick service. In congested areas, expediency may mean parking illegally and risking tickets for short-term parking stays. Ride-hail customers may request pick-up or drop-off in illegal spaces. While some freight delivery companies pay for their drivers’ parking violations, in many cases, drivers are considered independent contractors and are responsible for any resulting fines.

Parking violation fines are instituted across northeastern Illinois to impose penalties for expired registrations or parking in restricted areas. No regional data source for recipients of parking violation fines is available; however, data from the City of Chicago are available from ProPublica. Using this data to analyze the relationship between ticket recipients and incidence, Figure 13 shows that the drivers who lived in neighborhoods with the lowest quantile of median household income had the highest incidence of tickets. In this analysis, the ticket burden fell heavily on the mostly Black south and west sides — with West Englewood’s proportion of tickets per 1,000 residents being more than three times the city average. More data are needed to fully understand how parking fines are distributed across drivers of different income levels in municipalities in other parts of northeastern Illinois.

**Figure 13.**

**Finding: Drivers who lived in neighborhoods with the lowest income levels had the highest incidence of tickets in Chicago**

<table>
<thead>
<tr>
<th>Tickets per 1,000 residents, by ticket category and income level of ZIP code, City of Chicago, 2008-2017</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>0-20% (lowest)</th>
<th>20%-40%</th>
<th>40%-60%</th>
<th>60%-80%</th>
<th>80%-100% (highest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,500</td>
<td>3,000</td>
<td>2,500</td>
<td>2,000</td>
<td>1,500</td>
</tr>
</tbody>
</table>

**Transit fares**

The region’s public transit system is one of metropolitan Chicago’s most critical assets. The transit network in northeastern Illinois, which includes service provided by CTA, Metra, and Pace, is relied on by residents of all backgrounds. But it is especially crucial for the everyday mobility of residents with low income, residents with disabilities, and people of color in the region.

Maintaining affordable fares is necessary so that residents may access economic opportunities as well as conduct the daily business of life. The authority to set fare policy lies with the service...
operators. Under Title VI of the Civil Rights Act of 1964, the Federal Transit Administration requires that large-scale transit operators, such as those in the region, develop a process for a fare equity analysis for any proposed changes to fares, fare medium, or fare structures. The analysis must assess whether fare changes will have a disparate impact on members of a group identified by race, color, or national origin, or a disproportionate burden that would affect low-income populations more than other groups. The analysis must determine the number and percent of users of each fare or fare type, compare fares before and after the change, evaluate the impact on each protected class, and compare the impact on users with low income to all users of the system.

Each transit provider develops its own analytical methodologies to comply with Title VI requirements, which include establishing a threshold for determining when adverse effects are disproportionate. If a disparate impact or a disproportionate burden is found during the analysis, transit operators consider other options to avoid, minimize, or mitigate impacts.

In metropolitan Chicago, transit fares for trips vary among the three transit operators and may even differ among riders who are using the same service to make the same trip. The analysis below explores the different factors that determine the cost of a full-fare trip and how riders with low income may be disproportionately impacted. Elements that may change the cost of a transit trip include:

- distance traveled
- method of payment
- type of fare purchased, for example, a single-use ticket versus an unlimited-ride pass, or a reduced-fare permit versus full-fare
- number of transfers taken and service providers used

Effectively, two riders on the same bus who both have paid full fare could be paying entirely different amounts. That said, transit fares are intended to be somewhat horizontally equitable but they are not vertically equitable, as they constitute a higher percentage of total income for riders with low income.

**Residents with low income use transit for all types of trips**

Assessing the vertical equity of transit fares collected in the Chicago region requires an understanding of who is riding transit and therefore who incurs the cost of service. Data generated from CMAP’s Activity-Based Model\(^59\) show that households with low income use transit more frequently than households with middle and high income. Households with low income use transit more frequently than households with middle and high income.

\(^59\) CMAP’s Activity-Based Model (ABM) assesses the socioeconomic determinants of travel choice and evaluates modern transportation solutions. The ABM is founded on the idea that people’s travel behavior is a result of their daily activities, i.e., the things people need to accomplish dictate where, when, how, and with whom they travel. The ABM seeks to represent the choices made by individual travelers and generates a schedule of daily activities for members of every household in the region, and then transforms that information into sequences of trips that occur throughout the day.
income average 3.1 transit trips on an average Monday through Friday week, while households with middle and high income average 2.6 and 2.5 transit trips, respectively.

When modeled transit trips are broken down by trip purpose, Figure 14 illustrates that the gap in transit use between households with low income and other households is more pronounced for trips that do not include work commutes. Households with middle and high income are more likely to take transit to commute than for any other purpose. For these households, commute trips comprise 52 and 61 percent of all transit trips, respectively, while commute trips comprise just 31 percent of trips for households with low income.

**Figure 14.**

*Finding: Residents with low income use transit most frequently among income groups*

Conversely, households with low income are more likely to take transit for all other types of trips, such as those taken for the purposes of shopping, traveling to school, and accessing other social and recreational destinations. A household with low income in the region takes 29 percent more of these trips on transit than a household with middle income and 44 percent more than a household with high income. This is due in part to a higher reliance on transit as a primary mode of transportation, as households with low income own vehicles at lower rates.
It also underscores the importance of ensuring that transit remains affordable for these residents to live, work, and travel the region as they need.

**Transit pass cost can be high relative to rider income**

CTA and Pace charge flat fares for boarding a bus or train regardless of trip distance. Whether a rider travels from 95th Street to Howard or between two adjacent stops, they can expect the fare to be the same. Metra, however, uses a distance-based fare system to account for the increased marginal cost of providing long-distance trips. The average trip length on Metra was 22.3 miles in 2017, as compared to 5.9 miles on CTA rail, 2.5 miles on CTA bus, and 6.4 miles on Pace bus. There are 10 fare zones, and fares are determined by the number of zones through which a rider travels. One-way full-fare tickets range from $4.00 for trips that do not cross zones up to $9.50 for trips between inner Chicago and the furthest zone.

Like single-trip tickets, the cost of Metra monthly passes scale by distance. Across the three service boards, the percent of income used to purchase passes can vary significantly by service operator and by zone on service on Metra. A monthly pass requires a rider to pay more in advance but can save a rider money if enough rides are taken to recoup the cost, which varies by trip and operator. For riders with low income, the initial investment can be a substantial outlay. The annual cost of twelve 30-day Pace passes represents 2.3 percent of income for a household with low income and 0.7 and 0.4 percent for households with middle and high income. Figure 15 shows that the percent of income spent on transit increases with the cost of the pass; to buy a year’s worth of Metra’s Zone A to J (10 zones) monthly passes, a rider with low income could pay 10.6 percent or more of their annual income, while a rider with high income might not exceed 1.9 percent of their income.

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60 Chicago Metropolitan Agency for Planning analysis of U.S. Census data and CMAP’s Activity-Based Model.


62 In 2018, Metra consolidated the three outmost zones and capped fares for trips that exceed 45 miles. In addition, Metra’s zone reassignment pilot at this time lowered fares at eight Metra Electric and Rock Island stations permanently.
Figure 15.

Finding: The cost of monthly transit passes can constitute between 2.3 and 10.6 percent of earnings for a rider with low income.

