



Illinois State Association of Counties

May 19, 2026

The Honorable JB Pritzker
Governor of Illinois
207 State House
Springfield, Illinois 62706

Dear Governor Pritzker:

On behalf of the Illinois State Association of Counties (ISACo), I write to express our opposition to the proposed reduction in the Local Government Distributive Fund (LGDF) distribution percentage contained within the Fiscal Year 2027 budget proposal. We respectfully urge your Administration and the General Assembly to reject any reduction in the current LGDF allocation percentage and instead work collaboratively with local governments to establish a responsible, incremental pathway toward restoring the historic 10 percent LGDF share.

The proposed reduction of the LGDF percentage from 6.47 percent to 6.28 percent would further strain county governments that are already managing increasing financial pressures associated with public safety, transportation infrastructure, courts, elections, public health responsibilities, mandated services, and inflationary operating costs. Counties continue to absorb the impacts of numerous unfunded and underfunded state mandates while working diligently to avoid additional burdens on local property taxpayers.

LGDF funding was originally established to ensure that local governments receive a fair share of state income tax revenues generated within their communities. Prior to reductions enacted in 2011, local governments received a 10 percent share of state income tax revenues through the LGDF. Since that time, counties and municipalities across Illinois have experienced substantial cumulative losses to their state income tax share.

Rather than reducing the current allocation percentage, ISACo supports a phased and fiscally responsible restoration of the LGDF distribution percentage back to the historic 10 percent level. Specifically, ISACo supports the incremental restoration framework contained within House Bill 4294, which would gradually increase the LGDF percentage over several years.

(Page 2)

Under the proposal outlined in House Bill 4294:

- The current 6.47 percent allocation would remain in place through June 30, 2026.
- Beginning July 1, 2026, the LGDF percentage would increase to 8.5 percent.
- Beginning July 1, 2027, the percentage would increase to 9 percent.
- Beginning July 1, 2028, the percentage would increase to 9.5 percent.
- Beginning July 1, 2029, the LGDF percentage would be fully restored to 10 percent.

ISACo believes this incremental approach provides a reasonable and predictable pathway toward restoring local revenues while allowing the State to responsibly plan for future budget obligations. Counties are not asking for special treatment and are seeking restoration of revenues that were historically intended to support local services and reduce pressure on local property taxpayers.

Illinois counties stand ready to work collaboratively with your Administration and members of the General Assembly to develop long-term fiscal solutions that strengthen both state and local government finances. We respectfully request that the proposed reduction to the LGDF distribution percentage be removed from the final budget package and that serious consideration be given to a phased restoration plan consistent with the framework outlined in House Bill 4294.

Thank you for your consideration of our concerns and for your continued service to the people of Illinois.

Respectfully,



Joe McCoy
Executive Director
Illinois State Association of Counties

cc: The Honorable Emanuel "Chris" Welch, Speaker of the House
The Honorable Don Harmon, President of the Senate
The Honorable Tony McCombie, House Republican Leader
The Honorable John Curran, Senate Republican Leader