

MEMO

TO: MEMBERS OF THE BOARD OF EDUCATION
DR. KENNETH WALLACE

FROM: MARY KALOU, ASSISTANT SUPERINTENDENT FOR BUSINESS

DATE: NOVEMBER 20, 2023 – WILL BE PRESENTED AT FINANCE

SUBJECT: TAX BILLS 2022

Recently, the tax bill information for 2022 was released. The total tax levy for District 207 increased by 3.82%. (Tax Agency Reports and summary attached). This was lower than the CPI limit of 5% because of a reduction in the recapture levy and the abatement in the Debt Service Fund. The District is hearing that some homeowner's are seeing an increase substantially larger than this on their tax bills. The information below tries to explain how this happened.

Maine Township saw a 25.1% increase in the overall assessed valuation of the properties. The information below has been taken from the Cook County Treasurer Analysis and information presented by Franczek. (both attached)

The Table below shows the change in assessment on all properties within Maine Township.

	Assessment 2021	Assessment 2022	% Change
Residential	\$1,214.2 million	\$1,579.5 million	30.1%
Non-Residential	\$583.8 million	\$669.5 million	14.7%
Total	\$1,798.0	\$2,249.0	25.1%

Since residential property increased at a greater percentage than non-residential property, homeowners are paying proportionately more than non-residential properties. In addition, the information below which is for all of the re-assessed area in Cook County, shows that not all tax bills increased.

	Number of Properties with an increase in taxes	Number of Properties with a decrease in taxes	Total
Residential	318,000 or 77.6%	92,000 or 22.4%	410,000
Non-Residential	6,400 or 30.8%	14,400 or 69.2%	20,800

Residential properties that have an Equalized Assessed Valuation (EAV) freeze (such as seniors) will see a drop in their tax bills since the tax rates drop as the EAV increases. This drop must be absorbed by other properties. The drop in non-residential tax bills mean the assessment changes must be absorbed by other properties. As a result, those properties that show an assessed value change greater than the average are paying a higher portion of the overall taxes.

The District disagrees with the Cook County Treasurer's statement that "More than any other factor that drives up property taxes is the amount levied by each of the county's governmental units, such as schools, village and city halls, libraries and fire districts." While this statement may be true on an

| aggregate of all properties, the single largest factor increasing an individual tax bill for 2022 is the assessment of that property and how that assessment compared to the other properties in their taxing area.

The District is concerned that these large increases for some residential tax bills will be incorrectly attributed to District 207, when the fact remains that the district will only see a 3.82% increase in property taxes for the 2022 tax levy.

Levy		2021	2022	Difference	% Increase
Education	\$	101,411,920	\$ 107,138,965	\$ 5,727,045	5.65%
Operations & Maintenance	\$	20,396,005	\$ 21,547,119	\$ 1,151,114	5.64%
Transportation	\$	1,973,152	\$ 2,088,212	\$ 115,060	5.83%
Social Secuirty	\$	2,936,903	\$ 3,101,243	\$ 164,340	5.60%
IMRF	\$	821,724	\$ 863,873	\$ 42,149	5.13%
Tort/Liability Insurance	\$	1,425,336	\$ 1,504,010	\$ 78,674	5.52%
Life Safety	\$	1,298,527	\$ 1,373,496	\$ 74,969	5.77%
Special Education	\$	1,795,619	\$ 1,895,549	\$ 99,930	5.57%
Leasing Educational Fac.				\$ -	0.00%
				\$ -	
Total	\$	132,059,186	\$ 139,512,467	\$ 7,453,281	5.64%
				\$ -	
Debt Service Fund	\$	12,618,376	\$ 11,598,516	\$ (1,019,860)	-8.08%
PA102-0519 Levy Adjustment	\$	2,469,137	\$ 1,658,192	\$ (810,945)	-32.84%
Total	\$	147,146,699	\$ 152,769,175	\$ 5,622,476	3.82%

OFFICE OF THE COUNTY CLERK

DATE 11/16/22 TAX YEAR 2021

AGENCY TAX RATE REPORT

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FUND DESCRIPTION OF FUND	LEVY AMOUNT	LOSS %	AGENCY OVERALL EAV			5,072,371.351			TOTAL			5,072,371.351
			TOTAL LEVY	TAX RATE CEILING	MAXIMUM ALLOWABLE LEVY	PRELIMINARY TAX RATE	REDUCED LEVY SEE BELOW	100.00% OF BURDEN IN COOK COUNTY	FINAL TAX RATE			
008 I.M.R.F.	826,017	3	850,798	0.0000	850,798	0.0168	821,724*	821,724	0.0162			
016 SOCIAL SECURITY	2,957,969	3	3,046,708	0.0000	3,046,708	0.0601	2,936,903*	2,936,903	0.0579			
019 LIABILITY INSURANCE	1,432,886	3	1,475,873	0.0000	1,475,873	0.0291	1,425,336*	1,425,336	0.0281			
051 TRANSPORTATION	1,991,368	3	2,051,109	0.0000	2,051,109	0.0404	1,973,152*	1,973,152	0.0389			
052 EDUCATION	102,128,303	3	105,192,152	0.0000	105,192,152	2.0738	101,411,920*	101,411,920	1.9993			
053 BUILDING	20,539,188	3	21,155,364	0.5500	21,155,364	0.4171	20,396,005*	20,396,005	0.4021			
054 BUILDING BONDS (BONDS & INT. SCHOOL)	10,776,750	5	11,315,588	0.0000	11,315,588	0.2231		11,315,588	0.2231			
055 WORKING CASH FUNDS	538,838	3	0	0.0500	0	0.0000		0	0.0000			
056 LIFE SAFETY	1,309,264	3	1,348,542	0.1000	1,348,542	0.0266	1,298,527*	1,298,527	0.0256			
057 RENTAL	39,278	0	0	0	0	0.0000		0	0.0000			
058 SPECIAL EDUCATION	0	3	1,863,651	0.4000	1,863,651	0.0367	1,795,619*	1,795,619	0.0354			
182 LIFE SAFETY BOND	54,281	5	0	0.0000	0	0.0000		0	0.0000			
276 LEASING EDUCATIONAL FACILITIES	0	3	0	0.1000	0	0.0000		0	0.0000			
400 LIMITED BONDS	1,240,750	5	1,302,788	0.0000	1,302,788	0.0257		1,302,788	0.0257			
408 LEVY ADJUSTMENT PA 102-0519	62,038	0	2,469,137	0.0000	2,469,137	0.0487		2,469,137	0.0487			

