



2024 LEGISLATIVE ACTION PLAN

Many of Schaumburg's priorities are influenced by the outcome of county, state, and federal legislation. Therefore, the village develops an annual Legislative Action Plan (LAP) to provide local officials and community stakeholders with the information they need to stay informed. In addition to its local LAP, the village has long recognized the importance of advocating its priorities through legislative action and has relied on the actions of local legislators and pro-municipal coalitions, such as the DuPage Mayors and Managers Conference (DMMC), the Illinois Municipal League (IML), the Northwest Municipal Conference (NWMC), and the Metropolitan Mayors Caucus (MMC) to advance their priorities and protect their interests.

The village is typically contacted by pro-municipal coalitions, legislative consultants, or a legislator when legislation is being considered at the county, state, or federal level that may harm or benefit the village. Based on the information, correspondence from the Village President will be sent to the applicable legislators and legislative committee members. The Village President and Village Manager also meet with state legislators to keep them abreast of issues of concern as well as discuss possible solutions through legislative actions. In addition to the efforts of staff, the village contracts with Thomson Weir, LLC, and with Alvarez and Associates for public relations and strategic communication services that further advance the village's position on critical legislation at the State of Illinois and Cook County, respectively.

PRIORITY #1- ENSURE SUSTAINABLE MUNICIPAL BUDGETS

Reinstate shared state revenues like the State Income Tax - Municipalities receive a portion of the state's income tax revenues through the Local Government Distributive Fund (LGDF). In 2017, the state budget implemented a 10% reduction in the amount allocated to be disbursed back to municipalities, with subsequent budgets in 2018 and 2019 maintaining a 5% reduction. Despite ongoing efforts to reinstate this income to support crucial services, the current allocation stands at only 6.47%. Therefore, the village remains committed to advocating for legislation restoring the share of local communities' revenue to its previous 10%.

Eliminate administrative fees for locally imposed taxes - In 2018, the state authorized the Illinois Department of Revenue (IDOR) to impose a 2% administrative fee on locally imposed sales taxes. While the fee was reduced to 1.5% in 2019, the village's current revenue structure is supported primarily by consumer-based taxes with 47% of the village's General Fund accumulated through sales taxes. This structure alleviates a heavy reliance on property tax revenue, which is levied on residents and businesses but requires sustained local economic activity. In State FY 2022/23 the State kept \$350,519 of the Village of Schaumburg's Home Rule Sales taxes as an administrative fee. In State FY 2022/23 alone, the State kept \$21,313,476 from local government Home Rule Sales taxes, which could otherwise be used to provide vital local public services. The village believes that there is simply no justification for the state to collect additional revenue on locally imposed taxes, which is why a full repeal of the fee is warranted.

Remove the print requirement of public hearing notices & treasurer reports - Current law requires municipalities to publish public hearing notices and treasurer reports in print newspapers. Given the accessibility of online publications and the rising cost of print material nationwide, the village supports legislation to remove this requirement and make notices and reports accessible online.



PRIORITY #2- PROTECTING LOCAL CONTROL

The enactment of laws and regulations that preempt local authority hinders local government's ability to meet their community's needs and address issues. Municipal officials must maintain the autonomy necessary to fulfill their responsibilities to those that elected them.

Preserve Tax Increment Financing – The reform of Tax Increment Financing (TIF) remains a prominent subject in state legislation, with discussions focusing on calls to revise and shorten the term of TIF Districts. Shortening the term of a TIF district would have a severe impact on economic development and job creation, essentially diminishing the effectiveness of tax increment financing as a tool for assisting communities in dire need of redevelopment. The current term of 23 years is essential for the comprehensive development of a TIF, and shortening this term would not provide adequate time to accrue the increment necessary to address the diverse needs within a TIF district.

PRIORITY #3- PROMOTE PENSION SUSTAINABILITY

In 2019, Governor Pritzker enacted Public Act 101-0610, consolidating over 650 downstate suburban pension funds into two consolidated police and fire investment funds. This legislation, while beneficial for the long-term preservation of public safety pensions for local police officers and firefighters, has led to significant short-term challenges due to enhanced benefits for Tier II pension members. The Tier II benefit enhancements have resulted in increased benefit obligations and recommended contributions, necessitating a 15.1% rise in the village's 2023 Annual Required Contribution (ARC) for the police and fire pension funds, totaling \$15,372,885. To address this, proposals to extend the amortization period beyond 2040 and reduce the required funding ratio target from 90% to 80% have been considered. However, it is imperative to prioritize pension sustainability by maintaining the current Tier II structure across all pensions, including Police, Fire, and the Illinois Municipal Retirement Fund (IMRF). This approach ensures stability for municipalities, aiding in funding pension payments both now and in the future while carefully balancing the immediate relief for taxpayers and Tier II members with the long-term financial health of the pension funds.