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## Introduction

Most people are familiar with the phrase “property taxes” and for most people the phrase has extraordinarily negative connotations. Illinois residents face the second highest effective property tax rate of any state in the country, according to the Tax Foundation.<sup>1</sup> Wallethub echoed those findings<sup>2</sup>, and a USA Today story reported that, relative to property values, Illinois collects more than double the national median rate.<sup>3</sup> That property taxes are a source of pain is hardly news to Illinois property owners. Indeed, this field has been plowed before. The state has created property tax study commissions in the recent and not-so-recent past, including in 1982,<sup>4</sup> 1996,<sup>5</sup> 1998,<sup>6</sup> and 2009.<sup>7</sup> None of them solved the problem.

Property taxes remain a problem because the state relies so heavily on them to fund public services. Local governments in Illinois collect about \$30 billion each year in property taxes, about 38% of total tax collections in the state.<sup>8</sup> The state ranks 12th among other US states for its percentage of tax collections drawn from property taxes.<sup>9</sup> About half of Illinois property taxes are raised within Cook County with the balance split between the collar counties and the rest of the state.<sup>10</sup>

Illinois relies more heavily on property taxes to fund public services than nearly every other state. Property taxes fund the activities of just over 6,000 units of government, including 102 counties, 1,400 townships, 1,300 municipalities, 900 school districts and 2,200 other districts.<sup>11</sup> The process is both vital to the delivery of local government services and so opaque that the people who pay the bills often do not know why they owe what their bill seeks to collect.

The property tax process is grounded in the state constitution. Article IX, Section 4, declares that “taxes upon real property shall be levied uniformly by valuation ascertained as the General Assembly shall provide by law.” State law outlines procedures and local governments each play different parts, but in general, units of

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1 The Tax Foundation defines a state’s effective property tax rate as the average amount of residential property taxes paid as a percentage of owner-occupied home value. Their analysis finds that the effective property tax rate in Illinois hovers around 2%, almost twice the national average. See, generally, <https://patch.com/illinois/across-il/illinois-property-tax-rate-among-highest-nation>

2 <https://wallethub.com/edu/states-with-the-highest-and-lowest-property-taxes/11585/>

3 <https://www.usatoday.com/story/money/2019/02/11/property-taxes-us-state-state-look-what-youll-pay/38909755/>

4 [https://vufind.carli.illinois.edu/vf-isl/Record/isl\\_119653](https://vufind.carli.illinois.edu/vf-isl/Record/isl_119653)

5 [https://vufind.carli.illinois.edu/vf-isl/Record/isl\\_671452](https://vufind.carli.illinois.edu/vf-isl/Record/isl_671452)

6 [https://vufind.carli.illinois.edu/vf-isl/Record/isl\\_892211](https://vufind.carli.illinois.edu/vf-isl/Record/isl_892211)

7 Property Tax Reform and Relief Task Force, Report to the General Assembly, December 2009

8 IDoR Tax Statistics: Property Tax Statistics 2018 Table 1

<https://www2.illinois.gov/rev/research/taxstats/PropertyTaxStatistics/>

9 <https://taxfoundation.org/state-and-local-property-tax-reliance-2019/>

10 IDoR Tax Statistics: Property Tax Statistics 2018 Table 1

11 IDoR Tax Statistics: Property Tax Statistics 2018 Table 4

<https://www2.illinois.gov/rev/research/taxstats/PropertyTaxStatistics/>

government determine the levy, the total amount they need to meet their obligations, and those levies are then distributed among property owners, based on the taxable value of their property. State law and local ordinances address more of the specifics, but what most property owners understand is the bill that arrives is often among the largest bills they pay each year.

Property taxes have long been contentious. Property taxes have been in use since the state was founded as a farming giant, but as the state's economic engines move farther and farther away from land, the connection between property ownership and ability to pay has become increasingly tenuous. Where an owner's land value was once a reasonable proxy for the land owner's ability to generate income to pay taxes, today most jobs and most household income are removed from any direct connection with the land. For many people, their home is their largest capital asset. The taxation of people's homes creates a level of insecurity when families are constantly questioning whether they are able to afford the property taxes and stay in their homes.

Today's reliance on property taxes underscores how broken the system of funding local government services has become. Too many units of government rely too heavily on property taxes, which are predicated on the value of something that is most often unrelated to the owners' ability to pay.

School funding accounts for the lion's share of local property taxes<sup>12</sup>, despite the 1970 Constitution's guarantee that "[t]he State has the primary responsibility for financing the system of public education."<sup>13</sup> School funding reflects the state's historic commitment to educating children, maintaining the state's competitiveness, and preparing our citizens to lead productive lives in a wide and changing mix of occupations. But schools derive most of their support from local property owners<sup>14</sup> and the ability of local property owners to support schools varies greatly around the state. In areas with declining populations and weak business sectors, funding schools by taxing property, which is unconnected to ability pay, places schools on unsteady footing. New revenue sources will be needed to ensure that schools can continue to meet Illinois' needs. New funding sources for schools could also go a long way toward reducing school levies and thereby reducing property tax bills.

The Illinois General Assembly created this Task Force, charged to:

utilize a racial and economic equity lens to identify the causes of increasingly burdensome property taxes across Illinois, review best practices in public policy strategies that create short-term and long-term property tax relief for homeowners, and make recommendations

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<sup>12</sup> In 2018, property taxes extended reached \$31.8 billion across Illinois, and schools accounted for \$19.7 billion of that, or 62%. The ratio was even higher in the collar counties, where schools accounted for 69.9% of the \$9.4 billion extended. Downstate reported 63.7% of the \$7.4 billion extended was for schools, while Cook County, which has the largest share of the state's property tax base, reported 56.3% of the \$15.0 billion extended was for schools – still a majority, but smaller than in other areas. See Table 06, Comparison of Total Taxes Extended.

<sup>13</sup> Art. X, Sec. 1

<sup>14</sup> See Illinois State Board of Education

to assist in the development of short-term and long-term administrative, electoral, and legislative changes needed to create short-term and long-term property tax relief for homeowners.<sup>15</sup>

This Task Force was convened during the summer of 2019 to explore ways the legislature can create meaningful change in the property tax bills homeowners around the state face each year. The Task Force proved extraordinarily popular among legislators: while the enabling legislation did not require any number of members, nearly half of all legislators asked to serve. To accommodate this groundswell of interest, the Task Force expanded to 88 members, and performed most of its work through its seven subcommittees. These subcommittees held nearly three dozen hearings around the state between early August and late December.

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<sup>15</sup> PA 101-0181, codified at 35 ILCS 200/24-36

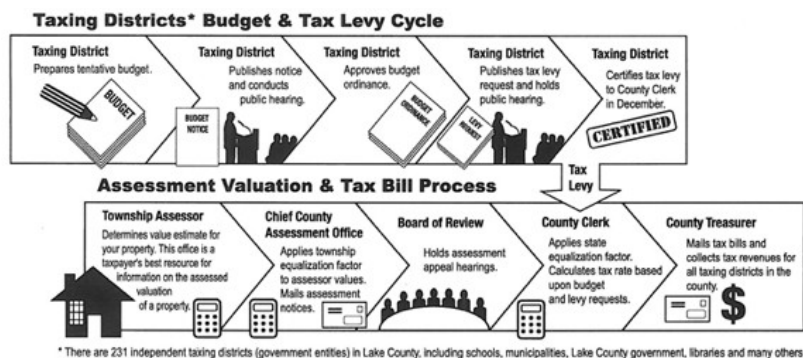
## The Property Tax System: How bills are generated

Illinois' property tax system is a regular punching bag, and for good reason. The process is opaque, the bills are large, and there is wide belief that the system is rigged against ordinary homeowners.