AGENCY 04-2090-000 MAINE TOWNSHIP HIGH SCHOOL 207	PRIOR YEAR COOK COUNTY EAV	5,403,042,182	COOK COUNTY	2021 EAV
	CURR NEW PROP, ANN., REC. TIF VAL,		DUPAGE	5,072,371,351
PROPERTY TAX EXTENSION LIMITING LAW (PTELL) LIMITING RATE CALCULATION	EXP. INCENTIVES MINUS DISCONNECT PROP	92,002,659	LAKE	
	TOTAL	5,495,044,841	WILL	
			KANE	
2020 AGGREGATE EXTENSION 2021 EAV MINUS NEW PROP, ANN.,			MCHENRY	
X 1.0140 REC TIF VAL, EXP. INCENTIVES			DEKALB	
			GRUNDY	
			KANKAKEE	
			KENDALL	
			LA SALLE	
			LIVINGSTON	

129,680,468	/	4,980,368,692	=	2.604
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	LEVY AMOUNT LOSS	TOTAL LEVY	TAX RATE	MAXIMUM	PRELIMINARY	PTELL	100.00% OF	FINAL TAX
	LOSS AMOUNT	%	CEILING	ALLOWABLE	TAX RATE	REDUCED LEVY	BURDEN IN	RATE
				LEVY		SEE BELOW	COOK COUNTY	
FUND DESCRIPTION OF FUND								
TOTAL CAP FUNDS								
TOTAL NON CAP FUNDS								
AGENCY GRAND TOTAL								

2021 NON CAP FUNDS TAX EXTENSION TOTAL	15,090,304.77	2021 TAX EXTENSION GRAND TOTAL	147,149,492.89
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TOTAL CAP FUNDS	136,984,197	2.701	132,059,186	132,059,186	2.604
TOTAL NON CAP FUNDS	15,087,513	0.2975		15,087,513	0.2975
AGENCY GRAND TOTAL	152,071,710	2.999	132,059,186	147,146,699	2.901

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DATE 10/16/23 TAX YEAR 2022

AGENCY TAX RATE REPORT

AGENCY 04-2090-000 MAINE TOWNSHIP HIGH SCHOOL 207
PROPERTY TAX EXTENSION LIMITING LAW (PTELL) LIMITING RATE CALCULATION
2021 AGGREGATE EXTENSION 2022 EAV MINUS NEW PROP., ANNEX.,
X 1.0500 REC TIF VAL, EXP. INCENTIVES
PLUS DISCONNECTIONS
138,662,147 / 6,178,363,492 = 2.245
LIMITING RATE

AGENCY OVERALL EAV 6,214,917,684

TOTAL 6,214,917,684

FUND DESCRIPTION OF FUND	LEVY AMOUNT LOSS	TOTAL LEVY	TAX RATE CEILING	MAXIMUM ALLOWABLE LEVY	PRELIMINARY TAX RATE	PTELL REDUCED LEVY SEE BELOW	100.00% OF BURDEN IN COOK COUNTY	2022 EAV
008 I.M.R.F.	871,027	3 897,158	0.0000	897,158	0.0144	863,873*	863,873	0.0139
016 SOCIAL SECURITY	26,131							
	3,113,117	3 3,206,511	0.0000	3,206,511	0.0516	3,101,243*	3,101,243	0.0499
019 LIABILITY INSURANCE	93,394							
	1,510,856	3 1,556,182	0.0000	1,556,182	0.0250	1,504,010*	1,504,010	0.0242
	45,326							
051 TRANSPORTATION	2,091,541	3 2,154,287	0.0000	2,154,287	0.0347	2,088,212*	2,088,212	0.0336
	62,746							
052 EDUCATION	107,496,636	3 110,721,535	0.0000	110,721,535	1.7815	107,138,965*	107,138,965	1.7239
	3,224,899							
053 BUILDING	21,619,765	3 22,268,358	0.5500	22,268,358	0.3583	21,547,119*	21,547,119	0.3467
	648,593							
054 BUILDING BONDS (BONDS & INT. SCHOOL)	9,773,450	5 10,262,123	0.0000	10,262,123	0.1651	10,262,123	10,262,123	0.1651
	488,673							
055 WORKING CASH FUNDS	0	3 0	0.0500	0	0.0000	0	0	0.0000
	0							
056 LIFE SAFETY	1,376,439	3 1,417,732	0.1000	1,417,732	0.0228	1,373,496*	1,373,496	0.0221
	41,293							
057 RENTAL	0	0 0		0	0.0000	0	0	0.0000
	0							
058 SPECIAL EDUCATION	1,903,356	3 1,960,457	0.4000	1,960,457	0.0315	1,895,549*	1,895,549	0.0305
	57,101							
182 LIFE SAFETY BOND	0	5 0	0.0000	0	0.0000	0	0	0.0000
	0							
276 LEASING EDUCATIONAL FACILITIES	0	3 0	0.1000	0	0.0000	0	0	0.0000
	0							
400 LIMITED BONDS	1,272,755	5 1,336,393	0.0000	1,336,393	0.0215		1,336,393	0.0215
	63,638							
408 LEVY ADJUSTMENT PA 102-0519	1,658,192	1,658,192	0.0000	1,658,192	0.0267		1,658,192	0.0267
	0							

Maine Township

Table 1: Residential, Non-Residential, and Total Assessed Value (AV) changes at each assessment stage in Maine Township(s)

Class Group	2021 BOR Certified (final)		2022 Assessor Certified		2022 BOR Certified (final) ?	
Residential (Major Class 2)	# parcels	49,102	49,118	49,118	49,118	49,118
	Total AV	\$1,214.2M	\$1,604.4M	\$1,604.4M	\$1,579.5M	\$1,579.5M
	% change AV		32.1%	32.1%	-1.6%	-1.6%
Non-Residential (all others)	# parcels	4,046	4,026	4,026	4,026	4,026
	Total AV	\$583.8M	\$876.2M	\$876.2M	\$669.5M	\$669.5M
	% change AV		50.1%	50.1%	-23.6%	-23.6%
Grand Total	# parcels	53,148	53,144	53,144	53,144	53,144
	Total AV	\$1,798.0M	\$2,480.6M	\$2,480.6M	\$2,249.0M	\$2,249.0M
	% change AV		38.0%	38.0%	-9.3%	-9.3%



2022 Tax Year Bill Analysis

The Cook County Treasurer's Office analyzed the second and final round of nearly 1.8 million property tax bills for the 2022 tax year, mailed in 2023.

TOP FINDINGS

Countywide

- Property taxes across Cook County rose more than \$909 million to \$17.6 billion — an annual increase of 5.4%, which was below the 8% rate of inflation for 2022.¹
- The total taxes homeowners must pay is up \$599.1 million, accounting for about two-thirds of the overall tax increase. Commercial properties — businesses, hotels, office complexes, industries and large apartment complexes — are picking up an extra \$314.4 million, about a third of the increase.²
- Taxes for nearly 1.3 million homeowners went up, while more than 273,500 saw their bills go down.
- Taxes for more than 94,000 commercial properties increased, while more than 22,000 decreased.

