

DATE: February 11, 2022
TO: Clients and Colleagues
Re: Urgent TIF Illinois Legislative Update
FROM: Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

*****URGENT LEGISLATIVE UPDATE *****

Dear Clients and Colleagues:

Further to our previous communication and legislative updates we provided in January, we are urgently reaching out today to ask you to **please contact your State Senator and State Representative as soon as possible to express OPPOSITION to [SB2298](#)**.

This legislation, if enacted as currently drafted, will severely diminish **Tax Increment Financing** in Illinois, and negatively impact your community's ability to establish a new TIF District, as well as affect municipal administration of existing TIF Districts. The legislation in [SB2298](#) is misinformed, based on erroneous perceptions, and is believed to be accommodating the interests of certain other taxing bodies who seek more control over municipalities who are using TIF to achieve economic development.

Advocates of [SB2298](#) are essentially asking the Illinois Legislature to supplant the authority of municipalities by further impeding their fundamental roles and responsibilities to promote and govern community and economic development. Most school districts, for example, do not bear much if any responsibility for attracting new private investment that is necessary to expand local economies, fund public services like roads and sanitary facilities, and sustain a community's economic vitality. In short, the primary duty to seek out economic development and broaden the local tax base largely falls upon cities, towns, and villages.

As you are aware, we have historically encouraged our municipal clients to collaborate with other taxing bodies and we have advocated for the use of the ample authority already provided in the TIF Act to respectfully engage and partner with other units of government to promote economic development ([click here for more information](#)). **Unfortunately, [SB2298](#) in its present form will not only eviscerate the TIF Act, it will create greater division and distrust among local leaders who need to work together now more than ever.**

One of the most valuable features of **Tax Increment Financing** in Illinois has been that it is **locally controlled**. We believe that is a significant reason for its historic success.

Contact your [State Senators](#) and [State Representatives](#) as soon as possible to **OPPOSE SB2298 AND DO NOT ALLOW TIF TO BECOME ANOTHER INEFFECTUAL OR STATE-CONTROLLED PROGRAM!**

Although the Bill currently rests with the [Senate Revenue Committee](#), it is possible that [Senator Gillespie](#) and the Bill's co-sponsor [Senator Melinda Bush](#) may try to call an amended version of original [SB2298](#) for a Senate floor vote as early as the week of February 14. Although Amendment No. 2 of the Bill is not currently available for review, we are not optimistic that the amendment will offer much improvement over the original language.

We invite you to frequently check our [TIF IL Legislative Updates](#) for more information, or contact [Jacob & Klein, Ltd. and The Economic Development Group, Ltd.](#) and let us know how we may be of further assistance

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