

## *1% for Planning:*

### *Financial support for local governments (SB 2875)*

In the face of scarce economic resources and a state fiscal crisis, the wise use of public funds is more important than ever. From operating funds to capital expenses, public officials face increased scrutiny with respect to how they spend taxpayer dollars.

Planning is the cornerstone of efficient government, whether local, state or national. By identifying the needs of Illinois' communities in advance, planning public investments that support growth and guiding private investment, resources are preserved to achieve the economic competitiveness and quality of life we want. Just as an individual plans for retirement, or a business plans a new venture, a community should plan for the wise use of its land, infrastructure and other resources through the development of a comprehensive plan.

<b>Distribution of gross receipts from hotel operator's tax 2004</b>		
	2004 Gross Receipts =	<b>\$154,000,000</b>
1)	5% tax (5/6 of gross receipts)	\$128,333,333
	Build Illinois Fund (40%)	\$51,333,333
	GRF (60%)	\$77,000,000
	Illinois Sports Facilities (flat rate from GRF)	\$13,000,000
	Local Tourism Fund (8% of GRF)	\$6,160,000
	International Tourism Fund (4.5% of GRF)	\$3,465,000
	Tourism Promotion Fund (21% of GRF)	\$16,170,000
	remaining to GRF	\$38,205,000
	With SB 2875	
	<b>Local Planning Fund (1% of GRF)</b>	<b>\$770,000</b>
	All other line items unchanged	
	New Balance to GRF	\$37,435,000
2)	1% tax (1/6 of gross receipts)	
	Build Illinois Fund	\$25,666,667

The Illinois Legislature recognized the importance of comprehensive planning by passing the **Local Planning Technical Assistance Act** (Public Act 92-0768) in 2002. In addition to defining the elements of a comprehensive plan, the Act establishes the Local Planning Fund. The purpose of the Fund is to better coordinate development decisions within and across communities, and effectively leverage state investments in roads and transit, economic

development aid, and so many other areas.

**Please support 1% of the gross receipts from the Hotel Operator's Tax for planning.**

**Effects on tourism:** current revenue allocations to tourism related efforts will not be effected by this bill. In fact, through better planning, municipalities across the state can create greater tourist, cultural and historical attractions which will only serve to increase revenue from the Hotel Operator's Tax. Take Springfield for example, local planning paved the way for the Abraham Lincoln Presidential Museum and Library, which has helped draw nearly a million visitors to Springfield<sup>1</sup>. In addition, an amendment to the economic development section of in the Local Planning Technical Assistance Act is being proposed to include specific language supporting tourist related planning.

Funding for the Local Planning Technical Assistance act is supported by the following (in formation):

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Campaign for Sensible Growth  
Chicago Metropolis 2020  
Congress for the New Urbanism  
Mayor Zenovia Evans, Village of Riverdale  
Latinos United  
Leadership Council for Metropolitan and Open Communities  
Metropolitan Planning Council  
New Chicago Fund  
Alderman Eb Moran, City of Evanston  
South Suburban Mayors and Managers Association  
Southwest Conference of Mayors

For further information or to add your name to the list of supporters in formation, please contact:

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<sup>1</sup> Springfield Convention and Visitors Bureau