<table>
<thead>
<tr>
<th>Annual cost of transit monthly pass as a percent of annual earnings for a family of four, for CTA, Pace, and Metra (by zone) and income</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% of median MSA ($30,968)</td>
</tr>
<tr>
<td>MSA median ($103,227)</td>
</tr>
<tr>
<td>170% of median MSA ($175,485)</td>
</tr>
</tbody>
</table>

Method of payment impacts fare cost

Riders can reduce their base fare payments on CTA and Pace regular fixed routes if they use a Ventra card to pay their fare instead of cash. Riders can add cash to their Ventra cards at train stations, Pace bus terminals with a Ventra vending machine, and qualified retailers, as well as over the phone, so it is not necessary to have a smartphone to use a Ventra card. However, the Ventra card is most accessible to riders who have either a debit or credit card and access to the internet, whether on a computer or a smartphone. Online, riders can link their Ventra card to a debit or credit card and add funds when they are not physically in a train station or at a retailer. This is convenient for bus riders who would otherwise have to first travel to a train station, visit a retailer, or call Ventra if they are out of funds on their Ventra card to avoid paying the surcharge for cash fare on the bus.

Using a Ventra card can provide significant savings for riders whose trips require numerous transfers. The card can track transfers, which is not feasible under the current system for cash payment on buses. For this reason, the geographic availability of retailers that sell Ventra cards

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63 Fare discrepancy based on payment method does not impact all regional transit service. Riders of Pace’s express routes and Metra pay the same fare whether or not they are paying with Ventra. There are no cost savings for purchasing a Metra ticket on Ventra versus paying cash.
is one component assessed under Title VI analysis, and the number of eligible retailers has expanded in recent years. However, there are still circumstances under which a rider may need to pay cash. For a trip that includes two bus boardings, this could double the cost.

The barrier most likely to prevent a rider — particularly bus riders — from using Ventra is being under- or unbanked. To consistently pay lower Ventra fares and transfer costs, under- or unbanked riders must use cash to load funds to their Ventra card in advance of a trip. If they are unable to do so, riders who pay cash will pay more than riders who use Ventra to access the region’s public transportation system, particularly for trips with one or more bus transfers.

**Trips with certain transfers can be costly**

Transfer costs can add up for riders when they are ineligible for transfer discounts. Riders using Ventra may transfer for free between Pace and CTA; however, the cost of a trip can increase significantly if a rider does not have access to a Ventra card. However, there are not currently any transfer discounts for trips that include Metra if the rider does not have a monthly pass, or for trips that require a transfer between Metra and CTA outside peak hours.

Metra monthly pass holders may purchase the Metra Link-Up pass for an additional $55 a month, which allows transfers between Metra and the other service providers. The Metra Link-Up pass is a monthly unlimited pass that is valid on the CTA between 6:00 and 9:30 a.m. and between 3:30 and 7:00 p.m., and anytime on Pace. The Link-Up pass is not a viable option for Metra riders who need a CTA transfer outside of the eligible peak hours. Riders traveling outside a traditional work schedule, such as shift workers, have to pay the full CTA fare in addition to the cost of their Metra pass. In 2019, Metra riders purchased 32,500 Link-Up passes, allowing free transfers on just 3 percent of all monthly passes purchased. The total cost of a Metra monthly pass and a Metra Link-Up pass could range between $171 and $294.25 depending on the zone. If purchased every month for a year, the total cost can be between 6.6 and 12.8 percent of a rider’s income for those making 30 percent of the MSA median.

The Metra/Pace PlusBus pass is available to Metra monthly pass holders for an additional $30 and offers free transfers between the two operators, regardless of the time of day. In 2019, Metra riders purchased 12,100 PlusBus passes, allowing for free Pace transfers on 1.2 percent of monthly passes purchased, although 5 percent of Pace rides include a Metra transfer.

**Consequences and outcomes of the impacts of fees, fines, and fares**

The affordability of transportation fees, fines, and fares, along with Illinois’ overall regressive tax structure, creates significant challenges for residents with low income. When the tax burden is disproportionately placed on taxpayers with the least financial resources, it further limits their ability to participate in the economy and can impede their mobility. In metropolitan Chicago, residents with low income are disproportionately people of color and people with disabilities.
In recent years, community groups, advocates, and journalistic accounts within the region have noted the financial drain that transportation system fines and debt can have on people with low income and people of color.\(^{64}\) Responding to calls for reform, the Office of the City Clerk of Chicago convened a Fines, Fees, and Access Collaborative in 2019 that jointly developed recommendations to reform fines, fees, and collections practices.\(^{65}\) The city has taken initial steps to act on these recommendations.\(^{66}\)

Limiting driver’s license suspensions for unpaid traffic fines has been an area of significant progress. At the state level, the Transit Table coalition successfully advocated for the enactment of the License to Work Act, which eliminated driver’s license suspensions for unpaid parking, compliance, and tollway ticket fines or fees, among other offenses, and provided a path for license reinstatement.\(^{67}\) Additionally, the recently enacted Public Act 101-0623 includes provisions rescinding holds on license renewal or reinstatement due to failure to pay traffic violation fines and suspensions due to failure to pay fines from automated speed and red light cameras. The legislation also prevents both future license suspensions resulting from unpaid automated camera tickets and license renewal holds due to failure to pay traffic violation fines.

The following provides an overview of the consequences and outcomes of an inequitable system.

**Suppressed mobility diminishes economic opportunity**

Transportation plays a key role in creating pathways to opportunity for low-income communities, people of color, and people with disabilities. However, many neighborhoods with high concentrations of people of color with low income have strong access to transit but few jobs nearby, requiring workers to travel longer distances to access employment opportunities. If transportation to and from job centers is not affordable to residents with low income, or the burden of traveling long distances is too great, residents may be unable to participate in the regional economy and lose access to upward economic mobility. When financial constraints suppress residents’ mobility, they are less able to participate in daily activities and their community. Improving the affordability of transportation options, alongside concerted local economic development efforts, can improve access to economic opportunity and quality of life.

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\(^{67}\) Illinois Public Act 101-0623
Unpaid fees beget more fees

The unaffordable cost of driving creates mobility challenges for residents with low income, particularly those who do not have transit access where they live and work. While fees associated with driving are a small part of the overall cost of driving, the consequences of not renewing state and local vehicle registrations on time can result in an even greater expense. The State of Illinois charges an additional $20 for a late registration, and many municipalities also charge late fees. For example, the City of Chicago’s late fee is $60 after a 30-day grace period, on top of the $90.88 fee. In addition, driving a vehicle without a registration can result in a ticket for expired registration; if the ticket is not paid, the driver will be subject to additional late fees.

On June 25, 2020, the Illinois Tollway moved from a punitive system of fines to a system of invoicing for the first 90 days after an unpaid toll. Instead of an initial $20 fine per missed toll, customers receive an invoice for a $3.00 fee. An additional $5.00 is charged after 60 days, and fines are reserved for tolls unpaid after 90 days. Under the previous system, expenses were $0.35 per dollar collected (this amount would typically include a $20.00 fine per violation). This new, more customer-friendly system of seeking small-dollar payments by mail may be more costly for the Tollway to administer.

Unpaid fines can be financially devastating

Unexpected expenses, such as a traffic violation fine, can cause financial devastation to people with low income living paycheck to paycheck. Federal Reserve research indicates that nationwide, a significant fraction of adults are in financially precarious situations. Survey results from 2018 found 3 in 10 adults are either unable to pay their monthly bills or are one modest financial setback away from hardship.

People with low income are disproportionately impacted by the escalating consequences of receiving a traffic violation fine they are unable to pay. Traffic fines can compound to become a major source of debt and a barrier to employment for residents with low income. Potential negative outcomes include facing a debt spiral and bankruptcy, tax garnishment, license suspensions, vehicles impoundment, employment prohibition, and credit score damage.