The Recapture Provision

A relatively new provision in the Illinois tax code that allows school districts and many local governments to recover, or “recapture,” money refunded to property owners who successfully appealed their taxes the previous year led to an additional \$203.7 million being tacked onto bills. That’s \$72.7 million more than was added to property owners’ tax bills last year when the law took effect.

The TIF Effect

Reassessments of all properties in the north and northwest suburbs, and higher tax rates in Chicago, resulted in tens of millions of extra dollars flowing into Tax Increment Finance districts, special taxing districts created to spur economic development in distressed or moribund areas. Little of that extra money did anything to relieve the overall burden on

¹ The national consumer price index, or CPI, increased 8% in 2022.

² The total taxes owed on vacant land and for-profit portions of otherwise tax-exempt properties dropped by about \$4.1 million.

homeowners because nearly all of it is channeled into special funds that do not pay for traditional government services such as police officers' salaries and school operations.

North and Northwest Suburbs

- In suburban Cook County north of North Avenue, where all properties were reassessed for this year's bills, taxes rose by a total of \$331 million — with a \$387 million, or 12.9%, increase on residences and a \$56 million, or 2.8%, decrease on commercial properties.
- Homeowners took a hit. The median³ residential tax bill increased by 15.7%, the largest percentage increase in at least the last 30 years, while the median commercial bill increased by 2.2%.
- Taxes for more than 318,000 homeowners went up, while nearly 92,000 saw their taxes go down.
- Taxes for about 14,400 commercial properties decreased, while less than 6,400 went up.

South and Southwest Suburbs

- In the suburbs south of North Avenue, which now are being reassessed for next year's bills, overall taxes rose \$173 million — with a \$98 million, or 4.1%, increase on residential properties and an \$75 million, or 5.1%, increase on commercial properties.
- More than 338,000 homeowners had higher bills, while about 90,500 have to pay less.
- Taxes for nearly 29,000 commercial properties increased, while taxes for nearly 3,500 dropped.
- The median residential tax bill increased by 3.9%, while the median commercial bill increased by about 2%.

City of Chicago

- Significant increases in the amount of money City Hall and Chicago Public Schools say they need to operate, coupled with the recapture provision and higher TIF district bills, boosted the overall property tax burden in Chicago by about \$410

³ The median is the bill that lies at the midpoint, meaning an equal number of other bills are higher and an equal number lower. We use the median instead of averages, for which outliers could lead to misleading results.

million — with a \$296 million, or 7.8%, increase on commercial properties and a \$115 million, or 3%, increase on residential properties.

- Taxes for more than 627,000 residential properties increased, while taxes for more than 91,000 decreased.
- More than 59,000 commercial property owners had higher bills, while fewer than 4,500 were asked to pay less.
- The median residential tax bill increased by 3%, while the commercial median rose almost by an equal percentage, 3.1%.

OVERVIEW

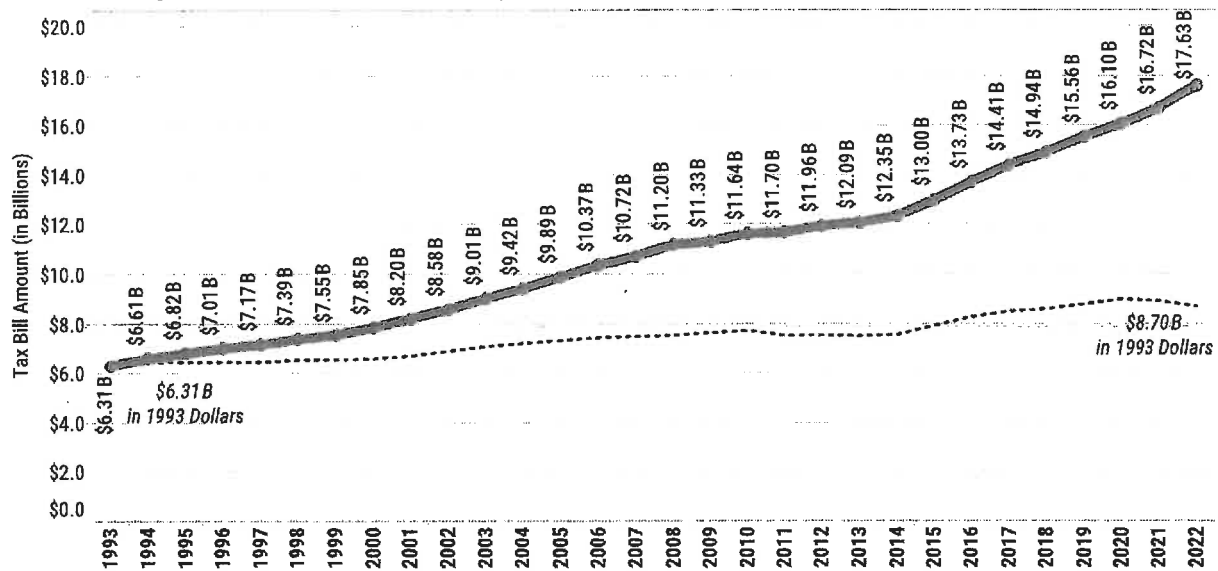
The Cook County Treasurer's analysis reveals how fresh assessments in the north and northwest suburbs shifted more of the overall tax burden there from businesses onto homeowners as overall taxes grew by 6.4%, mostly because of increases in the amount of money sought by local taxing districts.

The analysis also shows how steep increases in Chicago property tax levies — the total amount of money sought by government taxing districts — and the recapture provision pushed up the overall tax burden in the city by 5.3%. Commercial property owners absorbed the bulk of that increase. Taxes in the south and southwest suburbs grew by 4.4%.

The total amount billed countywide for 2022 — which property owners have to pay this year — is more than \$17.6 billion. That's an increase of more than \$909.4 million, or 5.4%, over 2021.

It is at least the 29th overall consecutive annual property tax increase in Cook County, according to data archived by the Treasurer's Office. After adjusting for inflation, the property tax burden has grown by 37.9% over that time.

30-Year History of Tax Increases in Cook County



The countywide \$909.4 million increase breaks down regionally as follows: Chicago — \$410.4 million, a 5.3% increase; suburban property north of North Avenue — \$331 million, or 6.4% more; suburban property south of North Avenue — \$173 million, or 4.4% more.

Homeowners across the county would pay a total of about \$599.1 million more in taxes than last year, while owners of businesses, industries and large apartment complexes — categorized in this analysis as commercial properties — would pay \$314.4 million more.

That, however, does not mean all homeowners and commercial property owners owe more. Every property is treated differently by the tax system, depending on many factors that include:

- whether a property owner's local schools, municipalities, park districts and other taxing agencies have increased their levies, the amount of money they seek to collect in property taxes each year;
- whether their assessments — the portion of estimated market values used to determine each property's share of the total tax bill — rose or fell in relation to the assessments of other homes and businesses;
- how their taxes were affected by local special taxing areas known as Tax Increment Finance districts.