The modern process of generating funds through a tax on property traces to an Illinois Supreme Court ruling in 1901, which upended the system the state had used for its first eight decades. Under the prior system, each property was assigned a value and taxes were based on a fixed fraction of that value. This system relied heavily on accurate valuations: improper or insufficient valuations would result in reduced revenue by the units of government relying on that revenue. In late 19<sup>th</sup> century Chicago, the Teachers Federation determined that swaths of commercial and industrial property were grossly undervalued, resulting in significant budgetary shortfalls at the Board of Education. They sued, claiming that the assessment's deficiencies were unfair to both property owners whose parcels were overvalued relative to other similar parcels and to units of local government who were deprived of anticipated revenue when the property tax process failed to assess properties uniformly.<sup>16</sup>

In 1901 the Illinois Supreme Court agreed with the teachers' contentions and ordered the state to develop a new way of generating revenue through property taxes. This reformed process is still in use, with some variations, to this day. The reformed process directs local governments to levy a fixed amount representing the revenue they determine to be necessary. This levy is what property tax bills should generate, regardless of how properties are valued. The new process also allows any property owner to challenge the fairness of their assessment based on a variety of reasons, including a lack of uniformity relative to comparable parcels.<sup>17</sup>

To better understand how property tax bills are generated, consider this graphic<sup>18</sup> from Lake County which summarizes the property tax process now in place in most counties:



16 See, generally, *State Board of Equalization v The People* 191 Ill 528, 61 NE 399 (1901)

17 Ibid

18 <https://waucondatownship.com/assessors-office/>

Illinois' procedures for spreading the levy among property owners has not been copied in many other jurisdictions and remains widely misunderstood in Illinois. But in broad strokes, here is how property tax bills are generated in Illinois:

- I. The property tax process starts with **units of local government**. Thousands of service districts, schools and municipalities, among others, levy taxes to support their work. These levies may be initially approved by voters or may, as in home rule communities, be set without a popular vote. A single parcel may be within the bounds of a dozen or more local authorities, such as school boards, villages and counties, and each of them may set levies. The levy represents the anticipated property tax revenue for that unit of government, and regardless of how properties are assessed, the process strives to make revenue more predictable for units of local government. In this way, local units of government are protected against sudden shortfalls in revenue should the assessor suddenly reduce the taxable value of properties in the jurisdiction.
- II. Simultaneously, assessors determine **the valuation of each parcel** within their jurisdiction. For the most part this process is conducted by county assessors, but others have a role as well. For example, the Illinois Department of Revenue sets the value for farmland and some parcels, including those used for State and local government, cemeteries and charities, are exempt from taxation entirely. Assessments are based on the fair cash value of a property, modified according to the law. Any property owner may challenge an assessment based on similar comparable properties and appeals may be lengthy. Regardless of how the properties are assessed, the process is designed to generate the same amount of revenue. It is important to note that assessments are divorced from levies. If the value of all property goes down, it is entirely possible that bills will see only negligible changes. Similarly, if assessments increase across the board, individual tax bills may not change appreciably.
- III. Once levies and assessments have been set, the county clerk will compare the total levy for each unit of government with the total assessed value of property within that unit's jurisdiction to **determine the tax rate** for that unit of government. If there are several municipalities in the county, the clerk will look at each one in turn: if one municipality's levy is X, and the total value of property in the municipality is Y, and then the rate for that municipality is X divided by Y. Looking at a different municipality, the clerk will repeat the process: if the next municipality's levy is B, and the total value of property in the municipality is C, then the rate for property in that municipality is B divided by C. The clerk repeats this process for every municipality, school district, library district, and so forth until rates have been calculated for all jurisdictions within its boundaries, subject to the Property Tax Extension Limitation Law (PTELL) and other statutory considerations.

- IV. Finally, the county treasurer will **generate the actual property tax bill** for each parcel in the county. The treasurer will look at each parcel, determine which jurisdictions contain the parcel, and apply the rate for each of those jurisdictions to the taxable value of that parcel. The treasurer will collect payments and disburse funds to units of government. Treasurers also issue refunds based on appeals.

This system has several features that deserve attention. First and perhaps most importantly, note that tax rates change every year. Unlike in states where the rate is a fixed percentage, in Illinois the rate is determined annually by comparing the total levy for a jurisdiction with the total taxable value of property within the jurisdiction. All else being equal, if only the levies change but assessments do not, or if only the total value of property changes but the levies do not, then the rate will change every year.

The way Illinois determines tax rates has significant effects on bills that are sent to each property owner. For instance, on a jurisdiction-wide basis, if the value of all property stays the same but the levy increases, then the rate will also increase even though no property is worth more than it was previously worth. Similarly, if all property increases in value, but the levy stays the same, the rate will fall even though each property is worth more. By itself, the value of an individual property may have little impact on the bill that property receives; what matters more is the relationship between the value of that property and the total valuation of all property in the jurisdiction and the levy for that jurisdiction. If every property sees a significant reduction but one, and that one sees a minor reduction in valuation, and if the levy stays the same, then most properties may see a slight reduction in taxes while the one that saw a smaller reduction will see an increase in taxes. This is because taxes are apportioned based on the relative worth of each parcel when compared with other properties in the jurisdiction. If a property represents one percent of the total valuation in a district, then that property will pay one percent of the levy in that district. If every other parcel decreases in value while that one parcel stays the same, such that the relative worth of that property increases from one percent to one and a half percent, the taxes owed by that one parcel will increase because its share of the total value of property, and therefore its portion of the total levy, will increase.

Floating tax rates, itself the result of historical reform to the system, has implications for many of the concerns raised to and discussed by members of the Task Force. From exemptions to TIFs to equalization to consolidation, translating changes to part of the system into changes in tax bills is a complicated process. To the extent anyone is seeking to reform the system primarily to reduce bills paid by most or all property owners across the state, that reform will be difficult to guarantee. Rather, it will take several reforms, each targeted at the unique issues of different localities around the state, to bring change to most property owners.

Let's look at each part of the property tax billing system in turn, to better understand how the whole system can be reformed so that tax bills can come down.



## Levies: Determining the Cost of Local Government Services

Illinois' 6,000+ units of local government derive \$30 billion in revenue each year from property taxes. While some of these have other sources of revenue, many are excessively dependent on property taxes to fund their operations.

Local governments face constraints on what levies they may set. They may be bound by the Property Tax Extension Limitation Law (PTELL) which, as the name implies, limits increases in local government levies. They may need to seek voter approval for increases, though many may raise levies themselves in line with inflation. Home Rule units have the broadest latitude in setting levies, but even they are bound by restrictions.

## Assessments: Determining the Value of Property

The 1970 Constitution provides that “taxes upon real property shall be levied uniformly by valuation ascertained as the General Assembly shall provide by law.”<sup>19</sup> State law directs assessors to determine the “fair cash value” of each parcel, defined as “[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller.”<sup>20</sup>

Assessing property is essentially predicting what a willing buyer would pay and what a willing seller would accept.<sup>21</sup> The requirement that taxes be levied uniformly does not require that all property be assessed the same way, only that the rules be applied uniformly. Just as buyers and sellers may consider a variety of factors when agreeing to an arms-length transaction, so too may assessors consider a variety of factors when predicting what value that transaction would reach, were it to take place. Assessors can base these predictions on recent property sales, taking into account the different characteristics of each property, but look at other factors as well. When looking at commercial property, for instance, assessors rely more heavily upon income and expense records than sales data for setting valuations because sales data may be spotty, inconsistent, or not suitably comparable.

Where property is properly assessed, the cost of government may be distributed fairly among property owners according to the law. But where assessments do not reflect fair cash values, the burden of paying for government is shifted from some property owners to other property owners. Most recently, analysis by the Civic Consulting Alliance,<sup>22</sup> buttressed by reporting by Pro Publica and the Chicago

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19 Art. IX, Sec. 4(a)

20 35 ILCS 200/1-50

21 For a more thorough discussion of assessing procedures, see the Illinois Property Assessment Institute's Property Valuation (2018)

22 <https://www.ccachicago.org/wp-content/uploads/2018/02/2018-Residential-Property-Analysis-Final.pdf>

Tribune<sup>23</sup> found that in Cook County lower valued-properties were over-assessed relative to higher-valued properties and that residential properties were over-assessed relative to commercial properties. This had the effect of shifting the cost of government services from high-value owners to low-value owners, and from commercial properties to residential properties. Geographically, these researchers and reporters found that the downtown business district paid too little in taxes relative to true property values while the neighborhoods, especially lower-income neighborhoods, were overtaxed. This instance highlights how failures in the tax system can result in tax bills that are unrelated to a property owner's ability to pay. It also shows how unjust the process can become.

Residential property owners file for exemptions with assessors, but the exemptions are applied and the value taken from a property's equalized assessed value by clerks to produce the final tax rates. The dollar value of an exemption does not come off of the property tax bill; rather, the dollar value is deducted from the equalized assessed value of the property, prior to setting rates. That is to say, exemptions shrink the base and increase rates. If every property owner in a jurisdiction gets the same exemption, then the base will shrink, the rate will rise, and the net effect of the exemption may be negligible.

If exemptions reduce the taxable value of a property to zero, then that property is effectively removed from the rolls and taxes that it would have paid are shifted to remaining property owners.

