

ITEM RES 2015-6151

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
3/10/2015

SUBJECT:	SUBMITTED BY:
Resolution Opposing a Reduction in the Allocation of the State of Illinois Local Government Distributive Fund	Enza I. Petrarca Village Attorney

SYNOPSIS

Resolution opposing changes to the allocation of local government distributive fund revenues.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 include *Steward of Financial Sustainability*.

FISCAL IMPACT

Under Governor Rauner's proposed budget, the Village would lose \$2.4 million in annual state shared revenues.

RECOMMENDATION

Approval at the discretion of the Village Council

BACKGROUND

At the March 3, 2015 Village Council meeting, the Village Council discussed Governor Rauner's proposed budget, which includes a 50 percent reduction in the allocation of state income tax revenue for municipal governments. This reduction would equal \$2.4 million annually. Based on the discussion, staff prepared a resolution opposing the reduction for Council consideration.

ATTACHMENTS

Resolution

RESOLUTION NO. _____**A RESOLUTION URGING THE GOVERNOR
AND GENERAL ASSEMBLY TO PROTECT FULL FUNDING OF
LOCAL GOVERNMENT DISTRIBUTIVE FUND REVENUES**

WHEREAS, municipalities are front-line providers of government services to citizens and these services include police and fire protection, parks, infrastructure, water, sewer and utility services, and snow removal; and

WHEREAS the State of Illinois has a long-standing tradition of collecting tax revenues on behalf of municipal governments and municipalities have relied on shared income tax revenue to provide services to taxpayers; and

WHEREAS, municipalities have fewer options to raise significant revenue and rely on the full amount of revenue that the State collects on their behalf in order to fund the essential quality-of-life services expected and relied upon by community residents; and

WHEREAS, the General Assembly increased the State income tax without providing any of the new revenues to municipalities and this loss of revenue has left the municipal share at levels collected during the Great Recession; and

WHEREAS, the Governor proposed a fifty percent (50%) reduction in the local share of the income tax during his FY2016 Budget Address, reducing local revenues by over \$600 million; and

WHEREAS, the loss of this state-shared income tax revenue would result in elimination of countless jobs, local tax increases, program and service cuts, and could increase debt burdens that would be felt by all citizens.

WHEREAS, the Village of Downers Grove would lose approximately \$2.4 Million Dollars annually; and

NOW, THEREFORE, BE IT RESOLVED that the Village of Downers Grove urges the Governor and the General Assembly to protect full funding of the Local Government Distributive Fund and other revenue sources that allow local governments to provide for the health, safety and general welfare of their residents.

Mayor

Passed:

Attest: _____
Village Clerk