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Fwd: Capitol Watch: Session Update on Property Taxes, Capital Bill and School Consolidation

1 message

Jason Bauer <jbauer@panaschools.com>
To: Nicole Blodgett <nblodgett@panaschools.com>

Wed, May 29, 2019 at 4:02 PM

June Board Meeting

----- Forwarded message -----

From: **IASA** <iasa@iasaedu.org>

Date: Wed, May 29, 2019 at 1:54 PM

Subject: Capitol Watch: Session Update on Property Taxes, Capital Bill and School Consolidation

To: <jbauer@panaschools.com>

May 29, 2019

**Session Update on Property Taxes, Capital Bill
and School Consolidation**

Figuring out a way to provide property tax relief is a complicated issue for the legislature. For one, there are disparate rates across Illinois, including communities adjacent to each other. Some communities have also voted to increase their own taxes to better fund schools via referendum.

Of course, the state isn't even involved in the collection of local property taxes. That's handled, and then spent, by local governments.

Therefore, the state doesn't have many options. It can either pay for property tax relief itself or try to reduce or cap the amount of money local governments can raise through property taxes or on the rates they charge.

The new [Property Tax Relief Task Force](#), created by legislation approved in a House committee on Tuesday, will study these options and make recommendations for short-term and long-term property tax relief for homeowners.

In addition, [lawmakers approved the creation of a fund](#) to provide property tax relief, although it is unclear how much money will be put into the fund or where that money will come from.

The fund is intended to provide financial relief to property owners who qualify for a general homestead exemption. One idea that has been floated is to initially allocate \$400 million in 2021, which would be enough to provide an estimated \$200 in property tax relief for every Illinois resident claiming a Homestead exemption.

What's good for school districts is this plan won't impact local government levies because it essentially acts as a rebate from the state. However, the problem is it can be extremely expensive and eat up new revenue generated under a possible graduated income tax.

We'll see what happens next with property taxes. The governor has made the commitment for property tax relief and seems to be serious about wanting to take meaningful action.

What we do know now is more about the task force itself. According to the legislation, the task force will be charged with using a racial and economic equity lens to identify the causes of high tax rates across the state, review best practices in creating property tax relief and make recommendations that can be used to develop administrative, electoral and legislative changes to create property tax relief.

The task force will include members appointed by the governor, members of the House of Representatives appointed by the Speaker and members of the Senate appointed by the Senate President, under a new amendment filed. The task force is then directed to issue its report 90 days after the law is enacted, a short time frame for such a complicated and far-reaching issue.

Capital Bill

We are still optimistic vertical construction will be included in a capital bill. The governor has been adamant that is what he

wants. The hang up has been how to pay for it, specifically gaming expansion.

That has been viewed as the lynchpin to securing vertical construction programs. Discussions are underway on this issue and some lawmakers have indicated they believe gaming expansion will pass. If it doesn't, the capital bill will likely only include money for roads and bridges.

If your district has a major project, like new construction or significant renovations, we encourage you to reach out to your local legislator about how their support of a capital bill will help the school district in the community they serve. You can find a list of Senators [here](#) and Representatives [here](#). If you aren't sure who your local legislators are, [this tool](#) from the Illinois State Board of Elections will help you.

School Consolidation

We have been cautiously optimistic school consolidation would be put on hold, but we can now report it is officially dead this session.

On Tuesday evening, the Senate Government Accountability and Pensions Committee moved an amended HB 3053 to a subcommittee. The amendment was a slight change from the original version but not enough to change the opposition of the Alliance and teachers unions.

We are glad to see this issue has been put to rest for now.

Session Ends Friday

The spring legislative session will wrap up Friday. The last day of session is always when the vote on the budget comes, along with the vote on the equally important budget implementation bill. From everything we have heard there is no intention to go past the May 31 deadline.

We will be following these last few days closely and plan to email a Capitol Watch on Friday with the latest details in the budget.

Thank you for reading.

Sincerely,

Diane Hendren

**Director of Governmental Relations
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