Each tax bill also depends on a number of other factors: the state of the hyper-local economy; changes to properties; and the neighborhood housing market.

How Property Taxes are Determined

- School districts, municipalities, park districts and other local governments set the levy, or the overall amount of taxes to be collected to pay for their operations.
- The Assessor estimates the value of properties, and sets homeowner exemptions, which are then used to determine what portion of the overall tax bill each property owner pays.
- The Clerk determines the tax rates, based on the levies and overall assessed value in each local government. The assessed value, multiplied by the rate, needs to equal the total levy.

THE REASSESSMENTS

North and Northwest

The Assessor revalued all north and northwest suburban properties, which affected this year's tax bills.

Property assessments are the key component in determining individual tax bills, because they determine what portion of the total levy each property owner must pay.

The overall assessed value of residential properties, after appeals were completed, rose at much higher percentages than the values of commercial properties in the north and northwest suburbs. That means a chunk of the overall burden was shifted to homeowners from commercial properties. As a result, more homeowners than not will owe more in taxes, while more commercial property owners than not will owe less.

Some homeowners will face steep increases, given that the median residential tax bill in the north and northwest suburbs grew by \$952 to \$7,008, a jump of 15.7%⁴ — far and away the biggest percentage increase in the past 30 years, according to Treasurer's Office data.

How much a homeowner owes in taxes depends on the suburb and school district in which their home resides; homeowners living in areas where the municipality, school district or both significantly increased their levies will typically be hit with higher increases than homes in areas where the levies held steady.

⁴ Individual bills will vary from the median, sometimes by significant amounts.

City of Chicago

Although not all properties in Chicago were reassessed for the 2022 tax bill, some large commercial properties were, increasing their overall burden. Still, the biggest hit, which affects nearly all property owners, came from tax increases the Chicago Public Schools and the city of Chicago previously had approved that totaled nearly \$387.6 million.

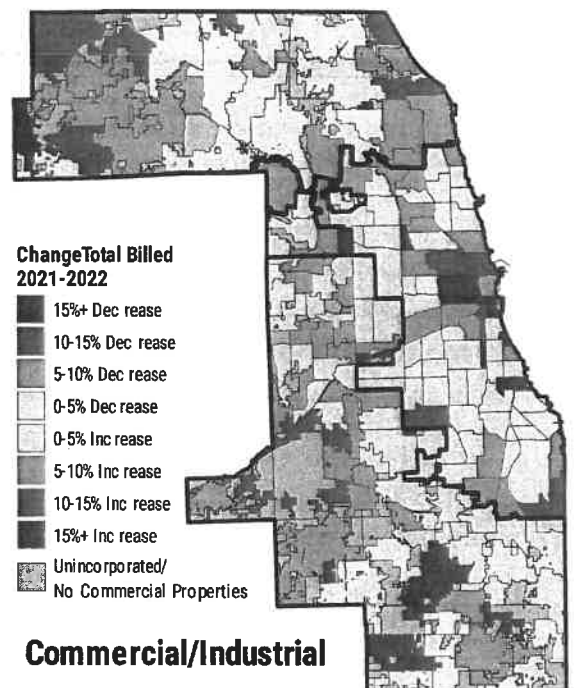
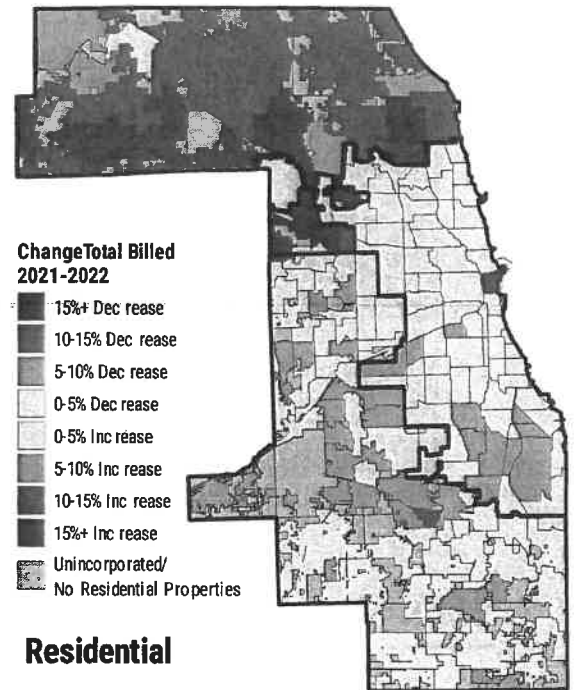
The CPS levy — the amount to be collected as approved by the Chicago Board of Education — increased by \$311.1 million for the 2022-2023 school year, although much of that increase will be paid by owners of newly constructed properties with no impact on other property owners. Some of that CPS increase also comes from refunds made by two city TIF districts, as required under Illinois law⁵.

The city approved a property tax increase of \$76.5 million for the 2022 budget year. Both the city and CPS tax increases show up on this year's bills.

The median amount of taxes a Chicago homeowner must pay now stands at \$3,704, a 3% increase from the previous year, while the median tax a commercial property owner owes rose nearly 3.1% to \$11,843.

This year's bills reveal how a state law that took effect last year continued to push up property taxes in Chicago and its suburbs.

The law, a "recapture" provision in the state's property tax code, allows many local governments to recover last year's refunded taxes from previous overassessments that were adjusted through appeals filed after the bills were first paid. The amount recaptured by CPS alone for the 2022 tax year was \$50.8 million.



⁵ Transit TIF districts, used to subsidize CTA rail line improvements, must refund to CPS all tax revenue they receive that the school district would have collected if the TIF districts did not exist.

THE RECAPTURE INCREASES

A significant portion of the overall tax increase is due to a state law, meant to correct government taxing errors, that took effect in the 2021 tax year. As a result of the recapture provision, an additional \$203.7 million was added to tax bills across the county.⁶

That's \$72.7 million more than was added last year. The higher recapture amount accounts for about 8% of this year's countywide increase.

The recapture law was designed to allow school districts, park districts and other local agencies to recover the money they repaid to taxpayers who had their assessments lowered by the Illinois Property Tax Appeal Board, state courts or county offices.⁷

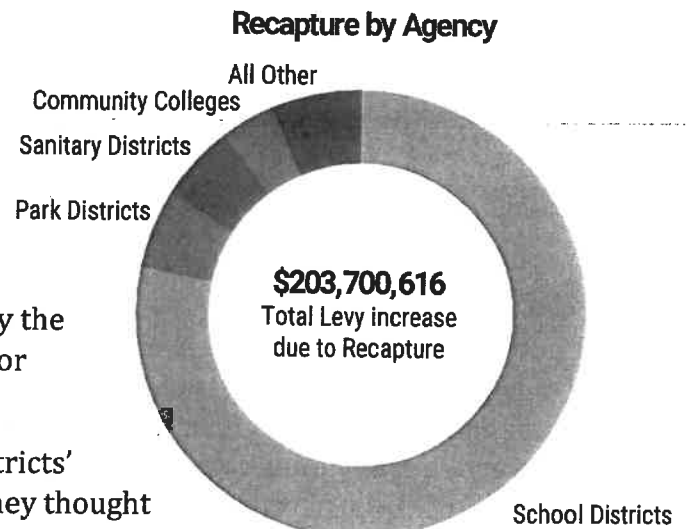
In those cases, the money came out of taxing districts' bank accounts, reducing the amount of money they thought they had to pay their bills. Sometimes, when refunds were large, that crimped their ability to provide key services.

