

Questions and Answers about the Latest Property Tax Bills

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A successful referendum for the elementary school district, combined with ordinary tax increases from the other units of local government, have led to a 7.2% increase in Oak Park tax levies over last year. But these tax levy increases are not spread evenly among Oak Park properties. Because of a state-mandated decline in the value of the homeowner exemption, tax increases for most Oak Park homeowners are greater than the 7.2% increase in levies, whereas tax increases for other properties are less than 7.2%.

Increases in Tax Levies

State law restricts most local governments from increasing their property tax levies by more than the rate of inflation. But voters can override state restrictions through a successful referendum, and Oak Park voters did that in the spring when they approved a tax increase for School District 97.

Without the school referendum, tax levies in Oak Park would have increased by 3.3%. But the successful referendum added another 3.75% to community tax levies, resulting in an overall tax levy of \$164 million. This corresponds to a 7.2% increase in tax levies.

Declining value of Homeowner Exemption

Declines in the value of the homeowner exemption have created significant variation in the tax increases for Oak Park property owners. The average homeowner is facing a 9% tax increase, but some homeowners are paying more than the 9% average increase, and other homeowners paying less than the average increase. Properties not eligible for the homeowner exemption, such as commercial properties, are paying about 4.5% more than last year.

Why is my homeowner exemption worth less this year compared to last year? When property values were rising rapidly due to the housing boom, the legislature approved a complicated plan that sought to limit increases in the assessed values of homeowners to 7% per year. But this policy was controversial, with opponents asserting that it shifted the tax burden to nonresidential properties. Moreover, the housing boom, which gave rise to the policy of limiting assessed value increases, no longer exists. For these reasons, the policy is being phased out.

The 7% assessment limitation was carried out via an expanded homeowner exemption, and it is being phased out by reducing the size of the exemption. Last year, the maximum savings under the expanded homeowner exemption was about \$2,150. This year, the maximum savings will decline to around \$1,765, resulting in a tax increase of \$385. This tax increase for homeowners is in addition to the tax increases resulting from higher tax levies.

Why is there variation in tax increases for homeowners?

Many Oak Parkers will experience a \$385 tax increase due to the declining value of the maximum homeowner exemption. But this tax increase has varying impacts on different properties. For example, a \$385 tax increase for a property with a \$10,000 tax bill corresponds to a 4% tax increase. With a \$3,000 tax bill, however, the same \$385 tax increase represents an increase of 13%.

Making things more confusing is the fact that many homeowners do not receive the maximum value of the homeowner exemption. Among this group of homeowners, the declining homeowner exemption will result in tax hikes of more than \$385 for some, and less than \$385 for others.

Can I do anything to reduce my 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.

You may be able to do something about next year's property tax bill, however. The Cook County Board of Review will be accepting appeals from Oak Park residents for next year's taxes through October 24. Residents seeking assistance in filing appeals should call Oak Park Township at (708) 383-8005 for an appointment.

My second installment tax bill is about the same as my first installment tax bill. Does that mean my annual taxes are the same as last year? No. If your second installment bill is the same as your first installment bill, your annual tax bill has actually increased by 10%. This result is due to a tax policy change that took effect in 2010.

Under the policy, the first installment tax bill is 55% of the previous year's taxes. Thus if the second installment is the same as the first, each installment would be 55% of the prior year's taxes. This corresponds to an annual tax increase of 10%.

To accurately determine the change in property taxes for your property, you should compare last year's annual tax bill to this year's annual bill. The annual tax amounts for both years are listed on your second installment tax bill.

My property was reassessed this summer. Will the effect of the reassessment appear on my tax bill this fall? No. Property taxes are always paid one year behind, which means the effect of the 2011 reassessment of Oak Park properties will not appear on bills until the fall of 2012.

Tax Levies for Government Units Serving Oak Park
2010 Taxes Paid in 2011 (Excluding TIFs and Special Service Areas)

<i>Unit of Government</i>	<i>2009 Total Levy (Paid in 2010)</i>	<i>2010 Total Levy (Paid in 2011)</i>	<i>Levy Growth</i>	<i>% of Total Tax Bill for '10</i>
School District 97	\$48,960,916	\$56,111,702	14.61%	34.29%
High School District 200	\$45,530,886	\$46,802,934	2.79%	28.61%
Village of Oak Park	\$20,709,269	\$22,004,226	6.25%	13.45%
Cook County	\$7,265,763	\$7,828,249	7.74%	4.78%
Oak Park Library Fund	\$8,187,814	\$8,346,431	1.94%	5.10%
Water Reclamation District	\$4,813,107	\$5,070,780	5.35%	3.10%
Triton College District 504	\$3,946,379	\$4,163,962	5.51%	2.54%
Oak Park Township	\$3,927,938	\$4,071,430	3.65%	2.49%
Oak Park Park District	\$7,818,994	\$8,068,833	3.20%	4.93%
Miscellaneous Agencies	\$1,493,723	\$1,147,403	-23.19%	0.70%
Totals	\$152,654,790	\$163,615,950	7.18%	100.00%