

**Property Tax Payment Plan Task Force
Report to the Illinois General Assembly
Adopted March 18th, 2024**

Introduction

The Property Tax Payment Plan Task Force was created by the passage of Senate Bill 74 during the 2023 General Assembly session. SB 74 was signed into law on July 28, 2023, becoming Public Act 103-0369.

The purpose of the Task Force was to study and make recommendations for the implementation of one or more payment plan options in counties with 3,000,000 or more inhabitants to prevent eligible tax-delinquent owner-occupied properties in those counties from being sold at the annual tax sale. The inclusion of owner-occupied homes in the Cook County annual tax sale puts people, especially seniors and those with disabilities, at risk of losing their homes solely for delinquent property taxes purchased by investors motivated by profit, without regard for the long-term impact on families and communities. Black and Brown homeowners on the South and West Sides of Cook County are especially negatively impacted, as the current system makes it harder for impacted households to build equity and generational wealth.

The Task Force was charged with developing recommendations on payment plan options to assist homeowners in repaying their delinquent taxes while also taking into consideration the impact of any potential recommendation on taxpayers, local agencies responsible for the collection of property taxes, and local taxing districts. These recommendations may be used to recommend legislation in the 103rd General Assembly or a subsequent General Assembly.

The Task Force was co-chaired by Senator Robert Peters and Representative Debbie Meyers-Martin.

A list of members of the Task Force, as well as agendas, selected presentations, and minutes of the 5 meetings, are attached to this report as separate appendixes.

Summary of Key Issues Raised at Meetings

Below is a very brief summary of each meeting. Please refer to the meeting minutes, select presentations, and meeting minutes for a complete documentation of each meeting.

1. September 13, 2023 Meeting: The first meeting of the task force created opportunities for all members to introduce themselves to one another and consider the goals and objectives of the group. Members also discussed their reasons for serving on the task force. Members expressed their desire to prevent the displacement of longtime homeowners, collect more tax revenue, and have a positive impact on budgets for local taxing districts that rely on property tax revenue as a main source of funds. Members also noted the complexity of property tax issues, including low collection rates from commercial properties which are often not purchased in the tax or scavenger sales.

2. September 26, 2023 Meeting: During this meeting, the Task Force discussed the components of a comprehensive and fair pre-tax sale payment plan that provides individuals with a viable option to fulfill their tax obligations. The provisions of the payment plan were based on research completed by Neighborhood Housing Services of Chicago and Housing Action Illinois examining best practices of payment plans offered by other jurisdictions and municipalities. The group discussed the importance of tailoring the provisions to the specific needs and circumstances of Cook County. Payment Plan components include the following:

- Notification
- Enrollment
- Interest Rate
- Repayment Period
- Incentives
- Exemption from Tax sale
- Penalty for Default
- Eligibility Requirements

Please refer to meeting minutes for an explanation of each provision.

3. October 17, 2023 Meeting: Kristi DeLaurentiis from South Suburban Mayors and Managers Association presented data on the factors contributing to high property tax rates and low collection rates in the south suburbs, as they impact individual taxpayers, community members and local taxing districts. Some members noted that a payment plan could allow for higher collection rates and more opportunities for homeowners to pay back taxes in these areas. Zack Lively from Neighborhood Housing Services of Chicago presented data for homeowner taxes purchased at the annual tax sale. The data shows that the vast majority of owner-occupied properties with tax liens sold only had 0-1 years of delinquencies. Most homeowners with forfeited taxes had 4-5 years of delinquencies.

Justin Kirvan from the Cook County Treasurer's Office presented an online "Payment Plan Calculator" his office is developing to help taxpayers know how much they have to pay each month in order to pay off the taxes they owe. Justin also presented on property tax collections. Historically, the Treasurer's office collects 94.5% of total taxes levied by the 550 taxing districts each year as on-time payments made on or before the due date. By the annual tax sale (generally 13 months after the due date), the Treasurer's Office typically collects 99% of the total taxes billed. In addition, at the annual tax sale, approximately 38,000 to 45,000 liens for unpaid taxes are offered to tax buyers. On average, about 10,000 liens are sold to private buyers. Liens on the remaining properties are offered and not sold ("forfeited). Of all the properties with tax liens sold, usually 3,000 to 6,000 are owner-occupied, residential properties.

During this third meeting, the Cook County Treasurer's office also proposed a post-tax sale payment plan. Essentially, this would be an agreement that is offered to individuals who have had their tax lien sold to a tax buyer at the annual tax sale. Rather than being required to pay off the delinquent taxes, interest, penalties, and fees in lump sum, property owners would be allowed to redeem their property by paying off the total amount in installments over a specified period of time. This post-tax sale payment plan was proposed to be administered by the Cook County's Clerk Office.