When those refunds are made to schools and other taxing agencies whose authority to increase taxes is limited by state law, the county Clerk is required to increase their levies the following year by the amount they refunded.

As a result, some taxing districts received millions of extra dollars this year. They include:

- Chicago Public Schools — nearly \$50.8 million;
- The countywide Metropolitan Water Reclamation District — nearly \$11.3 million;
- Palatine Township High School District 211 — nearly \$4.8 million;⁸
- The Chicago Park District — more than \$4.7 million.

Although the recapture law makes school districts and other taxing agencies whole, it also adds additional annual burdens on taxpayers.



⁶ After publication of this analysis, the Treasurer's Office learned that 19 taxing agencies — 18 school districts and one park district — subsequently lowered their levies by the amount they received through recapture. That reduced the overall amount of additional taxation by nearly \$15.5 million.

⁷ Home rule communities, generally municipalities with populations topping 25,000, are excluded from recapturing refunded taxes.

⁸ District 211 subsequently lowered its overall levy by the entire amount of this recapture.

LEVY INCREASES

More than any other factor that drives up property taxes is the amount of money levied by each of the county's governmental units, such as schools, village and city halls, libraries and fire districts.

Out of 940 taxing agencies⁹ in Cook County, 676 — or 71.9% — increased levies, according to an analysis of Cook County Clerk data. Levies can increase for three reasons: agencies request more money to pay for services; new properties are built that generate additional tax revenue; and money is recaptured from prior mistaken assessments.

School districts increased their levies the most in terms of dollar amounts. Overall, they sought \$572.9 million more in 2022, a 6.1% increase¹⁰.

Under state law, schools can raise taxes by the prior year's increase in the consumer price index, or by 5%, whichever is less.¹¹ Because the CPI rose 7% in 2021, school districts could raise taxes by 5% — unless voters agree to exceed those limits in a referendum. In actuality, the overall percentage increase was higher than 5% after taxes on new properties, recaptured taxes, bond payment allocations and higher annual increases authorized through referendums were added.

Municipal governments had the second-highest overall tax increase in 2022. All together, they increased taxes by \$92.8 million, or about 3.2%.

The third-highest dollar amount came from Cook County government, where voters last November approved a tax increase for the county's forest. The county also benefited from taxing new properties. Those factors combined led to an overall Cook County government increase of \$60 million, or 6.8%.¹²

⁹ Many local governments have multiple taxing agencies, because there are separate levies for bonds and Special Service Areas, which collect additional taxes for targeted purposes, like improving streets and lighting, in smaller geographic areas.

¹⁰ Some taxing agencies, such as schools, are only partially in Cook County, so a portion of the overall increase is shared by taxpayers in neighboring counties.

¹¹ The Property Tax Extension Limitation Law exempts higher increases approved by referendum and allows taxing districts to increase taxes beyond the limit if the additional burden is borne by owners of newly constructed properties.

¹² Cook County government, not including the Forest Preserve District, has not increased its overall levy for decades, except by taxing new property.

Tax Year 2022 Levy Changes and Cook County Tax Extension by Agency Type						
Agency Type	Final Levy 2022	Levy Change 2021-22	Levy % Change	Levy increase due to Recapture	Amount Billed in Cook County	Amount Billed % Change
School Districts	\$9,981,963,711	+\$572,942,493	+6.09%	\$159,452,818	\$9,443,456,676	+6.05%
Municipality	\$3,043,027,521	+\$92,844,835	+3.15%	\$3,481,673	\$3,018,360,799	+3.15%
County	\$943,931,035	+\$60,010,606	+6.79%	\$1,767,648	\$945,348,109	+6.90%
Park District	\$726,574,047	+\$37,087,102	+5.38%	\$11,590,018	\$688,384,704	+5.12%
Community College Dist.	\$524,983,647	+\$28,812,371	+5.81%	\$7,839,172	\$455,466,255	+5.70%
Library	\$452,871,705	+\$12,339,372	+2.80%	\$2,931,593	\$435,308,899	+3.03%
Fire Protection	\$166,920,271	+\$9,441,712	+6.00%	\$2,134,838	\$130,244,995	+6.97%
Township Agencies	\$148,379,217	+\$7,389,642	+5.24%	\$2,969,419	\$149,420,621	+5.32%
Special Service Area	\$35,880,246	+\$1,672,175	+4.89%	\$0	\$35,936,375	+4.89%
Sanitary District	\$812,453,939	-\$23,970,125	-2.87%	\$11,321,965	\$682,316,790	+2.96%
Other	\$15,675,036	-\$12,808,679	-44.97%	\$211,472	\$16,310,765	-44.59%
Total	\$16,852,660,375	\$785,761,504	+4.89%	\$203,700,616	\$16,000,554,987	+5.51%

THE TIF EFFECT

Throughout Cook County, the amount owed to TIF districts was \$1.6 billion — an increase of \$124.6 million, according to a Treasurer's Office analysis.¹³ About 13.7% of the overall tax increase will go directly into more than 400 TIF districts.

Although commercial property owners will pay the bulk of that money, homeowners largely will not benefit. That's because nearly all of the money is used to reimburse developers in those districts for a portion of their costs.

Only a small portion of taxes collected in TIF districts goes to local taxing bodies. That can happen under three scenarios: when TIF money is declared surplus, which is then distributed to taxing districts; when TIF money is used to build schools or other infrastructures; or when an underlying agreement in a TIF district provides for returning a slice of the money to taxing districts.

In Chicago's two transit TIFs, used to match federal funding for CTA improvements, all the money that would have gone to CPS is returned to the district. In addition, 20% of the money that would have gone to all other government agencies is returned to those agencies.

In TIF districts, which are controlled by municipal governments and typically last for 23 years, additional taxes collected as a result of increases in assessments are funneled into those districts until they are closed. Critics say TIF districts divert badly needed money from schools, municipalities and other local governments, forcing those agencies to

¹³ The total billed for TIF districts was nearly \$1.7 billion. This analysis factored out money that will be returned to CPS and other taxing districts from transit TIFs that subsidize CTA improvements, because it can't be used for TIF district spending.

increase taxes. Proponents counter that the revenue might never have existed in the first place without TIF districts, which they argue increase the overall tax base and create jobs.