State law provides for the following exemptions:<sup>24</sup>

1. General Homestead Exemption (Sec. 200/15-175): The General Homestead Exemption reduces the Equalized Assessed Value (EAV) of eligible homes by \$10,000 in Cook County and \$6,000 on other counties. To receive the Homestead Exemption, the applicant must have owned and occupied the property as of January 1 for the tax year in question. Note: The Alternative General Homestead Exemption (Sec. 200/15-176) phased in an increase in assessment in 7% increments over a ten-year period, for assessment years 2003-2005. It is no longer available, but counties must have opted into the Alternative in order to provide the Long-Time Occupant Homestead Exemption under Sec. 15-177, below.
2. Senior Citizens Homestead Exemption (Sec. 200/15-170): The Senior Citizens Homestead Exemption reduces the Equalized Assessed Value (EAV) of eligible homes by \$8,000 in Cook County and \$5,000 in other counties. To receive the Senior Citizens Homestead Exemption, the applicant must have owned

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23 <http://www.chicagotribune.com/investigations/ct-tax-divide-investigation-20180425-storygallery.html>

24 For a more thorough discussion of exemptions, see the Illinois Property Assessment Institute's Illinois Homestead Exemptions (2016)

and occupied the property as of January 1 and must have turned 65 years of age or older during the tax year in question.

3. Senior Citizens Assessment Freeze Homestead Exemption (Sec. 200/15-172): The Senior Freeze Exemption allows qualified senior citizens to apply for a freeze of the Equalized Assessed Value (EAV) of their properties for the year preceding the year in which they first apply and qualify for this exemption. In most of the state, the exemption freezes the assessment of the property at the year prior to the owner turning 65, provided that they meet income requirements. To receive the Senior Freeze Exemption, the applicant must be a senior citizen with an annual household income of \$65,000 or less. In the event that a senior citizen dies, leaving a surviving spouse who is not otherwise eligible for the exemption, the freeze continues for the tax year in which the eligible spouse died and also the next tax year. As this exemption is income-based, it must be applied for annually.
4. Long-time Occupant Homestead Exemption (sec. 200/15-177): The Longtime Homeowner Exemption affords qualified homeowners an expanded Homeowner Exemption worth the difference between the base year and the current year, with no maximum exemption amount. To qualify, the homeowner must have owned and occupied the property as of January 1 for the tax year in question, have an annual household income of \$100,000 or less, and the increase from the property's base year assessment must have exceeded 10% for households with incomes up to \$100,000 or 7% for other households. The homeowners may not receive both the long-term occupant exemption and the general homestead exemption. Homeowners must be apply for this exemption annually, and the county must have elected to be subject to the Alternative General Homeowners Exemption under Sec. 15-176.
5. Homestead Improvement Exemption (Sec. 200/15-180): The Home Improvement Exemption allows a homeowner to make up to \$75,000 worth of improvements without increasing the home's taxable market value for the new improvements for at least four years.
6. Returning Veterans' Homestead Exemption (Sec. 200/15-167): Veterans returning from active duty in armed conflict are eligible to receive a \$5,000 reduction in the Equalized Assessed Value (EAV) of their property for only the taxable year in which they return.
7. Homeowner Exemption for Veterans with Disabilities (Sec.s 200/15-165 and 169): Veterans with a service-connected disability as certified by the U.S. Department of Veterans Affairs

are eligible for this annual exemption. It the Equalized Assessed Value (EAV) on the qualified veteran's primary residence, depending on the degree of the veteran's disability.

8. Homestead Exemption for Persons with Disabilities (Sec. 200/15-168): This exemption provides qualified homeowners with an annual \$2,000 reduction in the Equalized Assessed Value (EAV) of the property.
9. Natural Disaster Homestead Exemption (Sec. 200/15-173): This exemption shall be granted for homestead properties that are rebuilt following a natural disaster. The amount of the exemption equals the difference between the assessed value in the assessment year immediately following repairs made within two years of a disaster and the pre-disaster assessed value. Although the assessment may continue to climb in ensuing years, the exemption is fixed at the difference between those two years. The exemption is available until the owner sells or transfers the property.
10. Community Stabilization Assessment Freeze Pilot Program (Sec. 200/15-174): This exemption is available only from tax years 2015-2029. Under this program, the assessor may reduce the assessment for residential properties that meet certain requirements: they must be newly acquired owner-occupied properties of six or fewer units; at least one residence on the property must have been vacant for six months before the owner purchased the property; the parcel must be clear of liens; the purchase price must not have exceeded the Federal Housing Administration's loan limits then in place for the area; the new owner must improve at least two primary building systems (including electrical, heating, plumbing, roofing, etc); among other criteria.
11. Exemption for Leaseback Property and Qualified Leased Property (Sec. 200/15-185): Provides that property that is exempt from taxes because it is owned by certain units of government will remain exempt from taxes once the property is sold to a non-exempt owners and immediately leased back by the exempt governmental body.

Some of these exemptions are "stackable" in that a property owner who qualifies for more than one may claim more than one. Others are exclusive: a property owner who qualifies for the Long-Term Occupant Exemption, for example, must choose between taking that exemption or the General Homestead Exemption.

Rates: Sharing the Cost of Government

In many states, property taxes are based on a fixed percentage of property values. Not so in Illinois. To ensure that units of government have predictable funding sources, Illinois backs into tax rates. County clerks are charged with comparing the amounts levied by each unit of government with the total taxable value of property within their boundaries, and setting the rate sufficient to derive the levy from property taxes on those assessed values.

For example, a clerk might start with the levy assessed by one school district, compare that with the value of property within the school district, and then derive the rate by dividing the levy by the taxable property values. The clerk may then move on to another school district and repeat the process, moving through every school district within the clerk's jurisdiction. The clerk might then repeat the process with municipalities, comparing each individual village's or city's levy with taxable property values in that village or city, and so forth. For each jurisdiction and in every year, tax rates are set each year to generate the levy from the economic base.

The 1970 Constitution allows any county with a population of 200,000 or more to assess property differently, and there are currently 10 counties with a population of 200,000 or more who are eligible to treat residential property preferentially. If residential property is assessed as a smaller percentage of fair cash value than other properties, residential owners make up a smaller share of the taxable base within the jurisdiction than they would otherwise, and therefore owners of residential property are responsible for a smaller portion of the levy. Currently, only the largest, Cook County, assesses residential property at a lower share of fair cash value than other classifications.

#### Bills: Funding Local Government Services

The final step in the property tax bill generation process is performed by county treasurers. After the clerk has determined the rate for each unit of government, the treasurer will issue bills for each parcel within their jurisdiction. The treasurer will collect the total taxes due from each parcel, based on the rate for each jurisdiction that contains the parcel and the taxable value of each parcel has.

#### TIF

Tax Increment Financing (TIF) districts are a development tool intended to generate money to support economic development in areas that otherwise lack resources. The goal of the TIF is to channel tax revenue generated by the incremental growth in the value of properties within the district back into economic development projects for the district.

TIFs are authorized by state law dating back decades.<sup>25</sup> There are many different kinds of TIFs authorized by state law, each with different goals and procedures. Broadly, however, they all involve collecting the taxes resulting from incremental growth within their boundaries and funneling that revenue to local use within the district.

A TIF is not designed to raise taxes on any property owners but sometimes TIFs do lead units of government to increase levies earlier than they otherwise would. Because the process has sparked concern and confusion, it is worthwhile to lay out how TIF districts affect tax revenue and tax bills.

The property tax process works the same regardless of the presence of a TIF, inasmuch as units of government continue to set levies, property continues to be assessed based on fair cash value, and taxes are collected so that each property owner pays their proportionate share of the various levies.

Once a TIF has been created, however, the treasurer will divert the amount of the bill that results from incremental growth within the district and reserve that portion of tax payments within the TIF. That is to say, the tax rate for each unit of government, multiplied by the change in total taxable value within the TIF, will be deducted from payments to each unit of government and instead paid to the TIF. Other units of government will continue to draw revenue from the TIF, but the amount of that revenue is frozen at the amount raised at the start of the TIF; additional revenue is attributed to growth and is siphoned off to pay for development projects.

