

News Release

Big Hollow School Board Explores Benefits of Referendum on County School Facility Occupation Tax

INGLESIDE, IL – February 26, 2008 – The Big Hollow School Board is considering a resolution to support raising Lake County's sales tax by 1%, with all of the proceeds going to Lake County K-12 education facilities.

A new law, which allows a county to raise this tax for schools, was passed by the legislature late last year in a vote overriding the Governor's veto. The law's intention is to give local authority to the county to provide for construction funding in lieu of a long-awaited statewide capital plan. This sales tax is imposed on goods such as general merchandise, apparel, furniture and hardware, but will not apply to purchases of vehicles, food, medications or medical supplies.

The additional revenues generated by the proposed sales tax increase, known as the County School Facility Occupation Tax, would be divided based upon school district enrollments. Countywide revenues have been estimated at approximately \$77 million annually or \$550 per student, based on most recent reports. At Big Hollow's current enrollment of approximately 1,500, the District would gain about \$825,000 per year under this initiative.

School Board member Todd Wright, introducing this legislation at the Board's February 25th meeting, said the implication for Big Hollow residents could be an immediate measure of property tax relief if the new funds were used as a tax abatement, offsetting a portion of the existing construction bonds issued for the new Fish Lake campus. Alternatively, funds raised under this initiative could be saved and invested by the District for facility upgrades or expansion, reducing or even eliminating the need to pursue construction referenda in the future. Wright cautioned that this money cannot be used to finance operations, an ongoing funding concern that was recently addressed in the District with a successful working cash bond referendum on February 5.

For this proposal to appear on Lake County ballots in November, school districts representing 51% of Lake County students must adopt a resolution supporting the referendum question. The Big Hollow School Board will vote on the resolution at its March 17th meeting.