

PROPERTY TAX RELIEF TASK FORCE
Subcommittee: Assessments & Exemptions

Meeting Minutes
Friday, October 25, 2019
2:00pm

James R. Thompson Center
100 West Randolph Street
IDOR 7th Floor Media Room
Chicago, Illinois

MEETING START

Meeting Scheduled to Start: 2:00pm.

AGENDA

I. Welcome/Roll Call

- a. Representative Willis, sitting in for Representative Davis, called the meeting to order around 2:05pm. Willis laid out the schedule for the full Task Force and this subcommittee in the coming days.
- b. Roll Call was taken. Quorum was not met.

Name	Present
Representative Davis – Chair	No
Representative Didech	Yes
Representative Ford	No
Representative Greenwood	No
Representative Mayfield	No
Representative Mazzochi	Yes
Representative Meyers-Martin	Yes
Representative Ramirez	No
Representative Yingling	No
Senator Belt	No
Senator Ellman	No
Senator Martwick	No
Senator Righter	No
Senator Tracy	Yes

II. Guest Testimony - Holly Kim, Lake County Treasurer

- a. Kim explained that Lake County was the 3rd largest county in the state with over 280,000 parcels that are taxed, and that Lake County has the highest average tax rate in Illinois. Her office collects \$2.4 billion in property taxes. Kim called for the modernization of the property tax administration. Her office is required to abide by Illinois statutes that date back a century. As an example, her office is required to issue a final notice by registered mail, the most expensive mail, even when people are used to getting electronic notices. Also, property tax operations are split between different departments, hindering the process. The supervisor of assessments keeps record of the assessment for the tax roll, but

the treasurer keeps the mailing address, meaning property tax payers have to visit both offices. Kim said many property owners find the process complex. Her office created an outreach program and enjoyed a good turnout. The most commented question was about exemptions, which is not an easy answer because it deals with tax rates, levies, and which county someone lives in. In short, she believed there was too much variability in exemptions and a simpler overall property tax system will help taxpayers. She offered Lake County as a place to test out new processes.

- b. Representative Mazzochi asked about the cost of administration compared to revenue. Kim said her office brings in \$2.4 billion. As an example, she said her office uses a new technical software, which costs \$48,000, just for licenses. She added that when people update their information it can take months for it to be reflected in both her system and the assessors' system. She has 16 employees, with 1 being a part-time employee.
- c. Mazzochi brought up the issue of certified mail. She noted the upside of mail was that many people lose emails. She asked if there was a more secure and cheaper option? Kim said her office was moving to an e-bill system. She also noted that certified mail final notice was the 4th notice that taxpayers get. She also says that after that, taxpayers who are in danger of losing their homes will get served and other certified mail that inform them of their rights. Kim said they would propose a bill that would move to first class mail for her office's final notice, since it would go right to the home and would remove the state requirement to issue a certified mail even if she came up with a different system. She sends out around 6,400 certified letters. Willis noted the state reasoning is that everyone is assured the taxpayer has received the notice.
- d. Senator Tracy noted that Kim probably gets blamed for an assessment due to the complexity in the property tax system. Tracy said she heard from people that showed up to pay their property taxes but found out they owed more due to interest charges. Kim said that does happen.
- e. Tracy said they looked at affordable housing last year. She noted they tried to streamline the tax system but had to protect the rights of the homeowner who's behind on their taxes and help the bank put a property back on the rolls faster. Tracy said the appeals process was just as complex. She noted that the state appeals process doesn't send out certified mailings and she said that meant some taxpayers were unsure if their appeal was occurring or not. Kim said she could not speak to those issues but was close to the Lake County Assessor and would ask them.
- f. Representative Willis said she represented two different counties and four different townships. She said Cook county was easier on basic appeals and DuPage was much more complicated. In DuPage, a lot more responsibility was placed on the homeowner to gather necessary information in order to file an appeal. She connected that to the idea "wealthier homeowners are more likely to appeal their taxes."
- g. Representative Didech wanted to talk about all the different offices involved in property taxes, like the clerk's office, recorders of deeds, supervisor of assessments, treasurer, and local township assessors. He said it was inefficient and confusing. But, he said, they needed to make sure there are checks and balances between the different offices. Kim said her technical background taught her to look at the entire process. She said information takes months to reverberate around the different offices when it should be immediate. She again noted all the different offices involved in the system, but said they were confined by state statute. The legislature would have to give more flexibility in order to allow some counties to experiment like hers. She wondered about what checks and balances are currently in the system, since each office was really doing different things. Willis said some counties are combining clerk's offices with the recorder of deeds. Didech thanked Kim for being willing to experiment.