4. October 30, 2023 Meeting: Tamika Davis from Cook County Clerk's Office provided her office's perspective on the administrative, legal and technological challenges of implementing a post-tax sale payment plan. There are several barriers to implementing a post-tax sale payment plan as highlighted by the Cook County Clerk's Office. Property owners who have had their tax lien sold at the tax sale are already facing financial difficulties. They may not have the financial means to afford the monthly installment payments after the sale, which will be higher than before the tax sale. Furthermore, in addition to the delinquent taxes, penalties, and fees, property owners are further burdened with high interest rates charged by the tax buyer that cannot be waived. There are various types and categories of interest that can be administratively difficult to track. At the Tax Sale, tax buyers can charge interest on the original tax liability. They can also charge interest for every subsequent tax bill that goes unpaid. This amounts to varying levels of interest over time that complicates the implementation of this payment plan. In the discussion that followed, it was raised that several of these challenges could be addressed by changes in state law and/or providing more resources for administration.

Justin Kirvan from the Cook County Treasurer's Office presented a proposal to pass a state law to eliminate the tax lien sale and make Illinois a state that sells tax deeds

when property taxes are delinquent, returning any remaining equity to property owners after delinquencies have been paid. This would ensure that Illinois' property tax foreclosure process comports with the holding in the *Tyler v. Hennepin* US Supreme Court decision¹. Furthermore, a well-designed tax deed sale system would allow homeowners and other taxpayers with delinquent taxes more time to pay back their delinquent balance at a more favorable interest rate without facing the fees and escalating interest rates charged by tax buyers under the current tax lien sale system administered by the county at the annual tax sale and scavenger sales. Members discussed questions and comments surrounding this potential legislation.

5. December 13, 2023 Meeting: Matt Kreis from the Center for Community Progress presented information to the group on reforms that the County may enact as a response to *Tyler v. Hennepin* and other pending litigation. This could result in Cook County moving from a “tax lien sale” to a “tax deed sale” or some combination thereof. Such a change would eliminate the current annual tax sale and the role of tax purchasers. Kreis explained that in a tax deed system, taxpayers could see longer repayment timelines, with significantly lower interest rates and overall costs, but homeowners would face foreclosure if their homes are ultimately sold in a deed sale. If, for example, homeowners had three years to pay off their property tax delinquency at more affordable interest rates than under the current system, there should be fewer foreclosures due to delinquent property taxes. In addition, more time could be allowed for homeowner outreach and to pursue “graceful exit” options (e.g., selling the home on the private market) for people who still cannot afford their property taxes despite more affordable terms to pay off delinquencies.

The co-chairs explained that while it is not in the scope of this task force to necessarily recommend a new “tax lien sale” or “tax deed sale” system, it is important for this group to consider how a payment plan may factor into such a reform and propose options for inclusion in future legislation. Members of the task force expressed support for a payment plan system within any future reform the County may propose, and reviewed a proposed deed sale payment plan recommendation for inclusion in the task force report. These recommendations would require state legislation to be enacted.

Justin Kirvan of the Cook County Treasurer's Office and Sarah Brune from Neighborhood Housing Services of Chicago also presented a short-term potential recommendation from the task force as well that would not require state legislation. This proposal was a pre-tax sale monthly payment plan for homeowners behind on their taxes. Members expressed support for this idea as a first step and asked that it be included in the task force report recommendations.

¹ <https://www.scotusblog.com/case-files/cases/tyler-v-hennepin-county-minnesota/>

If Cook County maintains the current tax lien sale system, payment plan options to exempt homeowners making partial payments on delinquent property taxes from the tax sale should be revisited.

Recommendations for Further Action

The task force recommends both administrative and legislative actions.

Administrative Actions

The task force first recommends the following administrative solutions that can be enacted in the short-term without legislation:

1. The Cook County Treasurer's Office should work with stakeholders to implement a pre-tax sale payment plan program that can begin rollout in 2024. Program details include:
 - a. All taxpayers with a prior homeowner exemption (or homeowner exemption added through a certificate of error) who are delinquent after the second annual tax bill will be eligible to enroll in a monthly payment plan program.
 - b. The monthly payment plan program should be available between the second tax bill delinquency notice and the annual tax sale, lasting at least 12 months.
 - c. Program participants will receive monthly text and email reminders to make monthly property tax payments with the goal of paying down any delinquent taxes that could be sold at the annual tax sale. Monthly reminders will include information on how to submit tax payments, the total amount due, the monthly amount due, imminent tax sale dates, and the taxpayer's remaining balance.
 - d. Interest would accrue on the homeowner's diminishing delinquent balance as currently defined under state law.
 - e. The initial and all subsequent mailed delinquency notices will include payment plan enrollment information, information on how to access the Cook County Treasurer's Payment Plan Calculator, the total remaining amount of delinquent taxes due, and the amount needed to be paid monthly to fully pay off the delinquency.
2. The Cook County Treasurer's Office should work with stakeholders and task force members to publicize payment plan enrollment opportunities on an annual

basis during the enrollment period. The enrollment period will occur between the first delinquency notice of the second tax bill and the annual tax sale.