The biggest increase was in Chicago. There, an additional \$86.7 million is being billed for TIF districts, bringing the total annual amount of money flowing into these special taxing districts to nearly \$1.2 billion. In the north and northwest suburbs, an additional \$18.7 million is expected to flow into TIF districts, for a total of \$194.8. And in the south and southwest suburbs, an additional \$19.2 million is being billed for TIF districts, for a total of about \$203 million.

Although the overall amount of money billed by TIF districts across the county is up 8.7%, some TIF districts billed less this year. That's because how much of what's billed in each of the 439 TIF districts depends on what happens to the assessed values of properties within each district.

In Chicago, 43 of 126 TIF districts expect to collect less money this year. The transit TIF to improve the CTA's Red and Purple lines saw the biggest drop — down \$3 million to \$69.4 million, although it's still one of the city's most lucrative TIF districts.

The biggest gain was in the Chicago-Kinzie Conservation TIF District, which lies northwest of the Kennedy and Eisenhower expressways in a booming part of the city. That TIF — which was due to expire at the end of 2022 but was extended another 12 years — billed \$37.1 million more for a total of nearly \$134.2 million.¹⁴

The next-biggest gain occurred in the Canal/Congress TIF District. That district, just west of the Chicago River's South Branch between Harrison Street and Warren Avenue, includes the renovated Old Chicago Main Post Office, which straddles the Eisenhower Expressway just east of Canal Street. The amount billed in that TIF district grew by nearly \$17.9 million to about \$65.1 million.

In the north and northwest suburbs, 25 of 91 TIFs billed less this year. The biggest drops occurred in the North Schaumburg TIF District, location of the former Motorola campus, and in the Rolling Meadows Golf Road Conservation TIF District, which was created to help relocate the headquarters of insurance firm Arthur J. Gallagher & Co.

The Schaumburg TIF District is billing about \$3.4 million less, but still plans to collect \$16.2 million, and the Rolling Meadows TIF District is down about \$3.4 million to about \$571,000.

The biggest gain in the north and northwest suburbs occurred in Elk Grove's Busse/Elmhurst Road TIF District, set up to upgrade an aging 921-acre business park. That TIF district is billing \$8.5 million more this year, for a total of nearly \$36.3 million.

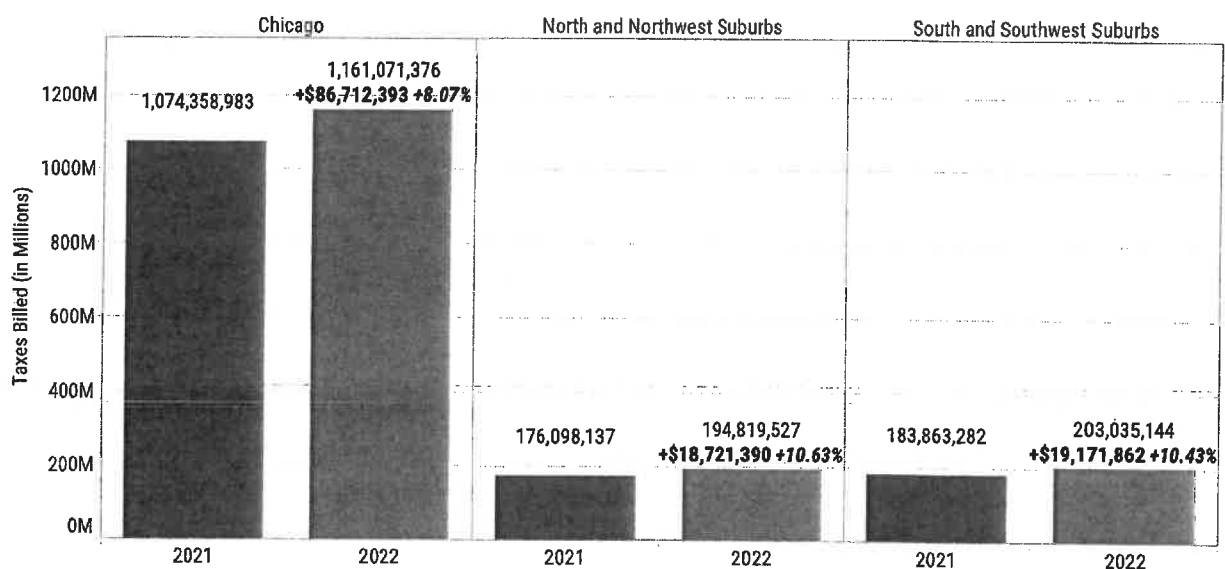
In the south and southwest suburbs, 80 of 222 TIF districts billed less this year. The biggest drop occurred in Country Club Hill's 175th/Cicero TIF District near the intersection of

¹⁴ City reports show the Kinzie Conservation TIF had collected a total of \$585 million through 2021.

Interstate 80 and 175th Street, which billed nearly \$11.2 million less this year, bringing its anticipated revenue down to just a bit more than \$438,000. That precipitous drop resulted after appeals of assessed values on properties owned by Logistics Property Co. dramatically lowered the estimated value of its buildings.

The biggest billing gain in the south and southwest suburbs is in Markham's Interstate Crossing TIF District, home to an Amazon fulfillment center that opened in October 2021. The amount billed in that TIF District grew by about \$19.6 million, to more than \$20 million. That district alone accounted for the vast majority of the TIF district billing gain in the south and southwest suburbs.

Change in Taxes Billed in TIF Districts



COMMERCIAL TO RESIDENTIAL SHIFT

In the north and northwest suburbs, reassessments shifted more of the tax burden onto homeowners from commercial properties — partly reversing the effects of reassessments done three years earlier.

The shift occurred after the Cook County Board of Review shaved nearly 20% off the total assessed value of commercial and industrial properties set by the Assessor's Office. At the same time, the Board of Review reduced by less than 2% the total value of residential properties.

Had the Assessor's values not been overturned, about 1% of the tax burden would have shifted from homeowners to commercial properties, the Treasurer's Office analysis shows. When the Board of Review's work was finished, about 3% of the burden shifted from commercial properties to homes.

When owners of commercial or industrial properties appeal their assessments, they must submit more information about their properties and their income than the assessor typically has access to. In addition, the two agencies for years have differed over how to account for the effects of property tax burdens on commercial and industrial property values. The two agencies largely do see eye to eye on residential assessments, which are simpler to estimate.

That plays out in the final decisions by the Board of Review. The Board of Review lowered the values of 11,025 commercial and industrial properties — two thirds of the 16,837 that were appealed. But it only reduced the values of 66,474 residential properties, just a bit more than a third of the 200,693 that appealed.

