

**Tax Reform  
Action Coalition**  
867 West Buckingham  
Chicago, IL 60657  
312-458-9202  
www.trac-il.org

**Neighborhood &  
Community Groups  
Supporting TRAC**

- Bucktown Community Organization
- East Lakeview Neighbors
- Edgewater Community Council
- Friends of Holstein Park
- Greater Rockwell Organization
- Hamlin Park Neighborhood Assn.
- Hawthorne Neighbors
- Jefferson Park Neighborhood Assn.
- Lake View Citizens' Council
- Lincoln Central
- North Logan Block Club
- Northcenter Chamber of Commerce
- Northcenter/Lincoln Square Neighborhood Assn.
- Old Irving Park Association
- One For All Chicago
- Portage Park Neighborhood Assn.
- Southport Neighbors
- Triangle Neighbors
- U.N.I.T.E. Civic
- Ukrainian Village Preservation Society
- West DePaul Neighborhood Association
- West Walker Association
- Wrightwood Neighbors

## You Did It!

As Governor Blagojevich said on July 12, 2004: "SB2112 is now LAW." We started out with a Tea Party, took a bus ride down to Springfield, sent emails and made phone calls, went to rallies and demonstrated on a very cold night in February to send the message to all that would listen: "Repeal this assessment and Reform the property tax system." We even twisted a few arms and bent a few ears in the process.

It was historic! Legislators told us that they have never seen a bill like SB2112 get so much attention and get passed so quickly! All of the community groups listed here were invaluable in getting people out and involved. We now have a bill that starts the ball rolling, the 7% cap. (Go to [www.trac-il.org](http://www.trac-il.org) and download the form that will help you calculate your savings.) Unfortunately, we were very disappointed with Speaker Mike



Members of TRAC congratulate Gov. Rod Blagojevich upon his signing in July of SB2112, the landmark state law that caps property tax increases to no more than 7% annually.

Madigan's change to the original bill. This action put a cap on the cap thus limiting the relief that we needed and will "sunset" the bill in three years, making this a temporary reduction. We learned in this process there is always compromise in the beginning. The fight for comprehensive reform must continue.

In addition to getting SB2112 passed, we have made quite an impact. State and local governments acknowledge TRAC as the leading force behind property tax reform! We have

gained their respect and attention. We have established good working relationships with our elected officials. Some of our early supporters were: Lt. Gov. Pat Quinn; Commissioners Quigley and Claypool; Aldermen Gene Schuler and Manny Flores. Our state Representatives and Senators worked hard for us in Springfield.

Assessor James Houlihan does need to be singled out for a very big thank you. He listened to us, wrote the bill and took it to Springfield on our behalf. His staff worked tirelessly. Our relationship with Dana Marberry, community outreach director, got us over the hump on many days! We will continue to work with all of these fine people for more reform...and soon!

### What Are We Doing Now?

Our mission continues. We must reform the property tax system so that it is equitable for all and is predictable for the future. We will continue to discuss new issues and develop policies that will result in an action plan for real property tax reform.

To accomplish this we are writing a grant to secure funding to conduct research and to continue working with Dr. Art Lyons from the Center for Economic Policy Analysis (CEPA). Dr. Lyons led the educational forums TRAC conducted last year. You will be invited to a forum planned for late fall to go over the aspects and impact of SB2112. We will also have a presentation on some of the other plans that are being floated around in Springfield. We will post any new information on our web site [www.trac-il.org](http://www.trac-il.org). You will get a postcard well in advance of this meeting.

## TRAC's Fall Membership Drive: It's That Time Again!

It was through your support and commitment that TRAC and the 33 community groups were able to get SB2112 signed into law on July 12, 2004. This bill is just the first step in real property tax reform. We need your continued commitment to fight for comprehensive and permanent property tax reform. Please help by renewing your membership today.

Your membership helps us keep you informed on the issues. Your membership helps us retain some

of the best people in the field to develop policy. Your membership helps us broaden the coalition. Your membership helps us build support among our elected officials. And in the end your membership helps us move towards a more equitable property tax system for all. Please use the attached form and mail it in ASAP so we can continue the fight for property tax reform. Thank you for your support.

### Become a TRAC Member Today!

Clip and return this form in an envelope to TRAC, 857 W. Buckingham, Chicago, IL 60657. Please make check payable to: TRAC

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Home phone \_\_\_\_\_  
 Office phone \_\_\_\_\_  
 E-mail \_\_\_\_\_  
 Fax \_\_\_\_\_

Suggested annual membership fee:

- Business Member \$15
- Regular & Family \$10
- Seniors \$5

\_\_\_ Please call me. I'd like to volunteer too!

\_\_\_ Please accept my contribution \$ \_\_\_\_\_

TRAC has applied for corporation status organized under the General Not-for-Profit Corporation Act of Illinois. A member is defined as any Illinois resident, business or organization.



## Chicago Public Schools Budget Hearings...

...The ink wasn't even dry on SB2112 before we got a property tax increase

On August 17, TRAC had several members (Les, Gail, Linda, Gerri and Barb) offer testimony at the budget hearings. To a round of applause, TRAC quoted Mayor Daley's comments from a recent Tribune article, "Painful as it may be, he has no doubt that financially strapped homeowners will understand the \$40 million property tax increase for schools." The answer, Mr. Mayor, is: "No we don't understand it and we don't support it. Approve it at your own risk."

