

Introductory Presentation on Oak Park Property Taxes

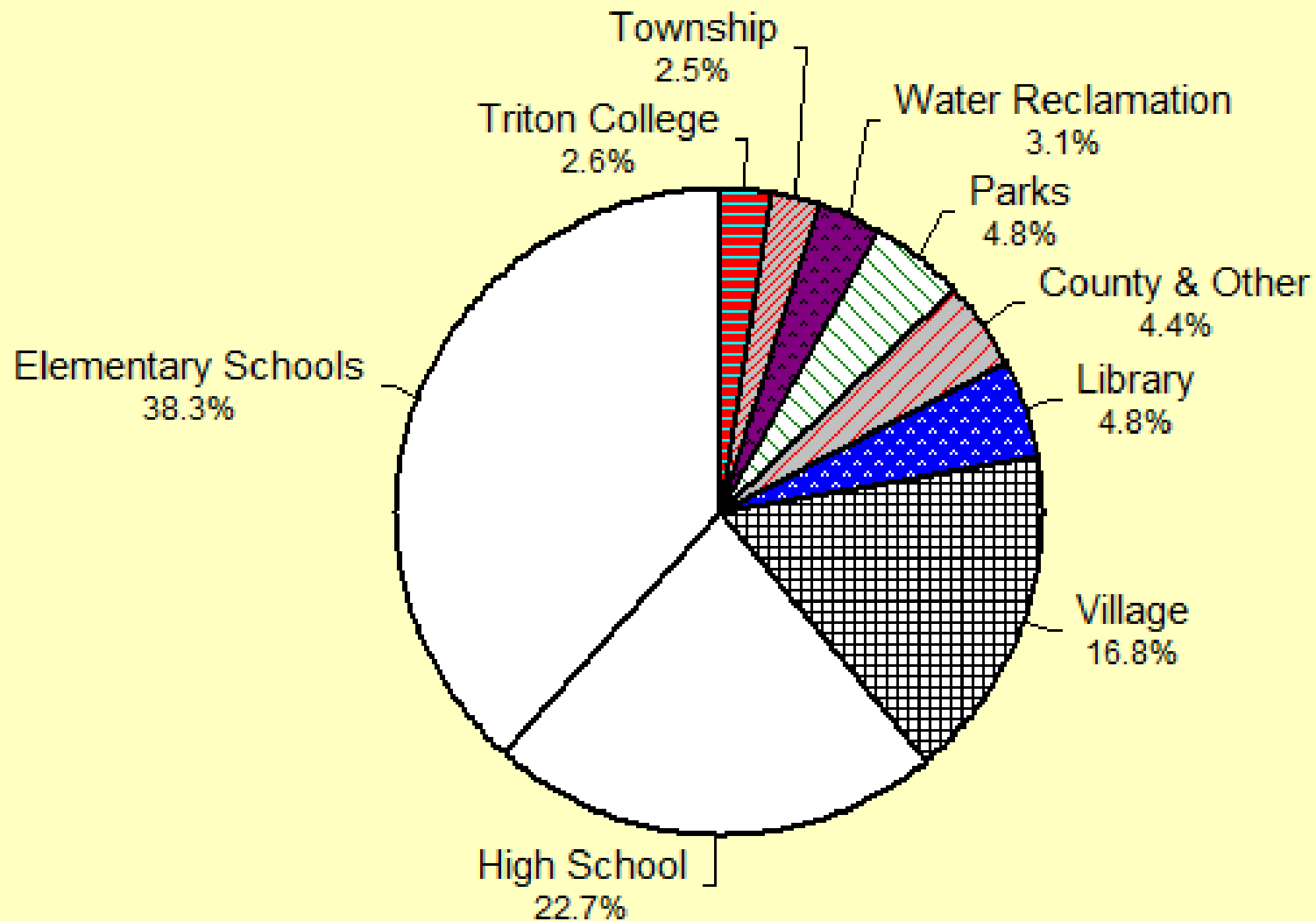
by Ali ElSaffar

Presented on February 1, 2020 at the forum entitled

‘The Future of Taxation’

*with Senate President Don Harmon,
Cook County Assessor Fritz Kaegi, and
Oak Park Township Assessor Ali ElSaffar*

