

## Emanuel property tax exemption clears first hurdle at Capitol

October 20, 2015

Mayor Rahm Emanuel's plan to double the homeowner exemption to blunt the impact of his proposed record property tax increase received initial approval from a House committee Tuesday, though it's far from a done deal.

The measure, which would raise the exemption from \$7,000 to \$14,000 in the city, passed the panel 8-5 with all Democratic votes. Republicans and business groups opposed the plan, saying it unfairly placed the burden of the tax increase on businesses.



Counties also would be able to opt in to the tax exemption, though individual municipalities could not.

"This is a fine example of Chicago making its own rules and having their bad practice spread across the state," said Michael Reeve, a lobbyist for the Chicagoland Chamber of Commerce.

Others raised concerns that the property tax increase would be passed along to renters. The Chicagoland Apartment Association estimated that the hike could result in an average rent increase of \$400 a year, though the city argues that the extra cost will be about half of that.

Deputy Mayor Steve Koch acknowledged the proposal would ask the city's businesses and wealthier homeowners to pay more but said they are most able to step up as Chicago tries to get its finances in order.

"The mayor believes that this legislation ensures that the necessary property tax increases will be borne by those who can best afford it," Koch said. "Though we don't want heavy tax burdens on our residents, we do want to ensure our brightest days are still ahead."

Doubling the homeowners exemption would shield owners of homes worth \$250,000 or less from paying more in city property taxes and reduce the tax hike for homes worth more than that. Property in the city also is being reassessed, which could drive home values — and tax bills —

higher, especially in gentrifying neighborhoods. Emanuel wants to raise city property taxes by \$543 million the next four years to shore up police and fire pension funds.

The legislation could receive a full vote on the House floor Tuesday, though it faces a tough hurdle. It will take 71 votes to pass, but Democrats have just 70 active members pending the appointment Tuesday evening of a replacement for Rep. Esther Golar of Chicago, who died last month. Forcing Republicans to vote on the matter puts them in the tricky position of being on the record voting either for or against tax relief, though they could also vote "present."

Even if the tax exemption should pass the House, there are no plans to call the bill for a vote in the Senate on Tuesday, a spokeswoman for Senate President John Cullerton said.

"However, the Senate president is committed to passing a plan that helps Mayor Emanuel move the city forward with a property tax plan that protects the neediest working families," spokeswoman Rikeesha Phelon said. "We are working with the city of Chicago and the House of Representatives to accomplish that goal."

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<http://www.chicagotribune.com/news/local/politics/ct-emanuel-property-tax-exemption-springfield-met-1021-20151020-story.html>

# AP



(This AP story was reprinted in the *Daily Herald*, WREX-TV, WAND-TV, WGEM-TV, *The Southern*, the *Daily Journal*, *Washington Times*, and other places)

SPRINGFIELD, Ill. -- 12:05 p.m.

An Illinois House committee has approved a plan backed by Chicago Mayor Rahm Emanuel giving some homeowners a tax break as he seeks a massive city property tax increase.

Supporters say the doubled property tax exemption makes the \$543 million hike more equitable. The legislation approved Tuesday and proposed by House Majority Leader Barbara Flynn Currie doubles the homestead exemption in Chicago from \$7,000 to \$14,000. Counties could opt in under the plan.

Businesses and building associations are opposed, saying they'd take on the burden.

Chicagoland Apartment Association executive vice president Michael Mini says rents could go up about \$400 annually.

Emanuel says the hike is over four years and will be used to pay police and fire pensions. He's also called for a schools tax and other fees.

<http://www.dailyherald.com/article/20151020/news/310209869/>



## **IL Democrats Advance Emanuel Plan Shielding Homeowners From Property Tax Increase**

By Tony Arnold  
October 21, 2015

Illinois Democrats are advancing Chicago Mayor Rahm Emanuel's plan to shield some homeowners from an increase in property taxes in his budget. That's over the objections of Republicans and some business groups.

Emanuel wants state lawmakers to allow for a tax exemption for homes worth less than 250-thousand dollars.

Michael Mini is with the Chicagoland Apartment Association. The group represents buildings with rental units.

"We oppose providing tax relief for one segment of taxpayers at the expense of others," Mini said.