TIFs have been cited for creating several problems. TIFs reduce funds available to other units of government by reserving that portion of the tax bills for properties within the TIF for the development purposes of the TIF. Where the new development attracts new residents, who may need additional or different local public services, the TIF can result in new strains on public budgets without providing new revenue to pay for those services. Because TIFs reduce the net income received by units of government, some units may decide to raise their levy sooner than they otherwise would, raising taxes for all property owners. Some TIFs have also seen slow growth in valuation, meaning that there is little incremental tax revenue to be diverted to the TIF. Some TIFs have been in place for so long that they continue beyond the point where they are needed to pay for the initial economic development projects; in this instance, the TIF may be hoarding money that would otherwise go to local government for little or no apparent public purpose.

## Appeals

Treasurers collect the taxes and deliver to each unit of government their share of each payment. Treasurers also issue refunds to property owners whose assessment appeals run beyond the setting of rates by the clerk.

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<sup>25</sup> 65 ILCS 5/11-74.4 et seq.

Total payments to each unit of government may be reduced to an amount less than the levy for one or more of several reasons. While the property tax system is designed to ensure that each unit of government has reliable funding and is intended to deliver the full levy every year, there are circumstances that might reduce total revenue for each unit of government. In addition to reductions based on TIF district, the principle reasons total revenue might not match the levy are:

- Non-payment of tax bills. Where property owners fail to pay taxes on time, treasurers automatically charge interest and will ultimately offer the taxes for sale to buyers who may, ultimately, take title to the property.
- Errors in assessments. If a property owner challenges their assessment and their challenge continues beyond the time when the clerk sets rates, then a reduction in their assessment will reduce the amount generated by payment of that rate. An assessment reduction under these circumstances will mean that the property owner will be refunded the difference and total payments to each unit of government will be reduced proportionately. If an appeals takes several years, the total overpayment for all years the overassessment was applied may be refunded at once, and the entire refund deducted from the next distributions of property taxes collected for the local governmental unit.

Each component of the property tax system works together to raise funds for public services, and each component could be reformed to reduce the cost of those services. Changes to the system will affect different parts of the state differently and no one change will effectively reduce property tax bills for all Illinois property owners. This Task Force recommends that the General Assembly consider a variety of reforms which, collectively, will attack each part of the property tax system and help to ensure that property owners do not pay more than is needed.

## How Property Taxes Can Be Reduced

Starting from a clear understanding of how property taxes are calculated and how bills are generated, the Task Force recommends a few steps at each point in the process that can have a clear and lasting impact on the tax bills that property owners receive each year. No one of these proposals will fix the problem by itself, and no one proposal will reduce taxes for all property owners across the state. Problems vary from region to region and a comprehensive package is the only way to address the disparate problems that result in higher than necessary property tax bills. If there were a silver bullet, someone would have found it. It will take multiple changes to effect real change for the largest number of Illinoisans.

### Attacking Levies

Illinois is now somewhat infamous for having so many units of government. Governing Magazine reports that Illinois leads the nation in units of government with 2,828.<sup>26</sup> Governing's list, however, does not count special districts. The US Census Bureau concurs with Governing's ranking, but places Illinois first with 6,968 units, "approximately 2,000 more than second-place Pennsylvania."<sup>27</sup> Academic observers cite several reasons for the proliferation of units of government, including immigration, constitutional issues, and financial considerations.<sup>28</sup> Each unit was formed for a specific purpose and goal, and in time that purpose and goal may diminish in significance. It is not easy to create a unit of government, and neither is it easy to eliminate one.

While many electoral boundaries in Illinois are redrawn every decade, jurisdictional boundaries of units of government may seem to be fixed in stone. And yet, all boundaries were drawn by higher units of government. At statehood in 1818, there were just 15 counties, and Cook, now the largest, was not among them. Today's governmental boundaries have been drawn and redrawn over time.<sup>29</sup>

The process of redrawing governmental boundaries has gone by various names including "consolidation" or "annexation." It has sometimes run smoothly and sometimes been contentious but it has always required action by a higher level of government. Counties, townships and municipalities are creations of the State, and so the General Assembly must set rules for creating or merging units of government. Indeed, the State has done so since nearly the beginning.

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26 <https://www.governing.com/gov-data/number-of-governments-by-state.html>, accessed November 19, 2019

27 <https://www.census.gov/newsroom/releases/archives/governments/cb12-161.html>, last accessed November 19, 2019.

28 [https://www.cgs.niu.edu/Policy\\_Profiles/policy-profile-volume13-number1-Too-Many-Governments-.pdf](https://www.cgs.niu.edu/Policy_Profiles/policy-profile-volume13-number1-Too-Many-Governments-.pdf)

29 See, generally, John H. Long, ed., *Illinois: Atlas of Historical County Boundaries* (New York: Charles Scribner's Sons, 2000)



- Consider the City of Chicago. At its founding in 1833, fifteen years after the Congress formed the State of Illinois, the city was four blocks square on the south side of the Chicago River. The city expanded through its early years, adding land between 12<sup>th</sup> Street, Chicago Avenue and Halsted in 1837 and continuing to expand again so that by the time of the Great Fire, the city was bounded to the north by Fullerton Avenue, to the west by Pulaski Road (then Crawford Avenue) and to the south by 38<sup>th</sup> Street.<sup>30</sup> While most historians today do not blame her cow for the Great Fire, Mrs. O'Leary lived near what is now the intersection of Roosevelt and Canal streets, in an area that was not part of the city until that first expansion in 1837. As the city expanded, formerly independent units of government merged through a process of annexation into one larger unit of government.
- Consider the example of the Town of Austin. Part of Cicero Township, Austin was an independent municipality founded in 1865. By the late 1890's, the town boasted a sizable and affluent population. The law at the time allowed for annexation based on a popular vote in each township. In a referendum held in the City of Chicago and in Cicero Township, most residents of both the city and of the township voted to approve the annexation, even as most residents of the Town of Austin voted against. Despite opposition from the Town of Austin, the Illinois Supreme Court upheld the annexation.

There can be inherent political complications to merging units of government. Existing units of government have elected officials, and they may have friends and family together with vendors and contractors who rely on its continued existence. Too, especially when the object is to merge elementary and high school districts, non-contiguous boundaries can be problematic. Voters in districts with low debts may object to merging with districts that have higher debt levels, especially if the old debts must be paid by voters across the newly expanded district.

Consolidation can create administrative efficiencies that reduce costs and eliminate the need to increase the levy. Consider, particularly, school districts. There are over 300 elementary school districts and nearly 100 high school districts. Each of these has administrative staff and combining them into unified school districts will result in efficiencies of scale. The degree and scope of savings will vary from district to district and from school to school, but in parts of the state, merger will make great financial sense, and without raising concerns about geographic dislocation for students.

Policymakers today can set rules for combining units of government. But there are also several eventualities that any consolidation plan should address, including:

- 1) What to do with legacy debts and bonded obligations. If a unit of government borrowed funds for operations or capital maintenance or development, those debts will continue. To the extent possible, it would make sense that debts

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30 By Blomgren Bros & Co. - <https://archive.org/details/historyofchicago02andr>, Public Domain, <https://commons.wikimedia.org/w/index.php?curid=51403951>

follow the improvements they purchased, but where that is not possible, other arrangements will be necessary.

- 2) What to do with legacy real property. Some units of government own property that is leased to or otherwise used by other units of government. How will the merger of one unit with another affect the disposition of that property? If the leasee merges with the lessor, problems may resolve themselves but otherwise complications may arise.
- 3) What to do with legacy functions. If some of the duties of a unit of government are to be transferred to another unit, then the enduring unit of government may see increases in operating costs. Where this happens, perhaps some of the expiring unit's tax levy can be transferred along with the transferred duties.

These issues and others like them can be thorny and particular. Codifying a general rule to urge consolidation is therefore rife with risk. This is not a one-size-fits-all situation. Nonetheless the legislature has enacted provisions to facilitate consolidation in some areas and this Task Force encourages future General Assemblies to apply the same enthusiasm to other situations. These bills implicitly acknowledge that general rules are difficult to formulate where local conditions are so varied. Rather, the two bills enacted in 2019 specify how to handle situations that do not fit the ordinary cookie-cutter approach.

- SB90 (PA 101-0298) sets procedures for the merger of drainage districts with municipalities. Drainage districts may serve multiple municipalities and so allocating tax revenue to the newly responsible towns and villages is not as simple as shunting all of the levy to one unit of government. Instead, SB90 provides a framework for dividing the revenue from a dissolved taxing district among the agencies that will assume responsibility for the work, proportionate to the amount of utility they will absorb.
- HB348 (PA 101-0230) provides a process for townships in two counties to dissolve and distributes the associated levies.