Debt spiral and bankruptcy

To encourage prompt repayment of traffic violations, many governments in the region have instituted an escalating ladder of consequences, starting with late fees. One example is the City

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of Chicago’s policy of doubling fines and the accrual of additional fees if tickets go unpaid. Recent reforms in Chicago have eliminated doubling unpaid fines for not displaying a city sticker, replacing this late repayment penalty with a $50 late fee. However, moving violations are not covered by the reform and still incur doubling of fines.71 For the most vulnerable populations, unpaid debt can snowball, resulting in further hardships. Analysis of Chicago ticket data by the Woodstock Institute also found that tickets issued to drivers living in low- to moderate-income ZIP codes were more likely to go unpaid.72 Academic research has even suggested that parking ticket and fine debt is one of the largest drivers of bankruptcies by Black residents in Cook County.73

**Tax garnishment**

In 2012, the State of Illinois created the Local Debt Recovery Program, which provided local units of government a new avenue to collect unpaid fees and fines. The Illinois Office of the Comptroller assists local governments by withholding the debt amounts from residents’ tax refunds, lottery payouts, and payroll checks. Press accounts indicate that in 2018, the program led to $40 million garnished from debtors’ state tax refunds.74 Analysis of tax refund garnishments initiated by the City of Chicago found that 73 percent were for unpaid parking tickets.75

**Vehicle impoundment**

Following efforts to recoup unpaid ticket fines from motorists, local governments are able to seize or immobilize vehicles as further penalty. This can lead to a variety of fees, including fees to remove an immobilization device (boot), fees for the towing of a vehicle, and daily fees while a vehicle is in a tow lot. In the end, motorists unable to pay off tickets can face a double financial hit of significant fees accrued and the loss of a vehicle.76 Even when the car is sold, some local governments do not apply any of the sale proceeds to reduce the underlying traffic fine debt owed by the motorist.

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71 Municipal Code of Chicago, 9-100-050(e)


**Employment restrictions**

As a tool to spur repayment, some governments may prohibit employment to residents who owe unpaid debts. For instance, the City of Chicago has restrictions on hiring residents owing money to the city and related entities until the debt has been paid. Other entities, such as Chicago Public Schools and the CTA, have similar policies.\(^7^7\) There are some exceptions, including if a person has entered into a debt repayment plan and is in compliance. Nonetheless, for residents in communities with limited employment prospects, this can represent a significant hurdle to employment and eventual repayment.

**Credit score damage**

Municipalities have the option to send unpaid ticket debt to collection agencies. This can lead to negative ramifications for motorists’ credit scores — a crucial metric that can affect homeownership and apartment lease applications, employment, and business loans.

**Existing fee and fare programs**

Northeastern Illinois has several programs and policies to reduce the burden of transportation fees, fines, and fares. These programs are relatively limited in scope and are primarily focused on transit service, but they do alleviate costs for households and residents who qualify.

**I-PASS Assist**

I-PASS Assist provides Medicaid or Supplemental Nutrition Assistance Program (SNAP) eligible drivers with the ability to obtain an I-PASS account by just adding $10 in prepaid tolls to the account, rather than $20. The $10 deposit for the transponder still applies. This program accounts for approximately 2,500 I-PASS accounts out of about 5.5 million total accounts. The program is only available at Tollway Customer Service Centers. It is unclear whether the program sufficiently addresses the needs of drivers with low income, due to the limited opportunities to access the program and the necessity of providing funds up front. However, the Tollway is currently considering measures to address equity as part of its plan to make cashless tolling practices permanent.

**Ride free permits**

The RTA manages two types of transit ride free permits as required by law, one program for eligible seniors and a second for riders with disabilities. To be eligible for either program, riders must be enrolled in the Illinois Department on Aging’s Benefit Access Program. Eligibility for both programs is based on household size and income. One-person households are eligible up to an annual income of $33,562, two-person households are eligible up to $44,533, and households of three or more are eligible up to $55,500. In the second quarter of 2019, there were 90,000 active senior passes and 60,000 active passes for users with disabilities.\(^7^8\) Approximately

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\(^7^7\) Chicago Municipal Code, 2-152-150, Applicants for employment – Disclosure of indebtedness to city.

10 percent of trips on the CTA, 1.4 percent of trips on Metra, and 16 percent of trips on Pace fixed-route service were purchased with a ride free permit in 2019.

To receive a ride free permit, applicants must apply using a valid government-issued picture identification card and a printed wallet-sized photo. Completing the written application may be difficult to some eligible residents. Free permits are available to qualifying military personnel on CTA services, and active duty military personnel ride at no cost on Pace.

**Reduced fare permits**
The three service operators in northeastern Illinois each offer reduced fares to qualifying reduced fare permit holders. Based on the type of fixed-route service and whether Ventra or cash is used for payment, a reduced fare pass entitles the rider to a discount between 49 and 55 percent. Per federal law, the following groups are eligible for reduced fares: all seniors 65 and older, Medicare cardholders, qualifying disabled riders, and those eligible for the ADA Paratransit Reduced Fare Permit. Reduced permits are also available to qualifying military personnel on Metra.

During the second quarter of 2019, there were 205,000 active senior reduced passes and an additional 9,000 reduced passes for riders eligible under one or more of the other criteria.\(^79\) In 2019, just under 6 percent of trips on CTA, an estimated 6 percent of trips on Metra, and 14 percent of Pace fixed-route trips were purchased with a reduced fare permit. Providing reduced fares to all seniors is a regressive use of public funds, as ability to pay is not considered in eligibility for the benefit. However, this fare policy may provide other benefits that are difficult to quantify.

In addition, children aged six and under ride free, and children aged seven to eleven are eligible for reduced fares. Metra allows full-time students enrolled in an accredited grade school or high school to purchase a reduced one-way, 10-ride or monthly pass. On the CTA system, elementary and high school students aged 12 to 20 may use a student Ventra card for reduced fares Monday through Friday, 5:30 a.m. through 8:30 p.m. on school days. For Pace service, students can use a student Ventra card without school-hour restrictions. These reduced fares are provided regardless of the rider’s household income. Full-time college students at participating institutions are eligible for CTA’s U-Pass, which provides unlimited CTA rides while school is in session. Pace’s Campus Connection Pass is available to college students for a fee and provides unlimited rides on non-premium routes. The pass is valid by semester.

**Transit Benefit Fare Program**
The RTA and CTA both offer employee benefit programs through enrolled employers in metropolitan Chicago that allow employees to pay for transit fares with pre-tax dollars, either as preloaded funds on a Ventra card or on the RTA’s Transit Benefit Prepaid MasterCard. As of 2018, there were 1,350 enrolled employers in the RTA’s program with approximately 19,000

\(^79\) Ibid.
eligible employees.\textsuperscript{80} Other employers, particularly large employers, may offer and administer their own commuter benefit program that provides the same pre-tax benefits.

Riders enrolled in the programs save on commuting costs by reducing their pre-tax earnings by the amount set aside for commuting costs. Savings for participating in the program are higher for riders with lower income, as the amount spent on transit constitutes a higher portion of total income. The RTA estimates that riders making under $30,650 annually who purchase a $105 30-day CTA and Pace unlimited ride pass will save $25.88 monthly, or 25 percent of the pass cost.

However, access to the savings afforded by the Transit Benefit Fare Program is not equal. Not all employers participate, so not all riders with low income, or riders regardless of income, particularly those who are unemployed, have access to this program. To address these disparities, some cities, including Washington D.C., San Francisco, and New York, have enacted local ordinances that require employers with 20 or more employees to provide pre-tax commuter benefits. However, these requirements still exclude workers at small companies or organizations and may not be available to workers who are under- or unemployed. In Illinois, there have been recent but unsuccessful efforts to legislate similar requirements of smaller employers.