We were less than impressed with the budget. CPS reported the following: Evening School increased funding by 100%. Academies received an increase of 162%. Youth Connections increased by 22% and Sports got a 28% funding increase over last year. Reading got a 30% increase. Early childhood 12%. Math and science? No increase in funding.

In the last 10 years, the legal staff of the Board of Ed has doubled in size. Only the law department now occupies one entire floor at the

main office with salaries around \$100,000 for each attorney. The department has grown from 35 attorneys to over 80.

TRAC is not going to get deeply involved in the budget for schools. We will be following the lead of the Civic Federation. They have called into question this year's budget because they don't believe the Board has made the case for these increases. This watchdog group has stated that there is more than can be cut before a property tax increase is justified.

The Civic Federation's annual analysis and recommendations on the school district's budget reports that the total levy sought by school officials is \$50.3 million, not \$40 million, as stated. The report from the Civic Federation chided the school district, saying it had incorrectly minimized the tax levy to the public. The budget director for CPS said that they weren't trying to hide it, "It's just that we weren't emphasizing it." This is the frustrating part about this budget. We would gladly pay more money if we knew it was going to buy books, increase teachers salaries, more computers...not increase the size of the legal department or perpetuate the atmosphere of no accountability. Oh, by the way, CPS handed out the budget with less than a weeks notice before the hearings started and the vote to pass this property tax increase took place on Wednesday, August 25. With no opposition in sight it passed.

## HB750 Hearings?

We wanted to bring your attention to this bill. It is being touted as a reform bill to fund education and lessen the states over reliance on the property tax. According to the Center for Budget and Accountability and A+ Illinois--the two major supporters of this bill--it is only a "blueprint" that they are putting out there for people to start talking about. This is the "tax swap" bill.

We are asking that you read the bill because we are pressing for hearings in the Chicago area this fall. Go to [www.legis.state.il.us/legislation](http://www.legis.state.il.us/legislation) ...and pull up HB750. Basically this bill will increase the state income tax from 3% to 5%. It will reduce the school funding portion of your property tax bill by 20%. What does this really mean? Well, if you and your family have an income of \$50,000 a year now your state income tax will go from \$1,500 to \$2,500. Since roughly 50%

of your property tax bill is for funding education you can say that the reduction of your property tax bill will be about 10%. So your tax bill of \$4,500 will be reduced by \$450.00. Furthermore, there is no mechanism in this bill that prevents your property taxes from going up by leaps and bounds as we have seen this year.

We thought that a "swap" meant that it would be equal. An increase in income tax

would be matched by an equal decrease in property taxes. Apparently not. There is much that needs to be done with this bill. This will be discussed at the fall meeting. Understand that TRAC supports equitable funding for education. We want all children to have the same opportunity to learn. But we also want to make sure that the swap does more than just move money around. There has to be real reform for all property owners.

## Thank You's

We like to thank—in no order of importance—the following groups and individuals who were invaluable in our success in getting SB2112 into law: Lake View Citizens Council, Old Irving, Edgewater, West DePaul, Greater Rockwell Organization, Horner West, Lakewood Balmoral, East Lake View, Triangle Neighbors, Bucktown Community Organization, Hamlin Park, Jefferson Park, Portage Park, Hyde Park, Lincoln Central, Wrightwood Neighbors, Southport Neighbors, West Walker, Ukrainian Village, C.I.V.I.C. Unite, Hawthorne Neighbors, Logan Square, Latinos United, Lincoln Square/North Center, Father D. Grassi, Wayne, Gail, Marge, Linda, AnnaLisa, Anna, Enid, Les, Louis, Bernie, Rose, Bob, Mike, David, Maria, Michael, Patty, Peter, Pam, Betty, Judy, Nancy, Missy, Jim, Ed, Juanita, Angie, Ted, Ariel, Mary, Dawn, Dale, Barb, Clare, Jackie, George, Deno, Carolyn, Llani, Sherri, Kent, Tom, Sandy, Doris, Art, Maureen,, Kathy, Marlene, Edna, Paul, Pat, Liz, Orin, Gloria, Peter, Sean, Tony, Hank, Fred, Renee, Lisa, Harold, Bonnie, Rick, Charlie, Frank, Brian, Phil, Dennis, Jane, Ernie, Al, Kim, Todd, Sara, Stacy, Melissa, Sam, Garret, Steven, Dusan, Amy, Sophia, Dean, Cisley, Edith, Zeke, Dwayne, Susan, Elizabeth, Alice, Nick, Larry, Julie, Terry, Eric, Maureen, Elaine, Mitch, Fran, Victor, Clyde, Darwin, Penny, Eleanor, Len, Ramona, Greg, Wallace, Lucia, Mark, Maggie, Karen, Morris, Stuart, Barry, Ken, Hortenzia, Jessica, Rita, Lorraine, Sid, Neal, Oscar, Phyllis, Sheila, Santiago, Allan, Urai, Juan, Marvin, Goldie, Thom, Walter, RaeAnn, Jeanne, Dorothy, Chappie, Joan, Teresa, Connie, Cathy, Henry, Adrian, Jay, Dee, Myrill, Georgiana, Shelly, Kerry, Norma, Jean and Pat Butler from Lerner newspapers. He kept the issue on the front page and in the news and it made the difference!

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