

# NOVEMBER MEMBER

## MEETING

FRIDAY, NOVEMBER 3RD, 2023

Northwest Suburban School

Business Officials

&

ED-RED

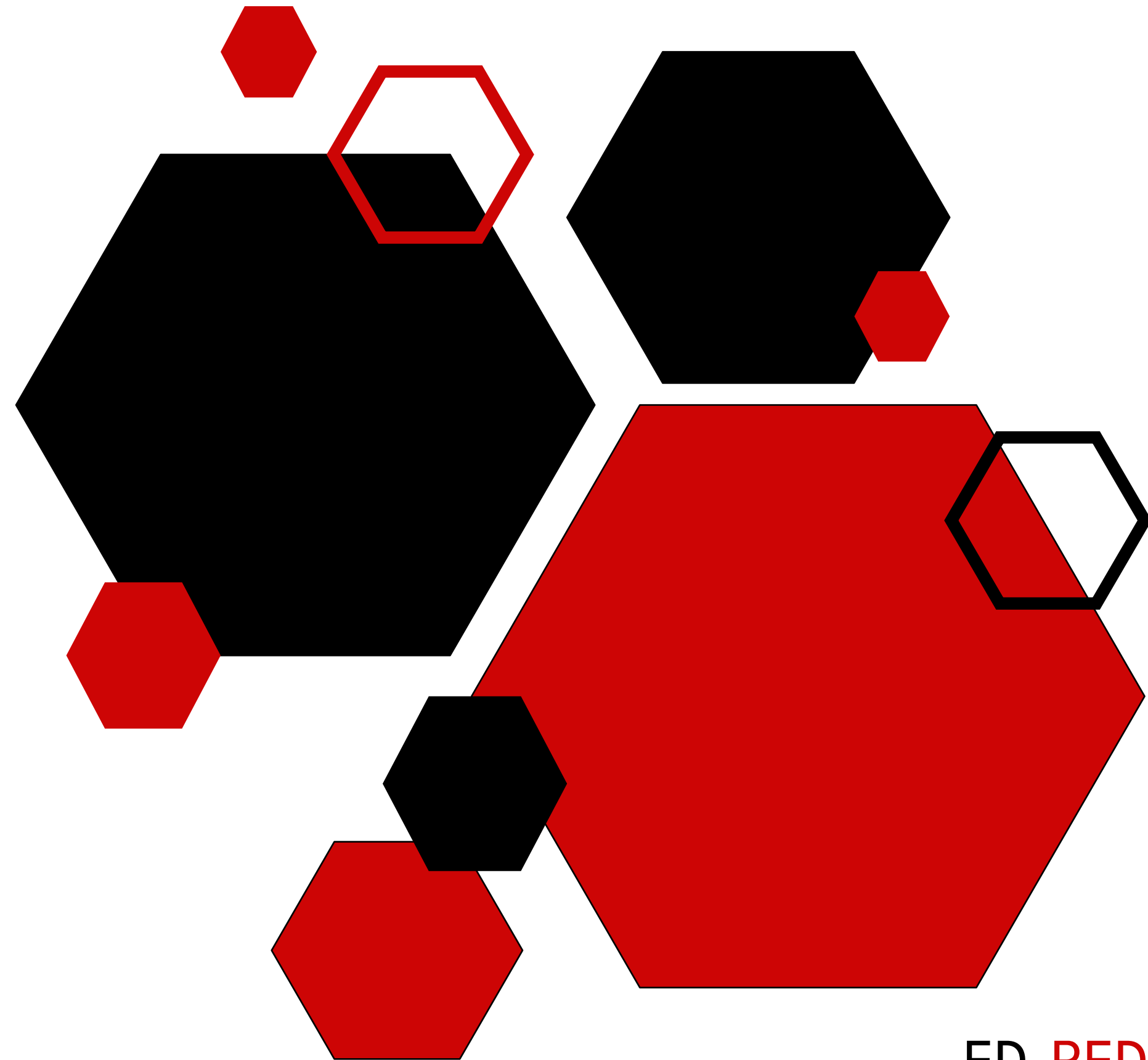


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NOVEMBER 3RD, 2023

# Consent Agenda

- June Member Meeting Minutes



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Education | Research | Development

NOVEMBER 3RD, 2023



**Ares Dalianis**

Partner at Franczek P.C.

