

# Distribution of 2015 DuPage County Real Estate Taxes to Local Taxing Bodies



Schools **73.25%**

Cities **9.84%**

Fire & Others **5.53%**

Parks **5.14%**

County **2.56%**

Forest Preserve **2.03%**

Townships **1.65%**

Source: Paul Hinds  
DuPage County Clerk's Office

## About Townships

- **Township receives 1.63% of tax bill in DuPage County.**
  - In Illinois, Townships receive no more than 2% of the levied taxes.
  - Per Paul Hinds (DuPage County Clerk), Townships receive the smallest portion of Real Estate Tax Levy's.
  - Average annual Township tax for DuPage Residents is \$74.00.
  
- **Township gives back – ½ rate tax to each City or Village, up to 50% in some cases.**
  - Most residents don't know that Township Road Districts share a percentage of their levied taxes with local city's or villages.
  - Townships have the power to abate a percentage of the tax levies directly to the residents.
  
- **Township Road Districts receive smallest portion of M.F.T. appropriations.**
  - Taxing of local government agencies (cities and villages) and receiving those revenues is based (per capita or per citizen), whereas Townships revenues are based on a per mile basis.
  - **DuPage County Township Road Districts (9 Road Districts) cover 413 centerline miles and together receive approximately \$652,000 annually in MFT Funds. With a difference of 41 miles, the City of Naperville with 454 centerline miles will receive approximately \$11,200,000 in MFT Funds in 2016.**
  
- **Township residents pay sales tax to the State, Village or City only.**
  - The Township receives no local Sales Tax Revenue. The Road District only receives revenue from the levied Property Taxes and a fraction of Motor Fuel Taxes.



- **By current law the Municipalities already have the means to take over local roads through the annexation process.**
  - The cities or villages will not annex unincorporated properties into their system for it is usually too costly for them to bring infrastructure improvements those properties.
  - In the past many of the local agencies have annexed properties to collect the tax levies, only to provide road maintenance without the infrastructure improvements (such as water and sanitary sewer).
  - After annexation, the usual outcome is a cut in services and higher taxes.
  
- **Township cannot raise taxes without referendums.**
  - Township government is very efficient, small, transparent, and disciplined so past tax levy referendums have been few. Most people say they can assuredly rely on their township government for their needs.
  
- **Annexation could cause problems for small businesses in townships.**
  - Some cities and villages have ordinances that prohibit business establishments that are operated out of residential homes. This would require business owners to relocate to another village or unincorporated area affecting their business needs and financial return.
  
- **Townships receive Zero Dollars from the State.**
  - Illinois has the second highest property taxes in the country.
  - DuPage County is the 3<sup>rd</sup>. largest government behind the City of Chicago and Cook County.
  - Legislative Leaders propose to streamline and give local government agencies the means to save Illinois State Taxpayers money. Consolidation advocates assume that public services performed by townships can be replicated by other units of government, with a savings to taxpayers. This is unlikely because of the lower cost structure of townships.

- In the absence of evidence of a comprehensive analysis of factual financial performance and claims of a savings to taxpayers, there is little or no potential for improving the financial situation of Illinois by consolidating or abolishing townships.
  - The townships receive no money from the state. Therefore thinking consolidation or abolishment of townships would be a savings to the state seems impractical and a waste of taxpayer dollars.
- **Townships have balanced budgets.**
- Annual growth increase in budgets is minimal.
  - Townships are smallest, most effective, most transparent and accountable form of government we have.
  - Most Townships are well disciplined carry no debt.
- **Townships do more for less than any County, Village, or City.**
- Township expenditures have risen much less than those of the state and local government agencies.
  - Labor generally represents the largest expenditure item in local government. Smaller governments rely on less expensive, full-time and part-time labor to a substantially greater degree than larger government. So the salaries are lower in smaller units of government and larger in bigger governments. Future labor costs will be leveled up to the rates of the more expensive government.
  - Township services and expenditures have risen much less than the local government agencies, for not all expenditures and services are held to prevailing wages.
  - When it comes to purchasing, vendors tend to offer better pricing to Townships. There is less bureaucracy to deal with and timing of payments plays a significant role in pricing, noting it's all about getting paid on time.
- **Townships are not a duplication of services.**
- These days government agencies are very proficient. Local governments have defined geographical areas of service and only one government agency provides the same service within a particular

service area. There is no duplication of services. The local governments usually use Inter-Governmental Agreement's (IGA's) to define and clarify any jurisdictional maintenance to avoid duplication of services. The variety, use and size of equipment differs from that of larger governments. Many of the state, county and Village or city vehicles are much too large to operate efficiently on township streets. Smaller equipment is required to maneuver cul-de-sacs and turn around on the smaller width streets.

- Safety and timing is critical when it comes to maintaining snow routes. When it comes to emergency responses such as fire protection or ambulance calls the township streets are usually plowed first and in a timely manner. Townships usually perform better than the larger government agencies, and many larger agencies use the townships services to supplement their own.

➤ **Everybody wants to abolish Townships but not their Levy's.**

- Fewer governments does not translate into lower expenditures and taxes.
- Previous results of consolidation have fallen short to expectations. The cost savings have not been assured and any savings at all have been short lived. Bigger governments collect more, spend more, and pay bigger salaries and benefits.
- So ask yourself, could this be a money grab, power grab, feather in their cap - resume builder, or typical political publicity for reform advocates?

➤ **It's all about the level of service and value.**

- Township Residents pay for the services they are accustomed to and are happy to do so.
- It would be more expensive to residents if services were to be cut, for they would be required to hire more costly private companies.
- Residents have direct representation meaning they can call and speak directly with their Road Commissioner just about any time.

➤ **Some city residents are concerned that they are paying taxes for the township residential roads.**

- We are not just talking about local residential streets.

The townships are responsible for the maintenance of much more expensive local arterial FAU Routes in their jurisdiction. City residents also use these very same routes in their daily commute.

- Most residents don't know that Township Road Districts share a percentage of their levied taxes with local city's or villages for use on their streets.
- In the past, townships have previously abated a percentage of the tax levies directly to the residents.

➤ **Will property values be affected by the consolidation process?**

- Yes, (to be continued)