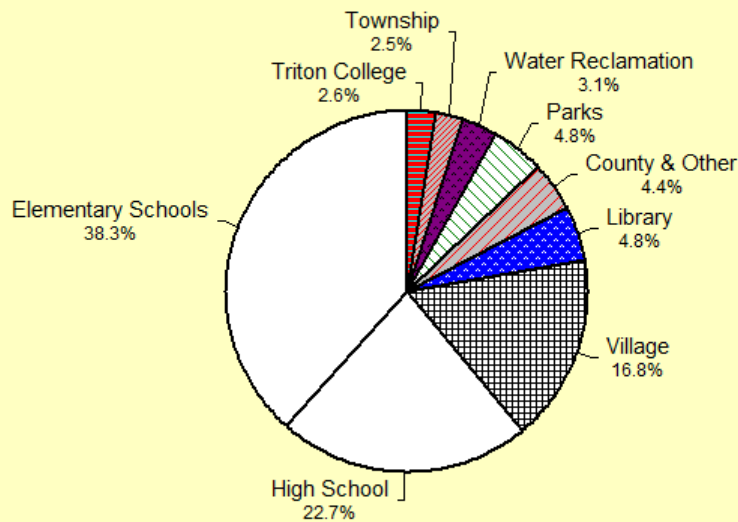
Distribution of Oak Park Property Taxes Paid in 2019



Details of Oak Park Tax Distribution

\$202,025,568

Distribution of Oak Park Property Taxes
Paid in 2019



- 61% of tax bills go for Oak Park public schools
- 90% of tax bills go to Oak Park taxing districts
- Remaining 10% go to county and regional districts
- Last year's tax levy for all districts serving Oak Park:

Total Tax Levy and County Assessor

- Total levy of **\$202 million** determined by voters, local governments and state law
- County Assessor can neither increase or decrease the total tax levy of any jurisdiction
- County Assessor's job is to determine the value of individual properties, which determines their *share* of the total tax levy
- A property that comprises 1% of Oak Park's taxable value pays 1% of Oak Park's taxes

2016 Tax Increases were 7.5%

- High school taxes increased by \$10 million after \$10 million in reductions in 2014 and 2015
- Village government increased levies by 8%
- Three other local districts had modest tax increases
- Library had a small tax reduction
- Net impact was a 7.5% tax increase

2017 Tax Increases were 12.5%

- District 97's successful referendum increased its levies by 26%
- Village government's levies increased by 14%
- Three other local governments had modest tax increases
- Library tax levy fell by 10% with retirement of library construction bonds
- **In 2016 and 2017, most Oak Park property owners experienced tax increases of 20%**

2018—Impact of Reassessment

- Overall tax levies were up by 1.4%
- But modest levy increases masked the fact that some property owners had dramatic tax increases after reassessment
- Roughly one in four homeowners saw double-digit tax increases
- **For many of those homeowners, taxes increased by 30% or more over three years**

2018 Changes in Federal Tax Law

- Through 2017, one could deduct the full amount of property taxes on federal income tax returns
- In 2018, annual deduction limited to \$10,000
- Most Oak Park single-family homeowners pay more than \$10,000 a year in property taxes
- Change in federal tax law contributed to slowdown in sales of homes with high values and high property taxes

2019 Taxes

- Township Assessor's office saw record number of appeals in the third year of a reassessment cycle
- Increase in Oak Park's overall tax levies was less than 1%
- High school property tax levy fell by 7% thanks to a new state aid program that required a reduction in property taxes

State Law and Tax Increases from 2013-2019

<u>Tax District</u>	<u>% Increase</u>	<u>Relation to State Law</u>
Park District	13.0%	Tax cap law limits tax increases by these districts to about the rate of inflation
Township	13.8%	
District 97	31.1%	Voters can override tax cap law by approving a referendum
High School	-4.1%	New state aid program gave tax relief to high school
Village	48.1%	These districts are not under tax caps—above-inflation tax increases permitted without referendum; no penalty for below-inflation tax increases
Library	2.9%	

Oak Park Local Government Tax Levies Tax Changes over the last Six Years

School District 97

<i>Increase in Dollars</i>	<i>Increase by Percent</i>
\$18,369,998	31.1%

Year Taxes Paid	Total Tax Levy	Increase over Prior Year	Cummulative Increase
2013	\$59,041,732		
2014	\$59,999,048	1.6%	1.6%
2015	\$60,893,749	1.5%	3.1%
2016	\$61,344,276	0.7%	3.9%
2017	\$77,402,999	26.2%	31.1%
2018	\$74,327,792	-4.0%	25.9%
2019	\$77,411,730	4.1%	31.1%

School District 97 is subject to the tax cap law, so its tax increases are generally limited to the rate of inflation. The district's successful referendum overrode the tax cap law, but it got \$2.6 million more than anticipated from the referendum. It returned the extra money in 2018.