\section*{Recommendations}

ON TO 2050’s principles of inclusive growth, resilience, and prioritized investment support the need to alleviate the impacts and consequences of transportation fees, fines, and fares. A transportation system that works better for everyone will help ensure all residents are included in the region’s economy, regardless of race or income. The burden of funding the transportation system should not disproportionately fall on residents with low income. Moreover, fees and fares should be structured and administered so that residents are able to pay them and avoid consequences such as late fines.

Reducing impacts of transportation fees, fines, and fares on residents with low income will require state and local governments to prioritize actions and investments to help these residents. Making investments to pursue these strategies will need to be balanced with the need to fund an accessible, multimodal transportation system. CMAP considered a variety of strategies to determine which recommendations would best meet the goal of reducing these impacts. Evaluations of strategies included data analysis, research, and interviews with experts and other stakeholders. Each strategy was assessed through several lenses, to varying degrees, depending on its applicability to the strategy in question.

A key component of the evaluation was to determine the strategy’s impact on residents with low income, both in terms of the amount of residents who would be impacted and in terms of

\textsuperscript{80} Regional Transportation Authority. 2019 Operating Budget, Two-Year Financial Plan and Five-Year Capital Program. 2018.
degree of benefit on impacted residents. Many of the strategies would reduce the revenues available to the transportation system. This factor was balanced with the need to avoid reducing investments in the system, which could have the consequence of actually reducing mobility options to the detriment of residents with low income. Relatedly, some strategies could be expensive or complex to administer. As such, ease of administration was weighed against the actual impact of the strategy.

ON TO 2050 recommends that the transportation system be funded through user fees. As such, the evaluation considered whether the strategy would uphold the benefit principle, where users of the system pay according to the benefits they receive. Finally, the evaluation considered whether goals met by complex strategies could be accomplished by simpler policies.

Recommendations based on these considerations and the resource group’s priorities are as follows:

**Improve mobility options**

The region should increase access to lower-cost transportation options, including transit, bicycle and pedestrian options, and shared mobility such as vanpooling, where transportation resources are shared among users. Expenses related to vehicle ownership, including the vehicle itself, maintenance, and fuel, typically exceed $8,000 annually. A more equitable transportation system should provide residents with options for traveling throughout the region via transit, walking, or biking without a personal vehicle. These investments can provide mobility alternatives for residents as well as freelance delivery drivers who may earn low wages. Alternatives to driving can be made accessible and attractive without making driving financially punitive to residents with low income. In addition, roadway safety improvements and the construction of bike and pedestrian pathways in disinvested communities of color would improve safety outcomes without increased enforcement.

The region has already made some progress on furthering investments to improve mobility options. For example, since the 2019 rate increase, a portion of the MFT goes toward transit improvements. Moreover, these investments in infrastructure to support non-driving modes should be made in a performance-driven manner that focuses on mobility options in economically disconnected areas. These include:

- Making investments to improve reliability and availability of transit
- Expanding access to options like mobility as a service, which allows users to plan and pay for trips that require multiple providers in one place

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• Enhancing bicycle and pedestrian infrastructure to provide mobility options that do not require paying fees, fines, and fares
• Expanding opportunities to use cargo bicycles in high-density areas for last-mile deliveries of food, packages, and small freight items, to decrease congestion, manage curb space, and reduce necessity for delivery drivers to pay fees and fines

Implement progressive tax strategies

The transportation system should be funded through user fees, which impose a tax burden based on the benefits that the taxpayer receives. User fees and excise taxes like the motor fuel tax function as part of the tax system as a whole, where every broad-based tax imposed without basis in income level has the potential to be regressive. This approach to funding the transportation system makes it important to focus on other methods to make the overall tax system less regressive. The most effective ways to reduce the regressiveness of transportation fees, fines, and fares, as well as other sales and excise taxes, would be to introduce more progressivity into the income tax.

The State should approve legislation to mitigate the regressiveness of transportation fees, fines, and fares through introducing more progressivity into the income tax. The following strategies are options for making Illinois’ overall tax system less regressive:

• Increase the standard state income tax exemption from $2,275 per individual
• Increase the value of the state earned income tax credit from 18 percent of the federal credit
• Expand eligibility for the state earned income tax credit beyond federal eligibility
• Impose graduated income tax rates to reduce the burden for lower income brackets

The State could implement these strategies in a number of ways by using different amounts, rates, and eligibility requirements. Figure 16 shows how a graduated rate structure or an increase in the personal exemption would impact effective tax rates for a family of four, relative to the current structure.
Figure 16.

Finding: Implementing different tax strategies could lower the tax burden for households with low to moderate income

<table>
<thead>
<tr>
<th>Illinois income tax strategy scenarios for a family of four</th>
<th>Current rate with exemptions</th>
<th>Current rate with increased exemptions</th>
<th>Average tax rate under example graduated rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>$100,000</td>
<td>$200,000</td>
</tr>
<tr>
<td></td>
<td>$300,000</td>
<td>$400,000</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

Note: The example graduated rates scenario would tax income under $25,000 at 3 percent, income between $25,001 and $100,000 at 5 percent, and income above $100,000 at 6.5 percent. The example increased exemptions scenario would double the current exemption to $4,950.

Source: Chicago Metropolitan Agency for Planning analysis.

As Figure 17 illustrates, most Illinois taxpayers have less than $50,000 in taxable income, which means that they would disproportionately benefit from these changes to the structure, regardless of the specific levels that are implemented.
Figure 17.
Finding: The majority of taxpayers in Illinois have income less than $50,000

<table>
<thead>
<tr>
<th>Percent of Illinois tax returns by adjusted gross income, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000 or less</td>
</tr>
<tr>
<td>32%</td>
</tr>
<tr>
<td>$100,001-$500,000</td>
</tr>
<tr>
<td>32%</td>
</tr>
</tbody>
</table>

Source: Chicago Metropolitan Agency for Planning analysis of Illinois Department of Revenue data.

Make transportation fees for households with low income more affordable

Fees and fares are intended to capture the cost of using the transportation network. Accordingly, motor vehicle registration fees are not intended to reduce vehicle ownership, nor are transit fares intended to discourage use of the transit system. And, as discussed previously, transit fares do not currently cover the full cost of providing transit service. As such, they should not be overly burdensome to households with low income. Households with low income rely heavily on the transit system, making their ability to pay transit fares an integral part of affordable mobility. As the state and the region look toward new user fees for the transportation system, such as TNC fees, it is important to ensure that these fees can capture the cost of using the transportation network while achieving equity goals.

However, increasing affordability of fees and fares reduces the revenues available for the transportation network. The transit system is under funding constraints that make lowering costs for residents with low income challenging, while lowering vehicle registration fees would have a fiscal impact to the roadway network. If a new TNC fee were adopted to provide additional funding, measures to increase affordability would reduce its ability to generate
revenue. The following strategies are intended to prioritize ways to increase affordability, given the inherent tradeoffs for regional mobility.

**Expand reduced fare permits**
The State of Illinois and the RTA should implement a means test to expand access to reduced fare permits. Such a program could be implemented at the state or regional level, although the authority to set the reduced prices lies with the service operators. CMAP’s activity-based model estimates that expanding the reduced fare permit to residents with low income would result in these residents taking 15 percent more transit trips. Many major metropolitan areas that offer reduced fare permits for riders with low income use the federal poverty level and verify income through tax returns or eligibility in other means-tested programs like SNAP with income thresholds at or below the program’s requirements. Seattle, San Francisco, and Portland use 200 percent of federal poverty levels, Denver uses 185 percent, and New York City uses 100 percent. To make the program most accessible to residents with low income, criteria for residents of northeastern Illinois should use 200 percent of the federal poverty level, which is $25,200 for a family of four. This would apply to residents between the ages of 18 and 64. If implemented, an estimated 1,160,000 or 13.6 percent of residents in metropolitan Chicago would be eligible for participation.

