

PROPERTY TAX RELIEF TASK FORCE

Subcommittee: Social and Economic Disparities

Meeting Notes

Thursday, October 17th, 2019

6:30 PM

Harry S. Truman College Auditorium

1145 West Wilson Ave

Chicago, IL 60640

MEETING START

Meeting Scheduled to Start: 6:30pm. It began approximately at 6:45pm.

AGENDA

- I. Welcome/Roll Call.** Two members were noted in attendance and thus quorum was not met.

Name	Present
Representative Mary E. Flowers	Yes
Representative LaToya Greenwood	No
Representative La Shawn K. Ford	No
Representative Marcus C. Evans, Jr.	No
Representative Delia C. Ramirez	No
Representative Curtis Tarver	No

Name	Present
Representative Sam Yingling	No
Representative Lamont J. Robinson, Jr.	No
Representative Thomas Morrison	No
Senator Christopher Belt	No
Senator Robert Peters	No

II. Open Discussion.

- I. Host Derek Harris welcomed everyone and introduced Representative Mary Flowers.
- II. Harris explained the law and the purpose of the Task Force.
- III. Representative Flowers pointed to recent Chicago Tribune articles that articulated what is happened to people with property taxes. She explained she was just in Cole County, and she heard the same concerns there as in Chicago about disparities in property taxes and inequalities. The Chicago Tribune and ProPublica showed how lower income people were subsidizing richer people's property taxes. Flowers said that the people on stage will help illuminate the problem. Flowers explained that she had been traveling the state for this Task Force, and the purpose of the meeting was to hear from the community. Flowers said she heard from a township assessor when they were in Cole County who had good ideas. Flowers said she felt the law focused on using a racial and economic lens to identify issues with property taxes. She says other politicians have claimed poorer people did not want to have great neighborhoods, but she said it was misnomer.

- IV. Revin Fellows spoke next. He walked through the history of urban plans in the Chicago area, which he said was mainly to develop good schools to lure people back to the neighborhood. In housing we saw MacArthur beginning to conduct research and studies in 14 different communities and generated a 2020 plan with the findings for improvements. Twenty years later, schools closed, homes were boarded up, and things looked bombed out. They continued to issue new plans without community input from the African-American community. Fellows said the African-American community has been set up for gentrification. He finally mentioned the Burnham Plan. Fellows also noted a Metropolitan Planning Council report that found segregation cost the city \$4.4 billion.
- V. Flowers said that Chicago had been paying the price for segregation and she noted an article that called for the intentional desegregation to be part of any solution.
- VI. Anthony Travis introduced himself as a veteran and a public servant on a Proviso school board. He said the budget has gone from \$80 million to \$300 million. He said he has 14 school districts, with superintendents, fire chiefs, and police chiefs. He said 45 communities were in the South Suburbs which means services are being duplicated. He said Illinois was 2nd to New Jersey in property taxes, but New Jersey has been working to consolidate school districts. Travis pointed out that Florida had 74 school districts for 2.7 million students, while Illinois has around 850 for 2 million students, with 9,000 administrators that make over \$1,000 each. In general, Travis said Illinois had 7,000 units of government. Travis said this impact everyone in the state. Travis said he wanted to use consolidation as a blue print to cut government down. Travis said Article 10 of the Illinois constitution guaranteed free education, so he was confused how the state ended up barely paying for education. He called for a statewide education budget. Travis said that at a recent conference he heard from rural school board trustees that they were having the same troubles as communities on the south side of Chicago. Travis thanked Representative Flowers for making sure the hearing was done in the community.
- VII. Clifton Graham said he started coming to the hearings as a resident, but realized he had experience as a landlord who had to move his business to a different state because of taxes. He said that while Chicago taxes are high, they were nothing like what they are in the south suburbs. He said his house is worth \$235,000, same as it was two decades ago, but his taxes had doubled in that time. He said he should have left 20 years ago. Graham pointed to the Tax Divide articles written by the Tribune, and that it's a system designed to make people like him lose. He said that wherever he goes as an African-American, property values drop. Graham also said it was unfair that land banks take over properties of taxpayers who can't afford them and sell them, but do not have to pay the taxes on it. He said that they had to institute fairness into the system.
- VIII. LaKia Colquitt is a Chief Operating Officer of a non-profit said individuals with disabilities are having the hardest time. She noted nearly everyone all going to be disabled at some point, and if people found out they had cancer tomorrow, it would become an immediate question whether they can keep their home or not. Colquitt said there had to be some remedy in the law for newly disabled people to halt taxes until they can get settled, especially long-time homeowners, possibly

from 6 months to a year to give a person time to either sell or rent their home.