Village of Oak Park (municipal government)

<i>Increase in Dollars</i>	<i>Increase by Percent</i>
\$11,053,217	48.1%

Year Taxes Paid	Total Tax Levy	Increase over Prior Year	Cummulative Increase
2013	\$22,978,642		
2014	\$24,632,197	7.2%	7.2%
2015	\$25,461,138	3.4%	10.8%
2016	\$27,516,184	8.1%	19.7%
2017	\$31,296,770	13.7%	36.2%
2018	\$33,049,292	5.6%	43.8%
2019	\$34,031,859	3.0%	48.1%

Because Illinois' tax cap law does not apply to Oak Park's Village government, there are no legal limits on its tax increases.

Oak Park and River Forest High School

<i>Increase in Dollars</i>	<i>Increase by Percent</i>
(\$1,961,212)	-4.1%

Year Taxes Paid	Total Tax Levy *	Increase over Prior Year	Cummulative Increase
2013	\$47,809,689		
2014	\$40,405,566	-15.5%	-15.5%
2015	\$40,439,092	0.1%	-15.4%
2016	\$48,493,605	19.9%	1.4%
2017	\$48,962,736	1.0%	2.4%
2018	\$49,226,225	0.5%	3.0%
2019	\$45,848,477	-6.9%	-4.1%

The high school lowered its levy in 2014 and 2015 in response to concerns that its fund balance was too high, but restored the levy to prior levels in 2016. In 2019, the school received extra state aid under a new program that required it to reduce its property tax levy.

Park District of Oak Park

<i>Increase in Dollars</i>	<i>Increase by Percent</i>
\$1,106,496	13.0%

Year Taxes Paid	Total Tax Levy	Increase over Prior Year	Cummulative Increase
2013	\$8,512,242		
2014	\$8,667,138	1.8%	1.8%
2015	\$8,837,408	2.0%	3.8%
2016	\$8,994,136	1.8%	5.7%
2017	\$9,068,714	0.8%	6.5%
2018	\$9,338,578	3.0%	9.7%
2019	\$9,618,738	3.0%	13.0%

The Park District of Oak Park is subject to Illinois' tax cap law, which generally limits its tax increases to the rate of inflation.

Oak Park Township

<i>Increase in Dollars</i>	<i>Increase by Percent</i>
\$602,237	13.8%

Year Taxes Paid	Total Tax Levy	Increase over Prior Year	Cummulative Increase
2013	\$4,366,383		
2014	\$4,477,337	2.5%	2.5%
2015	\$4,577,749	2.2%	4.8%
2016	\$4,630,512	1.2%	6.0%
2017	\$4,686,889	1.2%	7.3%
2018	\$4,834,866	3.2%	10.7%
2019	\$4,968,620	2.8%	13.8%

Oak Park Township is subject to Illinois' tax cap law, which generally limits its tax increases to the rate of inflation.

Oak Park Public Library

<i>Increase in Dollars</i>	<i>Increase by Percent</i>
\$274,620	2.9%

Year Taxes Paid	Total Tax Levy	Increase over Prior Year	Cummulative Increase
2013	\$9,423,743		
2014	\$9,789,895	3.9%	3.9%
2015	\$10,220,413	4.4%	8.5%
2016	\$10,008,311	-2.1%	6.2%
2017	\$8,971,648	-10.4%	-4.8%
2018	\$9,355,135	4.3%	-0.7%
2019	\$9,698,363	3.7%	2.9%

In 2016, the Library paid in full the money borrowed to build the main library. The reduced debt service lowered its tax levies.

Source: Above levy data is from the Cook County Clerk's office, and is compiled by the Oak Park Township Assessor's office.

* The levy figures for the high school represent Oak Park's portion of the school's levy, which is about 74% of its overall levy.