

Questions about Property Tax Bills due August 1, 2017

By Ali ElSaffar, Oak Park Township Assessor

For most Oak Park taxpayers, the recently mailed second installment tax bills reflect an annual increase of about 12% over the total amount of property taxes paid last year. This year's tax increases, coupled with the increases from last year, mean that most Oak Park taxpayers are contending with tax bills that are about 20% higher than they were two years ago.

This year's tax increase is largely a result of the referendum for Oak Park's Elementary School District 97, which voters approved in April. In the referendum campaign, the school district said that a successful referendum would increase its revenues by \$13.3 million. This would have increased tax bills by 7.4%, or \$740 on a \$10,000 tax bill.

But the referendum has generated significantly more money than the District expected. Instead of \$13.3 million, the school district's levy has increased by \$15.9 million. This increase is about 20% higher than expected, and corresponds to a tax hike of about 8.8%, or \$884 for a \$10,000 tax bill.

I do not believe the revenue estimates put forth by the District during the referendum campaign were made in bad faith. Indeed, I concurred with the District's \$13.3 million estimate. Nonetheless, for the reasons explained below, the referendum has generated \$2.6 million more than the District expected. When I became aware of this in mid-June, I alerted the school board to the problem, and am pleased that the board has made a commitment to find a way to return the extra money from the referendum to taxpayers.

Why did District 97 receive nearly 20% more money from its referendum than expected? The school wanted an additional \$13.3 million in revenue, but under state law it could not directly ask for this sum. Instead, it had to ask for a specific tax rate, and hope that the new rate would generate the money it was seeking. Under this system, school districts sometimes get less money than they expect from a referendum, and sometimes get more. District 97 got more.

An important reason for the variation in revenue coming from referendums is a little-known factor called the state equalizer, which changes every year. This year, the equalizer increased significantly, and thereby allowed District 97 to receive much more money than it expected.

I do not blame District 97 for the poorly designed law on referendums, nor do I blame it for the increase in the state equalizer, which was not released until after the referendum vote. But school districts can control how much revenue they receive through their tax levy requests, and have the ability to amend their levies after a referendum to insure that they receive the correct amount of money. Had District 97 filed an amended levy after the referendum, it could have avoided the problem it is now confronted with. Unfortunately, this did not happen.

Will District 97 be issuing refunds? The District has indicated that it does not want to keep the extra money it received from the referendum, and is exploring options about how to return it. One option is to refund the extra \$2.6 million it received from the referendum directly to taxpayers. Such a plan is possible but will be challenging, as it involves issuing some 19,000

refund checks. The other option is for the board to reduce its tax levy next year by the extra \$2.6 million that it received this year. The school board's preference, if feasible, is to issue refunds directly to taxpayers as soon as possible. The board expects to make a final decision on how to proceed in mid-July.

If District 97 is responsible for an 8.8% tax increase, why did my taxes go up by 12%?

Although District 97 is the largest taxing district in Oak Park, it is not the only taxing district. Tax highlights from the other districts include a 13.7% levy increase from Village government and a 10% levy reduction by the Oak Park Public Library, reflecting repayment of construction debts. Combined, tax levies from all local governments increased by 10.4%.

In addition to levy increases, most taxpayers are also paying more because of the impact of appeals. Under our property tax system, whenever one property reduces its taxes through a successful tax appeal, every other property owner has to pay a little more to insure that all the money levied by local governments is collected. This year, those Oak Park residents who did not file appeals had to pay about 1.2% more to make up for those who did.

Do these tax increases have anything to do with the new assessed value I received from the county in March? No. All Oak Park properties were reassessed in March, but the impact of the reassessment will not appear on tax bills until the summer of 2018.

Can I do anything to reduce next year's tax bill? In August, the Cook County Board of Review will be accepting appeals from Oak Park residents for next year's taxes. When appeal dates are announced, residents may call Oak Park Township to schedule an appointment for help in preparing an appeal.

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, you likely will not be able to do anything about your current bill.

Release date: June 30, 2017

Oak Park Township Phone Number: (708) 383-8005

**Tax Levies for Government Units Serving Oak Park
2016 Taxes Paid in 2017 (Excluding TIFs and Special Service Areas)**

<i>Unit of Government</i>	<i>2015 Total Levy (Paid in 2016)</i>	<i>2016 Total Levy (Paid in 2017)</i>	<i>Levy Growth</i>	<i>% of Total Tax Bill for '16</i>
School District 97	\$61,344,276	\$77,402,999	26.2%	34.0%
High School District 200	\$48,493,605	\$48,962,736	1.0%	26.9%
Village of Oak Park	\$27,516,184	\$31,296,770	13.7%	15.3%
Cook County	\$7,366,117	\$7,390,863	0.3%	4.1%
Oak Park Library Fund	\$10,008,311	\$8,971,648	-10.4%	5.5%
Water Reclamation District	\$5,684,721	\$5,629,813	-1.0%	3.2%
Triton College District 504	\$4,697,234	\$4,575,957	-2.6%	2.6%
Oak Park Township	\$4,630,512	\$4,686,889	1.2%	2.6%
Oak Park Park District	\$8,994,136	\$9,068,714	0.8%	5.0%
Miscellaneous Agencies	\$1,601,330	\$1,109,323	-30.7%	0.9%
Totals	\$180,336,426	\$199,095,712	10.4%	100.0%