Residential values also rose more than they might otherwise have because this tax year's initial round of assessments reversed the COVID-related adjustments the Assessor made in 2020. Those adjustments lowered the values of residential properties by an average of 9.9%.

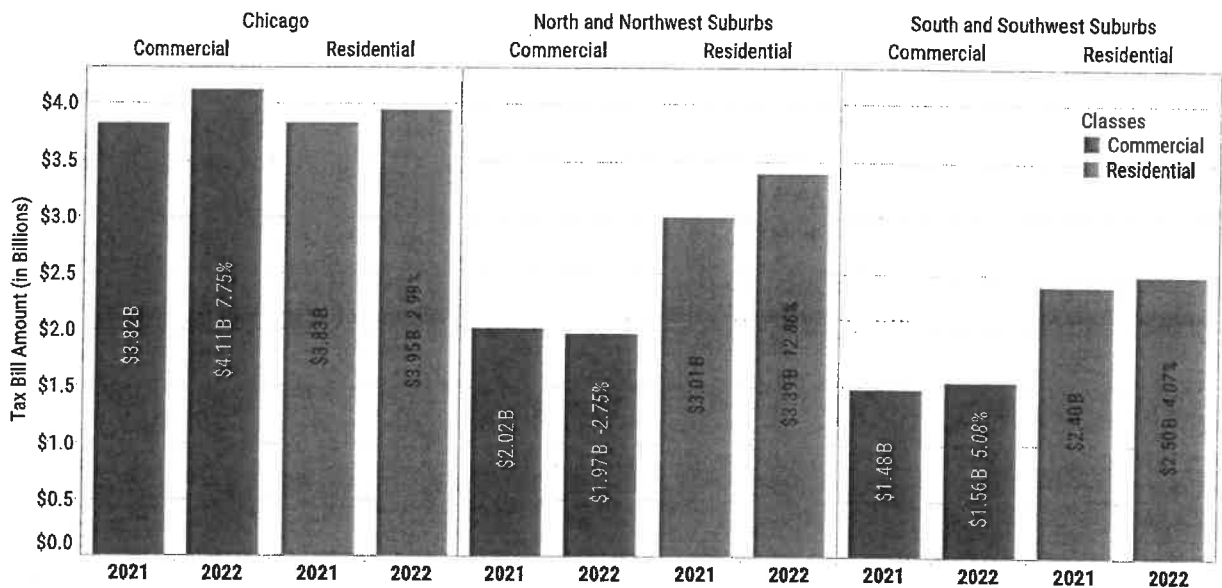
Contrary to the expectations of the Assessor's Office, home values actually rose during the pandemic. As a result, the new reassessments significantly increased the estimated values of homes in the north and northwest suburbs. The assessed value of homes rose by nearly \$3.3 billion, or 27.8%, while commercial values rose by about \$767.8 million, or 11.4%.

It is important to understand that commercial and industrial properties in Cook County are assessed for property tax purposes at 25% of their estimated market value, while homes and apartment buildings are assessed at 10%. In addition, homes occupied by their owners can take exemptions that remove a portion of their assessed value from tax calculations. As a result, the owner of a commercial or industrial property with the identical market value to a home pays at least two-and-a-half times more in taxes than the owner of an identically valued home.

In Chicago, that has led to some sharp differences between residential and commercial properties. The average effective tax rate — the percentage of a property's estimated value paid in property taxes each year — on a median-value, owner-occupied Chicago home in 2022 was about 1.5%, according to a study by the Lincoln Institute of Land Policy and the Minnesota Center for Fiscal Excellence. That is just one-fifth of a percentage point higher than the average among 53 populous U.S. cities measured in the study.

But the effective tax rate on commercial properties in Chicago was about 4%, making it the highest among the 53 cities and more than twice the average of 1.84%. Industrial properties in the city had an effective tax rate of about 2.4%, compared to an average of about 1.4%, according to the Lincoln Institute/Minnesota Center study. Apartments, meanwhile, had an effective tax rate of 1.6%, a fraction of a percentage above the average.

2021 to 2022 Single Year Property Taxes Billed – Change by Triennial and Class Tax Years



COMMERCIAL REASSESSMENTS IN THE CITY

Although Chicago wasn't slated for a complete reassessment this year, the Assessor's Office restored the higher values of 213 commercial properties in and around the Central Business District after the Board of Review — which considers appeals of property tax assessments — significantly lowered their values in 2022.

Although the Assessor's Office increased the values on the 213 properties (represented by 559 separate property index numbers) by more than \$1.1 billion¹⁵, the Board of Review subsequently lowered that by more than \$973 million. The final increase in assessed values on those properties still was about \$145.2 million, which somewhat eased the burden on residential properties in the city.

In addition, new commercial properties, assessments lowered on residential properties and increased reassessments of upgraded commercial properties can lead to a bigger tax burden on commercial properties. This year, all of those factors played a role in shifting more than 1% of the overall Chicago tax burden onto businesses from homeowners.

NORTH AND NORTHWEST SUBURBS

¹⁵ The Assessor initially increased the values by more than \$1.1 billion. The Assessor later lowered that amount by about \$27 million after property owners directly appealed to the office, an option before going to the Board of Review.

In the suburbs north of North Avenue, where properties were reassessed for this year's bills, more than 3% of the overall tax burden was shifted to residences from commercial properties.

Indeed, taxes on residential properties in this area shot up while they declined on commercial properties. Overall, taxes rose by a total of \$330 million to nearly \$5.4 billion — with a \$380 million, or 12.9%, increase on residences and a \$50 million, or 2.7%, decrease on commercial properties.

That is not to say all homeowners will pay more in taxes or that all commercial properties will pay less. While taxes for more than 318,000 homeowners went up, nearly 92,000 saw their bills go down. And while taxes for nearly 14,400 commercial properties decreased, about 6,400 increased.

The median residential tax bill for all properties grew by 15.7% to \$7,008, while the median commercial bill increased by 2.2% to \$29,623.

The highest-percentage increases in median residential bills occurred in parts of two municipalities that straddle North Avenue in the western suburbs. That's because homes north of North Avenue in those communities were reassessed at higher levels, while the homes south of the dividing line won't have new, higher values applied to tax bills until next year — pushing more of the overall tax burden on their neighbors in the north of town.

In the smaller portion of Melrose Park north of North Avenue, the median bill on 221 homes grew by 45.8% to \$6,909. That occurred even though the median residential bill throughout the entire village — where there are 4,969 homes south of North Avenue — grew by just 3.3% to \$4,761.

In Northlake, the median bill for 2,866 homes north of North Avenue jumped 37.3% to \$6,384 — while the median bill for the 612 homes south of the dividing line dropped by 4.8% to \$5,084. Part of the increase north of the dividing line is the result of an increase of more than 10% in taxes sought by taxing districts in that city.