Implementing an expansion to the reduced fare permit would require an ongoing and dependable revenue source to fully compensate the service boards for the lost revenue from providing lower fares. Depending on the resulting changes in ridership, it is possible the service boards would need to provide additional service, which could also increase operating expenses. Identifying stable sources that are not subject to legislative appropriation reductions would better support this expansion than a model similar to the existing appropriations for mandatory free and reduced fare programs. In addition, expanding reduced fares would decrease fare revenue without a corresponding reduction in operating costs, which would leave the recovery ratio lower than required by state statute. With regard to this expense, legislation should clarify that associated costs be considered an approved adjustment to the recovery ratio to avoid a base fare increase for other riders or service cuts.

In addition to the significant cost of subsidizing fares, this program would result in additional administrative costs to expand the existing reduced fare program. These costs would depend on whether RTA could process applications and verify income or leverage an existing means-tested program like the Benefit Access Program run by the Department of Aging.

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83 Estimate is for weekdays only.

84 Estimate is inclusive of all seven counties in the CMAP region, whereas a program would likely only cover the RTA service territory. Note also that this estimate includes residents with low income who may already have a reduced fare permit if they have a qualifying disability.

85 Chicago Metropolitan Agency for Planning analysis of 2018 Consumer Expenditure Survey microdata.

86 For more information, see Illinois Department of Aging, Benefit Access Program, https://www2.illinois.gov/aging/BenefitsAccess/Pages/default.aspx
Additionally, to increase accessibility, the program should offer the option of verification using enrollment in other means-tested programs at or below this level to whatever extent possible.

**Expand reduced vehicle registration fees**
The State of Illinois should approve legislation to impose lower vehicle registration fees on drivers who meet income-based criteria, potentially through expanding an existing program like the Benefit Access Program run by the Department of Aging for seniors and people with disabilities who have low income. The existing registration discount could be expanded to anyone meeting the income criteria, not just seniors and people with disabilities; alternatively, income criteria tied to the federal poverty level could be established. Currently, the program brings the fee for a passenger vehicle down to $24 from $151. The challenge of lowering the fee to this amount for all households with low income would be the potential fiscal impact on the transportation network, particularly for the Illinois Department of Transportation. In addition, a portion of these revenues accrue to the Road Fund, which is also used to repay bonds.

**Vary state and local vehicle registration fees based on vehicle value**
The State should make approving legislation to change the structure of vehicle registration fees a long-term goal for fee reform. To the extent that there is a relationship between residents with low income and vehicle value, basing fees on the value of vehicles could provide relief for households with low income. Vehicle registration fees calculated by value also allow residents to deduct the fee on their federal income taxes if the taxpayer itemizes.

The specific amount of relief to drivers with low income would depend upon the specific rate structure. The rates should be structured in such a way to ensure the policy change is revenue neutral. The challenge would be that the distribution of low- and high-value vehicles may not remain stable in the long term. Such a restructure may also conflict with provisions in the Illinois state constitution that prohibit taxes on personal property.87

A vehicle registration fee is intended to be a user fee for the transportation system. However, it is already an imperfect user fee, as vehicle owners derive a variety of benefits from the transportation system, while the fee itself is flat. This impreciseness as a transportation user fee would continue if the fee varied by vehicle value, a measure that also does not correlate to a vehicle owner’s use of the transportation system.

Implementing this structure would be more administratively complex than the current flat rate for passenger vehicles. However, approximately a dozen other states employ this structure. Most states have thresholds for vehicle value established through the manufacturer’s suggested retail price at the time the vehicle is first titled, and decrease the value by a set percentage every year. Some states’ rates are imposed via value thresholds, so the rate is the same for all vehicles within the same threshold.

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87 Illinois Const., art. IX, § 5
Ensure any new TNC fees support regional transit goals
If a state or a regional TNC fee were to be enacted through state law, it should pursue equitable outcomes through supporting regional transit goals. One such option could reduce TNC fees on rides that serve as connections to transit when other transit options are not available, such as during off-peak hours or in areas with inadequate first- and last-mile connections. Such a design furthers regional goals for transit ridership and, if reduced fare permits were expanded, also leverages existing resources dedicated to making the region’s transportation network more equitable. However, implementing a fee that incentivizes transit is not possible without a fully integrated transit fare payment system. To ensure the efficacy of such a fee, efforts should first focus on working towards full fare integration, so that any future TNC fee can leverage this technology.

Ensure households with low income can access tools that provide lower costs
Northeastern Illinois residents have several ways they can lower the fees and fares they pay, but many residents are unable to access these tools. For residents with low income, it can be challenging to pay upfront costs and deposits associated with Ventra and I-PASS. The region should seek to further remove these barriers and others that may arise if the state implemented a road usage charge. Similarly, many residents benefit from income tax reductions on the money they spend on transit fares, but residents who do not work for a participating employer cannot take advantage of this savings. This recommendation provides strategies for making these tools more accessible to all households, which would benefit households with low income in particular.

Encourage employers to participate in the Transit Benefit Fare Program
Riders enrolled in the RTA’s and CTA’s employee benefit programs save money by reducing their pre-tax earnings by the amount set aside for commuting costs. To increase access to the program, the State of Illinois should approve legislation to require employers of a certain size in the region to offer the benefit to employees.88

While participation in the program does not address the cost of fares directly, it can reduce a transit rider’s cost to access the transit network. Savings for participating in the program are proportionally higher for riders with lower income. However, these benefits are only available as an option to employees whose employer has registered for the program. In addition to rider savings, benefits accrue for participating employers who can reduce their payroll taxes. Overall, when the region does not take full advantage of the program, it does not fully realize the potential benefits of a reduced federal tax burden.

88 Legislative efforts to accomplish this include House Bill 2802, 100th General Assembly and House Bill 2533, 101st General Assembly.
Other cities that require employer participation in similar transit benefit programs, such as New York City, San Francisco, and Washington, D.C., have pursued implementation at the local level. Such a piecemeal approach is not appropriate for metropolitan Chicago due to the regionally-integrated nature of the public transportation system. Any efforts to require participation should encompass the entire RTA service area.

**Bolster efforts that help riders access Ventra**

Since the introduction of Ventra, the RTA and the transit agencies have undertaken significant efforts to distribute Ventra cards so that all riders can access the card’s financial benefits, such as reduced and free transfers on eligible trips. The region should continue to support ongoing efforts to provide free Ventra cards to riders with low income either through direct support or helping to recruit community sponsorships.

**Develop a lower-cost alternative to I-PASS transponders**

One of the barriers to more widespread availability of I-PASS accounts is the high cost of the physical transponders (approximately $7 each), in addition to high distribution costs. The Tollway should pursue lower-cost alternatives to facilitate broader distribution of account tags. A lower-cost tag may also reduce the need for the $10 deposit now required for transponders. Moving to a new system for toll tags will have one-time substantial expenses for tag distribution and setting up the infrastructure to accept such tags. However, in the long term, alternatives to the current technology may reduce the infrastructure necessary for toll collection and reduce the administrative burden of tolling.

