



Legislative Report

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THE PROPERTY TAX RELIEF TASK FORCE'S final report, which was to be submitted to the General Assembly and the Governor's office on December 31st of 2019, still has not been finalized or submitted. As the year gives way to the warmth of spring there is no indication that the lack of a report will change and in fact it appears that no report may ever be submitted from the task force.

In an interview to Capitol News Illinois, Rep Mike Zalewski (D), the chairperson for the House Revenue Committee, the committee that normally hears property tax legislation, gave his perspectives on why a final report has yet to materialize.

"We have a hodgepodge of ideas, what everyone thinks is the magic bullet to solve the problem." He continued by remarking that, *"There's no real one solution that I think is going to offer comprehensive, one-size-fits-all relief. And as a result of that, you have things like the Property Tax (Relief) Task Force where you have all these ideas that come together and no one can gain a majority to author a finalized report."*

This insight is important, particularly for Townships. For years lawmakers have seemed to focus on large, one-size fits all, concepts that were sold as "magic bullets" which would fix property taxes in a single stroke. A few years ago it was the idea of a property tax freeze, which grabbed the Capitol buildings attention, until legislators become more educated about how levies work (for a refresher such freezes only freeze the levy amount not what individual property owners may pay). Consolidation, is the current 'panacea' that appears, at first blush, to magically fix the property tax system; and while consolidation might work in some cases it will not be the single source fix that some purport it to be (TOI continues to educate legislators on this misconception). The property tax system is complex, and Illinois is very large and diverse across its geographic regions; any property tax solution will need the complexity and flexibility to match.

However this does not mean that several of the ideas discussed during the many task force meetings will not find their way into bill form. In fact, numerous such bills have already been introduced and are anticipated to continue to be introduced until some solution is

found to deal with the property tax issue. This includes consolidation bills and yes even a few property tax freeze bills were introduced this year.

Now that the primary is over we expect the conversation around property tax relief to begin in earnest. Without the task force's report and recommendations, it will be more difficult for lawmakers to pass a comprehensive property tax reform bill. Yet the pressure to do something will only intensify. One of the main pressure points will of course be the elections in November but another source of pressure will be the graduated income tax proposal that will also be voted upon.

Although property taxes do not apply to the State's budget, the case has been made by various lawmakers to tie supporting the graduated income tax proposal to property tax relief in the name of addressing the tax constraints felt by tax payers. Governor J.B. Pritzker is fully backing the graduated tax proposal and it has become the central issue for his administration. The budget proposal given by the Governor in his Budget Address lays out how important the graduated income tax is for his budget. Estimated to bring an additional \$3.6 billion in its first full year, the Governor laid out what a budget would look like with a graduated tax and then detailed what the fiscal year 2021 budget would look like should the graduated tax not pass. In his budget proposal, the Governor, plans on holding \$1.4 billion in reserve should the graduated tax not be approved, reducing spending to areas like education, public safety and health services. Creating even more pressure to support the graduated tax, though this has also generated controversy with some decrying the move as holding state money hostage.

Whatever the position, it is easy to see how this additional budgetary pressure placed on passage of the graduated tax amendment in November, coupled with the current pressures for reform could place property tax relief in a much larger spot light. With all of these factors in play it is impossible to predict what kind of property tax legislation will gain the most momentum before session adjourns. However, there is an expectation that something will move and we will begin to get a better idea of what that might be very soon.

