

Alton School District "disappointed" in failure of One-Cent Sales Tax referendum

by Cory Davenport, Contributing Writer
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ALTON - The County Schools Facilities Tax (CSFT), or as it was commonly-known - the one-cent sales tax - was defeated by an extremely thin margin of 259 votes, losing 22,105 to 21,846.

If it would have passed, sales taxes across Madison County for several retail items - with some exclusions such as unprepared food, automobiles and farm implements, among others - would have raised by one percent, or roughly a penny for every dollar spent. That money, after being collected by the Internal Revenue Service (who would have taken a cut), would go to Madison County to be distributed throughout the school districts based on enrollment. The districts would then be allowed to use that money for such measures as structural improvement, energy efficiency, heating and cooling and land acquisitions. It could not have been used for general funds, salaries or pensions.

Many school districts, including Alton, promised to utilize as much as 50 percent of the revenue generated by the sales tax to lower property taxes within the district - if it would have passed. In previous emails to Riverbender.com, Norman said the district's tax levy could fall from \$4.86 to \$4.60, which would correspond to a potential property tax cut of \$86 a year for a \$100,000 home, \$130 a year for a \$150,000 home and \$173 a year for a \$200,000 home.

"We are certainly disappointed," Norman said in an email Wednesday morning, following the election. "The County Schools Facilities Tax would have allowed the district to provide property tax relief, provided a stable funding source for facility items that would not be subject to the state budget, and allowed the district to avoid debt tied to property taxes for future projects. I would not say the district was counting on the funds, since there was no guarantee, but it is true that there are some ongoing facility costs that the funds could have addressed.

"However, since the funds could not be used for salaries, benefits or regular operational costs, and since the district would not have started to receive funds until October, whether it passed or not was not going to have a bearing on the district issuing Tax Anticipation Warrants this year. While we hope that our line of credit with Liberty Bank is enough, the Tax Anticipation Warrants are still a possibility.

"That said, we were holding off on Health-Life-Safety bonds for the Mark Twain renovations in the hope that we could utilize CSFT funds for that project. With the CSFT's failure, though, we will have to issue bonds for that project, which will ultimately impact the tax rate. We will be working to structure those bonds to keep the impact as low as possible, but the reality is that these bonds will now have to be paid by the Debt Service property tax levy."

All districts in Madison County with the exception of Edwardsville, Collinsville and Venice supported the measure. When it came to a vote in eight Illinois counties in Nov. 2016, all eight were in favor. Currently, 47 counties throughout the state have voted in favor for this tax. The state has allowed the measure to be taken to ballot since 2007.