**Waive any road usage charge equipment cost**

If the State of Illinois approves legislation to implement a road usage charge, it may require plug-in devices, transponders, or other equipment to administer. For those vehicles that do not have this equipment, the state should provide it for free to all who need it to alleviate the burden of obtaining this equipment, by building the cost of the technology into the overall program design. While the state may offer a road usage charge structure that does not require equipment, rates under such a plan could be more costly per mile, like the Illinois Tollway toll rate structure for cash tolls, or may be imposed on out-of-state mileage. Many vehicles will likely be already equipped with appropriate technology for determining the number of miles driven.

**Pilot initiatives that coordinate fee and fare collection**

Residents of northeastern Illinois must navigate a multitude of public agencies to pay their public costs of the transportation network via various fees and fares. Many state vehicle fees, like driver’s license, registration, and title, are paid to the Illinois Secretary of State (ILSOS), while local vehicle license fees are paid to the municipality and tolls are paid to the Illinois Tollway. If a traveler does not pay a fee, they will receive a late fee, and eventually a fine that

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89 Cook County collects its own vehicle license fee for unincorporated residents, called a wheel tax. See Cook County Ordinances, Section 74, Article XIV.
sometimes must be paid to a completely different jurisdiction. Meanwhile, transit fares are paid to CTA, Metra, and Pace, and fare evasion is a misdemeanor under state law.

Making it easier for travelers to pay fees and fares will increase compliance and may even reduce the incidence of late fees and fines. While there are many potential opportunities to coordinate fee and fare collection, the following are several recommended strategies toward achieving that goal.

**Increase availability of I-PASS accounts, including to unbanked households**

The Tollway should work to increase I-PASS availability through piloting a program to make I-PASS available at ILSOS facilities or at additional retail outlets. Tollway customers without I-PASS accounts pay double the rate of account holders. Furthermore, when customers without accounts do not quickly pay online, the customer will incur increasing fees. Expanding I-PASS use is a critical first step to pursuing future opportunities for innovative programs to help drivers, including those with low income. Ensuring that more customers have I-PASS accounts, thus availing them of the lowest tolls, would realize the potential benefits of tolling while improving affordability.

Efforts to make I-PASS more available should include improving service for unbanked households, such as allowing customers to add cash to I-PASS accounts at more retailers and other facilities. I-PASS is currently available via the website and Jewel-Osco stores, making it less accessible to some drivers with low income. In addition, managing online service accounts like I-PASS is often a challenge for unbanked households, which tend to have lower incomes than other households. In the long term, future partnerships between the Tollway and the CTA could provide residents with the ability to use tools like Ventra to pay tolls, or replenish I-PASS through Ventra accounts or directly through Ventra machines. The administrative cost of increasing the functionality of I-PASS accounts for unbanked households may be substantial, depending on how the cash is handled and any arrangements with retailers. Automating this process through a system like Ventra may reduce this additional administrative burden.

The financial impact of expanding I-PASS availability is likely to be moderate, but not negligible. Potential additional costs would include the minor administrative cost of arranging expanded outlets. Revenues may be lower if more customers have I-PASS accounts. However, these negative impacts may be partially offset by administrative cost reductions from processing pay-by-plate transactions, invoices, and fines. A minor but perhaps negligible increase in revenue is also possible if the Tollway is more customer-friendly for people with lower income.

**Allow local fees to be paid at Illinois Secretary of State**

Vehicle owners may be less likely to incur late fees and fines from local vehicle licenses if they could pay these fees while registering their vehicle with the ILSOS. Instead of municipalities...
across Illinois administering their own local vehicle fee programs, the ILSOS could administer them. This should begin as a pilot program, with an initial rollout to a subset of ILSOS offices to determine the most efficacious approach. This would result in additional administrative burdens on the ILSOS, requiring investments in technology and training. These investments could be made through allowing the agency to keep a portion of the revenue as an administrative fee, similar to how the Illinois Department of Revenue administers local taxes. The North Carolina Department of Motor Vehicles has a similar program, where drivers can pay their state registration fees, along with their local vehicle property tax.

**Implement full fare integration across service providers**

ON TO 2050 calls for the region to continue to coordinate transfers, payment, and fares between transit services and other modes of transportation. This strategy represents a long-term goal for the region that would enable residents to pay one fare for trips that use multiple providers, as well as transfer seamlessly between transit and other mobility providers in northeastern Illinois. Efforts towards full fare integration are already underway in several areas. As a universal fare payment system, the Ventra platform has enabled the region to make significant progress on fare integration; passes for all three transit agencies may be purchased through the app, riders can seamlessly receive transfer discounts on trips that include both Pace and CTA, and other mobility options can be integrated, such as Divvy or TNCs. Further work on this topic area will need to address recouping lost revenue due to fare payment changes. Revenue-sharing agreements developed for existing features and products, such as transfers between Pace and CTA or the Metra Link-Up pass, provide potential models for future transfer arrangements and revenue-sharing options. Continued coordination on similar efforts will be crucial to finding long-term revenue solutions that can enable riders to use the region’s transit network without paying multiple fares to multiple providers

**Make paying for parking more feasible for both residents and delivery drivers**

Parking tends to be priced in only the highest activity areas and is otherwise generally free in our region. The principal improvements in equity come when people are given a choice to drive to their destination and to pay for parking or not. Highly congested areas can benefit from setting aside some spaces for pick-ups, drop-offs, and deliveries — particularly during peak periods. Ensuring that short-term curb access in high-demand areas can be paid for with various payment options and limited transaction fees would help serve the people who are working in their cars and those who do not have credit cards.

**Designate short-term loading and standing spaces with reduced transaction fees**

To improve compliance and reduce parking ticket fines for short-term parkers and delivery drivers, municipalities should reduce or waive transaction fees for short-term parking. Transaction fees vary by municipality, but typically range between $0.25 and $0.50. For short-

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term parking, this can be a relatively large proportion of the cost of parking. While this could drive up administrative costs, greater compliance would increase parking revenue.

**Ensure multiple payment options for drivers without credit cards**

Municipalities should create payment programs with payboxes that allow for cash payments or parking cards that can be loaded with cash but do not have surcharges or restrictions like prepaid debit cards. While the cost to collect cash payments can be more expensive, this strategy would ensure unbanked drivers were able to pay for their parking and reduce the incidence of parking fines.

**Implement traffic and parking violation fine reform**

State and local governments should implement a package of traffic and parking violation fine reforms to address the disproportionately high financial burden for households with low income that can lead to late fees, high debt levels, bankruptcy, and other negative impacts. On their own, fines that incorporate ability to pay and other reforms do not mitigate the harms to those burdened by historic and current fine practices, particularly for communities of color. Due to the equity challenges of the current fine structure, it is critical that reform implementation begins with an initial amnesty program that automatically gives those in fine debt an opportunity to both pay their fines without accumulated late fees and take advantage of new policies. The Illinois Tollway included an amnesty period as part of their tolling reform package, TOLLING 2020.92 In the first 60 days following the launch, the Tollway cleared about 65,000 outstanding violation notices — about seven times the number cleared during a similar time period in a 2009 amnesty program.93 As of February 2021, nearly 23 percent of all outstanding violation notices have been cleared by Tollway customers.94

In addition, effectively pursuing these reforms may require local jurisdictions to refocus their goals around fines. Traffic violation fine amounts should be set to promote safety outcomes and are not appropriate as a revenue generator. While changes to fine amounts and structures can reduce the need to layer additional punitive measures to incentivize repayments, state and local governments should reform both the structure of fines and consequences to nonpayment. Significant input from marginalized communities will be required for equitable enforcement programs and reforms, as well as carefully improving the roadways design and infrastructure. The following strategies should be components of fine reforms.