3. The Cook County Treasurer's Office should publish data on its website by the end of each calendar year on the number of homeowners enrolling in the payment plan, the average delinquency amount, the average monthly payment, and the number of homeowners successfully completing the payment plan prior to the annual tax sale.
4. Other County offices, including the Cook County Clerk and Cook County Assessor, should publish information on their websites and notices alerting homeowners of the opportunity to enroll in the pre-tax sale payment plan.

Legislative Actions

Additionally, the task force recommends that a payment plan option and homeowner protections be included in any reform legislation proposed in the state legislature to transition Illinois from a tax lien sale system to a tax deed sale system, a combination thereof, or any other potential major tax foreclosure reform. These recommendations should also be studied for their potential fiscal impacts on taxing districts, considering the potential for earlier revenue collection but also potential revenue loss.

More specifically, the task force recommends the General Assembly consider the following legislative recommendations regarding homeowner repayment of delinquent taxes:

1. All taxpayers who received a homeowner exemption in the immediately prior tax year (or who receive a homeowner exemption through a certificate of error granted during the currently collected year) who are delinquent after the second annual tax bill becomes delinquent may enroll in a monthly payment plan program.
2. If a tax deed sale system is enacted in Illinois, homeowners should be given a full monthly repayment opportunity of three years, starting from the delinquency of the second tax bill and ending at the tax deed sale, with interest accruing at a rate of .75% per month.
3. The following interest rate reductions are recommended for payment plan participants:

- a. Full repayment within first year of delinquency resulting in 50% of the homeowner’s interest charges being waived or applied to their final monthly payment; and
- b. Full repayment within the second year of delinquency resulting in 25% of the homeowner’s interest charges being waived or applied to their final monthly payment.

4. Payments are applied to the principal first, not interest, for payment plan participants.

5. Taxpayer has the opportunity to apply payments beyond the current year’s delinquency to the oldest principal first

6. The Cook County Treasurer’s Payment Plan Calculator will show the amount owed for each individual year in the event a homeowner is delinquent on multiple tax years subject to collection during the term of the payment plan.

Furthermore, the task force recommends that the impact of any policy changes on local taxing district collections, pro and con, should continue to be a key priority during future stakeholder discussions. Taxing district revenue needs to be maintained and improved so local governments can provide all the day-to-day services that benefit the public and better make long-term investments that ensure the positive futures of all people and communities in the state.

Appendix: Task Force Members

Based on Public Act 103-0369 set the Task Force Members were:

Senator Robert Peters	(1) one member, who shall serve as co-chairperson of the Task Force, appointed by the President of the Senate;
Representative Debbie Meyers-Martin	(2) one member, who shall serve as co-chairperson of the Task Force, appointed by the Speaker of the House of Representatives;
Vacant	(3) one member appointed by the Minority Leader of the Senate;
Vacant	(4) one member appointed by the Minority Leader of the House of Representatives;

Peter Sellke, Illinois Housing Development Authority	(5) the Executive Director of the Illinois Housing Development Authority or his or her designee;
Justin Kirvan, Cook County Treasurer's Office	(6) the Cook County Treasurer or his or her designee;
Tamika Davis, Cook County Clerk's Office	(7) the Cook County Clerk or his or her designee;
James Thompson, Cook County President's Office	(8) the President of the Cook County Board of Commissioners or his or her designee;
Bob Palmer, Housing Action Illinois Anthony Simpkins, Neighborhood Housing Services of Chicago	(9) up to 2 members, appointed by the co-chairpersons of the Task Force, representing nonprofit affordable housing organizations in counties with 3,000,000 or more inhabitants, housing counseling organizations in counties with 3,000,000 or more inhabitants, or homeownership organizations in counties with 3,000,000 or more inhabitants;
Heather Barnes, ReBirth of Greater Roseland) Janice Williams Miller, The Block Movement/Sunshine Ministries	(10) up to 2 members, appointed by the co-chairpersons of the Task Force, representing community, neighborhood, or resident associations in counties with 3,000,000 or more inhabitants;
Ianna Kachoris, The Chicago Community Trust Kristi DeLaurentiis, South Suburban Mayors and Managers Association	(11) up to 2 members, appointed by the co-chairpersons of the Task Force, representing public interest organizations from counties with 3,000,000 or more inhabitants or civic organizations from counties with 3,000,000 or more inhabitants;
Vernard Alsberry, Jr., Village of Hazel Crest	(12) the Village President of the Village of Hazel Crest or his or her designee;
Christopher Clark, City of Harvey	(13) the Mayor of the City of Harvey or his or her designee;
Kenneth Jones, Village of Richton Park	(14) the Village President of the Village of Richton Park or his or her designee; and

