

PROPERTY TAX RELIEF TASK FORCE

Meeting Minutes

Monday August 29, 2019

12:00pm

James R. Thompson Center
100 West Randolph Street
Suite 2-025
Chicago, Illinois 60601

DHS Harris Office Building
Executive Videoconference Room
100 South Grand Avenue East, 3rd Floor
Springfield, Illinois 62701

The Property Tax Relief Task Force met on August 29, 2019

MEETING START

Meeting scheduled to start at 12:00pm

AGENDA

I. Welcome/Roll Call

- a. IDOR Staffer Sam Salustro called the meeting to order around 12:15pm CDT and welcomed members.
- b. Roll Call was taken. Quorum was met at this time.

Name	Present
Senator Belt	Yes
Representative Bennett	Yes
Representative Brady	Yes
Representative Bristow	No
Representative Burke	Yes
Senator Bush	Yes
Representative Butler	Yes
Representative Carroll	Yes
Representative Cassidy	Yes
Senator Castro	Yes
Representative Conroy	No
Representative Costa Howard	Yes
Representative Crespo	Yes
Senator Crowe	Yes
Senator Cullerton, Tom	Yes
Senator Cunningham	Yes
Representative Davis	Yes
Senator DeWitte	Yes
Representative Didech	Yes

Name	Present
Representative Mason	No
Representative Mayfield	Yes
Representative Mazzochi	Yes
Senator McConchie	Yes
Representative Meier	Yes
Representative Meyers-Martin	Yes
Miller, Emily	Yes
Mock, Cameron	Yes
Representative Morgan	Yes
Senator Morrison	Yes
Representative Morrison	Yes
Representative Moylan	No
Senator Murphy	Yes
Representative Murphy	Yes
Representative Mussman	Yes
Representative Pappas	Yes
Senator Peters	No
Representative Ramirez	Yes
Representative Reitz	Yes

Representative Edly-Allen	No
Senator Ellman	Yes
Representative Evans	Yes
Representative Feigenholtz	Yes
Senator Fine	Yes
Representative Flowers	Yes
Representative Ford	No
Senator Gillespie	Yes
Senator Glowiak Hilton	Yes
Representative Gong-Gershowitz	Yes
Representative Grant	Yes
Representative Greenwood	Yes
Senator Harmon	No
Senator Harris	No
Representative Hernandez	Yes
Senator Holmes	Yes
Senator Hunter	Yes
Representative Hurley	Yes
Senator Hutchinson	No
Representative Keicher	Yes
Representative Kifowit	Yes
Senator Link	No
Senator Manar	No
Senator Martinez	No
Senator Martwick	Yes

Senator Righter	No
Representative Rita	No
Representative Robinson	Yes
Senator Sims	Yes
Representative Sosnowski	Yes
Senator Stadelman	Yes
Representative Stava-Murray	Yes
Senator Steans	No
Representative Stuart	Yes
Representative Tarver	No
Senator Tracy	Yes
Representative Ugaste	Yes
Representative Unes	Yes
Representative Villa	Yes
Representative Villanueva	Yes
Senator Villivalam	No
Representative Walker	Yes
Representative Weber	Yes
Representative Wehrli	Yes
Representative Welter	Yes
Senator Wilcox	Yes
Representative Williams	No
Representative Willis	Yes
Representative Yednock	Yes
Representative Yingling	Yes
Representative Zalewski	No

II. Approval of Meeting Minutes

- a. Minutes from August 12, 2019 were brought up for approval by Representative Yingling. The motion was made and seconded.
- b. Vote - unanimous voice vote in the affirmative.**

