

**\*\*\* EMBARGOED UNTIL: 10:00 AM CST ON FEBRUARY 6th, 2023 \*\*\***

## Garcia Emergency Property Tax Relief Program

No homeowner should lose their home because they can't afford their property taxes. **Our proposed emergency property tax relief program will provide immediate relief for middle-class and working-class homeowners as well as small businesses most in need, through means-tested grants paid directly to the Cook County Treasurer.**

This can be done by a Mayor. In Chicago. **It doesn't require action by the General Assembly**, as do exemptions and rental credits. And it is constitutional, unlike schemes that put assessment caps on individual properties.

Out of a \$17.6 billion budget, the City Council should be able to find relief for residential and small business property owners.

Under our plan:

1. Middle-class and working-class **homeowners (6-units or less)**, will be able to receive a one-time **Neighborhood Preservation** grant of \$250. The property tax bill has to be at least \$1,000. The income thresholds are \$43,800 for individuals and \$66,700 for families. As an example, we expect to see significant property tax delinquencies in property tax payments in neighborhoods such as Englewood and East Garfield Park.
2. The **Taxpayer Assessment Protection Program** helps **residential (6-units or less) properties, both owner-occupied and rental properties with escalating tax bills**. They will be able to receive a one-time grant of \$500 based on income eligibility: \$58,350 for individuals and \$83,400 for families. Properties eligible for this relief must have experienced an increase in their tax bill of at least double the city average and by at least \$2,000, and the 2021 market value may not exceed \$400,000. In Pilsen (pictured below), residents saw their tax bills climbing by as much as 46 percent, forcing longtime Pilsen residents to leave their homes.
3. The **Business Assessment Protection** program covers standalone storefronts and mixed small business property owners (Class 5-17, Storefronts and Class 2-12, "Moms and Pops") and residential buildings. Properties eligible for this relief must have experienced an increase in their tax bill of at least double the city average and by at least \$3,000, and the 2021 market value may not exceed \$600,000 for Class 2-12 and

\$500,000 for Class 5-17). For example, in Albany Park, an owner of a brewery saw her tax bill triple from \$40,000 to \$120,000. Some businesses in Pilsen saw a 58% increase.

Our proposed grant application process is geared to be easy and requires minimum documentation. We propose that these services can be provided in coordination with the City's Department of Housing, the Department of Family and Support Services, and Aldermanic offices.

Once approved, the payment would go directly to the Cook County Treasurer's Office. We also recognize that there will be some homes and businesses that need additional or different relief because of larger tax increases from gentrification but those can be dealt with in the legislative process if they are significant enough.

The larger problem is that the State of Illinois has unfairly burdened municipalities including the City of Chicago by forcing them to rely on property and sales taxes and fees to fund schools and essential services and employee benefits. Property taxes unfairly burden many lower-income families and working residential property owners. Now, large increases in assessments for property owners – residential property owners, storefronts, and mom-and-pop businesses - in rapidly gentrifying communities has prompted a shift of the city-wide property tax burden onto them. At the same time, there are low-income residential property owners who struggle to pay their property tax bills.

- Property taxes in Chicago rose 6.6% in 2022, while landlords of small properties and small businesses picked up a bigger share of the tab.
- Residential taxes jumped the most in predominantly Latine neighborhoods like Avondale.
- The average small business property tax bill in West Garfield Park will increase by 39.67%, and North Lawndale's property tax bills will be 32.14% higher.

Finding a long-term solution to these problems will take time. The county and state need to explore [some broader changes](#) to our property tax system, like increasing state funding of public education to reduce school districts' reliance on the property tax. Low state school funding is one reason the Chicago area has some of the highest property taxes in the nation.

While the larger problem of over-reliance on property taxes remains, we have to be able to walk and chew gum at the same time - in other words provide immediate relief while working on long term changes.

Unlike other candidates who either ignore the problem, fail to deal with a problem they recognize, blame others or make sweeping proposals for the state legislature to deal with in the future, I believe we have to do more now. This property tax relief plan and my larger economic development plan show what real leadership and governing would look like.