<p>Sam Brown, Rich Township Assessor Cassandra Elston, Thornton Township Assessor Kendra Williams, Evanston Township High School</p>	<p>(15) up to 3 members, appointed by the co-chairpersons of the Task Force, representing taxing districts, other than municipalities, with properties that are the most highly represented in the annual tax sale in counties with 3,000,000 or more inhabitants.</p>
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Appendix: Meeting Agendas

Property Tax Payment Plan Task Force Meeting

Wednesday, September 13th 2023
NHS South Side Hub, 639 E 87th Street
10:00am - 12:00pm

AGENDA

- Presentation from Task Force Co-Chairs
 - Task Force Goals and Outcomes
 - Data on tax sale impacts
 - Membership

- Member Introductions
 - What is your role working with property taxes or tax payers?
 - What do you hope to achieve as a member of this Task Force?

- Next Steps
 - Upcoming meeting schedule
 - Next meeting: September 26th, 10am - 12pm on zoom

- Public Comment Period (*up to 3 minutes per comment*)

Property Tax Payment Plan Task Force Meeting

Tuesday, September 26th 2023
Via Zoom
10:00am - 12:00pm

AGENDA

- Welcome (Co-Chairs: Senator Peters & Representative Meyers-Martin)
 - Review of Agenda

- Roll Call of Task Force Members (Co-Chairs: Senator Peters & Representative Meyers-Martin)
- Approval of Minutes from Last Meeting: September 13th, 2023 (Co-Chairs: Senator Peters & Representative Meyers-Martin)
- Presentation on Property Tax Payment Plan: Selected Key Issues (Mare Ralph, HAI and Falon Young, NHS)
 - [Presentation](#)
- Questions and Discussion on Presentation and Additional Key Issues to Focus on When Developing a Payment Plan Proposal
- Planning Upcoming Task Force Meetings (Co-Chairs: Senator Peters & Representative Meyers-Martin)
- Other Business
- Public Comment Period (up to 3 minutes per comment)
- Closing (Co-Chairs: Senator Peters & Representative Meyers-Martin)

Property Tax Payment Plan Task Force Meeting

Tuesday, October 17, 2023

Via Zoom

10:00am - 12:00pm

AGENDA

- Welcome (Co-Chairs: Senator Peters & Representative Meyers-Martin)
 - Review of Agenda
- Roll Call of Task Force Members (Co-Chairs: Senator Peters & Representative Meyers-Martin)
- Approval of Minutes from Last Meeting: September 26th, 2023 (Co-Chairs: Senator Peters & Representative Meyers-Martin)

- Presentation: Kristi DeLaurentiis, South Suburban Mayors and Managers Association
 - Collection rates in South Suburbs
- Presentation: Zack Lively, Neighborhood Housing Services of Chicago
 - Data on taxes purchased at the annual tax sale
- Presentation: Justin Kirvan, Cook County Treasurer's Office
 - Payment Plan Calculator
- Upcoming Task Force Meetings
- Public Comment Period (up to 3 minutes per comment)
- Closing (Co-Chairs: Senator Peters & Representative Meyers-Martin)

Property Tax Payment Plan Task Force Meeting

Monday, October 30, 2023

South Suburban Mayors and Managers Association - East Hazel Crest

10:00am - 12:00pm

AGENDA

- Welcome (Co-Chairs: Senator Peters & Representative Meyers-Martin)
- Roll Call of Task Force Members (Co-Chairs: Senator Peters & Representative Meyers-Martin)
- Approval of Minutes from Last Meeting: October 17th, 2023 (Co-Chairs: Senator Peters & Representative Meyers-Martin)
- Review: What we have covered so far
 - Sarah Brune, NHS
 - Bob Palmer, HAI
- Continuing Discussion: Post Tax Sale Partial Payments/Payment Plans
 - Tamika Davis, Cook County Clerk's Office
- Discussion: Potential Tax Sale Reform
 - Justin Kirvan, Cook County Treasurer's Office

- Upcoming Task Force Meetings
 - Final meeting and/or report forthcoming
- Public Comment Period (up to 3 minutes per comment)
- Closing (Co-Chairs: Senator Peters & Representative Meyers-Martin)

Appendix: Meeting Minutes

1. Minutes for Property Tax Payment Plan Task Force 9/13/2023

Call to order:

A meeting of the Property Tax Payment Plan Task Force was held on September 13th, 2023 at the Neighborhood Housing Services office at 639 E 87th St, Chicago, IL 60619. It began at 10:20 and was presided over by Sen. Robert Peters and Rep. Deborah Meyers-Martin.

