

## Support HB3782 (Didech)

### Ensure Meaningful Use of Charitable Use Property Tax Exemptions

Illinois School Districts are seeing an alarming increase in the aggressive use of the Charitable Use Property Tax Exemption with the Department of Revenue. This is problematic given that many of properties that are applying for these exemptions are large money-making operations, but when granted the exemption, are not responsible for paying their fair share of local property taxes. This unfairly shifts the property tax burden to other local property taxpayers. HB3782 puts reasonable measures in place to ensure that these charitable exemptions are applying fairly and responsibly.

#### Legislative Solution

- 1) **Notice and Standing for Affected Taxing Bodies** – HB3782 requires that notice and standing be provided to taxing bodies when tax-exempt properties apply for a continuation of their initial tax-exempt status. It is critical that these properties clearly demonstrate that the initial Charitable Use tax exemption still exists. That is not currently happening.

Currently, local taxing bodies do receive notice and only have standing when taxing bodies first apply for the initial charitable exemption, but not the renewal of existing exemptions. Our districts have witnessed these tax-exempt properties change over the years from charitable use purposes to money-making operations, yet no meaningful review over the renewal application occurs when the tax-exemption status has expired.

The amount of these charitable exemptions is significant. Lack of meaningful review of these exemptions adversely impacts all the district's taxpayers.

- 2) **Limits Refunds Until a Final Exemption Determination is Made**- Once a meaningful review of these charitable exemptions is sought, refunds to taxpayers should not be paid out until a final judicial determination is made. This will provide fiscal stability for school districts while this process occurs.

**SUPPORT HB3782 to Ensure that Charitable Use Tax Exemptions are Properly Reviewed and the Local Tax Burden is Fairly Shared**