TAX INCREMENT FINANCING IN BANNOCKBURN

Reinvesting in the Village, without raising taxes

Village Of Bannockburn

Bannockburn

The Basics

TIF is an economic development tool that helps the Village support redevelopment in areas that would not otherwise attract new private investment. Inside a TIF district, the new property tax revenue created by redevelopment is reinvested back into that same district, funding public improvements.

How It Works

When a TIF District is established, the property's base assessed value is frozen for the life of the district. For the proposed Bannockburn TIF District, the base value is zero because the property was previously occupied by a tax–exempt university.

Redevelopment with retail, commercial and other tax–generating businesses could create new taxable value. The resulting increase in property tax revenue, known as the tax increment, would be used to fund eligible redevelopment costs and public improvements within the district, as permitted by law.

The Village views TIF as a tool to encourage private investment, facilitate redevelopment of the underutilized property and expand the local tax base. When the TIF District ends, the full taxable value of the redeveloped property becomes available to the Village, schools, the Fire Protection District, the County, and other taxing districts.

Common Questions

Q: Will my property taxes go up because of TIF?
A: No. TIF does not change your property tax rate. The Village, the schools, and the other taxing bodies on your bill set their own rates independently of any TIF district.

Q: What happens to the schools while a TIF is in place?
A: The proposed TIF District has a base assessed value of zero due to the property's prior tax–exempt use. When the TIF ends, they receive the full benefit of the expanded tax base, including the new value that wouldn't have existed without the redevelopment that TIF helped make possible.

Q: Does TIF mean the Village is borrowing money?
A: Not necessarily. The Board may choose to issue bonds backed by the future increment, or it may simply spend from the increment as it accumulates. The Village Board currently has no plans to issue bonds.

Q: How does the Village decide where to create a TIF?
A: Illinois law sets the bar. An area has to qualify typically by demonstrating conditions of disinvestment, and the redevelopment has to meet the "but for" test, meaning it wouldn't happen without the tool. The Redevelopment Plan is made public at least 45 days before a public hearing. It is reviewed by a Joint Review Board representing all affected taxing bodies (including a community representative), discussed in public, and adopted by the elected Village Board. No state or federal approval is required, but every step is on the record.

Q: How do I weigh in or learn more?
A: Residents can access information about the proposed TIF District, including public hearing notices, meeting information, and required annual reports, on the Village's TIF webpage.

TIFs in Bannockburn

Bannockburn uses TIF deliberately and sparingly. The Village has retired one TIF District. Each district has a defined purpose, a public adoption process, and a clear end date.

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