



Upcoming Dates:



April 10:
Annual Town Meeting

April 11:
Illinois Ag Legislative Day

May 1:
Deadline for Rural Nurse Practitioner Scholarship Applications

May 28:
Memorial Day

August 1:
IFB Farm Income & Innovations Conference

November 6:
General Election



March/April 2018

Volume 9 Issue 2

Bonds, bonds & more bonds

Long-term financing of government—special tax bonds

by Brenda Matherly

Units of government are fond of bonds! And since that's the case, we continue our series on governments' long-term financing option of issuing bonds.

In our past issues of *LINK*, I wrote about three types of municipal bonds commonly used by units of government—general obligation bonds, revenue bonds and alternate revenue bonds. In this issue we'll take a look at a fourth type of municipal bond—special tax bonds.

The special tax bond gets its name based on its revenue backing source. In the case of this municipal bond, it is backed by a tax that often connects the user or beneficiary to the revenue source. More specifically, it is often backed by special assessments on those who will benefit di-

rectly from the project.

This particular bond's obligation is payable from the proceeds of a "special tax" other than, or rather than, a property tax. This special tax revenue can come in the form of an excise (more on excise taxes on page 6), special assessment and/or sales tax.

Special tax bonds differ from other municipal bonds in that the collected taxes referenced above are often grouped together to support related projects.

A highway improvement can be an example of a project funded by a related group of excise taxes. A bond issued to fund a highway project can be payable from the proceeds collected from a motor fuel

(See **Bonds** on page 9)

Did You Know...?

Illinois voters elect more than **40,000** public officials over a four-year period.



Township reorganization

Three restructuring options: consolidate, merge, dissolve

by Brenda Matherly

More and more local units of government, including townships, are finding it hard "to keep the lights on" - so to speak. This is especially true in rural districts that have very few residents and relatively low Equalized Assessed Values (EAVs), making it difficult, if not impossible, to find qualified officials to run the government

and property tax dollars to fund it. These challenges are driving some township officials and other residents to consider government reorganization options including: consolidating, merging or dissolving some or all the townships in the county.

Township government was established in Illinois under the State's

(See **Reorganization** on page 6)



How time flies! April will mark the graduation of our second class of *Think LINK* participants.

Congrats to:

- Katie Cayo, Randolph County Farm Bureau®
- Carley Klaus, Woodford County Farm Bureau®
- Stephanie Rhodes, Union County Farm Bureau®
- Janell Baum Thomas, DeWitt County Farm Bureau®

Each of these managers did an outstanding job and

have successfully completed the program that focuses on local government awareness and involvement.

Think LINK targets relatively new county Farm Bureau managers and is intended to raise their awareness, understanding and comfort level with local government—and ultimately their involvement. To help achieve these goals, Illinois Farm Bureau® staff spends a year working with the participants. Much of that time is spent in the county with learning exercises aimed at producing results that have practical application.

To showcase their participation, our *Think LINK* managers wrote an article on a local government topic of interest to them. Those articles are included in this Issue of LINK.

Make sure to congratulate each of these managers on a job well done!

LINK

Randolph County gets involved

It all starts with an introduction

*by Katie Cayo, Manager
Randolph County Farm Bureau®*

Establishing a good relationship with your local elected officials, before a problem arises, can be the best tool when it comes to dealing with local policy issues and your elected officials. This is a concept that my Farm Bureau encouraged early on when I took the position as Manager of the Randolph County Farm Bureau® (RCFB).

The RCFB already had a relationship with their local officials. My task, as the new Manager, was to keep that relationship going and establish one of my own. I started attending meetings and getting involved in other organizations to do just that. Because of that relationship building, the RCFB was able to be a key player as local issues facing agriculture arose.

Take for example, my county is

part of a coalition to research the possibility of a four-lane highway that would run through the county. Because I was becoming a familiar face in the courthouse, the chair of this coalition came directly to me. He asked to make a presentation to my board about this highway in hopes of receiving support of RCFB. If I had not worked to establish those connections, the RCFB wouldn't have been in the room, let alone had a seat at the table.

