



PROPERTY TAX ELIMINATION IGNORES DELINQUENT TAXES. ARE DELINQUENT TAXPAYERS OFF THE HOOK?

Under prior iterations of property tax elimination, school districts would receive an amount equal to the property taxes they collected in the prior year—not an amount equal to what they levied in school property taxes.

In 2014-15, school districts collected over \$577 million in delinquent taxes, with these delinquent taxes comprising, on average, 4.5% of a school district's total property tax revenue. There are 307 school districts with delinquent property taxes making up more than 4.5%, and 83 school districts with their delinquent tax collections making up in excess of 10% of their total property tax revenue.

\$577 million	307 school districts	83 school districts
delinquent taxes	> 4.5% average in	> 10% in
collected in 14-15	delinquent taxes	delinquent taxes

Under property tax elimination, most school districts would miss out on replacement revenue to make up for the delinquent taxes not collected in the prior year. Because it can take a few years to collect delinquent property taxes, school districts—especially those with high proportions of delinquent taxes—will receive no revenue to replace their outstanding delinquent taxes. School districts would forever forego that revenue as they have no authority to collect a delinquent property tax moving forward.

Additionally, by prohibiting a school district from levying, assessing or collecting property taxes after a certain date (June 30, 2017 per the 2017 co-sponsorship memo), delinquent taxpayers appear to be off the hook entirely.