Democrats say the exemption proposal affects those who can most afford it.

<http://northernpublicradio.org/post/il-democrats-advance-emanuel-plan-shielding-homeowners-property-tax-increase>



(The Illinois Radio Network fed this story to dozens of news radio stations across Illinois)

## **Business community opposes homestead exemption proposal**

By Greg Bishop, October 20, 2015

The Chicago business community oppose a measure they say will shift a larger burden on them in an effort to shore up the city's struggling finances. During a House Revenue and Finance Committee hearing Steven Koch, Deputy Mayor of City of Chicago, said increasing the homeowners exemption in Chicago from \$7,000 to \$14,000 for all homeowners will help offset the Mayor's proposed tax increases. Michael Reeve, the Vice President of Government Relations with the Greater Chicago Chamber of Commerce, opposed the proposal saying it makes things more confusing

“In addition it also, obviously, further shifts the burden of costs on businesses, commercial industrial property and renters in Chicago and throughout Chicagoland. As you may know in Cook County businesses already pay 2 ½ times more than their residential homeowners counterpart.”

Other representatives from the business community also opposed the measure. Renters in Chicago could shoulder the burden of extra costs under a proposal to allow for increasing homeowners exemption to provide a buffer for proposed tax increases. That's according to a Windy City renters' association. Deputy Chicago Mayor Koch said the Mayor's proposed budget, which features increased taxes, puts Chicago on the right path to shore up its finances but will also be difficult to implement. Koch said increasing the homeowners' exemption will soften the blow on homeowners. That's not the case for renters. Michael Mini, executive vice president of Chicagoland Apartment Association, said they oppose one exemption at the expense of others.

“The tax shift that will occur, should the homestead exemption be extended, will increase the burden shouldered by apartment residents including low and moderate income renters who are least likely to be able to afford it.”

Mini said they support a rebate program instead. Supporters of increasing the homestead exemption said the increase to renters will be minimal. The proposal passed out of committee along partisan lines. Speaker Michael Madigan declined to address details of the proposal but said it's likely to hit the House floor when they return November 10th.

*<http://ilnews.org/6066/madigan-critics-will-lay-blame-of-previous-downgrades-on-him-mautino-approved-for-auditor-general-post-and-more-from-inn-radio/>*



## Preckwinkle again whacks Emanuel tax plan as it passes first test



Greg Hinz on Politics | October 20, 2015

Business groups are loudly expressing opposition to a measure being pushed in Springfield by Mayor Rahm Emanuel that would give many homeowners a property-tax break but force owners of commercial property, and apartment renters, to pick up the burden instead.

Nonetheless, with the backing of House Speaker Michael Madigan, the measure is very likely to clear the House Revenue Committee after a hearing today, and perhaps the full House, too.

As previously reported, the pending bill would double an existing homestead exemption for owner-occupied homes, effectively insulating anyone whose home is worth up to \$250,000 from paying any of the mayor's pending \$588-million hike in the city's property tax. The mayor's plan would give even owners of more valuable houses a partial break.

But that means someone else will have to pick up the difference—commercial, and residential renters—and they're not happy. Probably of more consequence, neither is Gov. Bruce Rauner, who has stopped just short of vowing a veto.

Rauner's office today is circulating copies of a "fact sheet" put out by groups including the Chicagoland Chamber of Commerce, Chicagoland Apartment Association and the Building Owners and Managers Association of Chicago saying that commercial property owners who already are assessed at two and a half times the rate of homeowners will get hit once again.

The fact sheet also alleges the measure would create "a chaotic patchwork of shifting property tax burdens," since it would apply in the city only and not throughout Cook County. And it notes a statement from Cook County Board President Toni Preckwinkle indicating the county's taxation authorities can't implement the plan, at least not on the mayor's timetable, because of aging and inadequate county computers.

County officials since have sent Emanuel a letter expressing "concerns" about his plan, but neither they nor the city will release the letter.

Anyhow, it's all worth keeping an eye on because insiders say the plan gives some aldermen political cover to vote for the property-tax hike, a key element of the proposed 2016 budget, even if it eventually fails to make it into law.

*<http://www.chicagobusiness.com/article/20151020/BLOGS02/151029992/biz-groups-line-up-against-emanuel-home-tax-break>*