



### November 2018 Referenda Questions



#### **“Shall DuPage County oppose the General Assembly instituting a property tax increase equivalent to 1% of your home’s value to help retire state debt?”**

Three economists from the Federal Reserve Bank of Chicago propose that Illinois eliminate its pension debt by imposing a special statewide property tax assessment of 1% of a home’s value each year, on every homeowner in the state, for the next 30 years.

[The economists argue](#) that imposing a dedicated residential property tax is the fairest option as homeowners are more likely to benefit from services provided by government employees, therefore, they should pay a larger share of the costs associated with government employee pensions instead of a new tax imposed on all citizens.

Under the proposed plan, the average Illinois homeowner’s property tax bill would increase by 43% annually for the next 30 years. For example, the tax bill on a house valued at \$500,000 would [increase from an estimated \\$11,600 to \\$16,600 annually for the next 30 years](#). This state-imposed tax would be in addition to any other increases approved by a homeowner’s current/multiple taxing districts.

Illinois homeowners already pay the highest property tax rates in the nation, [on average, 2.67% of their home’s value](#). High property taxes raise the costs of home ownership, making it less affordable for some to become homeowners.

This proposed plan would have to be adopted by the Illinois General Assembly and signed by the Governor to take effect.

*(Note: The Federal Reserve Bank of Chicago has not endorsed this proposal.)*

#### **“Shall DuPage County oppose the creation of a statewide Vehicle Mileage Tax (VMT) which would tax DuPage County citizens based upon the number of miles driven annually?”**

A Vehicle Mileage Tax (VMT) is a mileage-based user fee that charges motorists based on the number of miles traveled over a period of time with proceeds financing transportation infrastructure projects. A VMT fee could be administered based on a flat fee (a fixed number of cents per mile) or as a variable fee, based on factors such as the time of travel, congestion periods, type of road driven, weight of the vehicle, or vehicle emission levels.

A VMT has been proposed in several states but only the State of Oregon has established a program, OReGO, a small pilot program for 5,000 volunteer motorists. OReGO volunteers [pay a road usage charge based on the number of miles traveled](#) at 1.7 cents per mile and receive credits for the state fuel tax they pay at the pump (they still are required to pay the federal gas tax of 18.4 cents per gallon). Participants select a private vendor to report the number of miles traveled which may include a cell phone or GPS plug in device that tracks mileage.

Historically, federal, state, and local gasoline and diesel taxes based on consumption have funded transportation infrastructure projects however these revenues have declined over the years due to more fuel-efficient vehicles and other conservation measures.

In 2016, legislation was introduced in the Illinois General Assembly (Senate Bill 3267) to create a distance-based road user fee program for the state, the Illinois Road Improvement and Driver Enhancement Act (see description below). However, the bill did not advance.



### Vehicles Miles Tax question (cont.)

Plan	Description	Rate
I-RIDE Smart Plan	Reporting miles traveled on public, non-tolled Illinois roads using personally identifiable information using location data to calculate how many miles were driven in Illinois monthly.	\$0.015 per mile
I-RIDE Convenient Plan	Reporting all miles traveled without the use of personally identifiable information through the use of a vehicle odometer reading.	\$0.015 per mile
I-RIDE Flat-Rate Plan	Reporting a flat, monthly rate based on 30,000 miles of driving per year for passenger vehicles and single-unit trucks	\$450 annually for 30,000 miles
I-RIDE Flat-Rate Plan	Reporting a flat, monthly rate based on 50,000 miles of driving per year for buses	\$750 annually for 50,000 miles

### **“Shall DuPage County continue to dissolve and consolidate units of local government to reduce costs, increase efficiencies, and increase accountability?”**

The State of Illinois has more units of government than any other state in the nation, with over 7,000. In addition, Illinois taxpayers pay one of the highest property tax rates in the country to support this level of government.

For more than a decade, DuPage County Government’s mission has been to deliver public services in the most cost-effective and efficient manner possible. To achieve this goal, the county partners with other units of local government. Together, they share services and identify joint purchasing opportunities to reduce duplication, thus saving administrative costs and lowering the tax burden on our residents. This collaboration revealed instances in which county taxpayers would be better served by eliminating certain duplicative governmental agencies. However, DuPage County lacked the authority to take this action.

In 2012, the DuPage County Board [established the ACT \(Accountability, Consolidation, and Transparency\) Initiative](#) and subsequently received legislative authority from the General Assembly to dissolve a specified number of county appointed agencies after a thorough public hearing process. The dissolution of seven agencies will be complete by the end of 2019, with services delivered in a more efficient manner. DuPage County’s ACT Initiative [will save taxpayers a projected \\$100 million](#).