III. Public Comment

- I. Mike Carlin wanted to speak about the troubled building initiative that is funded through HUD, other state funding, bank funding and tax buyers. In 2013, he went down to the building courts. He's seen a lot of homes be taken through this process, especially in Bronzeville. Reads statute on troubled building initiative which allows for city departments to move in on homes that are deemed trouble. The city then files case against dilapidated house and puts pressure on owner. If the owner doesn't do anything, it can petition to take away the home, and courts can slap a lien on it, and foreclosure on the property. Usually the property owner unloads it as quickly as possible. Carlin believed the program was targeting senior citizens and targeting people who have criminal infractions. He said that often times people go in to work with the city or through non-profits (including the Community Investment Corporation) on improving their property, and through the inspection process finds themselves in building court quickly.
 - i. Flowers agreed with Carlin. She said any process should include restoration for the people who had homes taken away from them. She said people have lost their livelihood due to property taxes.
 - ii. Carlin believed that many of these organizations and contractors were systematically working against people to take their homes. Fellows relayed a story about how they were trying to throw out a grandmother whose grandson got into legal trouble on the property. Fellows said the city and lawyers try to intimidate them out of their homes.
 - iii. Professor Graves who runs a nonprofit helping people get apartments, said that she used to work with a slumlord, but she stopped working with him due to his poor management, but that the slumlord was often funded by the non-profits addressed. Flowers said that people are entitled to a healthy environment, and that poorer communities just want a good neighborhood back, especially since they are paying above their fair share.
- II. Andrea Raila worked on this issue for the Harold Washington administration, and they found the same "Tax Divide" back then. She said the discovery did not have the same impact as the Tribune article stories did. She agreed about the need for a disabled tax exemption since they only get \$300 of relief. The state has a great exemption for veterans who are 70% disabled with a limit of \$850,000. There's another exemption for long-term homeowners, but that it is only for Cook County, for people making less than \$100,000. However, when she looked at the stats, she found only people on the north and northwest side seemed to be taking advantage of it, and homes were worth \$1 million to \$4 million. She said that no long-term exemptions were taken out on the southside. Raila said the senior freeze exemption was also being taken by wealthy landowners. Raila said exemptions should be looked at to help the people who are overburdened, and to put in caps for home worth. Raila said she wanted to have a disabled exemption that would forgive taxes for a year or two.
 - i. Flowers asked a clarifying question about the homeowners' exemptions. Raila said the exemptions could last forever, and the veterans exemption is

passed onto the spouse. Raila said that the long-term exemption must be filed every year, and seniors have to file every year until this year. Raila said it was great the legislature passed a bill that made it automatic. She said it was hard to monitor all the exemption programs from fraud or correctness. She said assessors' offices have to do a better job of education and monitoring. She noted that the long-term homeowners' exemption is only used by 2,000 homes, and all of them are on the north side. She said only Cook County allowed the exemption; the other 101 counties opted out. Flowers said it was unfair that wealthier neighborhoods were taking advantage of exemptions and appeals, making taxes go up elsewhere.

ii. Harris asked for clarification, too. He said his groups' research showed the wealthiest make appeals at a much higher rate because they can afford it, so they'll be taxed less. Raila noted the story about how northern suburban homes also just saw their assessments drop due to FEMA flood maps.

III. Mother Wade spoke next and said she agreed with most things. She worked in Chatman. She said that homes that used to be stable are no longer so. She said there had been an influx of foreign buyers grabbing everything. She says she pays way too much in taxes, especially because she lives near a train line, whose vibrations were destroying her house. She believed the system was designed to make her community lose her home. She also thought they were using mortgage value to find appraisal value.

i. Raila said in 2016 that northside homes got appeals based on plane noise out of O'Hare. She believed someone like Mother Wade should get a tax break. She again noted that the assessor can open up townships assessments after they've been closed, which they did on the north side.

IV. Devin Jones says he's being hammered by taxes, not just property taxes. Everyone is in a budget deficit. He worries that the taxes are just go somewhere else like the gas tax if the legislature seeks property tax relief. He called for consolidation, and more importantly a comprehensive package that doesn't just look at property taxes and everything is done at once. He says the legislature often just makes small changes and he would want a more comprehensive approach that simplifies the process, too. He also asked what desegregation would look like, since it sounds like gentrification to him.

i. Flowers said laws sunset, so the legislature can review and make sure they're up to date. She said the purpose of the hearings was to take testimonies, to discuss policies and strategies. Some legislation will take longer, and some could be immediate relief. As part of segregation is concerned, she said intentional desegregation must be part of the plan. Flowers noted that the northside didn't use to be so nice and fancy but noted that revenues were able to stay in the community, and the southside ended up paying more in taxes.

V. Harris wanted to do a summation of what was discussed. He said that the causes have been well studied and well addressed, and he encouraged that people should move onto solutions. He read the Property Tax Relief Task Force legislation again. He addressed causes. He said there's been an unfair shift in property tax burden. From a racial standpoint, minority communities are being particularly

hardship, and a disproportionate burden has moved from the rich to the poor. The tax system is systematically unfair favoring the wealthy and politically connected. He said assessment system is error ridden, effectively punishes poorer home owners, and a systematic transfer of wealthy to the rich. Richer people have a function property tax lower than poorer people, which is exacerbated by the fact that the wealthier are taking advantage of the appeals process. He wanted to address a couple issues. First was sales chasing, the process of modifying the value of a home sold based on a sales prize, which is not accepted practice by assessor associations. He also said there was a problem with hand review. While the assessor's office used data and models, 90% of appraisals are eventually changed before notices are send to homeowners. He also noted that as the percentage of white residents increase, the value to tax ratio decreases. Illinois' tax policies perpetuated poverty. In Illinois, 94% of African-Americans and 83% of Hispanics live in low-income communities with the worst schools, lowest growth, and the least quality of life also had the lowest capacity of tax wealth. Harris talked about the Tribune's Tax Divide story too. He said on the short term the assessor's office can bring more transparency and equity to the system. He called bringing the standards of the association of assessment officers are written into law, becoming a legal requirement. He said a idea has come out of the idea of making people whole again is to look at reparation zones, zip codes that have traditionally borne the burden of the tax problem. He called for a tax credit for people in a reparation zone that either suffered from racial or economic discrimination. He also called for an area inured reparation zone that would bring immediate relief. Finally, he talked about the inefficient allocation of students that is driving up costs.

VI. Fellow called for more organizing.

VII. Travis called for people to research Proposition 13 in California. Its purpose was to insulate property tax payers. It has flaws. But it took assessors out of the process. He also said there was a need for a progressive income tax in Illinois and he brought up the idea that no taxes should be raised without a 2/3rd vote.