Attendees

Voting members in attendance:

Peter Sellke (Illinois Housing Development Authority)

Vernard Alsberry, Jr. (Village of Hazel Crest)

Christopher Clark (City of Harvey)

Kendra Williams (Evanston Township High School)

Anthony Simpkins (Neighborhood Housing Services of Chicago)

Bob Palmer (Housing Action Illinois)

Heather Barnes (ReBirth of Greater Roseland)

Kayla Williams (The Block Movement/Sunshine Ministries)

Aimee Ramirez (The Chicago Community Trust)

Kristi DeLaurentiis (South Suburban Mayors and Managers Association)

Kenneth Jones (Village of Richton Park)

James Thompson (Cook County President's Office)

Tamika Davis (Cook County Clerk's Office)

Justin Kirvan (Cook County Treasurer's Office)

Members not in attendance:

John Curran (Sen. Minority Leader John Curran)

Tony McCombie (House Minority Leader Tony McCombie)

Rick Reinbold (Village of Richton Park)

Sam Brown (Rich Township)

Cassandra Elston (Thornton Township)

Officer's reports

Presented by Rep. Myers-Martin and Sen. Peters

- Background information about the need and origin of the Property Tax Payment Plan Task Force
- Each person goes around and does introduction, explaining their roles outside of the task force.
 - *Christopher Clark*
 - The Mayor's office is that boots on the ground. Dealing with issues in regards to payment and affordability. Harvey used to have the highest tax rate in Cook County. Affordability is a big issue. Many people just see no way out.
 - *Kenneth Jones*
 - *Tamika Davis*
 - Director of real estate and taxes for the Cook County Clerk's Office. Primary function is the redemption of sold taxes.
 - *Justin Kirvan*
 - Cook County Treasurer's Office. Wants to prevent people from losing their homes through property tax foreclosure process. We don't want to get into a "payday lender" situation.
 - *Anthony Simpkins*
 - President of NHS. Homeownership focus.
 - *Bob Palmer*
 - Worked on the legislation to get the task force together.
 - *Kayla Williams*
 - Housing equity initiative. Helps make a complete payment of that tax bill.
 - *Jim Thompson*
 - Wants to look at major reforms of the property tax system. Main focus is southland and tax rates. Looking at exemptions and incentives.
 - *Kendra Williams*
 - Evanston Township District 202 CFO. Makes up about 40 percent of the tax bill.
 - *Heather Barnes*
 - Regrowth of Greater Roseland. Here because she fights for the people.
 - *Aimee Ramirez*

- Chicago Community Trust. Build up of the built environment by developing on vacant land. How do we get vacant land back to productive use?
- *Vernard Alsberry*
 - How do we put all the pieces together to ensure that people are able to stay in their homes?
- *Kristi DeLaurentiis*
 - Mostly represents Cook County mayors. Underlying classification system in Cook County causes a lot of problems. 14 of the 15 highest tax burdens are in the south suburbs. Wants to look into how to get exempt properties back on the tax roll.
- *Sarah Brune*
 - Director of public policy at Neighborhood Housing Services Chicago
- *Peter Sellke*
 - IDHA. Oversees Illinois homeowner assistance for Mortgage, HOA. They pay up to 60k dollars. Illinoishousinghelp.org

Areas of contributions to the task force?

Justin Kirvan: The Treasurer's office can provide statistics.

Christopher Clark: Balance is skewed. Commercial properties are able to survive and residential properties get left in the wind. It's also a racial equity issue too. Not in favor of Class 8's.

Vernard Alsberry, Jr.: This is different for different cities. We depend on the payments coming on time otherwise we have to borrow to cover in the meantime.

Is it possible to make a payment plan based on a flawed tax system? On the payment plan increasing revenue.

Justin Kirvan: It's possible. Amortize the payments so that people can budget easier. They have set payment every month. If you get below a certain level of liability you can avoid tax sale. You may get a lot more people paying. Something is better than nothing. Revenue neutral or revenue positive solutions.

Sarah Brune: Agree. Payment plan will see an increase in payments.

Anthony Simpkins: Wants to make it easier for their clients. Tax buyers get interest that doesn't even go to the municipalities. Payment plans allow municipalities to collect and for people to stay in homes.

Sen. Peters: debt being sold around doesn't help the municipalities or county. If anything you get less money.

A payment plan can provide for the ability for taxpayers to budgeting and have more predictability.

Christopher Clark: People need to know how the tax bill works. People get bills that they didn't know were coming. Needs to be a level of predictability.

Tamika Davis: There is no formal payment plan but you can make partial payments. If you make partial payment, the interest rate is only applied to the past due balance. Tax buyers bid on interest rate. They are interested in the previous owner not paying the bill on time and getting the interest. They don't want the property.

Transparency and commercial property tax payments.

Christopher Clark: How does it work where businesses don't get their properties taken? Well there is no county system in place to get their properties/taxes. The municipalities have now worked to remove business licenses if you owe too much. No cash bids.

Tax buyers are not buying commercial properties because they are more difficult to deal with. Path of least resistance is to go through the homeowners.

Justin Kirvan: There's a core of 30k properties that are perpetually on the scavenger sale. A lot of them are the commercial properties and there's no enforcement mechanism.