III. Presentation: Property Tax Overview by Illinois Department of Revenue Staff

- a. A slide presentation was presented by Adrienne Suits Bailey, Property Tax Division Manager IDOR. Bailey introduced herself. The state constitution in 1818 allowed for taxing of property in direct proportion to value. In 1933, it was levied at the local level and the end of state property tax. Personal property tax was eliminated in 1969 and 1979 for individuals and business entities, respectively. Businesses now pay a personal property replacement tax (PPRT) to replace it. Bailey pointed to the property tax statute in the tax code. Bailey noted that a property tax cycle is a two-year cycle with taxes paid in arrears (2019 assessments are paid in 2020). Bailey explain the seven steps of the property tax cycle and whom is assigned the duties:
 1. Assessment – township assessors and CCAOs
 2. Review of Assessment Decisions – county boards of review
 3. State Equalization – calculated by IDOR, applied by County Clerk
 4. Levy – taxing districts, certified to County Clerk
 5. Extension – County Clerk
 6. Collection and Distribution – County Treasurer/Collector
 7. Sales and Redemption – County Treasurer and Clerk

Bailey outlined the roles and responsibilities of IDOR, including providing technical assistance to local assessors, provide taxing district maps, give final approval on non-homestead exemptions, place value on state-assessed properties, certify farmland assessment values annually, and complete sales ratio studies. Bailey explained local assessors are required to assess all properties every four years (or every 3 in Cook County) along with other responsibilities. Bailey explained property is assessed at 33 1/3% of its fair market value, with some preferential assessments. Cook County is the only county that assess property on nine different classifications from residential to commercial/industrial rates, with rates ranging from 10% to 25%. Bailey noted that property tax bills can be affected by exemptions (such as homestead exemptions), PTELL districts which limits the increases in total taxes billed by a district. Bailey explained that one can calculate what your tax rate is by taking the total district levy and divide it by the taxing district's tax base. She further explained individual tax bills can be found by multiplying a property's taxable EAV to the aggregate tax rate (the combination of tax rates of different districts). Tax sales occur after the last installment of property taxes are due, and a jurisdiction must follow specific guidelines. Bailey offered high level statistics of 6,047 taxing districts, and a total extension of more than \$30 billion, with most going to school districts; she further pointed out that the total equalized assessed value in the state at \$352 billion with most properties existing as residential. Bailey finished by noting IDOR offers research on its website.

- b. The Committee opened for questions regarding the presentation.
- c. Representative Brady wanted verification that the total amount of the taxing districts was 6,047, and the pie chart presented in the slide presentation shows the different types of districts.
 - i. Bailey verified it was correct.
- d. Cameron Mock asked for an explanation of how the State multiplier works.
 - i. Bailey explained the counties are required to file annual reports with IDOR as well as complete sales ratio studies. IDOR makes sure the property is being assessed correctly. If it needs to be adjusted the counties can complete their own studies and can apply a multiplier. IDOR then looks at it at the end of the assessment work and does a three-year study. If it is not at the proper level of assessments, the state will add a multiplier. The majority of counties do not receive a multiplier that raises or lowers assessments. Mock clarified that the Cook County had a multiplier above 3, but it did not mean the assessment was higher or lower when taxed.
- e. Senator Wilcox asked how the multiplies are applied to different market values.
 - i. Bailey explained state multiplies are applied to all property in the county. IDOR does sales ratio studies for every sale and performs calculations to where property should be assessed. She further explained counties can add in additional multipliers to specific classes or location of properties while state multipliers are for the entire county.
- f. Senator Martwick followed up that residential property (Cook County) is assessed at 10% as opposed to the rest of the state at 33%. With the 3% multiplier it gets

close. Other classifications, such as commercial and industrial properties are at 25% and are also subjected to the same 3% multiplier making them closer to 70% to 75%.