Same thing happened when the county was working to pass a solar ordinance. The county called my office and invited me to be a part of that working group. They wanted my input. The County State's Attorney has done workshops for the RCFB. The Sheriff became a member of our organization because the RCFB is a member of the Illinois Sheriffs' Association. The list goes on.

The Randolph County Farm Bureau is able to work side by side with our elected officials because of the connections made prior to a crisis.

Being a newer manager, this tool has helped me tremendously. I would encourage anyone that wants to get more involved to start now. Start attending those meetings, join those organizations, become a familiar face. Then, when an issue does come up, you will have the tools you need to get through it.

LINK



School facility occupation tax

Funding for infrastructure—not from property taxes

by Carley Klaus, Manager
Woodford County Farm Bureau®

The County School Facility Occupation Tax, or CSFOT, is a retail sales tax on non-essential goods sold in the county, and can be imposed in ¼ percent increments up to one percent.

The law first took effect in October of 2007 and is a local revenue option that is not disappearing anytime soon. Currently 47 counties in Illinois

have passed a CSFOT. That option is not available to Cook County.

The intent of the County Schools Facility Occupation Tax is to provide public schools within the county a new and alternative revenue source other than traditional property taxes. A sales tax is paid by everyone, including visitors to



the county, not just property owners.

The tax revenue generated from certain retail items purchased in the county is equally divided among all the students within the county, and then distributed to school districts based upon the number of students they have in the county that live in their district.

Certain items are exempt from the CSFOT, such as groceries, prescribed and non-prescribed medications, cars, trucks, farm equipment and parts, farm inputs, and other items. If it was not currently taxed prior to the implementation of the CSFOT, it will not be taxed after.

To implement CSFOT in a county, it must be approved by vot-

ers. The question may be put on the ballot one of two ways: (1) the county board may pass a resolution to put the question on the ballot; or, (2) a school district or school districts that represent more than 50 percent of the student enrollment within the county can pose the question.

Initially, county boards were required to approve the tax; however, the law was amended back in August of 2011 and that step is no longer required.

So why would a representative from the local school district approach you as a land owner or Farm Bureau member, asking for your support? Well, as farmers and land owners you often carry

(See CSFOT on page 7)

Meet the candidate

Beneficial event for voters, local candidates and community

by Stephanie Rhodes, Manager
Union County Farm Bureau®

In a time when everyone gathers information from a varied mix of media platforms, amidst busy lives and hectic schedules, a primary election can easily sneak up on even the best planner and informed citizen. As leaders in our community, County Farm Bureaus® and collaborative partners such as business organizations, and non-partisan community organizations can work together to effectively expose members to candidates, candidates to citizens, and important

issues to their community.

Many candidates in statewide races have larger campaign budgets. At the local level, this is not the case. In local elections however, residents can best see their vote at work.

"Meet the County Candidates" in Union Co., attracted 75 residents on March 5, 2018, at the local high school auditorium. This first-time event, was planned by Union Co. Women in Business. The local business organization's leadership is made up of local non-profit staff (from

(See Candidate on page 5)

There were four counties in Illinois with the CSFOT on the March ballot: (Unofficial results):

- *Madison [Failed]*
- *Richland [Passed]*
- *Vermillion [Failed]*
- *Woodford [Passed]*

Comprehensive plans

Guiding counties on key land use decisions

by Janell Baum Thomas, Manager
DeWitt County Farm Bureau®

When it comes to directing land use in the 58 Illinois counties that are zoned, it's typically the ordinances that get all the publicity. But there's another document that serves as the basis for those ordinances, and for general development in counties without zoning: a comprehensive plan.