# Property Tax & School Finance

## Update



**JOINT ED-RED & NWSSBO MEETING**

***Property Tax Update***



**Ares G. Dalianis**

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**November 3, 2023**

**FRANCZEK**

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# Preview

- 2022 Tax Year Bill Analysis
- Update on PTAB
- N/NW Assessment Trends
- Incentive Assessments
- TIF & Mega Project

# 2022 Tax Year Bill Analysis



## 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

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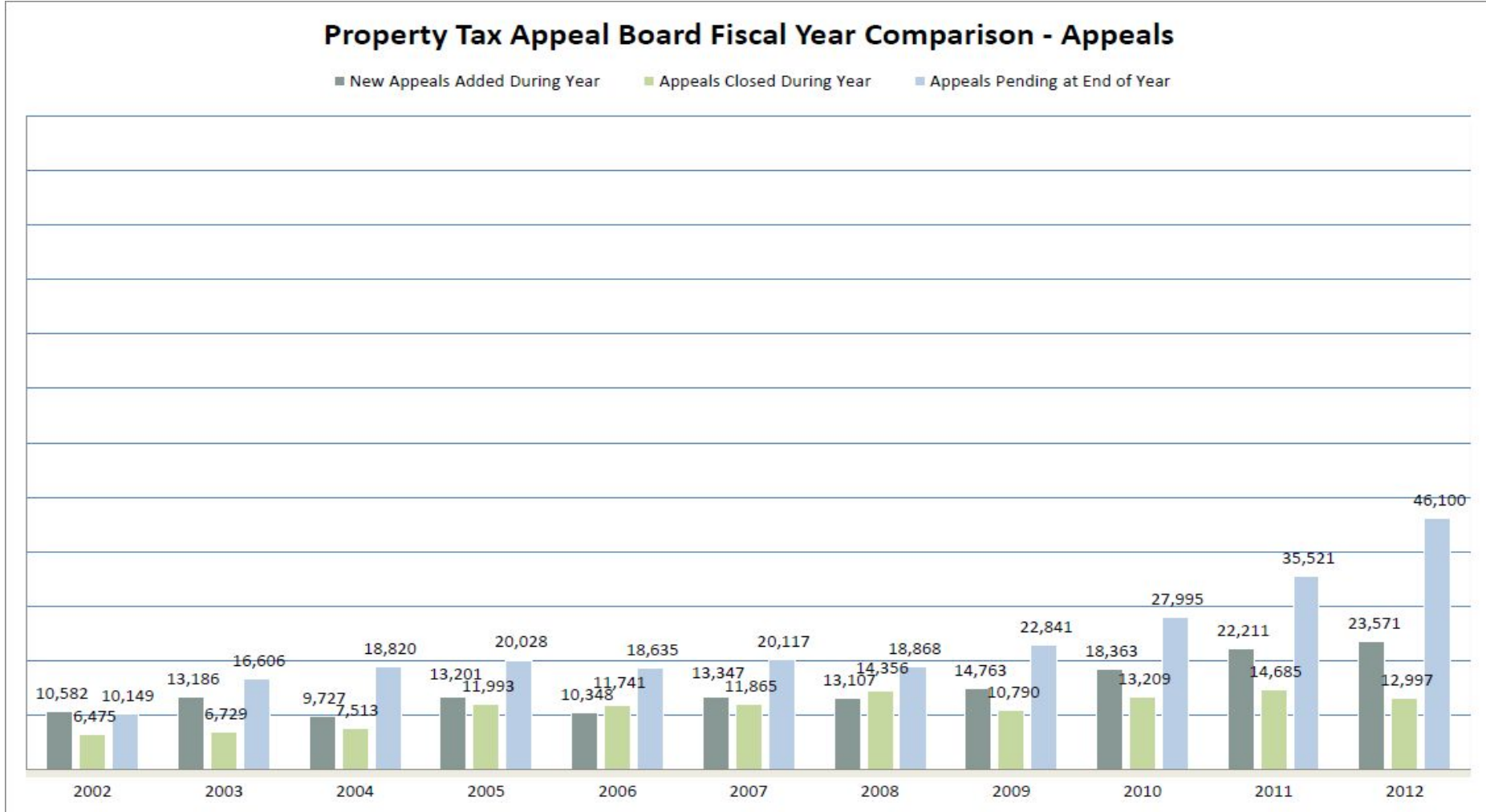
#### *Countywide*

- 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.<sup>1</sup>
- 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.<sup>2</sup>
- 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.

