

Expiring TIFs and Other Questions about Oak Park's Second Installment Tax Bills

by Ali ElSaffar, Oak Park Township Assessor

The second installment property tax bills mailed in late June include two unusual features. First, the bills indicate that they are due on August 3, but do not charge late penalties until October 2. This extra, penalty-free time for paying taxes is Cook County's response to the financial hardships caused by the coronavirus pandemic.

The second unusual feature of this year's bills relates to a mismatch between increases in tax bills and increases in local government revenue. Taxes for most Oak Park property owners increased by 4% this year. But local property tax revenues increased by 11%.

Why did revenue increases outstrip tax increases by so much? The reason relates to the fact that this year's tax bills are the first to be issued after the expiration of Oak Park's two Tax Increment Finance (TIF) districts.

Oak Park's TIF districts were designed to promote economic development on Madison Street and in downtown Oak Park. During the life of these TIFs, revenue from growth in the value of TIF district properties went into a special fund controlled by Village government.

When the TIFs expired, state law gave local schools and other taxing districts the right to tap into the \$14.5 million that went into local TIF funds last year. State law also allowed schools and most other local taxing districts to increase their tax levies by an additional 1.9% this year, matching the applicable level of inflation. Using these provisions of state law, three local taxing districts—District 97, the park district and the library—were able to increase their tax levies by about 10% this year.

Although each district's revenue increased by about 10%, most taxpayers paid an average of just 3.7% more to the three districts. This was possible because the districts did not add to the tax burden by accepting the TIF money. Instead, they reallocated tax money previously collected by the TIFs, and used it for different purposes.

Had the districts chosen not to accept the TIF funds, Oak Park's overall level of taxation would have fallen. These local governments, however, concluded that accepting the TIF money would allow them to improve their services without imposing big tax increases on local taxpayers.

Did all local taxing districts receive the maximum amount permitted from the TIFs? No. Oak Park's Village government and Township both increased their tax levies this year, but deliberately asked for less than the full amount available from the TIF expiration. They made this decision because they recognized that the large tax increases Oak Park residents have experienced in recent years have created hardships for many local residents. These districts saw the TIF expiration as an opportunity to maintain services while providing relief to taxpayers.

How was the high school able to increase its tax levy by 18%? If the high school exercised its rights under state law in the same way as the park district, library and elementary schools, its

levy would have increased by about 8.5% this year. But the school, which reduced its tax levy under a special program last year, was permitted to offset that tax reduction this year.

Under a new state aid program taking effect last year, qualifying school districts in high-tax communities could receive new state aid if they reduced their property tax levies. Under this program, Oak Park and River Forest High School reduced its property tax levy by \$4.5 million last year, and in return received \$3.8 million in extra state aid.

This year, the school expects to receive another \$3.8 million in state aid but is not required to offset the aid with property tax reductions. Instead, the school restored its levy to the level in effect before last year's \$4.5 million reduction, as it was concerned that the extra state aid might not be available next year. The result was an 18% increase in the school's overall levy, and a 13% increase in taxes paid to the school by most Oak Park property owners.

Can I do anything to reduce my current tax bill? If you are eligible for a homeowner, senior citizen or other exemption but did not receive one, the Township Assessor's office can assist you in obtaining a revised bill for a smaller amount. If you have received all exemptions for which you are eligible, however, you likely will not be able to do anything about your current bill.

Can I do anything to reduce future tax bills? Earlier this year, the Cook County Assessor's office sent out reassessment notices to all Oak Park property owners, which will impact property taxes paid next year. Taxpayers had the right to appeal the values in the reassessment notices, and many did. Unfortunately, the pandemic has caused significant delays in the processing of these appeals.

When the results from Oak Park appeals filed with the county assessor's office are issued, taxpayers will have another opportunity to file an appeal with the Cook County Board of Review. When appeal dates are announced, residents may call Oak Park Township at 708-383-8005 for help in preparing an appeal.

Release Date: July 28, 2020

Tax Levies for Government Units Serving Oak Park

2019 Taxes Paid in 2020 (with special accounting for Expiring TIFs and New Properties)

	<i>Tax Levies Paid in 2019</i>	<i>Tax Levies Paid in 2020</i>			<i>'19- '20 Levy Changes</i>	
		<i>Levies on Existing Properties</i>	<i>Levies--New Properties, Expiring TIFs</i>	<i>Total Tax Levies</i>	<i>Overall Tax Levy Increase</i>	<i>Existing Properties Increase</i>
<i>Local Governments</i>						
School District 97	\$77,411,730	\$78,127,597	\$6,766,769	\$84,894,366	9.7%	0.9%
OPRF High School	\$45,848,477	\$50,620,951	\$4,384,370	\$55,005,321	20.0%	10.4%
Village of Oak Park	\$34,031,859	\$32,257,228	\$2,793,855	\$35,051,083	3.0%	-5.2%
Oak Park Library Fund	\$9,698,363	\$9,812,677	\$849,893	\$10,662,570	9.9%	1.2%
Oak Park Park District	\$9,618,738	\$9,781,526	\$847,195	\$10,628,721	10.5%	1.7%
Oak Park Township	\$4,968,620	\$4,828,460	\$418,201	\$5,246,661	5.6%	-2.8%
<i>Local Totals</i>	<i>\$181,577,787</i>	<i>\$185,428,439</i>	<i>\$16,060,283</i>	<i>\$201,488,722</i>	<i>11.0%</i>	<i>2.1%</i>
<i>Regional Governments</i>						
Cook County	\$7,787,356	\$7,071,358	\$612,463	\$7,683,820	-1.3%	-9.2%
Water Reclamation	\$6,306,325	\$6,058,938	\$524,775	\$6,583,714	4.4%	-3.9%
Triton College	\$5,159,720	\$4,766,157	\$412,805	\$5,178,963	0.4%	-7.6%
Miscellaneous	\$1,194,380	\$1,604,295	\$138,951	\$1,743,246	46.0%	34.3%
<i>Regional Totals</i>	<i>\$20,447,781</i>	<i>\$19,500,748</i>	<i>\$1,688,994</i>	<i>\$21,189,743</i>	<i>3.6%</i>	<i>-4.6%</i>
Overall Total Levies	\$202,025,568	\$204,929,187	\$17,749,277	\$222,678,465	10.2%	1.4%

Notes:

1. The Oak Park and River Forest High School levies only reflect Oak Park's portion of the school's tax levy.
2. The regional governments levies only reflect Oak Park's portion of their levies.
3. 'Existing properties' include properties on the tax rolls last year, excluding increment from TIF districts.
4. Tax increases on existing properties do not account for appeals, which reduced taxes on properties that filed successful appeals last year. These reductions were offset by 2.4% tax increases on other properties.