Much like a business or organization's strategic plan, a comprehensive plan is a written representation of goals and objectives, analysis of the county or community's physical assets and liabilities, and collective ideas for future development and advancement. And, while it is not a required document, in many situations it significantly benefits the county to have one in place.

Often, comprehensive plans involve extensive data collection, for which a company or specialist can be hired. The researchers then obtain land use maps or complete a land survey to classify existing areas.

The University of Illinois Extension suggests classifications can encompass major uses like agriculture, industry, residential and/or commercial. Research also goes further into the physical and social aspects of the county, addressing recreation, education, infrastructure, thoroughfares and demographics.

According to the Chicago Metropolitan Agency for Planning (CMAP), which serves Cook, DuPage, Kane, Kendall, Lake, McHenry and Will counties, creating a comprehensive plan from scratch can take between 10 and 12 months.

In many situations, a considerable amount of work is completed by an appointed steering committee, but citizen input is also a valued component of data collection. While ag leaders may not be the first to jump into a study of the miles of shoreline or number of housing units in his or her county, there are other key questions to discuss where an ag voice is important: Where should a new subdivision be located? How should the county prioritize roadways and infrastructure? As any farmer knows, the answers to both questions can impact the use of agricultural land and the ease of access to fields, bins and elevators.



While CMAP suggests a comprehensive plan is designed to be in place for 10 to 15 years, that does not mean it is set in stone. With the expansion of wind and solar development, particularly in northern and central Illinois, many county officials are looking to the comprehensive plan to help provide informed decision-making on siting applications for projects that were a far-off concept when an initial comprehensive plan was filed.

In DeWitt County, for example, the last comprehensive plan was placed on file in 1992—26 years ago. Back then, the first utility-

scale wind farm in Illinois—Mendota Hills—wouldn't be constructed for another 11 years. And at that, the 291-foot towers at Mendota are a far cry from the more common 400-foot-plus towers of today. This serves as a reminder that not all plans can account for all variables, and should allow for consistent, methodical re-evaluation.

Though it's impossible to think of everything that might require a future land-use decision, comprehensive plans are bringing research into decisions on high-impact projects like residential expansion into farmland and wind developments. When an active, updated plan is in place, officials would already know how such developments might fit into the recreation, infrastructure and tax-generation goals of the county. They might also have a better understanding of how county residents might react, especially in hotly debated situations.

Finally, while hiring a professional planner is not going to come cheap, CMAP notes that some grant applications show favor to communities with updated plans, perhaps justifying the cost. Further, plans can be viewed as a service for residents, business owners and developers, creating peace-of-mind and/or understanding about the trajectory of county government decisions.

While not all communities have a plan in force, for those that do, the frequency of use varies across the state. In some counties, the pages may be as well-worn as a favorite book, and in others, the paper is as crisp as the day it was milled. If you're

(See **Plans** on page 7)

Candidates

(Continued from page 3)

the County Farm Bureau and NGOs), business leaders working in finance and insurance, local restaurateurs and other local business owners.

Keeping inline with the purpose of the *LINK (Local Information, News and Know-How)* publication, the following points walk through the “know-how” you will want to consider to organize your own event:

Determine venue in a neutral location such as a school or community center with ample seating, good lighting, podium, PA system, plenty of parking, and handicap access.

Choose early evening event start time so community members can attend shortly after work, not on a church night or standing meeting night for collaborative organizations.

Gather current candidate list from County Clerk’s office. Review list to narrow down local candidates (ie. county commissioners, clerk, treasurer, sheriff, etc.).

Determine format for the evening. For this event, the tone was important: create a positive at-

mosphere encouraging all candidates to share information about themselves, experience(s) that prepared them for the office, and 5 minutes for each candidate to answer questions sent to them the week *prior* to the event. If desired, plan for refreshments and brief reception following the candidate introductions so that voters can meet with the candidates one-on-one.

Gather other contact information *not* listed, on the County Clerk’s list (phone number and email address).