Christopher Clark: We miss out on 27 million dollars a year because of all those years of lack of payment. Realize that there was shifting. It's easier to get money from residents than from businesses and the overburden is on them. If we can get them [businesses] to pay their taxes, we can do better to fund affordable housing and other services for our people.

Kendra Williams: We need to become more transparent in how to share information to normal people: how they are supposed to pay taxes and how the property taxes fund our needs.

Public Comment Section

Tiffany Smith: By doing the task force, we hope that we can improve the conditions and issues people speak to us about; we need to figure out some solution for people to pay; we even pay car payments monthly, so we need to help make this solution make sense as well as an equitable solution.

Announcements

Next meeting via zoom.

Meeting Schedule

Time: 10am-12pm

Tuesday, 9/26 Zoom

Tuesday, 10/17 location TBD

Tuesday, 10/31 location TBD

Adjournment

Sen. Peters moved that the meeting be adjourned, and this was agreed upon at 11:59am

2. Minutes for Property Tax Payment Plan Task Force 9/27/2023

Call to order:

A meeting of the Property Tax Payment Plan Task Force was held on September 26th, 2023 via Zoom virtual meeting. It began at 10:02 am CST and was presided over by Sen. Robert Peters and Rep. Deborah Meyers-Martin.

Attendees

Voting members in attendance:

Justin Kirvan (Cook County Treasurer's Office)

James Thompson (Cook County President's Office)

Peter Sellke (Illinois Housing Development Authority)

Christopher Clark (City of Harvey)

Kenneth Jones (Village of Richton Park)

Cassandra Elston

Kendra Williams (Evanston Township High School)

Tiffany Smith (Neighborhood Housing Services)

Heather Barnes (ReBirth of Greater Roseland)

Ianna Kachoris Chicago Community Trust

Bob Palmer (Housing Action Illinois)

Kayla Williams (The Block Movement/Sunshine Ministries)

Aimee Ramirez (The Chicago Community Trust)

Kristi DeLaurentiis (South Suburban Mayors and Managers Association)

Tamika Davis (Cook County Clerk's Office)

Anthony Simpkins (Neighborhood Housing Services of Chicago)

Members not in attendance:

Vernard Alsberry, Jr. (Village of Hazel Crest)
Sam Brown

Overview of the Agenda:

Presentation on Property Tax Payment Plan: Selected Key Issues: Mare Ralph and Falon Young

Questions and Discussion on Presentation and Additional Key Issues to Focus on When Developing a Payment Plan Proposal

Planning Upcoming Task Force Meetings

Other Business

Public Comment

Closing

Approval of Minutes from September 13, 2023 Meeting

Bob Palmer (Housing Action Illinois) made a motion to approve the minutes. Meeting minutes were approved unanimously via voice vote.

Presentation

- Falon Young and Mare Ralph present examples of payment plans in other jurisdictions.
 - Questions and Discussion on Presentation and Additional Key Issues to Focus on When
 - Q: *Kristi*: Were you providing data on the success of the programs?
 - A: We did not have access to that data. We would have to FOIA for that data.
 - Q: *Kristi*: Was it consistent that long time homeowners were really the main candidates for the programs?
 - A: Of the plans we researched, we are not aware of any that required long time homeownership for eligibility.
 - Q: *Justin*: Do you have an example of a payment plan (in a tax-lien state) where the owner was able to avoid the enforcement mechanism that kicks in?
 - Q: *Ianna Kachoris*: Can you say a bit more about the Milwaukee model (the pre-payment plan)?
 - *Kristi*: expresses support for a robust notification system. Offer an incentive for individuals to pay on time. Perhaps some sort of reduction in the property tax.
 - *Tamika*: We should come up with a very streamlined list of requirements to qualify for a payment plan. We don't want people to sign up for payment plans if they really don't need it. The rebate is

potentially pushing the liability onto another taxpayer. Could we have a payment plan system for when the taxes get sold too?

- *Tiffany Smith*: We need to be cautious about how we determine eligibility/need.
- *Peter (IDHA)*: Can't make payments on the tax bill until you know what it'll be.
- *James Thompson*: Let's take a look at the deferred payment programs in Illinois (for seniors) and Colorado.
 - *Tamika Davis*: The deferral program is actually a loan. And it's only up to 5k.
- *Justin Kirvan*: The concern around auto-debiting is that payments could bounce and then the payer would be charged.
- *Ianna*: Eligibility criteria – let's keep this to owner occupied residencies.

Public Comment Section

Kenneth Jones (Village of Richton Park): What is the timeframe we're looking at to implement what comes out of the task force?

Announcements

October 17th, 2023 is the next meeting.

October 31st, 2023 with the possibility of it being moved to October 30th.

Adjournment

Sen. Robert Peters made a motion to adjourn the meeting that was approved unanimously at 11:37am CST via voice vote.

