



ALLIANCE LEGISLATIVE REPORT (99-20)

PROPERTY TAX FREEZE BILLS UP TODAY

As was reported in Alliance Legislative Report (99-18), which can be found at: <http://www.iasb.com/govrel/alr9918.cfm>), the Illinois General Assembly is primed to vote on legislation that would freeze property tax extensions for all taxing bodies. Such provisions have been submitted as amendments to four House Bills which are scheduled to be considered in the House Revenue and Finance Committee this afternoon at 5:00.

School board members and administrators are urged to contact their State Representative today and urge a “no” vote on these bills.

Though the impetus for the property tax freeze came from **Governor Bruce Rauner**, the amendments are being sponsored by House Democrats and would be attached to bills sponsored by **House Speaker Michael Madigan**. House Bills 677, 695, 696 and 699 are the bills posted for Committee this afternoon.

HB 677 (amendment sponsored by **Bradley, D-Marion**) and **HB 695** (amendment sponsored by **Franks, D-Woodstock**) would place all taxing districts under the scope of the Property Tax Extension Limitation Law (PTELL) and permanently freeze property tax extensions beginning in the 2015 levy year. This would include home rule units of local government.

HB 696 (amendment sponsored by Franks) and **HB 699** (amendment sponsored by Bradley) would apply PTELL to all non-home rule units of government and permanently freeze property tax extensions beginning in the 2015 levy year.

Here are some points regarding the proposals:

- Fiscal Year 2015 State funding for public schools was below 2006 funding levels, including a mid-year cut of over \$50 million
- Fiscal Year 2016 public school funding will again likely be cut and/or prorated
- Even with school districts being able to access modest property tax extension increases due to natural growth in EAV, school districts still have had to cut staff, programs, and extra-curricular activities over the last few years because of cuts in State funding
- Limiting local property tax revenue to zero growth, combined with cuts in State funding, will likely lead to increased teacher layoffs, larger class sizes, and loss of education programs
- Results of a property tax freeze will lead to poorer student performance, a larger student achievement gap, and a strong push of our school districts in most need to the brink of financial disaster
- Add specific budget implications for your school district, including impact on staffing and personnel

This legislative report was written and edited by the lobbyists of the Illinois Association of School Boards to provide information to the members of the organizations that comprise the Statewide School Management Alliance.

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