



TIF Impact & Recommendations for Change

Testimony before the Illinois TIF Task Force – 4/24/18

School Districts across Illinois need the following changes enacted to secure predictable, stable and reliable funds to educate Illinois' children! Please support these changes to the Tax Increment Financing Law, providing transparency for community and impacted local governments!

ED-RED



Joint Review Board (JRB) Review and Action:

- REQUIRE Binding Approval
 - JRB Issues a Report approving or disapproving of any proposed plan
 - Include finances of all impacted taxing bodies in plan decision
 - Include “best interests of the community” as criteria for disapproval
 - Weighted JRB Voting based upon each taxing district’s percentage of total property tax rate

STOP using Tax Increment Financing to Overly Restrict Access to Property Tax Revenue

- No more than 25% of EAV of any taxing district without consent of the taxing district



RETURN Accumulated TIF Surpluses to Local Governments

- Distribution of Unused Funds Returned
 - Require Municipalities to report surplus in Annual Financial Reports
 - Require declaration and distribution of surplus for any dedicated incremental revenues not used after 5 years
- Limit Portability of Revenues

STOP Allowing New Redevelopment Plans from Including Formerly TIF'd Land

- Prohibit Municipalities from creating new TIF projects on any portion of property previously included within a redevelopment area that has been dissolved, completed or terminated, for fifteen (15) years.



SCOPE

INCREASE the Criteria for Establishing a TIF

- Adjust the requirement for “vacant” property to include four (4) or more of the criteria to be considered for a TIF.

STOP Establishing Residential TIF Areas Creating Overburdened Schools

- Prohibit the use of TIF for residential development from future or extended TIF agreements without the approval of local school boards.
- Require an Intergovernmental Agreement (IGA) with the affected board of education that addresses the financial support for any new students generated due to the development.

**Vision on
Issues and
Choices in
Education
V.O.I.C.E.**

REQUIRE Transparency with Timely Reporting and Notice of Meetings

- Municipalities:
 - failure to notice, Failure to File Reports, and Failure to hold annual JRB Meetings – County treasurer notified to declare “surplus funds” distributed to underlying taxing bodies

- Provide additional time, 90 days (now 45 days) for notice to taxing bodies of JRB annual, amendment and origination plan meetings
- Require all existing municipalities where TIF ordinances are in place to file a termination date (last tax year established) with county treasurers.
 - Prospectively, require the same for any new redevelopment plans adopted.
 - Require notification to taxing districts by July 1st annually, instead of November 1st.
- Recovered Tax Increment Value after Failure To Notice
 - Allow taxing districts to recover lost access. Recovered tax increment value will be current year EAV in the first year beginning at least 60 days after such notice has been provided.