While distinct, in both of these cases the appropriate level of government was left up to the voters<sup>31</sup>. The Government Consolidation Subcommittee, chaired by Representative Jonathan Carroll, supports this approach and, further, believes that voters should have access to as much information as possible to make an educated decision at the ballot box. One effective way to collect the necessary contextual information about potential consolidations would be to perform an audit of all governmental bodies in Illinois, including school districts and policing districts. For this reason, the Subcommittee recommends giving more power to the Comptroller so that they can both collect information and perform audits. Related, it will first be necessary to determine the exact number and function of all bodies of government in the state, as this is currently subject to debate.

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<sup>31</sup> The proposed Citizens Empowerment Act (HB 307) would take this a step further, allowing voters to petition for a referendum to dissolve a unit of local government, transferring all real and personal property, assets, etc. to a determined receiving government.

One area of especially great opportunity for consolidation is school districts. The Government Consolidation Subcommittee, the School Funding Subcommittee, and the Social and Economic Disparities Subcommittee each recommend the consolidation of school districts into unit school districts, in which both primary and high schools are operated under the same district control. The Subcommittees believe this will help lower the property tax burden by reducing overhead administrative costs contributing to the levy. These mergers should be implemented over a 10-year period to minimize disruptions to the schools, but the end date should be firm. Merging so-called “feeder” schools with their associated high schools would provide the economies of scale while minimizing disruptions to the educational paths of students and their families. As mentioned above, this transition would require an audit of current school districts to identify areas of potential workforce consolidation, eliminating redundancies and expensive mandates currently required for school districts.

Beyond consolidation, the School Funding Subcommittee, co-chaired by Representative Fred Crespo and Representative Stephanie Kifowit, recommends additional strategies to reduce the overall property tax levy and more efficiently fund education in Illinois:

- Close the loophole allowing districts to engage in continual bonding after a bond issue has expired
- Allow school districts to petition for increased state funding to lower their levy
- Mandate that school districts with significant cash reserves must either abate the excess reserves by lowering the levy or identify the purpose and utilization timeline of the funds
- Instruct the Illinois State Board of Education to establish best practices for school districts with regards to debt and reserve ratios and mandate long-term planning goals to assess the financials of a district

Additionally, the School Funding Subcommittee and the Assessments and Exemptions Subcommittee both recommend the identification of new revenue streams to fund education and the Evidence Based Model to shift the financial burden away from property taxes. Both subcommittees recommend expanding the sales tax base to achieve this goal.

The Social and Economic Disparities Subcommittee, chaired by Representative Mary Flowers, recommends the removal of school districts from the property tax system so that the State of Illinois has sole funding responsibility for K-12 schools.

As discussed earlier, TIFs reduce the net income received by units of government, leading some units to raise their levy sooner than they otherwise would, raising taxes for all property owners. For this reason, the School Funding Subcommittee recommend legislation that would mandate a provision of 25% of all newly-created TIFs to be set aside for the school districts. School districts are often the largest units of government affected by TIFs, and protecting them from the full cost of TIFs may reduce the pressure to raise levies in response to TIF creation. This School

Funding Subcommittee also recommends the enactment of legislation to release all uncommitted TIF funds to public service providers if not used within five years.

The Pensions Subcommittee, co-chaired by Representative Kathleen Willis and Senator Robert Martwick made these recommendations, which may reduce upward pressure on local government levies:

- Enact SB 1300 (now P.A. 101-0610): Consolidation of nearly 650 downstate and suburban pensions into two, enabling greater investment power and alleviating the burden of property tax payers. After the subcommittee delivered their recommendations, the bill was signed into law December 18, 2019.
- Explore alternative methods of amortization so as to provide greater transparency regarding the level of funded liability as well as the true amount of annual employer contributions necessary to meet the long term funding goals of the pension fund.

The PTELL Subcommittee, co-chaired by Representative Mark Walker and Representative Amy Grant, recommends:

- Allow “recapture” of lost opportunities for tax extension increase by extending ability to compute current PTELL limits as if the maximum levy was taken within previous years
- Consider allowing voter referenda to lower taxes in all PTELL taxing bodies
- Study and remove, spread out, or limit growth elements in the PTELL formula for new construction and possibly TIF expiration, in order to reduce growth and volatility in our tax burden
- If the overall Commission wishes to propose a Tax Freeze, extend PTELL to all home-rule and non-home rule taxing districts, and establish 0% CPI and allow 0% for other growth rates, using the PTELL formula. (See SB 0316, 2015). If the overall Commission wishes to propose a Reduction to previous lower tax rates, then one simple potential move would be to allow the PTELL formula to calculate a new extension based not on the current year extension, but on the lowest extension of the previous five years
- Do not rule out eliminating PTELL entirely and relying on local governments and local voters to produce responsible funding and taxing levels

### Attacking Assessments

State law charges assessors with determining the “fair cash value” of a property but does not always give assessors the best tools for making that determination.

Quickly determining the fair cash value of a property, though the assessor and any appeals, makes possible the collection of the fairest tax bills and the distribution of the most accurate levies to fund local services. Steps to increase the accuracy of assessments can make sure that no one pays more than they should, and that services are not interrupted by sudden shocks to revenue.

Further, state statute emphasizes the need for fair and uniform assessments. Without uniformity, value estimates for similar properties become too variable and neighbors in similar homes pay different property tax rates and amounts. This result is not only unfair, but also undermines trust in the system. In July of 2017, the Civic Consulting Alliance, a non-profit, non-partisan consulting firm, at the request of the Cook County Board President and the former Cook County Assessor began conducting an independent, pro bono evaluation of Cook County's property tax assessment system, with a focus on residential properties.<sup>32</sup> One of their primary recommendations was to take measures of uniformity and regressivity at every step of the property assessment process: from initial valuations to appeals with the Board of Review. Requiring these evaluation metrics at the state level would ensure that properties throughout Illinois would be assessed fairly and uniformly.

### Income-producing property

Particularly with income-producing properties, it can be near impossible to make an accurate determination of what price a building would fetch in an arms-length transaction without knowing the income and expenses associated with owning that building. While residential properties, especially single family homes, can usually be fairly valued with sales data, commercial properties may not change hands for years, may not be situated near comparable properties, and may have unique features that complicate comparisons with the few properties that are sold in any given year.

Where assessments are inaccurate, the cost of local government is unfairly distributed among property owners; if lower-valued properties are overvalued and if higher-valued properties are undervalued, the result is a regressive assessment system that transfers wealth from owners of lower-value properties to owners of higher-valued properties. This is particularly true across classifications: where income-producing properties are underassessed, family homes receive higher bills.

The International Association of Assessing Officers recommends that all building owners be required to submit income and expense data every year and this Task Force concurs with the recommendation. Making more and more timely information available to assessors will increase fairness and accuracy in the property tax system.

The Assessments and Exemptions Subcommittee, chaired by Representative Will Davis, recommends data transparency in the assessment process to ensure fair and accurate assessments.

### Exemptions

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<sup>32</sup> Civic Consulting Alliance: Residential Property Assessment in Cook County (February 2018)

<https://www.cookcountyassessor.com/assets/forms/CivicConsultingAllianceStudyResults.pdf>

As noted earlier, residential property owners file for exemptions with assessors, but the exemptions are applied and the value taken from a property's equalized assessed value by treasurers.

Exemptions serve to protect some property owners from the full liability they would otherwise face, but the portion of the levy not paid by one owner is shifted to other owners, so the savings can be illusory. If every property in a district gets the same reduction, then the taxable base shrinks, the rate increases, and bills may not be as low as property owners may expect.

Because exemptions result in a fixed-dollar reduction in the taxable value of a property, the benefits are greatest for properties with the lowest fair cash value. This is to say, as a percentage of taxable value, exemptions have the greatest impact at the lower end of the valuation range. Especially because some exemptions are stackable, property owners may see their total taxable value greatly reduced.

Exemptions can be a great boon for property owners who qualify for the largest amount of exemptions, but there can be unintended consequences to higher exemptions. In some instances, exemptions can reduce the total taxable value of a home to zero, effectively removing the property from the tax rolls. And if enough homes are removed from the tax rolls, then the base will shrink to a point where rates appreciably rise for homes remaining with taxable value. While exemptions are commonly understood as a benefit for homeowners, in some parts of the state, raising exemptions could result in noticeably higher, not lower, bills for homeowners who remain on the rolls.

The Assessments and Exemptions Subcommittee recommends:

- Increase homestead and senior exemptions in the collar counties to the same levels as Cook County. All other counties should have a right to increase their exemptions to the same levels by county board.
- Provide properties that qualify for a homestead exemption a 10% state rebate on the total amount of the property tax bill.
- Share industrial and commercial assessed value across the county for school funding.
- Increase training requirements of township assessments who represent townships with over \$1 billion of valuation.

