

BACOG 2013 LEGISLATIVE PLATFORM
Recommended November 27, 2012

1. PROTECT THE FINANCIAL VIABILITY OF LOCAL GOVERNMENTS. ELIMINATE UNFUNDED MANDATES, AND REFRAIN FROM CREATING ADDITIONAL LIABILITIES.

Revenue and Funding

- **Oppose Any Reductions or Diversions of State-Collected Local Revenues that would Spread the State's Budget Crisis to Other Levels of Government in Illinois.** Local governments provide quality-of-life services to their residents such as police, fire, roads and infrastructure, parks and snow plowing. The State has a long-standing arrangement with its local governments to collect tax revenues on behalf of local governments and their residents and to turn the revenues back for these purposes. But while local governments have been responsible stewards of their revenue and have made deep and painful spending reductions since 2008 in order to align spending with lower revenues, the State has not only *not* done the same, but has taken part of the local share of funding in an attempt to address its financial problems.

In 2011, the State increased its own revenues by raising the income tax 67% (from 3% to 5%) and did not share any of this new revenue with local governments. Over the past two years, there have been repeated attempts to divert the local government share of Local Government Distributive Fund (LGDF), and the State did divert portions of the Corporate Personal Property Replacement Tax (CPPRT) to pay for State obligations. BACOG believes the State must cease reducing or diverting any State-collected local government revenues and the State must honor its position as a fiduciary of these funds for local governments.

- **Halt the Practice of Taking Local CPPRT Moneys for State Budget Purposes.** CPPRT taxes are collected by the State on behalf of local governments. Municipalities receive 20% and other local governments receive 20% of CPPRT funds, with schools receiving the other 60%. CPPRT taxes are paid by residents who expect a portion to be returned to local governments to cover infrastructure, operations, schools, senior citizen programs and social services across the state. As of 2011, the State began paying its expenses for regional school superintendents' salaries out of CPPRT funds and has proposed paying other salaries and expenses out of CPPRT; these are State obligations that should be paid by the State, not by local governments.
- **Oppose Sweeps of the Motor Fuel Tax (MFT) and Other Funds.** For decades, the State has distributed about half of the state's 19 cents per gallon tax on motor fuel to all municipalities and counties plus many townships. Local governments rely on these funds to build and maintain roads and bridges in order to protect the public health and safety. At the end of the spring 2010 session, however, the Governor was given broad powers under the Emergency Budget Act to sweep funds that are due to municipalities, townships and counties to balance the state budget. BACOG believes the MFT and other funds should remain whole, and the State should not take funds that are due to local governments in order to fix problems of the State.
- **Return the Local Share of Local Government Distributive Fund (LGDF) to 10%.** Over 40 years ago, the State agreed to share income tax revenues in exchange for prohibiting

local governments from imposing their own local income tax. Before the State increased the income tax by 67% in 2011, and did not share any of the increased revenues, the local government share of LGDF had been 10%; after the State income tax hike, local governments' share of LGDF was effectively reduced to only 6% of State income tax revenues.

LGDF funds are intended to pay for local government services for residents, who pay taxes expecting this portion to be returned for police, fire, roads, snow plowing, and other local services. When the State keeps more than its historical, previously-agreed share of LGDF and reduces the local proportion of income tax revenue from 10% to 6%, it is local services that are lost and local residents who suffer. BACOG supports a return to the original, historical agreement between the State and its municipalities where the State shares a full 10% in tax revenues to its municipalities.

- **Direct Deposit and Timely Distribution of LGDF.** The State owes income tax revenue to cities and counties but does not distribute the money in a timely manner. State payments are typically 3-4 months behind, often rendering local governments unable to make payroll and payments to vendors and service providers. BACOG supports requiring the Department of Revenue to deposit received income tax funds directly into the LGDF fund instead of into the General Revenue Fund, thereby reducing delays in payment or the possibility of reductions by the State. The State should **not** use local revenue and the LGDF as a budget management tool.
- **Oppose Further PTELL Limitations based on Property Values.** The Property Tax Extension Limitation Law (PTELL) was enacted to “tax cap” municipalities, townships, schools and other governments. In a given year, these governments can increase tax levies only by 5% or the CPI, whichever is less. The PTELL law was designed to keep taxes in line with inflation, so communities could merely cover their costs. Last session’s PTELL bills drastically proposed not allowing any increase at all in local tax levies if property values had not increased. Property taxes, however, are not solely a depiction of a property’s value; rather, property taxes reflect the services the property receives such as police and fire protection, school services, and road and infrastructure maintenance. BACOG remains opposed to measures that further limit PTELL by tying it directly and only to property value fluctuations.

