



Village of Hanover Park Administration

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Daily Herald
Attn: Editorial Staff

As the elected Village Presidents of Hanover Park and Hoffman Estates, it is our pleasure to write this letter on behalf of our residents concerning the restoration of the Local Government Distributive Fund (LGDF) to its intended rate of 10%. LGDF is the state income tax that is shared with cities and counties based on population.

We want to be clear on the seriousness of this issue and the impact it has had on our local communities. Since 2013, the residents of Hanover Park and Hoffman Estates have lost a combined \$51 million in revenue that would have been used to greatly improve our communities. Those dollars could have been used for roads, water and sewer repair, and other needed infrastructure projects. And it's not just Hoffman Estates and Hanover Park – all local communities in Illinois have been placed in a similar position. These funds, which were intended for local use, have been taken by the State of Illinois year after year to support state services.

Senate Bill 3010 and House Bill 4169, currently under consideration at the state level, would help address the loss of LGDF funds by increasing the funding rate from 6.06% to 8%. This is a welcome start, although it is still shy of the intended 10%. Thankfully, many state representatives are supportive of this positive legislation.

An increase of 1% to the Property Tax rate to the residents of Hanover Park generates \$133,000 in revenue. It would take a 12% increase in property taxes, or \$1.6 million, to make up the gap between the 8% and 10% loss of LGDF funding. If the legislation fails, the funding gap is \$3.2 million dollars.

An increase of 1% to the Property Tax rate to the residents of Hoffman Estates generates \$266,450 in revenue. It would take a 6.5% increase in property taxes, or \$1.75 million, to make up the gap between the 8% and 10% loss of LGDF funding. If the legislation fails, the funding gap is \$4.5 million dollars.

For more information, including charts outlining the loss of LGDF funding since 2013, residents can visit our village websites.

The loss of over \$51 million to Hanover Park and Hoffman Estates is wholly unacceptable. The residents of Illinois need to understand the real impacts that this incremental degradation of the LGDF by our legislators has had, and continues to have, on all of our local communities. We would like to encourage residents to contact their state representatives and express their support for passing this essential legislation.

Respectfully,

Rod Craig, Village President, Hanover Park
Bill McLeod, Village President, Hoffman Estates