3. Minutes for Property Tax Payment Plan Task Force 10/17/2023

Call to order:

A meeting of the Property Tax Payment Plan Task Force was held on October 17th, 2023 via Zoom virtual meeting. It began at 10:02 am CST and was presided over by Sen. Robert Peters and Rep. Deborah Meyers-Martin.

Attendees

Voting members in attendance:

Sam Brown (Rich Township)

Justin Kirvan (Cook County Treasurer's Office)

Kendra Williams (Evanston Township High School)

Tamika Davis (Cook County Clerk's Office)
Bob Palmer (Housing Action Illinois)
Krisi DeLaurentis (South Suburban Mayors and Managers Association)
Anthony Simpkins (Neighborhood Housing Services of Chicago)
Tiffany Smith (Neighborhood Housing Services)
Robert Peters (IL State Senator District 13)
Debbie Meyers-Martin (IL State Representative District 38)
Ianna Kachoris (Chicago Community Trust)
Sarah Brune (Neighborhood Housing Services of Chicago)
Vernard Alsberry Jr (Village of Hazel Crest)
James Thompson (Cook County President's Office)
Heather Barnes (ReBirth of Greater Roseland)
Christopher Clark (City of Harvey)
Janice Williams Miller (The Block Movement/Sunshine Ministries)

Other attendees:

Mare Ralph (Housing Action Illinois)
Michael Stone
Kayla Williams
Kelly Karvelis
Falon Young (NHS Chicago)
Sean Vanden Heuvel
Anna Schaffer
Zack Lively

Members not in attendance:

Peter Sellke (Illinois Housing Development Authority)
Rick Reinbold (Village of Richton Park)
Kenneth Jones (Village of Richton Park)
Cassandra Elston (Thornton Township)
Aimee Ramirez (The Chicago Community Trust)

Overview of the Agenda:

Welcome
Roll Call
Approval of Meeting Minutes
Presentation of collection rate of South Suburbs
Presentation of Data on taxes purchased at the annual tax sale
Presentation of Payment Plan Calculator
Public Comment Period
Next Meeting Set

Closing

Approval of Minutes from September 26th, 2023 Meeting

[insert] made a motion to approve the minutes. Meeting minutes were approved unanimously via voice vote.

Presentations

Kristi DeLaurentiis, South Suburban Mayors and Managers Association - Collection rate of South Suburbs

- Presentation:
 - Starts off with a correlation between the places we are having problems with in terms of collection of taxes are the ones that are historically impacted environmentally, the Environmental Justice areas are connected with loss of industry and commercial business (steel mill closure for example)
 - The patterns repeat: the households at risk in the South Suburbs are losing their homes and falling of the tax rolls → the population change (decrease) highlights the rising problem of vacant house with no one replacing them
 - Reflects historic changes such as industrial site loss again
 - Important to emphasize that three are 5 locations (Hazel Crest, Richton Park, Olympia Fields, Evanston, Chicago) to show the difference between the South Suburbs as a whole have a particular issue and the great need
 - Ford Heights is struggling with collection from their tax base, they're not a very large place of businesses and collection is at 29%; 14 of 15 of the worst collection locations in the county are in the South Suburbs
 - The veto of nursing homes is hoped to stay because if not, the burden will be shifted again to taxpayers → important to mention as veto session is next week
 - Example of infrastructure costs that the taxes collected are needed for: lead services lines is a priority, but the cost is huge; funding school districts who are in needy and have had to received supplemental grants
 - Suggested the use of any remaining ARPA funds for supplement
- Questions:
 - Sam Brown: Appreciative of emphasizing that the historical data and larger problems aren't something made up and the assessor is not at fault
 - Bob Palmer: The data is for all tax collections, not just homeowners?

- A: Yes
- Anthony Simpkins: Is there a number of properties in both commercial and residential in this presentation?
 - A: collection presented is post scavenger sale, it's hard to know

Zack Lively, Neighborhood Housing Services of Chicago - Data on taxes purchased at the annual tax sale (data on homeowners)

- Presentation:
 - Background: prior delinquencies are taxes from a prior year were unpaid at the time of that year's tax sale; they are counting these from TY15-19
 - Vast majority of homeowners with purchased taxes only had 0-1 delinquencies; Most of homeowners with forfeited taxes had 4-5 delinquencies
 - 93% of homeowners had either^ of these; taxes were purchased for almost all homeowners with 0-1 del. And taxes forfeited for almost all homeowners with 4-5 del.
 - Prior del. for purchased taxes happened mostly before TY20; for forfeited taxes it exists every TY
 - Location of purchased taxes were in majority black areas: 49% of purchased taxes homeowners and 86% of forfeited taxes are in these areas
 - If they have very few del., tax purchasers will focus on them; if it is more like the 4-5 purchasers don't do much
- Questions
 - Tamika Davis: agrees with conclusion, appreciates the use of data to show
 - Kristi DeLaurentiis: is the higher amount owed was an impediment
 - A: can't say for sure
 - Justin Kirvan: they stay away because the buyer they have to pay ALL unpaid taxes if it has many years del. rather than just 1 year