- g. Senator DeWitte wanted to know the comparison of the breakdown of total assessed dollars between home rule communities and non-home rule communities across the states, with regards to PTELL.
 - i. Bailey and IDOR will provide him with the statistics if they are available.
- h. Senator McConchie asked in regard to PTELL and the need for voter approval to raise the tax rate and also to issue a bond. McConchie asked when the bond expires if there were rules about how it is to be extended, either by voter approval or by a board.
 - i. IDOR will research the statutes and provide an accurate answer.
- i. Representative Mazzochi asked since we have the ability to increase taxing levy through a referendum, is there a mechanism to force municipalities to bring the property levy below the amount they plan to levy in any given year? Bailey said she was not aware of one. Senator McConchie said under PTELL that is true a referendum is only used to raise a tax levy, you cannot go below. In a non-PTELL county you can go both directions.
- j. Representative Kifowit asked if the assessment formulas for different properties, (farm land, strip malls, open spaces) are dictated by state law or on the county level.
 - i. Bailey stated for farm land, state law discusses different factors to determine the value and there are statutory limitations to the annual increases. Strip malls assess at a standard 33 1/3 % of fair market value, assessors have standards to follow when evaluating property these standards are set in place by the International Association of Assessing Officials.
- k. Representative Keicher asked if IDOR has a set of recommendations that should be reviewed by this TF.
 - i. Bailey noted that she was only here to provide information of the Property Tax Cycle, and she was not in a position to give opinions.
- l. Representative Morrison asked for the total amount of property tax paid in Illinois.
 - i. Bailey noted the information is easily available on the Department of Revenue website.
- m. Representative Murphy asked if there is an appeal process when counties do multipliers on particular categories.
 - i. There is an appeal process if they believe they were over assessed.

IV. New Business

- a. Representative Yingling announced that IDOR staffer Sam Salustro will send an email to all task force members with the subcommittee member list.
- b. Representative Mazzochi stated according to 4.7 of Rules, the majority of the task force members “can create a new subcommittee to evaluate, study, and/or propose

policies to the entire property task force.” She made the motion to add a new subcommittee to analyze conflict of interest issues.

- i. It was seconded by Representative Welter.
- ii. Mazzochi said that there has been a series of allegations that have made it seem like the property tax system was not fair and it often involved conflict of interest issues, and this was a general issue that touched on all over subcommittees. Representative Flowers wanted conflict of interest issues to be considered by the whole committee. Mazzochi stated the full committee would not be limited by this subcommittee and hoped the task force members would contribute ideas to it. Representative Willis thought this would over-lap what is already in place. Representative Evans wants to keep the task force focused on property tax issues only which he feels his constituents were focused on. Senator Wilcox is in favor of the motion because it would investigate the conflict of the industry, not individuals. Senator Morrison is in favor of the motion as long as it is kept narrowly focused. Representative Kifowit agreed to the subcommittee if it was kept in the confines of legislation of the task force to reduce property taxes. Flowers believes the proposed subcommittee would unfold other problems that would impede us to focus on the reduction of property taxes. Representative Hurley stated the task force members voted, agreed, discussed, sent emails on the subcommittees, and does not want another subcommittee which she feels would branch off to other ways. Senator Holmes stated we have a limited amount of time and does not want to open it up to more subcommittees. Representative Stuart said there was already a subcommittee specific for Assessment & Exemptions and the conflict of interest would naturally come up in this subcommittee discussion. Representative Wherli supports the motion and said everything should be discussed. Representative Flowers doesn’t want to prevent the discussion, and wants it to be part of all the subcommittees, but doesn’t want it to take over the purpose of the task force. There was discussion about whether the vote should be allowed since it was not on the agenda for the meeting. Representative Costa Howard suggested this subcommittee was political in nature and suggested the task force should be focused on reducing property taxes only. Representative Mazzochi said all she was just a motion to create a subcommittee that was allowed under sec 4.7. Representative Yingling said he thought the seven existing subcommittees were equipped to look at conflict of interest. Representative Brady questioned how much conversation went into the seven subcommittees. Representative Mazzochi requested a roll call vote.
- iii. **Vote – motion failed with 23 yes votes, 40 no votes, 2 present votes, and 4 not voting.**

Name	Present
Senator Belt	No
Representative Bennett	Yes

Name	Present
Representative Mayfield	No
Representative Mazzochi	Yes

Representative Brady	Yes
Representative Burke	No
Senator Bush	Not Voting
Representative Butler	Yes
Representative Carroll	No
Representative Cassidy	No
Senator Castro	Not Voting
Representative Costa Howard	No
Representative Crespo	No
Senator Crowe	No
Senator Cullerton, Tom	No
Senator Cunningham	No
Representative Davis	No
Senator DeWitte	Yes
Representative Didech	No
Senator Ellman	Not Voting
Representative Evans	No
Representative Feigenholtz	No
Senator Fine	No
Representative Flowers	No
Senator Gillespie	No
Senator Glowiak Hilton	No
Representative Gong-Gershowitz	No
Representative Grant	Yes
Representative Greenwood	No
Representative Hernandez	No
Senator Holmes	No
Senator Hunter	No
Representative Hurley	No
Representative Keicher	Yes
Representative Kifowit	Yes
Senator Martwick	No