# Highlights

- Total property taxes of \$17.6 billion
- \$1.6 billion or 9% to TIF districts
- Median bill in N/NW suburbs up 15.7%
- Major error: claims Township HSD 211 “received” “nearly \$4.8 million”
  - Wrong – recapture was abated

# PTAB Trends – FY2002 to 2012

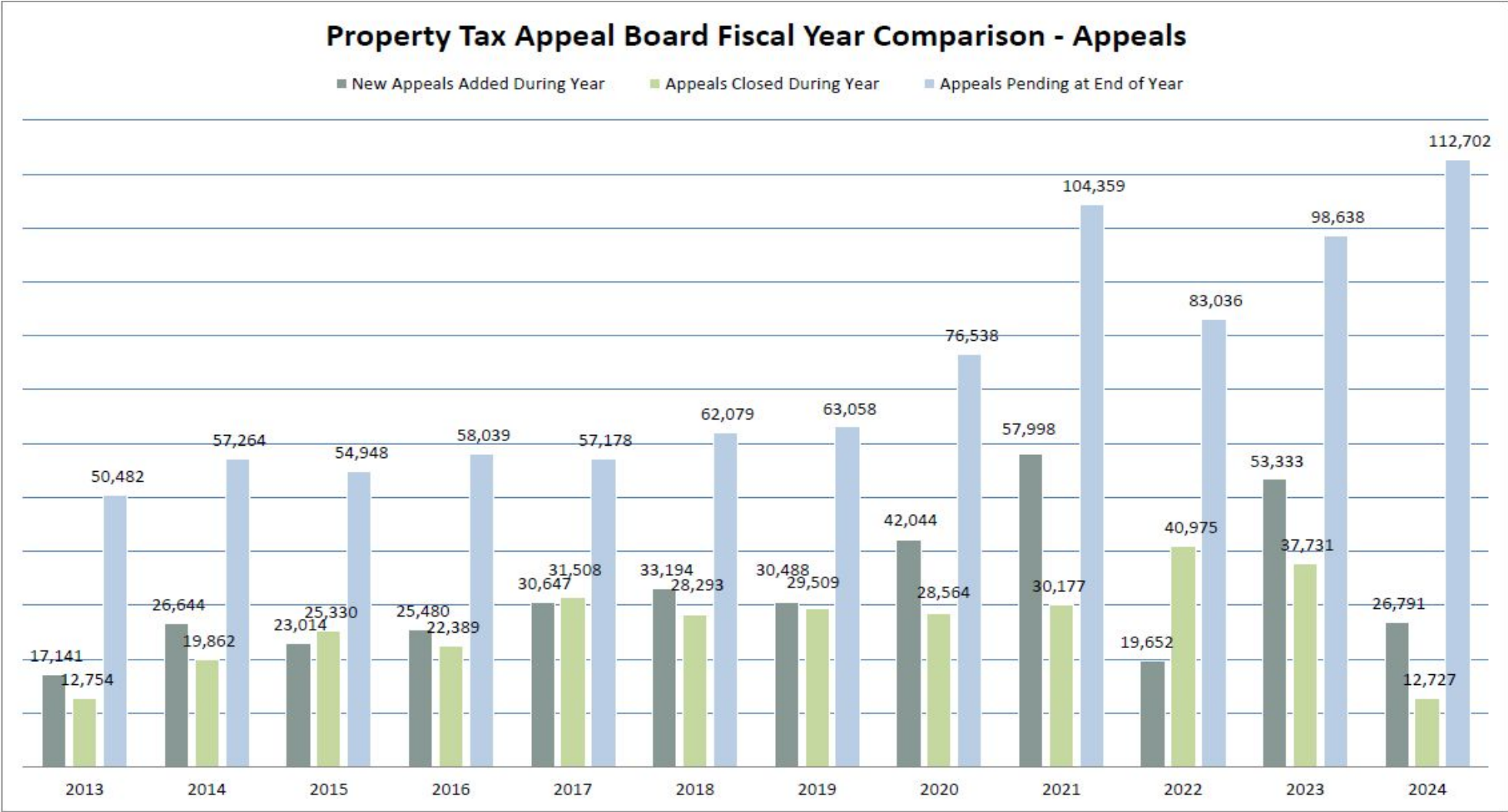


**HEADCOUNT (FTE)**

	FY02 Actual	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual
Administrative Law Judges	16	15	9	9	9	11	11	10	8	11	12
Clerical Staff	26	16	6	6	5	7	6	5	5	7	7
Admin/Support Staff	12	8	7	5	5	5	6	5	5	5	5
<b>Total</b>	<b>54</b>	<b>39</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>23</b>	<b>23</b>	<b>20</b>	<b>18</b>	<b>23</b>	<b>24</b>



# PTAB Trends – FY2013 to 2024



HEADCOUNT (FTE)	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual
Administrative Law Judges	13	13	14	14	14	15	18	17	18	21	22	22
Clerical Staff	12	13	13	13	12	11	12	12	12	10	10	10
Admin/Support Staff	5	5	5	5	4	4	5	5	5	5	5	5
<b>Total</b>	<b>30</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>30</b>	<b>30</b>	<b>35</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>37</b>

# All N/NW Townships

Class Group		2021 BOR Certified (final)	2022 Assessor Certified	2022 BOR Certified (final) <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">?</span>
<b>Residential (Major Class 2)</b>	# parcels	412,224	412,553	412,553
	Total AV	\$11,770.2M	\$15,305.3M	\$15,019.8M
	% change AV		30.0%	-1.9%
<b>Non-Residential (all others)</b>	# parcels	42,315	41,362	41,362
	Total AV	\$6,796.3M	\$9,406.8M	\$7,565.9M
	% change AV		38.4%	-19.6%
