

Property Tax Freeze Legislation

Background

Illinois has the second-highest property taxes in the nation. Instead of government deciding when property taxes should increase, our proposal empowers voters to decide for themselves.

State law created the Property Tax Extension Limitation Law (PTELL) with the intent of limiting increases in tax extensions. Under the PTELL, a taxing district automatically receives an inflationary increase in tax extensions on existing property with no input from voters.

Only 39 counties of Illinois' 102 are subject to the PTELL.

Original Proposal

Starting in property tax year 2016, payable in 2017, property tax extensions from all local taxing districts will be frozen at the amount of the 2015 extension.

This will apply to all units of local government throughout the state including home rule and non-home rule units of government and both current PTELL and non-PTELL counties.

Through a referendum voters are empowered to decide whether to grant a local unit of government additional taxing authority in a given year.

Local Collective Bargaining

Background

Local units of government are constrained by state law with regard to collective bargaining agreements. Empowering communities to make those determinations will provide more flexibility to leaders and reduce demands on taxpayers.

Original Proposal

This legislation would authorize local governments, acting through their governing bodies or by voter-initiated referenda, to exclude certain topics from collective bargaining. These topics include:

- Use of third-party contractors;
- Wages in excess of aggregate limits established by the local government;
- Health insurance benefits;
- Use of employee time for the business of the labor organization;
- Required levels of staffing;
- Procedures and criteria for personnel evaluations and use of seniority; and
- In the case of schools, curriculum or standards of student academic performance, conduct, and discipline in school.

The exclusion of these topics could be adopted for the county, municipality, school district, or other unit of local government.

If adopted county-wide, the exclusion would apply to public employees of the county and of any other unit of local government, including home-rule units, or school district located within that county.

If adopted municipality-wide, the exclusion would apply to public employees of the municipality and of any other unit of local government, including home-rule units, or school district located entirely within that municipality.

If adopted in any other unit of local government or school district, the exclusion would apply only to public employees of that local government or school district.

- *Compromise Proposal:* The provision allowing a county or municipality to make a decision on behalf of a unit of local government or school district contained within its geographic boundaries was removed. A unit of government or school district can only make changes on its own behalf.

Prevailing Wage / Project Labor Agreements

Background

Illinois law requires wages on state and local construction projects that do not reflect market rates. Over the years, prevailing wages have generally been set to match the union scale, even though a majority of construction workers in Illinois are not part of a union.

In addition, Illinois law permits, but does not require, the use of a Project Labor Agreement (PLA) for construction projects. A PLA is negotiated by the state and unions before the project is awarded to a private contractor. The private contractor is then forced to comply with the terms negotiated by the state and the unions, which increases cost. Previous administrations have significantly increased the use of PLAs on state projects.

Estimates show that PLAs can drive up the cost of a project by roughly 18 percent, with prevailing wage requirements having a similar effect.

Original Proposal

This legislation would repeal the Illinois Prevailing Wage Law. Projects funded by the federal government would still be subject to federal requirements, including the Davis-Bacon Act. Wages would still be subject to generally-applicable state laws. While home-rule local governments would be able to determine local prevailing wages, a local prevailing wage would not apply to a state-funded project (but a federal prevailing wage would continue to apply, if the project is federally funded).

This legislation would also prohibit the use of PLAs for state-funded projects, except when required by federal law.

- *Compromise Proposal:* Recognizing the unique challenges our communities face at the local level, this compromise legislation would exempt all units of local government, including school districts, from the Illinois Prevailing Wage Act.
- The compromise does not repeal the Illinois Prevailing Wage Act or change the Act's requirements for state projects (excluding state-funded local projects).
- Existing project-labor agreement authorization language will not change under the compromise proposal.