Divide names/offices among committee members to contact candidates to extend an invitation to the event. Calling was effective and follow up was mostly by email.

Identify event emcee (or co-emcees) to welcome guests, introduce candidates and help set a positive tone for the evening.

Send candidates an email one week prior to the event. Sample County Commissioner questions:

- Introduce yourself - name, residence, family (if you wish), current job/office
- What experience do you have (education, career, leadership,

other offices held) that would make you a good County Commissioner?



- Our county commissioners are elected at-large with the responsibility to represent the interests of the entire county. What experience do you have working with residents and organizations throughout the county to ensure you are inclusive of the various needs of our population?
- About 2/3 of counties in Illinois are losing population. Our county falls into that grouping according to the 2015 census. How do you see yourself working to keep residents living and staying in our county while working through the challenges that come with the reality that we must, at best, be sustainable and face hard choices to do more with less?
- What do you see as the most pressing needs for infrastructure or capital projects in the county?

Arrange for candidate seating with a skirted table and name cards.

Contact local media about the event (to promote in advance to readers and for media coverage the night of the event). Utilize Facebook events to promote the event in advance and invite your members to attend. Extend invi-

(See *Candidates* on page 7)



Candidates for local government offices in the county are asked to address the 75 members of the community who turned out to hear their responses at the March 5 “Meet the County Candidates” event in Union County.

Reorganization

(Continued from page 1)

1848 Constitution, giving it a long history. But, has the time come to consider options for reorganization of that unit's structure and duties?

There are 1,429 civil townships in the state of Illinois. Their role, by statute, is to provide three primary functions: general assistance programs to qualifying residents; property assessment; and—peripherally, via the road district—maintenance of township roads and bridges.

Beyond these mandated functions, many townships offer a variety of social services designed to improve life for their residents. These services can include senior citizen and youth programs, transportation, cemetery maintenance and more.

Many are asking, is there a more efficient way to offer these services?

Township Consolidation:

In this case, consolidation is the combining of two or more townships to make one new, larger township.

According to statute, under the Illinois Township Code (60 ILCS 1/22-5): "...the township boards of any two or more adjacent townships may, by identical resolutions of each board, propose consolidation by referendum into a new township." Unlike some public questions, the question of township consolidation is not initiated by a public petition. The law only allows this question to come to the ballot through resolutions initiated by the township board.

Once the township boards pass their resolutions, the question must go on the ballot. The consolidation of townships can occur

only if a referendum is submitted to, and approved by, the voters of each of the townships involved. In order to pass, it must be approved by 50 percent plus one voter in each township.

If the referendum passes, all rights, powers, duties and assets of the separate townships are transferred to the new, larger consolidated township.

[There are 1,429
civil townships in
the state of
Illinois.]

Road districts located within the separate townships are abolished. When the new consolidated township is created, a new road district within the consolidated township is created.

Prior to 2016, it had been seven years since the last time two townships were consolidated. That happened in 2009 in Macon County when voters in Mount Zion & Milam Townships chose to merge the two into a single unit; now known as Mount Zion Township.

Recent debate at the state level on local government consolidation has spurred renewed awareness and interest in consolidation in all forms of local government, including townships.

In 2016, six townships around the state decided to ask voters whether they should consolidate. The question appeared on the November 2016 ballot in three counties:

- Ogle County: Taylor and Lafayette Townships

- Montgomery County: Fillmore and South Fillmore Townships
- Hancock County: Wilcox and Rocky Run Townships

In both Hancock and Montgomery Counties, voters in all four of the townships passed the referendum to consolidate.

In Ogle County, the question on the ballot was passed in one township but failed in the other. In that case, the consolidation effort failed because the referendum did not pass in both townships.

In addition to township consolidation, there has also been renewed talk of dissolving a single township into multiple neighboring townships.

Township Merger:

Effective January 1, 2018 a new law allows communities in Illinois to hold referenda on whether to allow a single township to be merged with two other adjacent townships.

