

SB 851 as amended (Mussman, D)

Property Tax Freeze and Costly Homestead Exemption

IEA Position – OPPOSE

SB 851, as amended, would freeze the property tax extensions for taxing districts with a majority of their Equalized Assessed Valuation (EAV) in Cook, Lake, McHenry, Kane, DuPage, and Will counties for two years. SB 851 would not allow a district's tax extension to be any more in levy years 2017 and 2018 than it was in levy year 2016 without voter approval. Other counties in Illinois could hold a referendum to adopt the extension limitation beginning in 2018. Certain school districts that are designated as "Qualified School Districts" would be exempt from the extension limitation ("freeze").

The bill would also increase the Senior Citizen Homestead Exemption from \$5,000 to \$8,000 and the General Homestead Exemption from \$6,000 to \$10,000 for all counties (other than Cook) beginning in taxable year 2018.

Reason for Opposition: The IEA opposes SB 851, as amended, because it will reduce local revenue that is used to fund our local public schools. This proposal will make it more difficult for our communities to provide the resources necessary to ensure that our students receive the best education possible and become successful citizens. Property tax freeze proposals may sound good but they would have a devastating impact on the students that our members educate.

This proposal not only would freeze local revenues for our schools, but it also reduces it by increasing the amount of exemptions. Illinois just changed the complex school funding formula. Adding a new and detrimental change to the funding of our schools is the wrong path for improving public education. Local communities want to fund their local schools adequately and Springfield should not impede that.