

RESOLUTION ON TAX INCREMENT FINANCING DISTRICTS

WHEREAS, Item 2-b of the Illinois PTA Legislation Platform calls for “adequate and equitable sources of revenue for schools” and further states in explanation: “The Illinois PTA has long sought a combination of state and local property taxes to support education that will best create a stable source of income when the economy fluctuates. Presently the heavy dependence on local property taxes to fund education contributes to inequitable funding of schools between districts because of varying property values;

WHEREAS, Tax Increment Financing (TIF) is an alluring tool that allows municipalities to promote special projects for economic development by earmarking property tax revenue from increases in assessed values within a designated TIF district for up to 23 years, with possible extensions, diverting needed funds from local taxing bodies, including school districts.

WHEREAS, a TIF designation usually requires a finding that an area is “blighted” or “underdeveloped” and that development would not take place “but for” the TIF; however specialized consultants can produce the needed evidence in almost all cases and the requirement for these findings does little to restrict the location of TIF districts;

WHEREAS, there are no requirements that the municipality take the needs of the school district’s wellbeing into their TIF adoption decision or share in the benefits of the TIF District.

WHEREAS, Many school districts struggle with lack of funding while trying to meet adequate yearly progress to avoid sanctions of the No Child Left Behind Act,

RESOLVED, The Illinois PTA seek and support changes in Tax Increment Financing (TIF) legislation which would give an Illinois school district the option of having its property tax revenue excluded from tax increment financing or, alternatively, include a provision which requires municipalities to come to an agreement with school districts that provides an equitable share of the benefits rendered from the TIF District from its beginning.