These PTELL initiatives give the false impression of “taxpayer relief”. We urge the State to give true taxpayer relief, such as reversing its own 67% income tax increase, and reducing State-mandated local government cost-drivers such as increases in prevailing wage rates, automatic cost of living adjustments for pensions, and increases in State permit and licensing fees.

- **Exempt Property Tax Refunds from the “Aggregate Extension” Definition under PTELL.** Municipalities may lose property tax revenue when the Property Tax Appeals Board reduces a taxpayer’s assessment after the taxes have been levied and collected. If that happens, then the municipality may be required to refund back to the county the amount that it received based on the higher property assessment. With this change, those municipalities that are limited under PTELL can make up that lost revenue in succeeding years.

Pension & Benefits

- **Support Public Safety Statewide Pension Reform.** The issue of pension funding and the cost to taxpayers for those financial responsibilities has reached a crisis that requires changes to

establish long-term stability and accountability. BACOG supports legislative reforms to public safety pension programs that:

- Pause all cost of living adjustments (COLAs) for 10 years
 - Apply the Tier 2 COLA formula (the lesser of 3% or ½ of CPI, non-compounded) upon the end of the 10 year COLA pause
 - Increase employee contributions toward pension by 1% of salary per year for 5 years
 - Adjust the retirement age to 55, with a minimum of 10 years of service
 - Require 35 years of service to maximize pension benefit (return to formula utilized prior to reduction to 30 years to maximize pension = 2.5% of salary per year of service for the first 20 years of service, 2.0% of salary per year of service for the next 10 years of service and 1.0% of salary per year for the final 5 years of service)
- **Reduce Financial Burden under PSEBA in re “Catastrophic Injury”.** Under the Public Safety Employee Benefits Act (PSEBA), police and firefighters who suffer a “catastrophic injury” – and their spouses and dependents to age 25 -- are entitled to receive lifetime health insurance coverage paid for by local governments. The law does not define "catastrophic injury," and former police officers and firefighters are collecting lifetime health insurance benefits even while working full-time in second careers and having access to insurance with their new employers. The projected financial liability to local governments and their taxpayers is staggering. BACOG urges that benefit eligibility be defined, based on the federal standard for "catastrophic injury," which would ensure that only those police officers and firefighters whose injuries make employment impossible could receive the benefit.

Labor and Building

- **Exempt Certain Projects from Prevailing Wage Act Requirements.** The basic premise of the Prevailing Wage Act is that all laborers, workers and mechanics employed in construction or demolition of public works must be paid the prevailing wage. Under a new (2011) Department of Labor interpretation, the prevailing wage was expanded to include all landscaping activities as well as fixed works projects. With communities throughout the region struggling to address the Emerald Ash Borer problem through tree removal and to retain landscaping programs in squeezed budgets, BACOG supports: 1) clarification to the regulations that would exempt landscaping activities that do not involve construction or demolition activities, or a legislative change to exempt all landscaping activities from the Act; and 2) an exemption for small construction and maintenance/repair projects under a certain dollar amount.
2. **PRESERVE LOCAL GOVERNMENT DECISION-MAKING AND THE RIGHT TO SELF-DETERMINATION. OPPOSE ANY PRE-EMPTION OF HOME RULE POWERS. RESPECT THE ROLE OF MUNICIPAL AND TOWNSHIP GOVERNMENTS IN EFFECTIVELY PROVIDING SERVICES TO THE PUBLIC.**
- **Modify the State-Required Training for Local Appointed Boards, especially Pension Boards.** Under the expanded Open Meetings Act of 2009, every elected and appointed member of a public body – except the General Assembly -- must complete electronic training during their term of election or appointment. The training required of a local pension board trustee is at least 32 hours of initial trustee certification and a minimum of 16 hours of continuing education each year after the trustee is elected or appointed.

The people who are asked to serve on local pension boards are often highly qualified individuals, with backgrounds in finance, law and other professions. These individuals are highly competent and do not benefit substantially from the basic instruction and sometimes peripherally-relevant training offered at the State website. By requiring basic *and* extensive training of every member of a local pension board, regardless of education and experience, the State is making it difficult for local governments to recruit quality people to volunteer positions and is interfering with the functioning of local government. BACOG urges that State requirements for training for local appointed officials be modified to account for the individual's expertise and qualifications, especially in the case of pension boards.

