



Now is the Time to Invest in Communities

In addition to warmer spring weather, tax season is a common subject of discussion at this time of year. The Village of Diamond is joining forces with cities, villages, and counties across the state to urge state lawmakers to Invest In Communities by returning a greater portion of your taxes back where they belong, right here in our community.

What does that mean? When the State income tax was established more than 50 years ago, it was agreed that a portion of it should be returned to each community based on population. In the State budget, this funding is known as the Local Government Distributive Fund, or LGDF.

LGDF is an important revenue source for every local government in the state, not only because it is stable and reliable year after year, but because each community can use it wherever it is most needed to stabilize and improve the community. In the Village of Diamond, LGDF makes up approximately 8% of our annual operating budget.

But here's the problem: in 2011, the State decreased the portion of income taxes that is returned to our community from LGDF. Rather than 10% of income taxes, Illinois lawmakers have allocated just over 6% to local governments in recent years.

Across the state, municipalities and counties have lost out on more than **\$8 billion** that could be used in lieu of property taxes or other revenues to replace lead service lines, train police officers, buy equipment for first responders, pay down public safety pension obligations, improve or repair infrastructure projects, and more. Our LGDF fact sheet shows the impact of this loss in our community and the importance of restoring this critical source of local funding.

With the State's financial condition the healthiest it has been in decades, now is the time for the General Assembly to prioritize funding for infrastructure, public safety, and community services in **all** Illinois communities by restoring LGDF. In the Village of Diamond, additional funding could mean paving more streets, improving parks, and becoming more ADA compliant, without needing to raise the income tax or our local taxes.

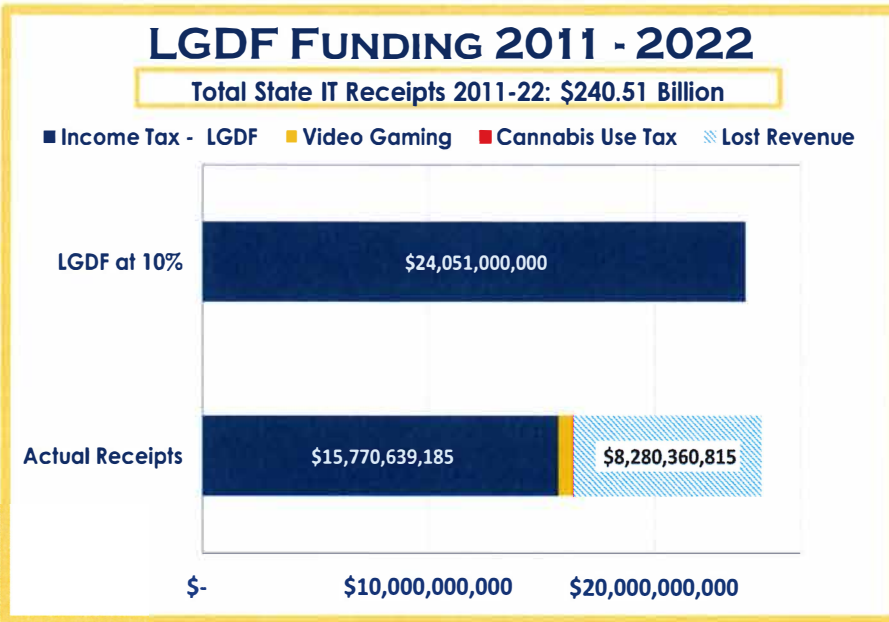
As Illinois lawmakers prepare this year's State Budget, Mayor Kernc and other local government leaders are urging the General Assembly to Invest In Communities and restore the Local Government Distributive Fund to 10%. Visit InvestInCommunities.org to learn more and make your voice heard by contacting your state legislators and posting on social media using #InvestInCommunities.

###

ILLINOIS LOCAL GOVERNMENT DISTRIBUTIVE FUND

TOTAL LOST REVENUE: \$8,280,360,815

In 2011, the General Assembly reduced the percentage of income tax revenue that is allocated to local governments, promising that these cuts would be a temporary shared sacrifice. Over a decade later, **LGDF** is still not restored. The lost revenue totals **\$8.28 billion** statewide, which is equivalent to receiving **zero** LGDF dollars for over 4 years.



ESSENTIAL REVENUE

- LGDF funds between **10-20%** of municipal operating budgets, or more in smaller cities.
- Increasing LGDF will **reduce pressure on property taxes** & other revenue sources, especially in small and non-home rule communities.
- **Cannabis & video gaming** revenues make up only **8.2%** of lost LGDF revenue, totaling **\$679 million** across the state since 2013. These revenues also do not equally benefit all communities as LGDF does.



FUNDING FOR PUBLIC SAFETY & INFRASTRUCTURE

City and county governments invest LGDF revenue, generated from our residents and businesses, into the essential services our communities rely on every day:

- **Infrastructure** such as road and sidewalk repairs, water and sewer pipelines, stormwater management and flood prevention.
- **Public Safety** salaries, pensions, & equipment for police and fire personnel.
- **Community Services** such as snow removal, forestry, code enforcement, permitting, and economic development.

Local governments rely on LGDF now more than ever to implement **unfunded mandates** such as lead service line replacement, police body cameras & training requirements, and growing public safety pension obligations.

Restoring LGDF will allow city and county leaders across the state to make local investment decisions to improve the safety & quality of life of our communities.

WE ASK FOR YOUR SUPPORT TO RESTORE LGDF.