- h. Representative Meyers-Martin said Cook County Assessor Kaegi agreed with her that Cook County assessments are way out of line especially for some geographic areas. She asked if Kim saw the same problems in Lake County. Kim said she could not give an official answer since she was not the Assessor. She said she did some similar patterns in high foreclosure neighborhoods. She used to live in Matteson and knew there were discrepancies between old growth and new growth. In Lake County, the township assessor should account for those issues. She finally noted that there are thousands of appeals filed so there must be some of the same problems.
- i. Willis agreed that discrepancies between counties on assessments make it confusing for people. The state often looks to Cook County as a carveout or natural experimental place.

III. Guest Testimony - Chief Deputy Assessor Sarah Garza Resnick and Chief Legal Officer Tatia Biggins, Cook County Assessor's Office

- a. Biggins wanted to talk about the difference and changes in exemption levels in different counties. In Cook County the homestead exemption changed from \$7,000 to \$10,000 and the senior exemption increased as well. This led to some parcels falling off the tax rolls, due to the level of exemptions leading to no tax due. That's good for them, but it means everyone is paying just a little bit more. In Harvey, the number of people who were not paying taxes tripled. In other areas it doubled. Exemptions are authorized by state statute. She said this should be something to keep in mind. She also noted, regarding the talk about consolidation of property tax functions, that would have to be done either by changes in state law or referendum, depending on the office. State statute dictates what each office does. (35:0)
- b. Willis said it often happens that exemptions do not get push back in the legislature due to their popularities. She noted the wave of foreclosures put a lot of pressure on other taxpayers and understood the unintended consequences. Biggins said it was important to look at the data when changing exemptions to see what it would look like. She said it would give everyone a better understanding about how changes would impact the county. Resnick said, last year the legislature passed a bill to automate senior exemptions using data. This will lead to transparency and efficiency. Biggins said more data will help south suburban homeowners get a fairer assessment of their property. That may not change the entire levy, but the assessments would be more accurate. Resnick said the International Association of Assessing Officers sets parameters to judge how fair assessments are. She also noted the Assessor is trying to conform to those parameters but needs more data. She said other states have a more rigid process.
- c. Meyers-Martin asked about the long-term exemption, which has an income requirement less than \$100,000. She said people could not get it in her neighborhood and she didn't understand why. Resnick said one idea they had was to work with the Illinois Department of Revenue to get an automatic check to say whether they make more than \$100,000. Biggins and Resnick said she wanted to talk more about it because they want to identify systematic problems with the system. Meyers-Martin thanked their office for being accessible.
- d. Willis said Cook County's doing a great job with data sharing, but other counties are not doing as well. She asked if the presenters have any suggestions? Resnick said every department should really think about what data they have, and what data they need, and to match that. She said that's what they did in the Cook County Clerk's office. Biggins said a data sharing agreement exists with the Illinois Department of Public Health and the Social Security system to share death records to help automate the senior exemption program. She said they are always trying to find more ways to integrate data. In Cook County, all of the property tax offices are currently trying to switch to a shared system.

- e. Representative Mazzochi asked about the best practices. Resnick said the organization is called the International Association of Assessing Officers that set forth a number of recommendations and a number of different ways to assess fairness. Biggins said we use the IAAO recommendations, but we're also guided by Illinois state law.

IV. Public Comment. There was no public comment.

V. Adjournment. Meeting ended at 3:00pm.