- **Government Consolidation.** Support actions to ensure better representation on the State Consolidation Commission. Ensure that commission membership represents every relevant discipline and includes individuals with current, hands-on experience in the local government districts under consideration for consolidation.
- **Modifications to FOIA.** In 2010, the State implemented an extensive expansion of the Freedom of Information Act (FOIA). The vast majority of local governments have always delivered public information to the public – willingly, appropriately, and in a timely manner. The 2010 FOIA expansion targeted “bad governments” that were not compliant with the pre-2010 law but had numerous deleterious effects on “good” local governments, including substantially increasing legal and staffing costs needed to meet extensive public requests. For local governments, many FOIA requests are excessively time-consuming, pointless (as evidenced by requestors who never pick up or pay for their materials), politically motivated, or used for private profit.

3. PROTECT AND ENHANCE ENVIRONMENTAL RESOURCES AND OPEN SPACE.

- **Fund Local Groundwater Research and Protection Efforts.** Support initiatives and funding for local governments that are engaged in research and mapping, local policy development and implementation of groundwater protection measures. Support public education towards a sustainable and safe water supply. Support “on the ground” efforts that supplement and enhance statewide work, especially projects toward local groundwater water levels and quality monitoring. Support and fund the comprehensive “BACOG Water Level Monitoring Program”. Support initiatives that would strengthen laws protecting groundwater quality.
- **Support the Northwest Water Planning Alliance (NWP) and Cooperative Water Supply Planning.** BACOG recognizes that water supply planning is a priority in the State. Since supply is provided by localities (not state or regional entities), municipalities and counties are appropriate entities to plan and manage regional water supply. BACOG supports a strong NWP educational component, and for recent local and regional water planning initiatives such as BACOG's to be taken into account in the NWP planning efforts.

4. SUPPORT LOCAL AND REGIONAL LAND USE, PLANNING AND ZONING AND THE IMPLEMENTATION OF SUCH PLANS AND REGULATIONS WITHOUT DISRUPTION.

- **Support Municipal Authority in Planning and Zoning Functions.** There are often conflicts between municipalities and counties over the development of land in unincorporated areas, especially concerning provision of services and allocation of revenues, and the effects of

development on surrounding neighborhoods and property values. County land use on properties that abut municipal boundaries can conflict with the planned vision held by the municipality. Communities often lay out goals and compatible uses for unincorporated areas within their 1 ½ mile “planning jurisdiction”, but counties may consider these areas “holding zones” where zoning and land uses will be changed at a later date to accommodate development proposals. Local residents feel the impacts of new development firsthand. They do not, however, elect the entire county board which will make planning and zoning decisions on unincorporated areas; instead they elect one representative on a county board comprised of many individuals with varied interests. As such, local residents have little recourse when proposed land uses on unincorporated parcels are incompatible with surrounding neighborhoods and uses.

BACOG supports amending the Counties Code to create municipal authority to cause the County Board to deny zoning and development on unincorporated parcels, where the parcels under consideration are contiguous to the municipality or within 1,000 feet of the municipal boundary, and where the municipality has adopted a Comprehensive Plan.

- **Require Municipal Approval to Site Cell Towers.** Municipalities are unable to protect their residents from placement of cell towers located just beyond municipal boundaries because a county with zoning procedures is not required to account for the siting concerns of municipalities or their residents. BACOG supports amending the Counties Code to prohibit any county from approving the construction of a cell tower within 1,000 feet of any municipal boundary unless the municipality approves the placement.
- **Disconnection of Property from Municipalities.** Support changes that would reconcile case law to the intent of the statutes and strengthen existing standards for properties to be able to disconnect from municipalities, in order to: maintain stability of municipal boundaries and certainty in capital investment; protect local government’s ability to implement local comprehensive plans; support regional intergovernmental cooperation and planning; protect local zoning; protect existing residents’ property values; allow for adequate due process for all affected interests; and carry out planned development.

5. MAINTAIN AND IMPROVE THE TRANSPORTATION SYSTEM THROUGHOUT THE REGION WHILE BALANCING COMMUNITY INTERESTS WITH INVESTMENT AND EXPANSION. SUPPORT APPROPRIATE REGULATION OF VEHICLES, ROADWAYS AND TRAFFIC.

- **Support the Extension of Route 53.** Support funding for the Highway 53 Extension to Route 120 in Lake County to enhance mobility and accessibility and to relieve traffic congestion in central Lake County, Route 12, and adjacent areas. Incorporate specific design requirements and performance standards that protect the natural environment and preserve the character of nearby communities.
- **Support a Route 14 Grade Separation at the CN/EJ&E Rail Road.** Support funding for the project and selection of a grade separation/roadway alternative that respects the environmental quality and character of the BACOG area.