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Integrate ability to pay through income-based fines or ability to pay waivers

A direct way to reduce the inequity of traffic violation fines is to adjust the fine amount by an individual’s income. The State of Illinois should approve legislation to incorporate a driver’s financial means in fine amounts through either income-based fines or extend the ability to pay waiver framework of the Criminal and Traffic Assessment Act to cover traffic fines and assessments. A move to income-based fines would require changes to state law concerning fine minimums and maximums as well as significant changes to current court operations. The Criminal and Traffic Assessment Act has a sunset provision for January 1, 2022. As renewal legislation is reconsidered, it would be an appropriate time to also pursue an income-based fine pilot and/or an ability to pay waiver for traffic fines.

Multiple stakeholders at the state, county, and local levels would need to align to move to either system. Courts are especially relevant, given they presently handle fine collection. As such, a few courts within the region could launch an income-based pilot, with an academic evaluation component, to evaluate the policy and assess implementation concerns. A pilot program would require state legislation to allow jurisdictions to impose fines that may be less than the current minimum fine amounts. Expanding waivers would involve smaller operational changes than income-based fines and would be easier to implement in the near term without a pilot. As with all means-tested programs, ensuring the participation of eligible populations and designing accessible waiver paperwork would be crucial components.

One of the most common forms of income-based fines are “day fines.” Day fines are typically calculated by multiplying two components: the offender’s daily income and a unit representing the gravity of the offense. In the United States, several jurisdictions have piloted day fines, primarily in the 1980s and 1990s, with a number receiving positive evaluations; however, CMAP did not identify a jurisdiction currently employing day fines.

The other approach is creating an ability to pay waiver system that reduces fines for those who can demonstrate low income. A number of states, including California and Texas, have recently passed legislation requiring judges to assess ability to pay when imposing court fines and provide payment accommodations for eligible parties. Illinois already has a similar waiver system in place for parts of the criminal legal system. The 2018 Criminal and Traffic Assessment Act aimed to reduce the burden of court costs and expanded a state waiver program to cover residents with an income below 400 percent of the poverty level or residents in a qualifying

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96 United States jurisdictions that have initiated day fine pilots include: Criminal Court of Richmond County, Staten Island, New York; Milwaukee Municipal Court, Wisconsin; Maricopa County, Arizona; Polk County, Iowa; Bridgeport, Connecticut; and Coos, Josephine, Malheur, and Marion Counties, Oregon. In 2019, an ordinance launching a day fine pilot in New York City covering civil offences was introduced.

97 Illinois Public Act 100-0987
means-tested program. Notably, the legislation excluded Illinois Vehicle Code violations from waiver eligibility.

Adopting income-based fines or ability to pay waivers may impact revenue collection. The direction and magnitude of the impact is dependent on the specifics of any proposal: scope of eligible violations, individual eligibility, the graduated structure, and how individual or household income is defined. To project the net fiscal impact, one would also need to consider the income composition of fine recipients and potential shifts in driver behavior.

For fines issued to high-income individuals, the shift to income-based fines would likely increase overall revenues generated from that segment.\(^98\) Ability to pay waivers would have minimal impact on collections from residents with high income. For residents with low income, shifting to an income-based fine or ability to pay waiver could reduce revenues generated. However, when factoring in uncollectable fines, setting more affordable fines could actually improve collections. Evidence from some of the U.S. day fine pilots found increased revenues from collections after the policy was instituted.\(^99\) Lastly, substantial resources are currently devoted to run collections systems.\(^100\) If fines were more affordable, administrative cost savings could be realized once start-up costs are absorbed.\(^101\)

Assess appropriateness of fine and late fee amounts
Traffic and parking violation fine amounts should be targeted toward meeting safety outcomes and not set to generate revenue. Aligning fine amounts with safety goals would include setting a practical structure that serves as a deterrent while being affordable. Pursuant to the Government Finance Officers Association recommendations, municipalities should review fines at least every five years.\(^102\) In addition, the State should thoroughly review base fines in the Illinois Vehicle Code and related traffic assessments to determine appropriate fines levels. In addition, municipalities should publish public documentation of parking and traffic fine amounts.

Escalating late fees or delinquency fines are a challenge for people with low income who receive a traffic violation. Municipalities should assess and potentially reduce the amount of late fees

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\(^98\) Decision makers would have to consider whether fines amounts are capped or if minimums are imposed. For particularly high-income individuals, an uncapped day fine could result in very high fines. Some proponents see that as a positive in order to deter high-income individuals from violating traffic rules.


levied as well as introduce caps to prevent snowballing of debt. The State could also set limits on these fees via statute.

**Report ticketing outcomes and impacts with an equity lens**

State and local governments should improve reporting on the incidence of fines to allow for analysis of potential equity impacts and outcomes. Understanding the impact of traffic and parking violation fines on households with low income is challenging due to data limitations. In addition, access to location-based and resident-based enforcement reports is critical to understanding equity impacts, such as whether people living in communities of color or areas with low income receive a disproportionate share of tickets. Reporting could be accomplished by individual municipalities or through an expansion of the Illinois Department of Transportation’s traffic ticket reports. In addition, local governments should analyze the impact of the fines they impose along with intended goals. The academic community and relevant organizations should also leverage reported data to provide analysis.

**Offer alternatives to monetary fines**

ON TO 2050 recommends education programs as an alternative to fines and supports safety training options for drivers who receive a citation involving speeding or aggressive driving. In implementing this policy, driver’s education course fees should be set at affordable levels. If a traffic stop occurs, encouraging the issuance of warnings, rather than citations, is one technique to educate residents about the harms of unsafe driving behaviors without imposing financial burdens. A points system that incorporates a standardized system of warnings prior to financial penalties should be explored.

While some propose expanded community service as an alternative to monetary fines for residents with low income, community service itself can be very costly for residents; participating requires people to take time off from work or school, travel to a volunteer site, or make childcare arrangements. Correctable violations or “fix-it tickets” are a promising non-monetary approach some jurisdictions are adopting, whereby the fine for a violation is waived, or at least significantly reduced, if one can show proof of correction within a certain time period. Fix-it tickets are well suited for equipment tickets or administrative violations, such as a broken tail light, or a driver’s license, car registration, or insurance violation.

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104 Chicago Metropolitan Agency for Planning, ON TO 2050, 2018, https://www.cmap.illinois.gov/2050/mobility/safety#trafficsafety


**Improve repayment plans and collection practices**

To assist people with limited ability to pay, municipalities and courts should adjust payment plan options to reduce or eliminate the required down payments and limit monthly payments to an affordable amount. Furthermore, a payment plan should be connected to a person’s ability to pay. Local governments should also expand eligibility to enroll in payment plans. Adjusting the terms of repayment plans does not, in and of itself, change the amount owed. Although, it is possible that more reasonable payment options could increase collections. Statewide guidelines for a uniform payment plan option would help local governments pursue this best practice in a consistent manner, including practices around grace periods and ensuring that payment plans comprise a reasonable portion of an individual’s income.\(^{107}\)

Relatedly, local governments should change notification policies to improve the clarity of notices, include information about options for residents lacking the ability to pay, and describe alternatives to payment. Collection agencies, if used, should have limits placed on the surcharges they can levy and be required to affirmatively inform residents of municipal payment plan alternatives and available debt reductions.\(^{108}\) Residents should still be able to access payment plans after ticket debts are sent to collections. Municipalities should re-examine contracting with collection agencies for ticket debt and consider reducing their use. The surcharges or add-ons that collection agencies are allowed to apply to debt loads to fund their operations can be particularly burdensome and sending debts to collections negatively impacts residents’ credit scores.