Merging a single township into others will result in that township being dissolved and absorbed into the expanding boundaries of the neighboring townships. This process will create a horizontal reorganization of that unit of government; meaning, if approved by the voters, all rights, powers, duties, assets, property, liabilities, obligations and responsibilities of the township will be handed to the neighboring townships.

Under the law, the township boards (involved in the merger) can hold referenda for voters, asking them if they want to dissolve their township and merge

(See Reorganization on page 10)

CSFOT

(Continued from page 3)

most of the burden of the school district's property tax, especially in rural districts.

The CSFOT can create an avenue for decreasing property taxes. It can be used to pay off existing building bonds resulting in reduced property taxes, and/or it can be used to fund new facility projects avoiding levying property taxes for those projects.

CSFOT funds can be used only for facility and construction improvement projects of the schools. These projects can include new facilities, additions, renovations, roof repairs, parking lots, or technology infrastructure. The funds, by law, cannot be used for operating cost, salaries, or other administrative purposes.

If a CSFOT is passed in the county, it can, in the future, be reduced or eliminated as long as no bonds have been issued by any school district. If there are bonds issued however, then action cannot be taken until those bonds have been retired.

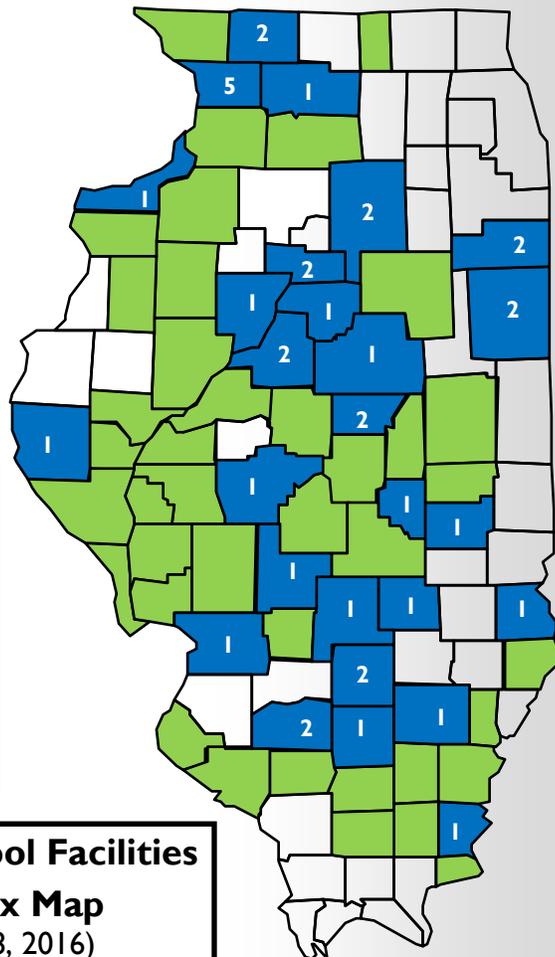
In counties where the referendum was passed before August 23, 2011, the county board may, by ordinance, reduce

or eliminate the tax. If the county passed the tax on or after August 23, 2011, then the county board may reduce or discontinue that tax by submitting an ordinance or resolution to the voters of the county. If a majority of the county votes in favor, then the tax shall be reduced or eliminated.

[LINK](#)

	Counties with CSFOT (47)
	Counties in which CSFOT failed (24). Number indicates how many times CSFOT vote failed.

Illinois County School Facilities Occupation Tax Map
(as of November 8, 2016)



Annual Town Meeting

April 10

Plans

(Continued from page 4)

interested in your county's or community's plan - if it exists - a good place to start is a simple web search. If not fruitful, try visiting your county courthouse or town hall. You might be surprised what you find!

[LINK](#)

Candidates

(Continued from page 5)

tations to other key organizations connected to economic development, service, high school civic teachers, etc.