The Social and Economic Disparities Subcommittee, chaired by Representative Mary Flowers, and the Assessments and Exemptions Subcommittee recommend that the legislature restructure the Long-Time Occupant Homestead Exemption to assist residents in rapidly gentrifying areas. It is worth noting that this gentrification predominantly affects communities of color.

Further, the Social and Economic Disparities Subcommittee recommends:

- Remove financial bonus incentives for assessors paid by the State of Illinois for non-farm assessments, as this is a conflict of interest

- Ensure that assessors are using a new valuation model based on fair practices as recommended by the International Association of Assessing Officers and refund erroneous assessments or overpayments
- Provide homeowners that have been disenfranchised to the point of losing their homes with access to a land records audit. Additionally, place homes that have been foreclosed upon into a land bank rather than selling them through auction, allowing these families to regain assets that were improperly taken from them.

### Attacking Rates

We discussed consolidation above as a way of attacking levies, but consolidation can also result in lower rates. In regions that have lost economic pillars, where the value of property has declined and rates have increased as a result, consolidation with neighboring units of government can expand the base and may reduce the rate that property owners must pay. Indeed, combined with administrative savings, a decline in the levy may mean that all property owners, in both of the old districts, pay less.

The Assessments and Exemptions Subcommittee recommends sharing industrial and commercial values across the county for school funding, which would tend to reduce rates on commercial and industrial property in many districts.

### Attacking Bills

Property tax bills are generated by county treasurers, who collect the proceeds and distribute revenue to local units of government. While this part of the process may appear mechanical, there are reforms that would help reduce bills even at this late stage.

### Appeals

Property owners have multiple opportunities to appeal an assessment, and in some parts of the state, including Cook County, the sheer volume of appeals is astronomically high. Units of local government are penalized for assessor's inaccuracies. Better assessments up front might reduce the volume of appeals, but the appeal process itself should move faster so that rates can be properly calculated and the size of refunds can be held to a more reasonable level.

Appeals should also be held to higher standards. Outside observers have found that appeals increase inequality in the system by lowering assessments on high-value properties far greater than on low-value properties, relative to fair cash value. Not only should assessors have better data (see above) but all parts of the review process should have stricter deadlines and more resources so that assessments can be correctly set at objective fair cash value in a timely manner.

The Assessments and Exemptions Subcommittee recommends:

- Fund the Property Tax Appeals Board (PTAB) to its required levels to complete its backlog of appeals
- Explore the possibility of moving industrial and commercial appeals in Cook County away from PTAB and place them under the sole authority of the Circuit Court
- Extend the assessment appeals timeline from 30 days to 90 days

## TIF

The Task Force's TIF District Subcommittee, co-chaired by Senator Ann Gillespie and Representative Rita Mayfield, explored TIF policy and performance in Illinois. The Subcommittee hosted two hearings, with presentations from a number of subject-matter experts and stakeholders in the TIF process. They have distilled this input into three main recommendations for reforms to TIF district laws:

1. Shorten the timeframe for TIF districts from 23 years to 10-15 years.

Data analyses presented to the Subcommittee indicate that the benefits of a well-structured TIF district are typically realized within 10 years of its creation. While some TIFs may require additional time to satisfy bondholder repayment requirements, a 15-year term would still allow enough time for this process. The Subcommittee recommends requiring periodic reports on the TIF's performance and the distribution of its surpluses, to address concerns about transparency and effectiveness.

2. Tighten the definition of "blighted" to incorporate objective standards rather than an open interpretation of the "but for" requirement.

The Subcommittee finds that the term "blighted" is used too expansively and that the "but for" standard is applied too loosely. Creating objective standards around characteristics such as average household income or foreclosure rates in the proposed district would help ensure that TIF districts are created in areas that truly would not see economic growth and development without the assistance offered through the TIF.

3. Increase transparency around the TIF district's impact on the property tax collection process in other taxing bodies.

The Subcommittee recommends that the impact of the TIF district on other taxing bodies should be an ongoing process of documentation made public to taxpayers. This recommendation aligns with the School Funding Subcommittee's recommendation to enact legislation establishing a full disclosure of the impact on



taxes for any referendum to increase property taxes on residents. It is the belief of both committees that residents deserve to know the long-term impact on their property taxes beyond the incremental increase in the levy.

The Task Force gratefully acknowledges the aid of the Department of Revenue, the State Board of Education, and the Governor's Office of Management and Budget, all of whom provided key logistical and other support throughout this process.

## **Appendices**

### **Authorizing Legislation**

The Property Tax Relief Tax Force was created with the General Assembly's approval of SB1932 (now P.A. 101-181), which was signed into law by Governor J.B. Pritzker on August 2, 2019. The statute states:

(35 ILCS 200/24-36)

(Section scheduled to be repealed on December 31, 2020)

Sec. 24-36. Property Tax Relief Task Force.

(a) The Property Tax Relief Task Force is created. The Task Force shall utilize a racial and economic equity lens to identify the causes of increasingly burdensome property taxes across Illinois, review best practices in public policy strategies that create short-term and long-term property tax relief for homeowners, and make recommendations to assist in the development of short-term and long-term administrative, electoral, and legislative changes needed to create short-term and long-term property tax relief for homeowners.

(b) The members of the Property Tax Relief Task Force shall include and represent the diversity of the people of Illinois, and shall be composed of the following:

- (1) members appointed by the Governor;
- (2) members of the House of Representatives appointed by the Speaker of the House of Representatives;
- (3) members of the House of Representatives appointed by the Minority Leader of the House of Representatives;
- (4) members of the Senate appointed by the Senate President; and
- (5) members of the Senate appointed by the Senate Minority Leader.

The members of the Task Force shall serve without compensation and shall elect co-chairs from among their number.

(c) The Department of Revenue shall provide administrative support for the Task Force. The State Board of Education and the Governor's Office of Management and Budget shall collaborate with the Task Force as requested by the Task Force.

(d) Within 90 days after the effective date of this amendatory Act of the 101st General Assembly, the Task Force shall submit an initial report to the Governor and General Assembly outlining short-term and long-term administrative, electoral, and legislative changes needed to create short-term and long-term property tax relief for homeowners.

(e) The Task Force shall submit a final report to the Governor and the General Assembly outlining short-term and long-term administrative, electoral, and legislative changes needed to create short-term and long-term property tax relief for homeowners by December 31, 2019.

(f) This Section is repealed December 31, 2020.

### **Appointed Members**

The Property Tax Relief Task Force is comprised of the following members:

#### *Appointed by the Illinois House of Representatives:*

Representative Amy Grant	Representative Kelly M. Burke
Representative Ann M. Williams	Representative Kelly M. Cassidy
Representative Anne Stava-Murray	Representative La Shawn K. Ford
Representative Barbara Hernandez	Representative Lamont J. Robinson, Jr.
Representative Bob Morgan	Representative Lance Yednock
Representative Celina Villanueva	Representative LaToya Greenwood
Representative Charles Meier	Representative Marcus C. Evans, Jr.
Representative Curtis J. Tarver, II	Representative Mark L. Walker
Representative Dan Brady	Representative Martin J. Moylan
Representative Dan Ugaste	Representative Mary E. Flowers*
Representative Daniel Didech	Representative Mary Edly-Allen
Representative David Welter	Representative Michael J. Zalewski
Representative Deanne Mazzochi*	Representative Michael Unes
Representative Deb Conroy	Representative Michelle Mussman
Representative Debbie Meyers-Martin	Representative Mike Murphy
Representative Delia C. Ramirez	Representative Monica Bristow
Representative Diane Pappas	Representative Nathan D. Reitz
Representative Frances Ann Hurley	Representative Rita Mayfield
Representative Fred Crespo	Representative Robert Rita
Representative Grant Wehrli	Representative Sam Yingling*
Representative Jeff Keicher	Representative Sara Feigenholtz
Representative Jennifer Gong-Gershowitz	Representative Stephanie A. Kifowit
Representative Joe Sosnowski*	Representative Terra Costa Howard
Representative Jonathan Carroll	Representative Thomas Bennett
Representative Joyce Mason	Representative Thomas Morrison
Representative Karina Villa	Representative Tim Butler
Representative Kathleen Willis	Representative Tom Weber
Representative Katie Stuart	Representative William Davis

