



2026 Legislative Agenda

*The Regional Association of 275 Cities, Towns, and Villages Representing 9 Million Residents
Independent Voices. One Vision.*

LEGISLATIVE PRINCIPLES

These three principles represent the core values of the Metropolitan Mayors Caucus and our 275 member Mayors/Presidents.

- Protect Municipal Revenues
- Reject Unfunded Mandates
- Preserve Local Authority and Home Rule

RESTORING LOCAL GOVERNMENT DISTRIBUTIVE FUND (LGDF) REVENUES AND PROVIDE FULL FUNDING TO STATE SHARED REVENUES

Local governments in Illinois have never been allowed to levy income taxes. Instead, they were promised by State leadership a share of State income tax proceeds to be distributed by population from a newly created fund called the Local Government Distributive Fund (LGDF).

From 1993 to 2011, local governments received 10 percent of the State income tax through the LGDF. In recent years, however, the local share has dropped to just over 6 percent, nearly a 40 percent reduction over the past decade. This has put a significant strain on local governments and has forced them to make tough decisions on budget and service cuts and increases in other local revenue sources.

When Legislative Leaders and the Governor reduced the local share of the income tax from 10 to 6 percent 15 years ago, it was with the understanding that it would be restored to 10 percent of the full individual and corporate tax rates once the State dug its way out of its budget hole. The thought was that the State's fiscal crisis would be resolved in a few years. Unfortunately, the budget holes only became deeper and now, with the future very uncertain, we find ourselves wondering when we will receive our full local share of the income tax.

The LGDF is one of the largest sources of state funding for local governments in Illinois. On average, our members rely on it to cover more than 25 percent of the day-to-day services they provide to their residents. These include police and fire protection, snow removal and garbage collection, road repairs and maintenance, flood prevention, and water and sewer service.

Caucus Position: *The Metropolitan Mayors Caucus strongly believes it is time for Illinois' current leadership to live up to the pledge made by their predecessors and continue to restore the LGDF share to the 10 percent it was in 2011. Also, Local Governments must be fully funded from state shared revenues such as Personal Property Replacement Tax (PPRT), Motor Fuel Tax (MFT) and others so that we can continue to provide the essential services our residents demand and deserve.*

PROTECT AND PRESERVE PUBLIC SAFETY PENSION REFORMS

In 2010, the Illinois General Assembly passed Public Act 96-0889, which created a new tier of pension benefits (tier 2), thus impacting pensions for local government employees hired after January 1, 2011. At the time, the Mayors Caucus heralded this agreed upon change because it was viewed as a significant way to reduce long-term public safety pension costs, provide greater efficiency and investment return opportunities, and provide local tax relief.

The Legislation brought unions and local governments to the table to carefully discuss and design legislation that would comply with Illinois constitutional protection of public-employee pensions and has successfully provided substantial long-term savings and slowed the growth of pension liabilities by stabilizing future obligations and easing pressures on municipal budgets. Even though it has been proven to be very impactful for local governments it is now being threatened by the public safety unions who want to roll back these successful reforms.

Caucus Position: *The Metropolitan Mayors Caucus urges the General Assembly to maintain the current Tier 2 pension system that many of our municipalities and their public safety employees have seen positive benefits from.*