

## **FOR IMMEDIATE RELEASE**

January 26, 2016

Contact: Media/PR

Georgia de la Garza

[communityfuturesinitiative2016@gmail.com](mailto:communityfuturesinitiative2016@gmail.com)

[618-579-4343](tel:618-579-4343)

## **PRESS RELEASE**

### **Illinois Coal Communities Suffer the Burden of Mine Subsidence and High Property Taxes**

Illinois is one of the only coal mining states that does not collect a severance tax on coal. For states like West Virginia, Kentucky, and Montana, funds are in place to address the impacts of mining on the land and economy. When coal mines close in Illinois, residents often depart in search of other jobs, leaving communities with the expensive burden of damaged infrastructure, and a dwindling tax base.

“Our resources and resource wealth leave our state,” said Tom Vaughn, a member of the Franklin County Board, acknowledging that while Illinois now ranks 4th among all coal producing states, 78% of coal mined in Illinois is consumed out-of-state. Mining revenue leaves with the coal, “and taxpayers are left with the damage and the burden of repair and clean-up cost.”

After watching a presentation sponsored by Community Futures Initiative (CFI) supporting a coal severance tax, Vaughn said, “It’s payday.”

The CFI proposal, supported by coal community citizens and concerned officials across the state, would collect a low-impact fee on the gross value of coal produced.

A recent report by Downstream Strategies found that in 2015 alone, a severance tax could have generated \$141.5 million in revenue for state and local governments.

This revenue is sorely needed by Franklin County and other localities left scrambling for revenue to repair collapsed sewer systems, deteriorating roads, and busted water lines.

In Benld, Illinois, recent mine subsidence (sinking of under-mined land) has cracked foundations of homes, triggered methane gas leaks, buckled roads, and left sinkholes that are breaking water lines. The damage has prompted some residents to leave their homes.

Sesser, Illinois has faced similar problems. A major sewer line is now in disrepair as a result of mine subsidence.

“When we approach the coal industry for mine subsidence help they tell us to prove it,” said Jerome Kopec, Water Superintendent in Sesser. “We don’t have the resources or the technology, so we are left with the cost.”

Communities attempting to remediate long-term infrastructure damage are often left with the sole option of increasing local taxes. This places a burden on small businesses and the working class, often pushing the heart of the community out, leaving a ghost town behind.

Community Futures Initiative (CFI) and statewide supporters are now proposing an alternative route: a low impact fee that would send funds directly back to communities.

“We believe that the coal industry should pay their fair share, just as they are required to do in 22 out of 25 coal-producing states”, says Pam Richart, Member of CFI. “A small fee would have little or no impact on coal companies, but would provide substantial revenues to offset taxpayer costs and help prepare communities for the future by providing funds for workforce training and economic development.”

Drawing from the most successful components of severance tax structures nationwide, the severance tax proposal would collect 5 percent of the gross value of coal produced, distributing the revenue in equal thirds to:

1. Local communities, for economic development; infrastructure repair; job training; healthcare; and education;
2. The creation of a permanent mineral trust fund, which would accumulate interest for the support of long-term, local economic-development initiatives; and
3. Illinois’ General Revenue Fund to alleviate local pressures in the state budget crisis.

By 2040, the low-impact tax structure would allocate over \$4.4 billion to state and local communities. This funding would lay the groundwork for economic diversification initiatives – to ensure that the job and tax base does not leave when coal companies do – while bringing in resources for infrastructure repair necessary today.

“We have options to invest in a resilient, self-sufficient Illinois economy. It starts with common-sense finance: keeping value in the community economy and not shipping it out-of-state or out-of-country,” said Tyler Rotche, a member of Community Futures Initiative.

*Learn more about Reinvesting in the Heartland at [ReInvestIL.org](https://ReInvestIL.org). A project of the Community Futures Initiative, founded to acknowledge this changing power sector and changing economy – so we can roll up our sleeves and build an economy that works.*

###