



2023 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 by a legislator when legislation is being considered at the county, state or federal level that may harm or benefit the village. Based upon 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

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 53% of the village's General Fund accumulated through local sales tax. This structure alleviates a heavy reliance on property tax revenue, which is levied on residents and businesses but requires sustained local economic activity. In FY 2021/22 the State kept \$332,175 of Village of Schaumburg's Home Rule Sales taxes as an administrative fee. Since the implementation of the state-imposed administrative fee, the State has kept over \$50 million annually from local governments, which could otherwise be used to provide vital local public services. The village believes that there is simply no justification for the state collecting additional revenue on locally imposed taxes, which is why a full repeal of the fee is warranted.

Reinstate shared state revenues like the State Income Tax - Municipalities receive a share of the state's income tax revenues through the Local Government Distributive Fund (LGDF). In 2017, the state budget reduced the amount that is to be disbursed back to municipalities by 10% while the 2018 and 2019 budgets held this reduction to just 5%. Prior to 2011, the village received 10% of LGDF disbursements and now receives less than 7%. The village cannot afford further cuts to shared state revenues without being forced to find new revenue streams or consider the reduction or elimination of essential services.

Amend the State statute so the State Hotel Taxes are collected for stays greater than 30 days - Under current law, the State Hotel Tax is imposed on the occupation of renting, leasing, or letting rooms to persons for living quarters for periods of less than 30 consecutive days. Stays that exceed 30 days are exempt from the tax. In some communities, a variety of companies sign contracts for more than 30 days and use the room(s) for multiple individuals or employees. Because the contract is for more than 30 days, state, county, and local hotel taxes are not levied or collected. While



communities can eliminate the exemption in local ordinances, this would place them at a competitive disadvantage in the regional marketplace.

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. This costs the village approximately \$2,500 annually. 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 the ability of local governments to meet the needs of their community and address issues. Municipal officials must maintain the autonomy necessary to fulfill their responsibilities to those that elected them.

Allow Municipalities to Use Drone Technology for Public Safety - In 2013, “Illinois passed the Illinois Freedom from Drone Surveillance Act”. This enabled law enforcement to utilize drone technology to photograph accident and crime scenes, search for missing persons, and utilize after an emergency is underway. However, the current law limits law enforcement’s use of this technology restricting police from using drones to monitor large community events such as concerts, parades, or festivals. This can result in prolonged police response time in the case of emergencies during public events where attendance is high. The village supports legislation permitting law enforcement to use drone technology to observe crowd size, density, and movement in order to assess public safety staffing and oversee the general safety of participants at large events.

Preserve Tax Increment Financing - Legislation has been proposed during the 102nd General Assembly (SB 2298) that would reduce the life span of a TIF District from 23 years to 10 years. This law would prove devastating to economic development and job creation, essentially eliminating tax increment financing as a tool for communities to use to assist areas in desperate need of redevelopment. A window of 10 to 15 years does not provide sufficient time to fully develop a TIF, nor does it provide adequate time to accumulate the increment to support the magnitude of needs within a TIF district.

PRIORITY #3- REFORM PUBLIC SAFETY PENSION SYSTEM

In 2019, Governor Pritzker signed Public Act 101-0610 into law. This legislation consolidated the assets of the state’s more than 650 downstate suburban pension funds into two consolidated police and fire investment funds. In the long-term, this legislation will help preserve public safety pensions for local police officers and firefighters, resulting in increased investment returns. However, the legislation also enhanced benefits to Tier II pension members resulting in significant short-term increases to required pension contributions.

- **Extend the amortization period beyond 2040** - The Tier II benefit enhancements resulted in an increase in both benefit obligations and the recommended contributions. Collectively, these enhanced benefits increased the annual required contribution by \$851,489 in 2020, an 8.9% increase over the prior year. Required contributions further increased \$572,581, or 5.5%, from 2020 to 2021. The Annual Required Contributions for 2022 are increasing \$2,308,364 or 21.3% from 2021 due to increased benefits and actions taken by the



consolidated public safety investment funds. This level of benefits was not anticipated under the current amortization requirement. Amortization of these funds to 2050 or beyond will statutorily place them in line with other funds and provide immediate financial relief to affected communities.

- **Reduce the required funding ratio target from 90% to 80%** - Current law requires the municipalities to contribute an amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by 2040. A lower funding rate will provide immediate relief to taxpayers and smooth out the short-term increases for Tier II members.