

PROPERTY TAX RELIEF TASK FORCE
Subcommittee: Social and Economic Disparities

Meeting Notes

Wednesday, October 23rd, 2019

3:00 PM

1 East Benton Street
Aurora IL 60505

MEETING START

Meeting Scheduled to Start: 3:00pm. It began approximately at 3:00pm.

AGENDA

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

Name	Present		Name	Present
Representative Mary E. Flowers	Yes		Representative Sam Yingling	No
Representative LaToya Greenwood	No		Representative Lamont J. Robinson, Jr.	No
Representative La Shawn K. Ford	No		Representative Thomas Morrison	No
Representative Marcus C. Evans, Jr.	No		Senator Christopher Belt	No
Representative Delia C. Ramirez	No		Senator Robert Peters	No
Representative Curtis Tarver	No			

II. Open Discussion.

- I. Sherwin Jenkins, Chairman of the Board of the African-American Chamber of Commerce and former Alderman of Aurora welcomed everyone to the legislative meeting. Introduced State Representative Barbara Hernandez
- II. Representative Hernandez stated that property taxes and pensions are an area of great concern for her Aurora constituents. Welcomed these types of meetings as a forum to understand the needs of the community. She thanked Representative Flowers for hosting the meeting.
- III. Deputy Mayor Chuck Nelson spoke on behalf of Aurora Mayor Richard Urban. Nelson is thankful to Flowers and to Governor Pritzker for recognizing that property taxes are critical for the community. He wants to have an open dialogue about the priorities around property taxes. Nelson believes property taxes are a needed source of revenue but doesn't agree that people should get penalized for attempting to restore or upgrade their homes.

- IV. Flowers called the meeting to order and conducted a roll for sub-committee members. She announced that this was the Property Tax Force Relief hearing created by Governor Pritzker. She also explained the purpose of the meeting and asked if anyone had read the Tax Divide, a series of in-depth newspaper articles that chronicled how the working poor are actually subsidizing the property taxes of wealthy on the northside of Chicago. Flowers believed that senior citizens should not be losing their homes and wants to work to change the systems in place that places her community in a disadvantage. She introduced the individuals whom would be giving a testimony.
- V. Lakeria Colquitt said she the Chief Operating Officer for Brother's Keepers. She wanted to talk about how the rise of property taxes effects disabled people. 51% of people that are disabled are of working age-18-64. When a working individual becomes disabled their salary is cut by $\frac{1}{4}$ or $\frac{1}{2}$ of their original pay, paying property taxes becomes harder to do and for some it is only a matter of time before they lose their homes. While there is a tax exemption for the disabled it renders little savings and its difficult to get. Recommends that the Illinois tax code should include a disability amendment that allows for an individual who is diagnosed with a disability, to be exempt from paying property taxes for the first year. The allotted year would allow a newly disabled individual to address their illness and to determine how to move forward without the pressure of being in arrears and eventually facing foreclosure. In the second year the idea is to adjust the property tax amount to reflect their current income.
- VI. Clifton Graham was a resident, business owner of a financial service agency, and landlord. He is grateful to Flowers for giving the community an opportunity to be part of the solution. Graham lives in the south suburbs, when he purchased his first home 27 years ago his property taxes were \$3,000, today they are \$14,000 and the value of his home today is similar to when he first purchased the home. He had to relocate his business to Indiana where his annual property taxes are around \$2,000. Graham has family members that are also homeowners and they are also facing high property taxes. He recommends reading The Tax Divide, a series of investigative articles from the Chicago Tribune about the inequities of property tax assessments, heavily taxing the poor and subsidizing the wealthy. Believes it is unfair how easily people can lose their homes, and have investors sweep in and take someone's property for almost nothing. Graham says he worked hard to oust the previous Cook County Assessor out of the office and today he is glad to be participating in this sub-committee, he and others have found solutions he hopes can be addressed and implemented.
- VII. Revin Fellows was a former teacher, gang prevention specialist and considers himself a family man. Fellows references the Metropolis 2020 plan and many succeeding urban development plans culminating in the Burnham Plan, and how these plans were created without the input of black communities. Fellows cited a Metropolitan Planning Council and Urban Institute study that found the cost of segregation in Illinois has amounted to \$4.4 billion dollars.
- VIII. Anthony Travis was as the "tax doctor." He believes that property taxes are the sole reason many Illinois residents are moving outside the state. New Jersey has the highest property taxes and find themselves in a similar situation as Illinois.

Travis suggested to the audience that they should google California Proposition 13, which has been on the books for 40 years and meant to insulate property tax owners. Travis referenced a Sun-Times article in 1995 that said we need reform in how education gets funded because only seven communities stand to benefit from this old system. In order to cut property taxes and make Illinois affordable we must create a one state-wide budget for school funding, like Hawaii and California have done. In addition to consolidating the current 856 school districts into 102 unified K-12 districts. The City of Harvey has four school districts within a two-block radius and under state law each school district must have a superintendent. He reiterates his recommendation in adopting a more equitable way of funding schools by creating the state-wide budget. Additionally, addressing the pension crisis by eliminating the protection clause of 1984 which stops people from paying state taxes on retirement income similar to what the state of Arizona did. Illinois has spent \$40 billion dollars that have gone to pensions. Illinois has 7,000 units of government, 2nd highest taxes in the nation. We also have 653 police and fireman pensions in the state, that translates to 653 entities with “their hand in the cookie jar”. The current task force created a great proposal to consolidate the pension plans but it left out Chicago and we need to include Chicago.