#### *Appointed by the Illinois State Senate:*

Senator Andy Manar	Senator Christopher Belt
Senator Ann Gillespie	Senator Craig Wilcox
Senator Bill Cunningham	Senator Cristina Castro

Senator Dale Righter  
Senator Dan McConchie  
Senator Don Harmon  
Senator Donald DeWitte\*  
Senator Elgie R. Sims Jr.  
Senator Heather Steans  
Senator Iris Y. Martinez  
Senator Jil Tracy\*  
Senator Julie Morrison  
Senator Laura Ellman  
Senator Laura Fine  
Senator Laura Murphy  
Senator Linda Holmes

Senator Mattie Hunter  
Senator Melinda Bush  
Senator Napoleon Harris III\*  
Senator Rachelle Crowe\*  
Senator Ram Villivalam  
Senator Robert Martwick  
Senator Robert Peters  
Senator Steve Stadelman  
Senator Suzy Glowiak Hilton  
Senator Terry Link  
Senator Toi Hutchinson  
Senator Tom Cullerton

*Appointed by Governor Pritzker:*

Emily Miller, First Assistant Deputy Chief of Staff, Office of Governor Pritzker  
Cameron Mock, Chief of Staff Governor's Office of Management & Budget

## **Task Force and Subcommittee Meetings & Presenters**

**The Task Force and its seven Subcommittees met a total of times from August - December of 2019:**

1. **Property Tax Relief Task Force - August 12<sup>th</sup>, 2019**  
Elected Co-Chairs and Subcommittee Chairs  
Adopted Rules and Procedures
2. **Property Tax Relief Task Force - August 29<sup>th</sup>, 2019**  
*Presenters:*  
Illinois Dept. of Revenue - Adrienne Suits Bailey, Property Tax Division Manager
3. **School Funding Subcommittee - September 12<sup>th</sup>, 2019**  
*Presenters:*  
Illinois State Board of Education (ISBE) - Robert Wolfe, Chief Financial Officer
4. **Government Consolidation Subcommittee - September 12<sup>th</sup>, 2019**
5. **Assessments & Exemptions Subcommittee - September 13<sup>th</sup>, 2019**  
*Presenters:*  
Cook County Assessor's Office - Fritz Kaegi, Cook County Assessor
6. **PTELL and Local Governments' Tax Levy Subcommittee - September 16<sup>th</sup>, 2019**  
*Presenters:*  
Taxpayers' Federation of Illinois (TFI) - Carol Portman, President  
KDM Consulting (on behalf of TFI) - Mike Klemens, Founder  
Illinois Association of Park Districts - Jason Anselment, Legal/Legislative Counsel  
Illinois Library Association - Scott Pointon, Director of White Oak Library District  
Illinois Township Officials of Illinois - John Towbridge, Lisle Township Assessor  
Illinois Municipal League - Brad Cole, Executive Director
7. **TIF Districts Subcommittee - September 18<sup>th</sup>, 2019**  
*Presenters:*  
Center for Tax and Budget Accountability - Ralph Martire, Executive Director  
Taxpayers' Federation of Illinois - Carol Portman, President  
Illinois Policy Institute - Adam Schuster, Director of Budget and Tax Research
8. **School Funding Subcommittee - September 19<sup>th</sup>, 2019**  
*Presenters:*  
Vision on Issues and Choices in Education (VOICES)  
ED-RED - Sarah Hartwick, Executive Director  
Large Unity District Association (LUDA)  
South Cooperative Organization for Public Education (SCOPE)  
Legislative Education Network of DuPage (LEND) - Peg

**Agnos, Executive Director and Jennifer Figurelli, Assistant Director**

**Illinois High School District Organization (IHSDO)**

**9. Government Consolidation Subcommittee - September 19<sup>th</sup>, 2019**

**Presenters:**

**Illinois Policy Institute - Adam Schuster, Director of Budget and Tax Research**

**Chicago Metropolitan Agency for Planning - Lindsay Hollander, Sr Policy Analyst**

**Taxpayers' Federation of Illinois - Carol Portman, President**

**Illinois Association of Drainage Districts - Richard Lyons, Director**

**Northfield Township Highway Commissioner - Tim Rueckert**

**Illinois Township Officials of Illinois - Taylor Anderson,**

**Lobbyist and Jerry Crabtree, Assistant Director**

**10. Assessments & Exemptions Subcommittee - September 20<sup>th</sup>, 2019**

**11. Pensions Subcommittee - September 23<sup>rd</sup>, 2019**

**Presenters:**

**City of Chicago - Suzy Park, Budget Director**

**Department of Insurance - Elba Acevedo, Manager of Compliance**

**University of Illinois at Springfield - Prof. Kenneth Kriz, Public Administration**

**12. Government Consolidation Subcommittee - September 24<sup>th</sup>, 2019**

**Presenters:**

**Illinois Policy Institute - Adam Schuster, Director of Budget and Tax Research**

**Metropolitan Planning Council - Adam Slade, Associate**

**Illinois Board of Education - Amanda Elliot, Co-Director of Legislative Affairs**

**ED-RED - Sarah Hartwick, Executive Director**

**Legislative Education Network of DuPage (LEND) - Peg**

**Agnos, Executive Director**

**Illinois Association of School Boards & Illinois Statewide**

**School Management Alliance Deanne Sullivan, Director of Governmental Relations**

**Illinois Principals Association - Alison Maley, Governmental Relations/Public Relations Director**

**Illinois Education Association - Larry Frank, Director of Educational Policy Research**

**13. School Funding Subcommittee - September 25<sup>th</sup>, 2019**

**Presenters:**

**Advance Illinois - Robin Steans, President**

**Community College Board - Matt Berry, Chief of Staff**

**Association of Community Trustees and Illinois Council of Community College Presidents - Jim Reed, Executive Director**

**14. TIF Districts Subcommittee - September 25<sup>th</sup>, 2019**

**Presenters:**

**ED-RED - Sarah Hartwick, Executive Director**

**Illinois Municipal League - Brad Cole, Executive Director**  
**Illinois Education Association - Larry Frank, Director of Educational Policy Research**  
**Illinois Tax Increment Association - Thomas Henderson, Executive Director**  
**Northwest Suburban Teachers Union - John Braglia, President**  
**Illinois Economic Development Association - Rob French, Executive Director**  
**Invest Aurora - Bryan Gay, President & CEO**  
**City of Aurora - Martin Lyons, Finance Director**  
**City of Rockford - Mark Williams, Economic Development Manager**  
**Chicago Teachers Union - Kurt Hilgendorf, Legislative and Policy Director**  
**University of Illinois at Chicago, Urban Planning & Policy - Prof. Rachel Weber**

**15. Social and Economic Disparities Subcommittee - September 25<sup>th</sup>, 2019**

***Presenters:***

**National Black Agenda Consortium - Revin Fellows, Co-Founder/Vice Chairman**  
**Concerned Residents of Matteson - Anton Seals and Brian McGraw**  
**Takes a Village 1, Inc. - LaShondra Graves**  
**South Suburban Housing Center - John Petruszak, Executive Director**

**16. PTELL and Local Governments' Tax Levy Subcommittee - September 26<sup>th</sup>, 2019**

***Presenters:***

**Chicago Teachers Union - Kurt Hilgendorf, Legislative and Policy Director**  
**Illinois Association of School Business Officials - Michael Jacoby, Executive Director**  
**ED-RED - Sarah Hartwick, Executive Director**  
**Arlington Heights School District 25 - Stacy Mallek, Chief School Business Official**

**17. School Funding Subcommittee - October 1<sup>st</sup>, 2019**

***Presenters:***

**County Assessors:**  
**Warren Dixon, Naperville Township Assessor**  
**Mark Armstrong, Kane County Supervisor of Assessments**  
**John Emerson, Director of Tax Extension, Kane County Clerk's Office**  
**Brit Hitchins, Director of Tax Extension, Will County Clerk's Office**  
**Kip Wilson, Tax Extender, Lake County**  
**Fritz Kaegi, Cook County Assessor**

**Tatia Gibbons, Chief Legal Counsel, Cook County  
Assessor's Office  
Illinois State Board of Education - Robert Wolfe, Financial  
Officer  
and Amanda Elliot, Executive Director of Legislative  
Affairs**