<b>Grand Total</b>	# parcels	454,539	453,915	453,915
	Total AV	\$18,566.6M	\$24,712.1M	\$22,585.8M
	% change AV		33.1%	-8.6%

# 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) <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">?</span>
<b>Residential (Major Class 2)</b>	# parcels	49,102	49,118	49,118
	Total AV	\$1,214.2M	\$1,604.4M	\$1,579.5M
	% change AV		32.1%	-1.6%
<b>Non-Residential (all others)</b>	# parcels	4,046	4,026	4,026
	Total AV	\$583.8M	\$876.2M	\$669.5M
	% change AV		50.1%	-23.6%
<b>Grand Total</b>	# parcels	53,148	53,144	53,144
	Total AV	\$1,798.0M	\$2,480.6M	\$2,249.0M
	% change AV		38.0%	-9.3%

# Wheeling Township

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

Class Group		2021 BOR Certified (final)	2022 Assessor Certified	2022 BOR Certified (final) <sup>?</sup>
Residential (Major Class 2)	# parcels	55,871	55,859	55,859
	Total AV	\$1,389.9M	\$1,742.8M	\$1,718.6M
	% change AV		25.4%	-1.4%
Non-Residential (all others)	# parcels	4,448	4,382	4,382
	Total AV	\$637.5M	\$895.9M	\$719.5M
	% change AV		40.5%	-19.7%
Grand Total	# parcels	60,319	60,241	60,241
	Total AV	\$2,027.4M	\$2,638.7M	\$2,438.1M
	% change AV		30.2%	-7.6%

# Section 18-190.7 of PTELL

- School district must have recognition or review status from ISBE
- Allows recapture or 'carry-forward' of levy authority when SD 'not extending to the maximum permitted'
- Certify to Clerk within 60 days
- Sounds good, but: 'may not exceed the taxing district's aggregate extension for the immediately preceding levy year by more than 5%...'
- Will be useful under limited circumstances

