

Does one cent make sense? A look at the County Schools Facility Tax (from three sides)

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EDWARDSVILLE – Does one cent make sense for local school districts and taxpayers?

Proposition E, which will be placed on a March 20, 2018, ballot alongside the gubernatorial primary election, will create an additional one percent sales tax on various items across Madison County. According to a release from the Alton School District, which can neither campaign for nor against the proposition, districts across Madison County can only use the additional tax revenue for certain items and contingencies. Since it is a sales tax, the tax would be redistributed through districts based on population if the measure is to pass.

As of now, the taxed items would include “any items currently in the municipal and county sales tax base with some exemptions,” according to the release from the Alton School District. Cars, trucks, all-terrain vehicles (ATVs), mobile homes, unprepared food, medicine and farm equipment, implements and parts are exempt from the possible taxation.

If the measure does pass, school districts in Madison County can only use the money for certain items, such as paying outstanding Health-Life-Safety bonds and paying for facility projects, which would have been paid for with property taxes. Those projects may include such things as roof repairs, ongoing maintenance, energy efficiency, parking lot repairs, security, safety, Americans with Disabilities Act (ADA) compliance, additions, renovations and new facilities.

Districts are prohibited from using the money for salaries, benefits, movable equipment, textbooks, furniture, computers, printers, utility costs, buses and custodial needs – even if the proposition is passed.

On Feb. 20, 2018, the Alton School Board approved a resolution to ensure as much as 50 percent of the sales tax revenue would be earmarked to offset property taxes, which would equate to an estimated \$1.85 million. That would be a savings of as much as \$86 a year for a homeowner with a home with a value of \$100,000.

As many as 49 counties across Illinois have approved the County Schools Facility Tax (CSFT) and a recent estimation placed 30-40 percent of sales tax revenue generated in Madison County at a cost to people living outside of the county. In fact, this tax would greatly affect those commuting through the county.

If the tax passes, the Alton School District would use the revenue for anticipated projects from 2018-2020, including:

- Roofs on Eunice Smith, Lovejoy, Alton Middle School Annex and Early Childhood Center

- Parking lots for Gilson Brown, West, Eunice Smith, Mark Twain, Lewis and Clark and Early Childhood Center
- Boilers for Eunice Smith and Gilson Brown
- Olin Building renovations
- Early Childhood Center renovations (depending on use)

As with any proposed tax increase, the CSFT has its detractors. A representative from a Facebook group called “Madison County Residents Against Higher Taxes” said the county's school boards place it on the ballot, despite being defeated in April 2017 and April 2011.

“We are against the increase for a few reasons,” the page's administer said in a Facebook message. “First, there is no accountability or oversight in regards of how the money will be spent. The schools can turn around and use this money to get themselves further into debt by purchasing more bonds or by outright spending the money and not paying on the bonds they currently have. And, if the sales tax is ever 'inefficient,' they can raise property taxes to cover the gap.

“Secondly, this tax increase will deeply affect Madison County residents and small businesses. If this passes, some local sales taxes will be as high as they are in Chicago, and residents will be forced to pay them or take the time to travel outside Madison County to try to save money. If that happens, then our small businesses will suffer immensely as well.

“Third, there is no way for the current school boards to hold future school boards accountable to how they want the money spent. So, even if they use this money wisely, there's a good chance it won't be used the same way in the future. Also, their word is not a binding contract, so whatever they are trying to sell us on isn't guaranteed to happen. Plus, once this passes, it cannot be repealed. We don't think a sales tax increase is the solution right now, especially with no accountability.”

An opposing group called “One Cent Makes Sense” believes this tax will provide the districts with reliable income not directly reliant on the State of Illinois or local property taxes. In an email to Riverbender.com, the group outlined the reasons behind its support.

“It gives districts an opportunity to address high-priority issues like increasing the safety and security of their buildings and make needed repairs that are long overdue because of

lack of funds,” the group said in an email. “It also gives local school boards the opportunity to use sales tax money to pay off long-term debt and reduce property taxes for constituents.

“Currently, school districts must issue debt to pay for larger school facility needs, which is funded through property taxes. If the one percent sales tax is approved, the need for school districts to create long-term debt paid for by property taxes will greatly diminish. The sales tax is estimated to generate almost \$23 million in revenue for school facility projects. Most of the school districts in Madison County have identified priority facility needs that would be funded through the CSFT. Over the past several years, the school districts have deferred many needed projects due to budget constraints. These are not frivolous 'wants,' but in some cases desperate needs or required.”

As for the burden for Madison County taxpayers, the One Cent Makes Sense group believes the CSFT would lower property taxes for Madison County residents. The group also said the tax does have both oversight and restrictions for its use, saying it is limited to school improvements by law.

When asked why the measure failed in April 2011 and April 2017, the One Cent Makes Sense group said the word “tax” makes many people instantly believe the measure is negative. Since 2011, 41 counties in Illinois have adopted the tax, and in 2017, the measure was only voted down by 259 votes. The group is optimistic about the possibility of the measure passing in 2018.

“More people have gotten the facts and better understand the issue now,” the email said. “Citizens have seen the success that school districts in other counties have had as far as improving their facilities and lowering property taxes. Many more people would rather trust their local school boards with additional revenue rather than the state government. School safety and security issues are definitely more on the minds of parents and this provides a means to address needs of older school facilities by hardening building entrances, added security cameras, improved lighting and infrastructure.”