Following these steps—and

through coordination of effort—the event was very well received by the community and candidates. Plans are underway for a similar event prior to the general election later this year.

[LINK](#)

Southern 7 health agreement

An intergovernmental agreement and a special district

By Kirby Wagner

According to the IL Department of Public Health there are ninety-seven local health departments. The Southern Tip of Illinois is serviced by the Southern 7 Health Department. The number seven constitutes the counties (Alexander, Hardin, Johnson, Massac, Pope, Pulaski, and Union) that make up the district.

There are two big items at play here. First, an intergovernmental agreement is at work. In this case seven counties have agreed to be part of the public health district. They have allowed their constitutional powers to be exercised jointly with another public agency of this State (i.e.: the other counties).

Second, a Public Health District is a form of local government. Public Health Districts organize and operate health departments, assist other agencies in planning for the efficient delivery of health services and in some cases equip and maintain analytical and/or research laboratories. Districts are governed by boards of health and may levy property taxes and issue bonds.

Public Health Districts may be created by any town or two or more adjacent towns in a county under township organization or any road district or two or more road districts in commission counties. A Public Health District may be proposed in a petition signed by not less than ten percent of the number of votes cast in any town or road district in the proposed district. Once the petition is filed with the town or road district clerk it may then be approved by referen-

dum.

The intergovernmental agreement between the seven counties formed the Public Health District that has been in existence since 1979. This cooperative venture between the counties has helped to provide a variety of health services to citizens within the district.

A board of health governs Public Health Districts. The number of members on a board of health varies depending on the organization of the district.

In commission counties, the commissioners constitute the board of health for each district in the county. In township counties, the board includes the township supervisor, assessor, and clerk.

The Southern 7 Health District is governed by a twenty-eight member board of health consisting of four members from each of the seven counties. Members are appointed by county commissioners as required by Illinois statute.

The board can enact rules to carry out their various duties; they control the property and expenditures of the district. The board of health also can levy taxes and issue bonds.

The Southern 7 Health District has one public health clinic per county. They are funded by local taxes, Illinois Department of Public Health, Illinois Department of Human Services and the Federal Department of Health and Human Services as well as several other departments in Illinois. The fees for services also provide revenue.

(See **Health** on page 9)

Understanding the Excise Tax

by Brenda Matherly

Not familiar with an excise tax? You're not alone. In many cases, you don't even realize you're paying it.

Excise taxes are taxes paid on purchases of specific commodities and are often included in the price of that product. The three major products associated with an excise tax are gasoline, tobacco and alcohol. There are also excise taxes on activities, such as on gambling or on highway usage by trucks.

Because the excise tax is included in the purchase price and is paid by the retailer it's not uncommon for the consumer to miss the tax-related portion of the sale.

All levels of government—federal, state and local—can implement an excise tax. That tax is then used to maintain those government systems, projects and infrastructures used by those paying the taxed.

Unlike a sales tax, an excise tax is placed only on specific goods. A sales tax is more broadly applied and is added to the purchase of almost everything you buy (with some exceptions). A sales tax is also based on a percentage of an item's sale price. For example, if you buy high-end granite countertops, you'll pay more sales tax than if you bought laminate. Excise tax on the other hand, is a flat tax applied to the purchase price no matter how that price fluctuates.

Known as the "hidden" tax, hopefully this information will help you uncover and understand the excise tax.

Bonds

(Continued from page 1)

tax. Another common example of a special tax bond financed through an excise tax is the building of, or maintenance on, a convention center. The tax revenue backing these types of projects can come from hotel, restaurant and/or food and beverage taxes.

Special assessments supporting these bonds are more often issued to finance area-specific, public improvements such as sidewalks, lighting or sewers. In the case of special assessments, the issuer assesses a levy on the property benefiting from the improvement, and then uses those collected funds to pay principle and interest on the outstanding bonds. With these

projects, the bonds shall be repaid only from a tax or assessment on the benefited property. No other taxpayers are obligated to pay this special tax.