# CPI History for PTELL

Illinois Dept. of Revenue  
History of CPI's Used for the PTELL  
01/12/2023

Year	December CPI-U	% Change From Previous December	% Use for PTELL	Comments	Levy Year	Years Taxes Paid
1991	137.900	--				
1992	141.900	2.9%	2.9%		1993	1994
1993	145.800	2.7%	2.7%	(5 % for Cook)	1994	1995
1994	149.700	2.7%	2.7%		1995	1996
1995	153.500	2.5%	2.5%		1996	1997
1996	158.960	3.6%	3.6%		1997	1998
1997	161.300	1.5%	1.5%		1998	1999
1998	163.900	1.6%	1.6%		1999	2000
1999	168.300	2.7%	2.7%		2000	2001
2000	174.000	3.4%	3.4%		2001	2002
2001	176.700	1.6%	1.6%		2002	2003
2002	180.900	2.4%	2.4%		2003	2004
2003	184.300	1.9%	1.9%		2004	2005
2004	190.300	3.3%	3.3%		2005	2006
2005	196.800	3.4%	3.4%		2006	2007
2006	201.800	2.5%	2.5%		2007	2008
2007	210.036	4.08%	4.1%		2008	2009
2008	210.228	0.1%	0.1%		2009	2010
2009	215.949	2.7%	2.7%		2010	2011
2010	219.179	1.5%	1.5%		2011	2012
2011	225.672	3.0%	3.0%		2012	2013
2012	229.601	1.7%	1.7%		2013	2014
2013	233.049	1.5%	1.5%		2014	2015
2014	234.812	0.8%	0.8%		2015	2016
2015	236.525	0.7%	0.7%		2016	2017
2016	241.432	2.1%	2.1%		2017	2018
2017	246.524	2.1%	2.1%		2018	2019
2018	251.233	1.9%	1.9%		2019	2020
2019	256.974	2.3%	2.3%		2020	2021
2020	260.474	1.4%	1.4%		2021	2022
2021	278.802	7.0%	5.0%		2022	2023
2022	296.797	6.5%	5.0%		2023	2024

- CPI history from 1991 to present
- Range of 0.1% to 4.1%
- Until 2021 - 7.0%
- This year...6.5%

# Economic Development Incentives

- Overview
- Incentive Assessments
- Legislation
  - TIF legislation
  - Mega Projects

# Incentive Assessments

- 6b – industrial development
- 7a – commercial development with total costs less than \$2.0 mm
- 7b – same as 7a but costs \$2.0 mm or greater
- 7c – CURE, Commercial Urban Relief Eligibility (five years)
- 7d – ‘Food Desert’ areas
- 8 – commercial & industrial where there is ‘severe economic stagnation’
- 9 – affordable multi-family rental housing
- C – remediation of ‘contaminated properties’
- L – properties designated as a ‘landmark’
- S – housing under the Section 8 program
- Open Space – must be 10 acres or more and ‘used for open space purposes’



# Class 6b Example

- Vacant office building w/ proposal for new industrial warehouse
- Application uses \$146.57 psf as projected Assessor's MV
- Sample of +/-20 similar, newer industrial buildings valued at \$100 psf
- Projections grossly overstated property tax generation
- Are the municipalities doing their homework?

# Legislation

- **SB 1391 (Sen. Gillespie) – TIF reform bill**
  - Narrows definition of ‘blight’
  - Term reduced to 20 years
  - JRB authority enhanced
  - School Districts can ‘opt out’
  - Limits ‘porting’ between TIF districts
- **Long overdue fixes to TIF Act**

# Legislation

- SB 1350 (Sen. Gillespie) – Mega Projects
- HB 3565 (Rep. Walker) – identical bill in the House
- HB 4040 (Rep. Moylan) – another variation of the Mega Project
- PILOT – payment in lieu of taxes
- Essentially an assessment freeze for  $x$  years

# Questions



- Ares Dalianis
- 312.786.6163
- [agd@franczek.com](mailto:agd@franczek.com)