- 18. PTELL and Local Governments' Tax Levy Subcommittee - October 4<sup>th</sup>, 2019**
- 19. School Funding Subcommittee - October 4<sup>th</sup>, 2019**
- 20. Assessments & Exemptions Subcommittee - October 4<sup>th</sup>, 2019**  
**Presenters:**  
**Building Owners and Managers Association (BOMA) - Ron Tabacynski, Director of Government Affairs**  
**Train Research and Advocacy Education Network (TRAEN) - Andrea Raila, President**  
**Taxpayers' Federation of Illinois - Carol Portman, President**
- 21. Social and Economic Disparities Subcommittee - October 4<sup>th</sup>, 2019**  
**Presenters:**  
**National Black Agenda Consortium - Revin Fellows, Co-Founder/Vice Chairman**  
**Takes a Village 1, Inc. - LaShondra Graves**
- 22. Assessments & Exemptions Subcommittee - October 11<sup>th</sup>, 2019**  
**Presenters:**  
**University of Illinois at Chicago - Prof. David Merriman, Public Administration**
- 23. Social and Economic Disparities Subcommittee - October 12<sup>th</sup>, 2019**  
**Presenters:**  
**National Black Agenda Consortium - Revin Fellows, Co-Founder/Vice Chairman**  
**Takes a Village 1, Inc. - LaShondra Graves**
- 24. Social and Economic Disparities Subcommittee - October 15<sup>th</sup>, 2019**  
**Presenters:**  
**Concerned Taxpayers of Coles County - Rob Perry, James Di Naso, Anthony Travis**
- 25. Government Consolidation Subcommittee - October 17<sup>th</sup>, 2019**  
**Presenters:**  
**Civic Federation - Laurence Msall, President**
- 26. Social and Economic Disparities Subcommittee - October 17<sup>th</sup>, 2019**  
**Presenters:**  
**National Black Agenda Consortium - Revin Fellows, Co-Founder/Vice Chairman**  
**Anthony Travis, The Tax Doctor**  
**Brother's Keepers - Lakia Colquitt, Chief Operating Officer**
- 27. Social and Economic Disparities Subcommittee - October 23<sup>rd</sup>, 2019**  
**Presenters:**



- African-American Chamber of Commerce - Sherwin Jenkins, Chairman of the Board**  
**State Representative Barbara Hernandez**  
**City of Aurora - Chuck Nelson, Deputy Mayor**  
**National Black Agenda Consortium - Revin Fellows, Co-Founder/Vice Chairman**  
**Brother's Keepers - Lokia Colquitt, Chief Operating Officer**  
**Anthony Travis, The Tax Doctor**
- 28. Assessments & Exemptions Subcommittee - October 25<sup>th</sup>, 2019**  
**Presenters:**  
**Holly Kim, Lake County Treasurer**  
**Cook County Assessor's Office - Sarah Garza Resnick, Chief Deputy Assessor**  
**and Tatia Gibbons, Chief Legal Counsel**
- 29. Property Tax Relief Task Force - October 28<sup>th</sup>, 2019**  
**Presenters:**  
**Property Tax Relief Tax Force Subcommittee Chairs**
- 30. Assessments & Exemptions Subcommittee - November 1<sup>st</sup>, 2019**  
**Presenters:**  
**Stephanie R. Kennedy, LaSalle County Chief Assessment Officer**  
**Chicago Rehab Network - Kevin Jackson, Executive Director**
- 31. Assessments & Exemptions Subcommittee - November 15<sup>th</sup>, 2019**  
**Presenters:**  
**Cook County Board of Review - William O'Shields, Chief Deputy Commissioner;**  
**Timnetra Burruss, Chief of Staff; Larry Rogers, Jr., Commissioner**
- 32. Assessments & Exemptions Subcommittee - November 22<sup>nd</sup>, 2019**  
**Presenters:**  
**Property Tax Appeal Board (PTAB) - Mauro Glorioso, Executive Director**  
**and Steven Waggoner, Chief Administrative Law Judge**
- 33. Assessments & Exemptions Subcommittee - December 6<sup>th</sup>, 2019**  
**Presenters:**  
**Illinois Property Assessment Institute - John Horbas, Analyst (Retired)**
- 34. Assessments & Exemptions Subcommittee - December 13<sup>th</sup>, 2019**  
**Presenters: (SCHEDULED)**  
**McCracken, McCracken, & Behrens, PC - Jennifer B.P. Truong, Attorney**  
**Siegel & Callahan, PC - Jerry D. Brown, Attorney**  
**O'Keefe, Lyons, & Hynes, LLC - Whitney Carlisle, Attorney**
- 35. Assessments & Exemptions Subcommittee - December 20<sup>th</sup>, 2019**  
**Presenters: (SCHEDULED)**  
**Shawnee School District 84 - Shelly Clover-Hill, Superintendent**  
**Housing Action Illinois - Bob Palmer, Policy Director**
- 36.**

## **Property Tax Relief Task Force Subcommittees**

### **Assessments and Exemptions Subcommittee**

Chair: Representative William Davis

Representative Daniel Didech  
Representative Deanne Mazzochi  
Representative Debbie Meyers-Martin  
Representative Delia C. Ramirez  
Representative La Shawn K. Ford  
Representative LaToya Greenwood  
Representative Rita Mayfield

Representative Sam Yingling  
Senator Christopher Belt  
Senator Dale Righter  
Senator Jil Tracy  
Senator Laura Ellman  
Senator Robert Martwick

### **Government Consolidation Subcommittee**

Chair: Representative Jonathan Carroll

Representative Anne Stava-Murray  
Representative Dan Ugaste  
Representative David Welter  
Representative Jennifer Gong-Gershowitz  
Representative Joyce Mason  
Representative Lance Yednock

Representative Michelle Mussman  
Representative Sam Yingling  
Representative Thomas Bennett  
Senator Dale Righter  
Senator Dan McConchie  
Senator Julie Morrison  
Senator Laura Ellman

### **Social and Economic Disparities Subcommittee**

Chair: Representative Mary E. Flowers

Representative Delia C. Ramirez  
Representative La Shawn K. Ford  
Representative Lamont J. Robinson, Jr.  
Representative LaToya Greenwood  
Representative Marcus C. Evans, Jr.

Representative Sam Yingling  
Representative Thomas Morrison  
Senator Christopher Belt  
Senator Robert Peters

### **Local Pensions Subcommittee**

Co-chairs: Senator Robert Martwick and Representative Kathleen Willis

Representative Dan Ugaste  
Representative Jeff Keicher  
Representative Joe Sosnowski  
Representative Karina Villa  
Representative Mary Edly-Allen  
Representative Sam Yingling

Representative Thomas Morrison  
Senator Craig Wilcox  
Senator Cristina Castro  
Senator Steve Stadelman  
Senator Suzy Glowiak Hilton

### **PTELL and Local Governments' Tax Levy Subcommittee**

Chair: Representative Mark L. Walker

Representative Amy Grant	Representative Terra Costa Howard
Representative Bob Morgan	Senator Craig Wilcox
Representative Diane Pappas	Senator Dan McConchie
Representative Marcus C. Evans, Jr.	Senator Don Harmon
Representative Mike Murphy	Senator Laura Fine
Representative Sam Yingling	Senator Linda Holmes

### **School Funding and School Property Taxes Subcommittee**

Co-chairs: Representative Fred Crespo and Representative Stephanie Kifowit

Representative Anne Stava-Murray	Representative Michelle Mussman
Representative Barbara Hernandez	Representative Mike Murphy
Representative Dan Brady	Representative Nathan D. Reitz
Representative Deanne Mazzochi	Representative Sam Yingling
Representative Diane Pappas	Representative Sara Feigenholtz
Representative Jennifer Gong-Gershowitz	Representative Terra Costa Howard
Representative Joyce Mason	Representative Tom Weber
Representative Lance Yednock	Representative William Davis
Representative Marcus C. Evans, Jr.	Senator Donald DeWitte
	Senator Jil Tracy

### **TIF Districts Subcommittee**

Co-chairs: Representative Rita Mayfield and Senator Ann Gillespie

Representative Deanne Mazzochi	Representative Monica Bristow
Representative Frances Ann Hurley	Representative Sam Yingling
Representative Grant Wehrli	Representative Sara Feigenholtz
Representative Katie Stuart	Representative Stephanie A. Kifowit
Representative Kelly M. Burke	Senator Cristina Castro
Representative Kelly M. Cassidy	Senator Dan McConchie
Representative Lamont J. Robinson, Jr.	Senator Donald DeWitte
Representative LaToya Greenwood	Senator Laura Murphy
Representative Mary E. Flowers	Senator Mattie Hunter
Representative Mary Edly-Allen	Senator Rachelle Crowe

## Subcommittee Reports