The benefit of a special tax bond is having a dedicated-tax revenue source backing their payments. However, like other dedicated-revenue source bonds, voter approval is not required for a local unit of government to issue a special tax bond.

LINK

Special tax bonds differ from other municipal bonds in that the collected taxes referenced above are often grouped together to support related projects. Examples of this funding structure can be seen in the graphic below.

Health

(Continued from page 8)

The Southern 7 Health District is a great example of two provisions of the Illinois Constitution at work. Intergovernmental cooperation by seven counties to provide health service to their citizens and a special district created for the localized need of public health.

LINK

Revenue Sources and the Projects They Support

Hotel Tax
Food Tax
Convention Centers, Arenas, Stadiums



Liquor Tax
Beverage Tax
Car Rental Tax

Motor Vehicle Tax
Roads, Bridges, Tunnels, Mass Transit



Gas Tax
Sales Tax

Sales Tax
Income Tax
Schools, Municipal Buildings, Parks



Stamp Tax
Excise Tax
Lottery Tax

2018 Rural Nurse Practitioner Scholarship Program: *Apply Now!*

By Brenda Matherly

Applications are now available for the 2018 rural nurse practitioner scholarships. This year Illinois Farm Bureau (IFB) will again offer five \$4000 scholarships to qualified applicants.

The scholarship program, now in its 26th year, helps encourage and develop a pool of rural health practitioners to help meet primary health care needs in rural Illinois. Students who receive scholarships agree to practice for two years in an approved rural community in Illinois.

To be eligible for the scholarship, students must be Illinois residents and be a Registered Nurse accepted or enrolled in an accredited Nurse Practitioner Program. Funding is provided by the Rural

Illinois Medical Student Assistance Program (RIMSAP).

Applications and information can be received through your local county Farm Bureau[®] and have also been placed on the RIMSAP website at www.RIMSAP.com.

We will again this year be encouraging County Farm Bureaus to promote this program locally. Applications are due in the Illinois Farm Bureau office by May 1, 2018.

For additional information, contact Donna Gallivan at 309-557-2350, or

via e-mail at dgallivan@iffb.org.



Scholarship Time Table

May 1	Applications due
June	Illinois Farm Bureau Nurse Practitioner Scholarship Committee recommends recipients to the grant providers
July	Recipients are notified
Sept. Jan.	First installment paid to university Recipient submits a one-page progress report to Scholarship Committee
Jan.	Second installment paid to university
May	Second progress report is submitted to Committee

Upon graduation, recipient must submit a letter to the Scholarship Committee verifying employment in a rural community. After completion of the two years of service, the recipient must verify he/she has been employed in a rural community.

Reorganization

(Continued from page 6)

with the two (or more) adjacent townships. The process of getting this question on the ballot is the same as seen above under township consolidation.

Dissolving the Township Structure of Government:

And finally, there is an option to do away with the township unit of government within the county (as seen in counties under the commission form of government). However, the Township Code mandates that the township organization can only be dissolved if all the townships within the county are eliminated. Current law allows citizens to initiate a referendum to consolidate townships into the commission county

structure, but the requirements are so burdensome that it is virtually impossible to do.

Current law requires citizens to collect signatures from 10% of registered voters in every township. Signatures must be collected within 90 days in order to place the referendum on the ballot. If the requirement isn't met in every township in the county, then it can be thrown off the ballot.

If the requirements are met to place the question on the ballot, the passage of this type of referendum, eliminating township government in the county, would create a vertical shift in the unit of government; meaning, if voters approve the dissolution of

township government, the county would then take on all rights, powers, duties, assets, property, liabilities, obligations and responsibilities.

In order to dissolve the township structure of government in a county, the referendum must pass by a majority of the votes in each of at least three-fourths of the townships, containing at least a majority of the population in the county.

With each of these options, the 170-year history of township government is in the hands of the resident voters.

LINK