

November 9, 2011

Sraga
SHausser, LLC

Priority Briefing

HOUSE BILL 3793 DEFEATED

Yesterday, November 8, 2011, House Bill 3793 was defeated in the Illinois House of Representatives by a vote of 34 ayes to 73 nays.

This is the bill which would have amended the Property Tax Extension Limitation Law to make the extension limitation 0% whenever a district's equalized assessed valuation (EAV) is lower than it was the year before. PTELL provides that the extension limitation is the lesser of 5% or the prior year consumer price index (CPI). For the 2011 tax year and the 2012 tax extensions, the extension limitation will be just 1.5%. But had House Bill 3793 become law, even that meager 1.5% property tax revenue growth would have been wiped out for any district where EAVs are declining, as has been happening frequently in today's market. And with losses due to tax refunds and poor collections, zero increase really translates to negative revenue growth.

House Bill 3793 had many sponsors and passed out of committee easily, but the legislators clearly listened to the voices of the many school district officials protesting this ill-conceived legislation.