



SB 484

PROPERTY TAX FREEZE

Sponsor: Cullerton J. (D-Chicago)

SYNOPSIS: The bill establishes a 4-year property tax freeze by imposing a 0% extension limitation for levy years 2017 through 2020 unless an additional rate has been approved by the voters (in taxing districts). The bill also provides that:

- Places all counties under the Property Tax Extension Limitation Law (PTELL) for 2017 and 2020 levy years, but:
 - disallows counties that are not under PTELL from adopting a resolution to put the question on the ballot for the county to be subject to PTELL during the 2017-2020 property tax extension limitation freeze
 - disallows counties under PTELL from holding a referendum to remove taxing districts in the county from PTELL applicability during the 2017-2020 property tax extension limitation freeze
- For Chicago Public Schools and *qualified school districts* (defined below) under PTELL in 2016, the “extension limitation” for 2017-2020 is the lesser of 5% or CPI or the rate of increase approved by voters
- For all taxing districts subject to PTELL in 2016, special purpose extensions for debt service or pension funds required to be included in the district’s aggregate extension for 2017-2020 shall be the lesser of 5% or CPI or the rate of increase approved by voters
- For all taxing districts not subject to PTELL until passage of this new law, excludes special purpose extensions for debt service or pension funds from being included in the district’s aggregate extension
- The Debt Service Extension Base is subject to the 0% extension limitation for levy years 2017-2020
- For 2017-2020, “taxing districts” include home rule units of government, except for the City of Chicago or *qualified school districts* that were not subject to PTELL in the 2016 levy
- *Qualified School District* is defined as, for levy years 2017 through 2020, districts that have been granted a financial hardship exemption from the State Superintendent of Education for one levy year
 - Eligible school districts would have to be designated as “financial watch” status under the ISBE School District Financial Profile System
- Changes to various homestead exemptions and property tax freezes include:
 - Allows veterans who are 75 years or older and not disabled to be eligible for a \$2,500 Veterans with Disabilities Homestead exemption and modifies other provisions of this exemption for other eligible disabled veterans
 - Increases the Senior Citizens Homestead Exemption from \$5,000 to \$6,000 for all counties beginning in tax year 2017
 - Creates a new Assessment Freeze Homestead Exemption for persons receiving Supplemental Security Income with an income less than \$55,000
 - Increases the General Homestead Exemption to \$8,000 for all counties, currently \$6,000 for downstate and \$7,000 for Cook County
 - Creates a Statewide Long-time Occupant Homestead Exemption to be added to the general homestead exemption for residents having an income of \$100,000 or less: 25% of \$8,000 for 8 to 11 years in the residence; 35% of \$8,000 for 11-16 years in the residence; 45% of \$8,000 for 16-21 years in the residence; 60% of \$8,000 for 21 years or more in the residence; and allows apartment units to be eligible for the exemption
 - Increases the Senior Citizens Real Estate Tax Deferral amount from \$5,000 to \$6,000 per year