

Congestion Fee or Toll to Enter City

Congestion Fee/Toll to Enter City: The City does not currently charge any toll or other fee to enter Chicago.

Background

The City does not currently charge any toll or fee to enter into Chicago, for the purpose of raising revenue, paying for road maintenance, or reducing traffic congestion.

Revenue/Cost Impact

Revenue from a toll or congestion fee would vary significantly depending upon the structure of the system, the number of travelers, which roads are tolled, and the amount of the fee. In addition, establishing a congestion fee or tolling system would require a significant upfront investment to create the infrastructure necessary to charge such a fee or toll.

Legal Authority

The City does not have the authority to charge a toll or a fee to use City streets or enter into Chicago for the purposes of raising revenue for general operating purposes; any such toll or fee would require a change in State law.¹ This means that absent State legislation, the revenues from a congestion fee or toll could not be used for general operating purposes. It is possible that the City could impose a toll or fee (1) for regulatory purposes (i.e., solely for the purpose of regulating traffic and not raising revenue)², or (2) to cover transportation related expenses in the immediate affected area. However, it should be noted that language in Illinois case law indicates that State approval might be needed even for these more limited purposes.³

In addition, at least some of the roads or other facilities potentially impacted (such as bridges) may be owned, funded, or controlled, at least in part, by the State or federal governments, which could limit the City's ability to implement a system to charge users of those roads.

Other Cities

London is one of the few cities with a comprehensive congestion pricing system (where all entrants to the city center are charged a fee). London charges an \$18 fee for entry to the downtown area between 7:00 am and 6:00 pm Monday through Friday. The initial costs to set up the congestion pricing system were approximately \$294 million, with total annual costs of the system at approximately \$200 million in recent years. London first realized a return on this initial investment (in the form of net operating revenues) four years after the initiation of the program. In London's fiscal year 2013, net operating

¹ The Illinois Supreme Court has held that streets and other public ways belong to the public and may not be used as a way of raising revenue. *American Tel. and Tel. Co. v. Village of Arlington Heights*, 156 Ill. 2d 399 (1993).

² In which case the City would, at a minimum, need to show that there was a true congestion problem in the affected area at the times when the charge was imposed and that the charge was set at an amount reasonably required to address that problem.

³ See *AT&T*, cited above ("Nothing in the Illinois Constitution or Illinois statutory law authorizes cities and villages to charge tolls for the crossing of the streets."); *City of Evanston v. City of Chicago*, 279 Ill. App. 3d 255 (1st Dist. 1996) ("This power which a municipality enjoys extends to the regulation of the use of its streets, but this power must be strictly construed. ... [A] municipality's right to regulate its streets 'must find basis in the doctrine of overruling necessity, or bear some substantial relation to the public good.'").

revenue from the congestion pricing system was approximately \$200 million. All revenues must be reinvested into London's transport infrastructure.

The program's success in reducing traffic into the central city also reduced the amount of revenue generated to below expectations. After ten years, the city reported a 10% reduction in traffic levels from baseline conditions.