Property Tax Protest Petitions; Senate Sub. for HB 2745

Senate Sub. for HB 2745 creates a protest petition process for the adoption of local government budgets in excess of a funding limit established by the bill and revises the revenue neutral rate notice to incorporate changes associated with the protest petition process.

The bill also changes the date by which school districts are required to submit budgets to the State Board of Education from September 20 to October 1.

Protest Petitions

The bill provides for the use of a protest petition to contest any taxing jurisdiction budget that provides for funding by property taxes in excess of the prior year's amount adjusted for inflation for the prior year according to the Consumer Price Index for the Midwest Region, up to a maximum adjustment of 3.0 percent per year.

The bill requires the protest petitions to be maintained by county clerks. It also requires notice of the availability of such petitions to be provided in the clerk's office and on the county's website, if one exists, and on any social media maintained by the county clerk. County clerks are required to provide one petition form free of charge to each person who requests a form in person, but are permitted to charge for multiple copies or for mailing petitions. County treasurers also are required to provide notice of such petitions and make such petitions available.

Petitions may be submitted to the county clerk, county treasurer, or county election officer. Protest petitions are to be on standard forms provided by the Director of Accounts and Reports and copies of such forms are permitted to be used and considered to be such forms whether received by a property owner or another occupant.

The bill requires protest petitions to be available for qualified voters from at least August 10 through September 15. If at least 10 percent of the registered voters in the taxing district as of January 1 of the current year sign the protest petition, the proposed budget is deemed disapproved, and the taxing jurisdiction is limited to a budget with property tax amounts from the prior year.

If a taxing jurisdiction is required to amend its budget pursuant to a successful protest petition, the governing body of such taxing jurisdiction is required to certify the amount of property taxes to be levied to the county clerk by October 1.

Revenue Neutral Rate Notices

The bill requires the revenue neutral rate notice form mailed to taxpayers to include information concerning taxing subdivisions subject to protest petitions and a section that may be filled out and signed by registered voters of a taxing subdivision and submitted as a signed protest petition.

The bill requires the published notice of revenue neutral rate hearing information by taxing subdivisions to include whether the taxing subdivision is subject to a protest petition.

The bill extends state reimbursement for printing and postage costs associated with the revenue neutral rate notices, previously scheduled to end after calendar year 2026, through 2031.