Senator McConchie	Yes
Representative Meier	Yes
Representative Meyers-Martin	No
Miller, Emily	Present
Mock, Cameron	Present
Representative Morgan	No
Senator Morrison	Yes
Representative Morrison	Yes
Senator Murphy	Yes
Representative Murphy	Yes
Representative Mussman	No
Representative Pappas	No
Representative Ramirez	No
Representative Reitz	No
Representative Robinson	No
Senator Sims	No
Representative Sosnowski	Yes
Senator Stadelman	No
Representative Stava-Murray	Yes
Representative Stuart	No
Senator Tracy	Not Voting
Representative Ugaste	Yes
Representative Unes	Yes
Representative Villa	No
Representative Villanueva	No
Representative Walker	Yes
Representative Weber	Yes
Representative Wehrli	Yes
Representative Welter	Yes
Senator Wilcox	Yes
Representative Willis	No
Representative Yednock	No
Representative Yingling	No

V. Public Comment

- a. Anthony Travis said he represented a coalition of organizations who want to see property tax relief. He would like to see a consolidation of schools, government and pensions. He wants to reduce the number of school districts from 856 to 102, which is the same amount as the counties in Illinois. Travis noted all the different pension systems the Illinois had, and noted New Jersey as an example of school district consolidation. Travis said that regionalism government has been a plan a long time. Travis implored the legislators to take hard decisions.
- b. Professor LaShonda Graves was the founder of apartment housing foundation, called “It Takes a Village One” real estate firm which focuses on affordable housing and eviction mitigation. Graves noted many northern Illinois cities saw 28.94 families were evicted every day in Illinois. Graves noted with the property tax being raised, market rent will be raised, and with market rate raised people will not be able to afford their rent. Graves noted that apartment building holders should not be taxed as residential.

- c. Clifton Graham has been an Illinois citizen for 20 years, and in his community property taxes have doubled, and he pays more taxes than his mortgage. He noted that corporations are able to pay little in their property taxes. Graham encouraged the Task Force to look at the black community with regards to property taxes.
- d. Revin Fellows represented the National Black Agenda Consortium, and said he came from Chatham. Fellows commented that the African-Americans were being pushed out by gentrification, taxes, and years of public policy planning. He noted Cook County has the largest population of black people in the United States and they are being pushed out due to high property taxes.
- e. James Dinaso said he was a state resident for 52 years, has lived in southside Chicago as well as rural counties. Dinaso said Illinois had the highest migration of state residents because of high property taxes. Dinaso said he was disappointed more members did not show up to the Task Force meeting. He said corruption around high property taxes needed to be addressed while the community could not afford property taxes, medicine and groceries.
- f. Robb Perry was from east-central Illinois has been trying to get into the Department of Revenue to talk about the problems in their county. He has not been able to find anyone who can help him and learned that the Department of Revenue did not have jurisdiction over his problem. Perry took his issue to the Property Tax Appeals Board but also found no help. Perry said it was time for consolidation and stop raising taxes.
- g. Rex Dukeman represented the Concerned Taxpayers of Coles County. It outlined the problem in Coles County, where reassessment should happen every 4 years, but it did not happen for 16 years. The county board hired contractors to do the supervisors assessments job and Dukeman believes it was illegal and should not have happened. Dukeman claimed a Department of Revenue person said it happens all the time. Dukeman called for more oversight over county boards and the assessment process.
- h. Charles Stodden said the state had a problem with taxes and said it was time to do something about it.
- i. Kirk Allen worked with the people from Coles County. Allen noted the counties are not doing what they are required to do regarding assessments. He found many assessors were on the ballot but were not legally allowed on the ballot. Allen noted counties are hiring private individuals to do the assessors' job, yet the assessor was still being paid. Allen called for the state to control more over the counties assessment process.

VI. Adjournment

Representative Yingling adjourned to the call of the Chair.