The largest median increase in residential tax bills for a suburb entirely situated north of the assessment dividing line was in Rosemont, a suburb near O'Hare International Airport. In Rosemont, median residential taxes grew by 32.5% to \$7,222 — driven by a shift of part of the tax base from commercial to residential properties because of reassessments. But officials in Rosemont, an entertainment hub dominated by commercial uses, typically rebate a significant portion of property taxes to homeowners.

The next two highest increases occurred in Schiller Park, where the median tax grew by 29.7% to \$6,387, and in Des Plaines, where it grew by 28.7% to \$6,067. Overall, taxes billed in Schiller Park grew by 8.4% and in Des Plaines by 6.9%.

Other suburbs that saw their median bill increase by more than 20% include Franklin Park (26.9% to \$6,021); the portion of Deer Park in Cook County (24.7% to \$5,778) where there

are just 10 homes; Elk Grove Village (24.4% to \$6,250); River Grove (23.2% to \$6,524), the portion of Elgin in Cook County (21.8% to \$5,197) where there are 6,980 homes; Rolling Meadows (21.2% to \$6,040); Lincolnwood (20.8% to \$8,949); and Harwood Heights (20.4% to \$6,299).

In addition to a general shift in the tax burden from commercial to residential properties, high median bill increases in four communities also were driven by significant increases in the amounts taxed: Elk Grove taxes were up by 9%; River Grove's taxes were up by 8.6%; Lincolnwood's taxes went up by 6.2%; and Harwood Heights rose by 8.6%.

Discerning a clear pattern in the effect of reassessments on median commercial tax bills in the north/northwest suburbs is more complicated than it is for residential properties. That is for three reasons: from one year to the next, the number of businesses in a municipality can significantly change; the market forces affecting commercial assessments, which are partly based on income, are different for different types of businesses — particularly in the wake of the COVID-19 pandemic; and the Assessor's Office decision to change the classification of rental condos from commercial to residential skewed the median tax data for large apartment complexes.

Nevertheless, the commercial data shows an overall trend: median taxes for commercial properties decreased in most suburbs, in many cases by 15% or more, in a way that cannot be explained alone by the rental condo classification change.

For a detailed breakdown, see the data section of this report.

SOUTH AND SOUTHWEST SUBURBS

In the suburbs south of North Avenue, which now are being reassessed for next year's bills, overall taxes rose \$180 million — with a \$100 million, or 4.1%, increase on residential properties and an \$80 million, or 5.1%, increase on commercial properties.

More than 338,000 homeowners had higher bills, while about 90,500 have to pay less. Taxes for nearly 29,000 commercial properties increased, while taxes for about 3,500 went down.

The median tax on a residential property in the south and southwest suburbs grew by 3.9% to \$5,103, while the median commercial bill increased by 2% to \$15,608. Although homeowners might not like that trend, struggling commercial enterprises in the south suburbs may find some small measure of comfort.

There were five suburbs in which median residential bills increased by 10% or more: The Cook County portion of Steger, up 13.4% to \$1,455; Chicago Ridge, up 12.8% to \$3,459;

Robbins, up 11.8% to \$1,481; Palos Hills, up 10.1% to \$4,078; and Markham,¹⁶ up 10.1% to \$2,393.

And there were four suburbs where median commercial tax bills increased by more than 10%: Indian Head Park, up 16.2% to \$20,022; the Cook County portion of Steger, up 14.3% to \$2,611; Hazel Crest, up 12.2% to \$16,312; and Westchester, up 12% to \$9,099.

CITY OF CHICAGO

Significant increases in City Hall and Chicago Public Schools' levies approved under a prior mayor, the recapture provision and higher TIF district bills boosted the overall property tax burden in Chicago by \$410 million — with a \$290 million, or 7.7%, increase on commercial properties and a \$120 million, or 3%, increase on residential properties

Taxes for more than 627,000 residential properties increased, while taxes for more than 91,000 went down. More than 59,000 commercial property owners had higher bills, while fewer than 4,500 owe less.

The median tax on a residential property in Chicago grew by nearly 3% to \$3,704, while the median commercial bill increased by about 3.1% to \$11,843.

For commercial properties, the effects were uneven. Although both non-industrial commercial properties and large apartment complexes saw their median bills increase by more than 4%, the median bill on industrial properties dropped by a fraction of a percentage.

There were five community areas where the median commercial tax bill increased by more than 10%: South Deering, up 13.7% to \$8,515; Ashburn, up 13.2% to \$7,753; Burnside, up 13.2% to \$7,880; Fuller Park, up 11.8% to \$7,044; and East Garfield Park, up 10.6% to \$4,814. All are on the South Side, except East Garfield Park, which is on the West Side.

The billing data does not show the kind of dramatic swings in residential median tax bills among the city's 77 community areas that they experienced in tax year 2021, when bills first were calculated using new reassessments. As a result, the Lower West Side Community Area last year saw its median bill increase by 46%, while three South and West side community areas saw their median bills decrease by more than 43%,

Nevertheless, five South Side communities saw median residential increases of 6% or more: Fuller Park — where the median dropped for tax year 2021 by 46% — up 10.1% to \$999; Avalon Park, up 8.9% to \$1,970; Auburn Gresham, up 8.8% to \$1,970; Roseland, up

¹⁶ Although taxing districts in Markham are seeking about \$20.5 million more this year, most of that money would be paid by a new Amazon facility and be funneled into a TIF district to defray development costs.

8.3% to \$1,238; and Englewood — where the median tax dropped for the previous tax year by 44% — up 7.2% to \$719.

(To see how residential and commercial tax bills changed in Chicago, its community areas and wards, as well as each suburb, see the data section of this study.)

CONCLUSION

About 81% of property owners across Cook County must pay more in taxes this year compared to last year, meaning some 1.4 million taxpayers will have to dig deeper into their wallets.

About 17% — or roughly 304,000 — will get a lower tax bill. And about 2%, or more than 34,500, won't see any change in their bills.

The increases are primarily the result of local governments and school districts raising property tax levies, as well as shifts in the overall burden borne by homeowners versus commercial property owners. That is especially true in the north and northwest suburbs.

Other factors driving up tax bills include increases in TIF billing and more money recaptured under state law, which requires that tax rebates resulting from the previous year's assessment appeals be added on to the levies of non-home rule communities and school districts.

The reassessment of the north and northwest suburbs, reversed prior COVID-19 reductions given by the Assessor. Factoring in a booming housing market, while commercial properties generally saw significantly lower increases because of their current economic struggles, homeowners in many of those suburbs will be hit with some of the biggest tax increases they've seen in decades.

For the same reasons, a majority of north and northwest suburban businesses are being billed at lower amounts. Elsewhere in the county, more residential and commercial bills are going up than going down.

A silver lining is that government officials in Cook County increased taxes overall by 5.4% — less than the costs of many goods and services. In 2022, the year for which taxes are being billed, the national consumer price index rose by 8%.

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