III. Public Comments

- I. Margie Laugren was a longtime resident in the community. She said young people no longer consider Illinois a forever home. The appreciation values of homes are lower in Illinois in comparison to the rest of the country. She wants to know how we are going to get younger people to resettle back in Illinois. And she also has concerns about TIF, know that they bring economic development but if taxes continue to go up people cannot afford to buy anything.
 - i. Travis said TIF was meant as a good resource for redevelopment but was abused. Encourages people to work with their alderman and talk to their representatives.
- II. Randy Rider was concerned over what he refers to as the snowball effect, he is not fortunate enough to own a home but knows that when property taxes go up so does his rent. He has long been an advocate of abolishing the property tax formula that establishes school funding because it also perpetrates the status quo - the poor will continue to have inadequate school while the wealthy continue to have better schools.
 - i. Flowers thanked Mr. Rider for his comment and reiterated that property taxes effect both landlords and tenants alike. She also took a moment to acknowledge her colleague Representative Kifowit?
- III. Angela Collier testified that her mother is 73 years old and she lost her home which was fully paid for but she could no longer afford the raising property taxes. She was forced to use her life insurance money to afford an apartment where she pays \$1,200, plus utilities, which she also can't afford. She is in the process of moving in with a daughter because she can not afford to live by herself. However, it is not just senior citizens, she is seeing everyone around her struggling to pay for housing and utilities.

what is actively being to address this situation? Millionaires from 2012 to 2016 migrated by the millions to California even though they increased their income tax by 13 percent.

- i. Flowers responded by saying that we need to get rid of the flat tax, so the rich pay their fair share. She noted Governor Pritzker wanted to implement the fair tax. Flowers invites those present to participate in the process, to vote.
- IX. Victor Campaenero said it was a federal problem that states were fighting over businesses. He said Sears moved back and forth from the city to the suburbs to chase tax credits and noted Amazon and General Electric are paying zero taxes right now. Wanted to know if there is a referendum that would force big corporations to pay their taxes.
 - i. Flowers said a financial transaction tax would make a company like Amazon paying their fair share of taxes. She noted again that the Fair Tax would be on the ballot, but not the financial transaction tax. Fellows said that subsidies brought companies out to the suburbs, and TIFs are bringing them back downtown.
 - ii. Clifton Graham says that within a five mile radius of his house, there are four Walmarts in his community in the southern suburbs. Each Walmart bring in about 1 million dollars a week and they are paying the minimal amount of taxes. If someone doesn't like it, Walmart will just move.
- X. An unknown participant state that her tax bill for 6 months was \$10,000, she indicated that she has a \$98,000 home and has not been there a full year. She believes that the sellers try and hide the amount of taxes because it didn't seem like that much when she purchased the property. She is paying property taxes for two school districts and she doesn't even have any school age children of her own.
- XI. Representative Kifowit said she was an alderman in the community for a number of years and a State Representative for 7 years. In her current capacity she has been working to provide more money to schools. She recently helped appropriate \$375 million to schools and changed the school formula. But the bottom line is that we can shift education funding off property taxes but we also have to change the system. She agreed businesses aren't paying their taxes and its shifting the burden on us. On the federal level tax bill hit the middle class harder while it gave tax breaks to the wealthy. On the state level we are looking at the development tools that are employed such as TIF districts that take money away from schools and commercial properties which tend to get preferential treatment or assessments lowered. Schools levies are small changes, but that money compounds and compounds. She said she was working hard in Springfield to bring bold proposals forward. She called for a tax swap – and the need for more revenues into the state budget and taking pressure off property taxes.
 - i. Campaenero asked about a budget freeze. Kifowit said We cut the state budget to the bone. We've have flat budgets for a decade now because we're not hiring people. There has been consequences to that in reduced services. Campaenero agreed and said budget cuts hurt the elderly. Kifowit said MAP grant cuts. She called for a balance in cuts and revenue.

- XII. Andrea Jones stated her property taxes have doubled and wants to know how much longer it will be before some relief is provided, she is in danger of losing her home.
- i. Flowers believes the answer is in the combination of both short- and long-term solutions. The purpose of these hearings is to find the burdens that confine our community and find solutions and best practices to address these burdens and write them into law. She mentioned exemptions like the longtime resident exemption, is something that people can use right now. Flowers read off the different types of tax exemptions and what they are for so participants could take advantage.
- XIII. Dr. Lashonda Graves was named the “Apartment Lady” and focused on 2nd chance rentals and eviction prevention. Affordable housing is a hot topic because it is becoming a scarce resource, the middle class is also diminishing.
- XIV. Representative Hernandez said she was glad to be present at the hearing and invited people to come to her extended office hours. Her office has partnered Kane County and township assessors in an event where the public had the opportunity to have their assessment for their property taxes. She plans to have this event again in the Spring.
- IV. **Meeting adjourned** at approximately 5:00 pm.