

Item #2:

Res. Opposing Reduction In Distributive Revenues By State

**VILLAGE OF LONG GROVE
RESOLUTION NO. 2015-R-__**

**A RESOLUTION OPPOSING THE PROPOSED REDUCTION OF
DISTRIBUTIVE REVENUES BY THE STATE OF ILLINOIS**

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Long Grove, Lake County, Illinois, as follows:

WHEREAS, when the State Income Tax; State Sales Tax; State Gas Tax and State Personal Property Replacement Tax were adopted, these revenue sources were sold to the people of Illinois by various governors and legislators in part on the notion that portions of these revenues would be returned to local municipalities under the rationale that the returned revenues would be used to fund local services and invest in local capital projects;

WHEREAS, local taxpayers deserve to have these tax dollars returned to their communities to pay for local community employees, to provide local community services and to not see local tax increases; and

WHEREAS, Illinois taxpayers that live in municipalities throughout the state \ contribute income tax of which 90% goes to the state and 10% goes to municipal services; and

WHEREAS, from 2008 thru 2010 Illinois municipalities experienced a tremendous decline in revenues during the great recession; and

WHEREAS, in 2011 the State of Illinois approved a 67% Income Tax increase and corporate taxes that were identified as an alternative solution to addressing the \$14 billion State deficit; and

WHEREAS, despite the State of Illinois Income Tax increase and corporate taxes that were identified as a solution to addressing the deficit, the State deficit reported to be \$14 billion in 2011 has reportedly grown to nearly \$45 billion; and

WHEREAS, State of Illinois Governor Rauner has presented a draft budget that calls for a 50% reduction in Income Tax revenues to Illinois municipalities; and

WHEREAS, Illinois municipalities recognize the compelling need for solutions that address the financial challenges facing the State of Illinois and the Illinois municipalities and strongly supports solving existing severe financial problems through reduced spending, increased efficiencies, etc that would effectively address these financial concerns without going into further debt and/or passing the State's financial burden onto municipalities; and

WHEREAS, local municipalities have made very difficult decisions to reduce funding for critical programs such as: police protection; downtown operations; park district operations, road maintenance, mosquito abatement, and more in order to have a balanced budget. If this change in funding is approved, we and other towns across the state will be forced to consider deeper cuts including the possibility of completely eliminating funding for critical local services; and

WHEREAS, the State of Illinois must stop attempting to balance its budget woes on the backs of others.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Long Grove, Lake County, Illinois as follows:

SECTION 1: For all the forgoing reasons, the Village of Long Grove strenuously opposes any reduction of the Local Government Distributive Fund due municipalities.

SECTION 2: The Village of Long Grove requests every Senator and Representative to reject this or any diminution of desperately needed revenue due municipalities.

SECTION 3: Based upon the Illinois Municipal League (IML) estimate of \$99 per person the state shared revenues for Income Tax account for \$796,257 or 19.2% of the total annual Village General Fund revenues.

SECTION 4: The Village of Long Grove will be severely financially impacted by the proposed partial reduction in Income Tax shared revenues in the amount of \$398,128 and will be forced to consider local budget cuts and reductions of services.

SECTION 5: The Village Clerk is hereby directed to send copies of this Resolution to Governor Rauner, the legislative leaders of both chambers of the Illinois General Assembly and members representing this municipality.

SECTION 6. This Resolution shall be in effect from and after its passage and approval in the manner provided by law.

PASSED THIS 10TH DAY OF MARCH, 2015.

AYES: () Trustees

NAYS: ()

ABSENT: ()

APPROVED THIS 10TH DAY OF MARCH, 2015.

Village President, Angela Underwood

ATTEST:

Village Clerk, Heidi Locker-Scheer