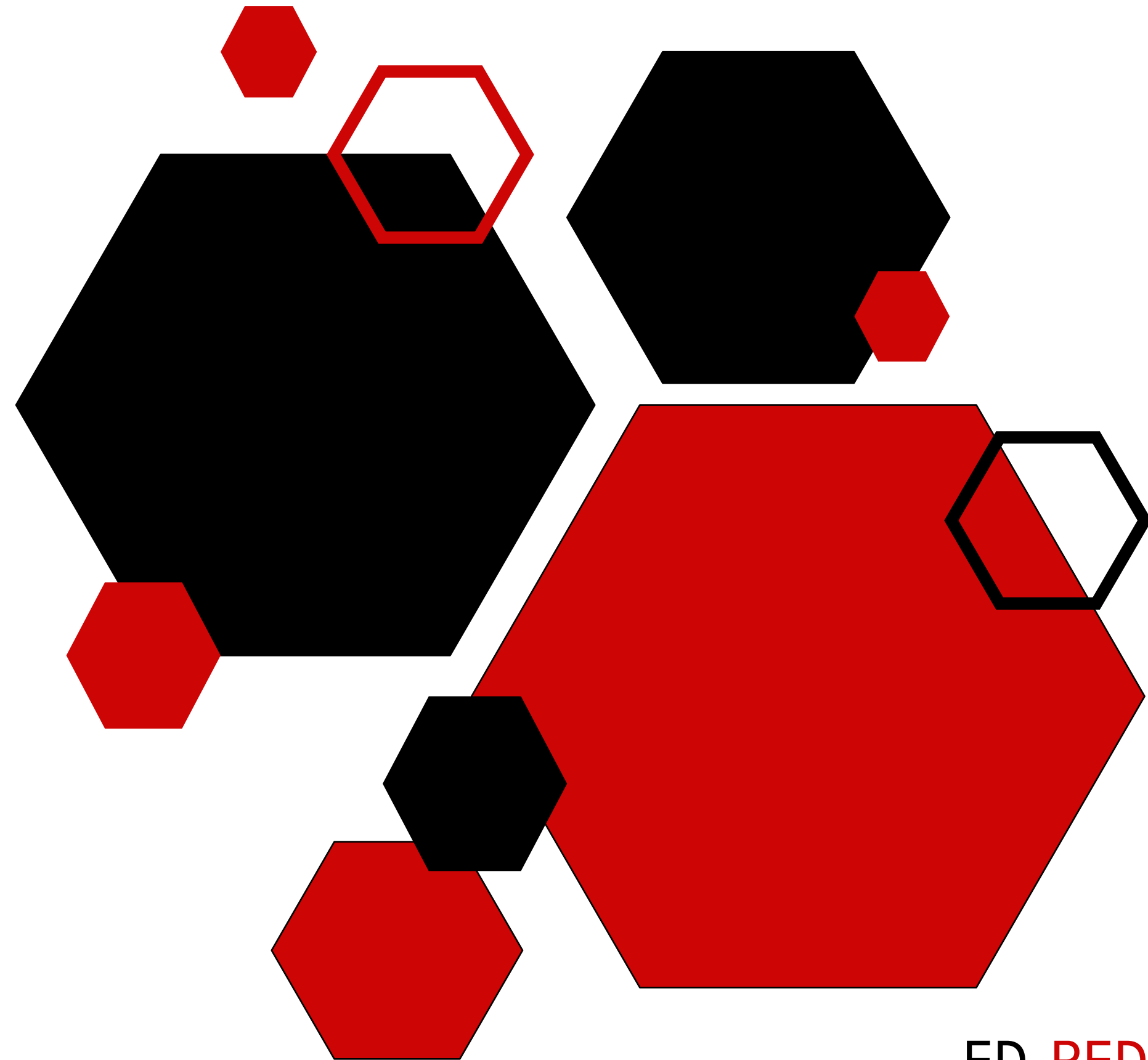
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# ED-RED's

# Legislative

# Update

- Veto Session Hot Topics
- ED-RED Initiatives



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# Hot Topics

## Veto Session

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### Invest in Kids

Scheduled to sunset end of 2023

Currently, NO viable extension/expansion proposals

### Kosher/Halal School Meals

SB457 - Response to Governor's Veto

ISBE Contract at Federal Reimbursed Lunch Price

Passed Senate -- Next Step: House

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# ED-RED Initiatives

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## School Polling

### Places

Require School Board Approval for Polling

Joint-Initiative with Legislative Education Network of DuPage (LEND)

Rep. Maura Hirschauer and Sen. Ram Villivalam

## New Arrival Student Grant

FY25 State Budget Process

Collecting Enrollment Data

December New Arrival Survey



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# ED-RED

# Member

## Working Committees

# Committees

- Transportation
- School Safety
- Staffing Shortages

### Advocacy Committees

- Full-Day Kindergarten
- TIF/Finance/Bears

### Quarterly Committees

- Superintendents
- Business Officials
- School Board Members





NOVEMBER 3RD, 2023

# ED-RED's Upcoming Events

- **December Member Meeting**
  - Friday, December 1st at 1:30PM
  - Wheeling 21 Admin Center - A308
- **Legislative Dinner**
  - Monday, January 29th
  - Stevenson High School



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# ADJOURNMENT



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