The State should approve legislation to limit the percent of a tax return that can be garnished due to traffic and parking violation fine debt for residents below a certain income threshold. In 2012, the State of Illinois created the Local Debt Recovery Program, which provided local units of government a new avenue to collect unpaid fees and fines. The Illinois Office of the Comptroller assists local governments by withholding the debt amounts from residents’ tax refunds, lottery payouts, and payroll checks. In March 2021, the Comptroller announced unpaid fines will not be deducted from the state income tax refunds of Earned Income Tax Credit eligible taxpayers for the 2020 tax year to provide assistance to taxpayers during the COVID-19 pandemic.\(^{109}\) This temporary change will allow an estimated $15 million to go back to Illinois households via tax refunds that would otherwise have been intercepted.

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\(^{107}\) The State of Florida has legislation suggesting payment plans correspond to 2 percent of an individual’s average monthly income, but in a review, no county used that standard in practice. Fines and Fees Justice Center, *Payment Plans As a Compliance tool: Best Practices for Florida Courts*, August 2019, https://finesandfeesjusticecenter.org/content/uploads/2020/05/Payment-Plans-Final-1.pdf

\(^{108}\) The use of collection agencies can negatively impact residents’ credit scores. Credit scores are a crucial metric that can affect homeownership and apartment lease applications, employment, and business loans.

End employment prohibitions due to ticket debt
State statutes, municipal ordinances, and public agency policies should be changed to allow for residents with traffic fine debt to seek employment with a local government, public transit agency, or school district. Relatedly, municipal policies that restrict ride-hailing employment based on ticket debt should also be reexamined. For residents in communities with limited employment prospects, this can represent a significant hurdle to employment and eventual repayment.

Next steps
These recommendations will not be realized without policy changes by the State of Illinois, the Illinois Tollway, the region’s transit agencies, and local governments across the region. Many of these recommendations could be enacted individually, like reforming approaches to traffic and parking violation fines. However, pursuing comprehensive reform would be more impactful.

Implementing many of these recommendations will take significant investment. Improving mobility options for residents with low income, including those with disabilities or other mobility challenges, will require reprioritizing funding toward transit infrastructure and operations, as well as bicycle and pedestrian infrastructure. These investments will need to be balanced with the funds needed to reduce the impacts of fees, fines, and fares on these same residents. To meet objectives, affected residents will need to be engaged on program development, and new programs will need to be effectively communicated to residents in order to ensure broad implementation and participation. Beyond that, policy changes that result in income growth for residents with low income are an important part of reducing disproportionate impacts across residents.

Transit remains as crucial as ever to help safely move the region’s essential workers and transit-dependent residents during the COVID-19 pandemic. It is unclear how the transit agencies will be able to provide service at current levels into the future without additional financial assistance, given the unprecedented challenges to transit operating budgets. Many of these recommendations, such as those around reduced fares and vehicle registration fees, as well as promotion of Ventra and I-PASS use, may result in a reduction in fee and fare revenue that may not be offset by increased use. Similarly, traffic violation fine recommendations may reduce future revenues for local government budgets and the court system. For transit in particular, implementation will require an ongoing and dependable revenue source to adequately compensate the service boards for the cost of providing reduced fares. Without additional

revenue or an adjustment to state requirements that set the percent of revenue that must be recovered from operations, the current ways to make transit more accessible to residents with low income are not financially viable.

As new programs and policies are implemented, CMAP and other partners must regularly evaluate their performance to make sure they are meeting regional equity goals. Furthermore, CMAP must continue to do further analysis on pursuing policies that ensure the transportation network promotes equitable outcomes for all residents.
Methodology

Defining households with low income
In order to effectively assess whether low-income populations are disproportionately impacted by transportation fines, fares, and fees, it is important to establish thresholds for identifying the region’s low-income population. During ON TO 2050 development, CMAP identified geographies not currently well connected to regional economic progress: Economically Disconnected Areas (EDAs). EDAs are defined as areas in the region with high concentrations of low-income people of color or low-income people with limited English proficiency.

Consistent with ON TO 2050’s EDA definition, this analysis sets the low-income threshold at 60 percent of the Chicago Metropolitan Statistical Area (MSA) median income by household size, identifying those who are in poverty or at risk of poverty. Using a percentage below the regional median income is a common method and accounts for regional differences in costs of living. For example, the U.S. Department of Housing and Urban Development uses local median income levels to designate households as low-income and establish eligibility for a variety of housing programs. This comparative analysis of median incomes defines not only how households are doing but how in relation to similar households with the same standards of living.

Households were defined as low income if they had an income at or below 60 percent of the regional median household income by household size. Medium-income households are between 60 percent and 140 percent of the regional median household income by household size. High-income households are those with income levels greater than 140 percent of the regional median income. Using this definition, the thresholds are:

<table>
<thead>
<tr>
<th>Household size</th>
<th>MSA median income (2018)</th>
<th>60% of MSA median income</th>
<th>140% of MSA median income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Person Households</td>
<td>$31,027</td>
<td>$18,616</td>
<td>$43,438</td>
</tr>
<tr>
<td>2-Person Families</td>
<td>$74,605</td>
<td>$44,763</td>
<td>$104,447</td>
</tr>
<tr>
<td>3-Person Families</td>
<td>$85,584</td>
<td>$51,350</td>
<td>$119,818</td>
</tr>
<tr>
<td>4-Person Families</td>
<td>$103,227</td>
<td>$61,936</td>
<td>$144,518</td>
</tr>
<tr>
<td>5-Person Families</td>
<td>$94,904</td>
<td>$56,942</td>
<td>$132,866</td>
</tr>
<tr>
<td>6-Person Families</td>
<td>$85,530</td>
<td>$51,318</td>
<td>$119,742</td>
</tr>
<tr>
<td>7-or-more-Person Families</td>
<td>$87,056</td>
<td>$52,234</td>
<td>$121,878</td>
</tr>
</tbody>
</table>

These thresholds were established using data from the America Community Survey for the Chicago MSA, 2014-2018 estimates: 1) B19119 Median family income in the past 12 months (in 2018 inflation-adjusted dollars) by family size and 2) B19019 Median household income in the past 12 months (in 2018 inflation-adjusted dollars) by family size.
Modeling the impacts of transportation fees and fares

This study used CMAP’s Activity-Based Model (ABM) to evaluate household travel by income group, as well as impacts of potential policies to reduce fees and fares for households with low income. The ABM simulates a single day of travel behavior for the entire population of northeastern Illinois.

The population considered is a “synthetic” population, created by a population synthesizer, which represents every person in every household in the region. The population synthesizer generates a list of household and household characteristics, including the number of household members, the age of each member, whether the member is employed or attends school, and household income, among other things. The model generates detailed daily activity rosters for each traveler in the synthetic population. This is based on information about travel behavior collected in a household travel survey and travel model-generated transportation system supply information, such as travel times, costs, and the availability of public transit service to access destinations throughout the region are generated. The activity rosters present all the daily activities the traveler will undertake, what time and destination will be selected for travel, and what mode will be selected.

The trips show whether the traveler will go to the destination with other travelers (shared travel), such as a family shopping trip or sharing a ride to work or entertainment, and whether the trip will take a tolled highway route or a free route. The value of time for each trip is considered when selecting destinations, modes, and routes. The household identification number is retained for each traveler, allowing analysis of the impacts of projects, programs, or policies on the travel behavior of different types of households.
The Chicago Metropolitan Agency for Planning (CMAP) is our region’s comprehensive planning organization. The agency and its partners developed and are now implementing ON TO 2050, a long-range plan to help the seven counties and 284 communities of northeastern Illinois pursue strategies that address transportation, housing, economic development, open space, the environment, and other quality-of-life issues.

See cmap.illinois.gov for more information.