



Illinois Tax Increment Association

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POSITION STATEMENT

At a Board Meeting of the Illinois Tax Increment Finance Association held via tele conference on January 22, 2010, the Board has taken a position in opposition to Senate Bill 2093, the proposed STAR Bond Financing Act. The Board unanimously adopted this position after review of the legislation as proposed and has the following opinions in support of that position:

- As an organization, ITIA has consistently supported legislation that it believes is of benefit to its membership. As written this proposed statute has limited (if any) applicability beyond the area for which it is written and the type of project which is contemplated.
- It appears to provide its greatest economic benefit to the municipality, developer, and end users for which it was targeted.
- It creates an opportunity for significant capture of State revenues at a time when the State is already in severe financial distress and unable to pay its bills.
- It creates unfair competition for existing businesses and creates an unlevel real estate development market, particularly for existing development projects that have received local economic development incentives.
- It allows funding of private improvements beyond those normally provided for in existing economic development legislation.
- It allows for the extension of the period of revenue capture to 35 years without approval of the legislature.

ITIA believes that while concept of this bill may have merit, it cannot support the bill as written.