Justin Kirvan, Cook County Treasurer's Office - Payment Plan Calculator

- Presentation:
 - Example of how the payment calculator can look on the treasurer's website
 - Some Statistics because they want to see what they can actually achieve and pass in the general assembly
 - Annual tax sale: 38k-45k liens for unpaid taxes offered to tax buyers
 - Liens: about 10k properties are sold to private buyers

- Remaining properties: liens on the remaining properties are offered and not sold (“forfeited), meaning no private buyer bid on he taxes, typically because the buyers deemed it unlikely they would be repaid
 - Annual Sale Results: between 3k-6k owner-occupied, residential properties are sold annual,
 - Historically, the treasurer's office collects 94.5% of total taxes levied by the 550 taxing districts each year as on-time payments made or before the due date
 - By the annual tax sale (13 month after due date), the treasurer’s office typically collected 99% of the total taxes billed
 - Annual tax sale is usually 0.3%, post tax sale is 0.1% from PINs whose taxes were offered and not sold remained forfeited
 - Bottom line: almost all the levied each year get paid before the annual sale → emphasis that they have and should keep this in tact
 - Proposed legislation
 - Tax code: amend to permit residential property owners to redeem in manageable, partial amounts
 - Status: include the specific payment posting procedure so tis not a matter of discretion
 - The county: post owners’ payments in a manner that minimizes the interest that occurs on owners’ redemption bill
- Questions:
 - Kristi: if there is a calculator, how will it be advertised; after the taxes sale how would individuals know about this process?
 - A: will be front and center on the website open to more examples
 - Tamika: wanted to connect from Treasure and Clerk offline; some of the proposal would need to have more legwork with clerk’s office
 - Ianna: the calculator will be applied to only certain people or no; and also how do we solve for city issue of payment plan and suburban issue of collecting taxes
 - Robert Peters: highlight that we need to help the most vulnerable, and then broaden the tool later for better use

Public Comment Section

None

Announcements

October 30th, 2023 at SSMMA

Final Meeting in December

Adjournment

Sen. Robert Peters made a motion to adjourn the meeting that was approved unanimously at 12:04pm CST via voice vote.

4. Minutes for Property Tax Payment Plan Task Force 10/30/2023 (Minutes Still Need to be Approved)

Call to order:

A meeting of the Property Tax Payment Plan Task Force was held on September 26th, 2023 via Zoom virtual meeting. It began at 10:06 am CST and was presided over by Sen. Robert Peters and Rep. Deborah Meyers-Martin.

Attendees

Voting members in attendance:

Justin Kirvan (Cook County Treasurer's Office)
James Thompson (Cook County President's Office)
Peter Sellke (Illinois Housing Development Authority)
Christopher Clark (City of Harvey) (representative present)
Kenneth Jones (Village of Richton Park)
Cassandra Elston
Kendra Williams (Evanston Township High School)
Tiffany Smith (Neighborhood Housing Services)
Heather Barnes (ReBirth of Greater Roseland)
Ianna Kachoris Chicago Community Trust
Bob Palmer (Housing Action Illinois)
Kayla Williams (The Block Movement/Sunshine Ministries)
Aimee Ramirez (The Chicago Community Trust)
Kristi DeLaurentiis (South Suburban Mayors and Managers Association)
Tamika Davis (Cook County Clerk's Office)
Anthony Simpkins (Neighborhood Housing Services of Chicago)
Vernard Alsberry, Jr. (Village of Hazel Crest)
Sam Brown
Cassandra Elston

Members not in attendance:

Overview of the Agenda:

- Welcome (Co-Chairs: Sen Peters & Representative Meyers-Martin)

- Review of Agenda
- Approval of Minutes from Last Meeting: October 17th, 2023 (Co-Chairs: Sen Peters & Representative Meyers-Martin)
 - [Minutes](#)
- Review: What we have covered so far (5 mins)
 - Sarah Brune, NHS ([presentation](#))
 - Bob Palmer, HAI
- Continuing Discussion: Post Tax Sale Partial Payments/Payment Plans
 - Tamika Davis, Cook County Clerk's Office
- Discussion: Potential Tax Sale Reform
 - Justin Kirvan, Cook County Treasurer's Office
- Upcoming Task Force Meetings
 - Final meeting and/or report forthcoming
- Public Comment Period (up to 3 minutes per comment)
- Closing (Co-Chairs: Sen Peters & Representative Meyers-Martin)

Approval of Minutes from September 13, 2023 Meeting

Anthony Simpkins (Housing Action Illinois) made a motion to approve the minutes. Meeting minutes were approved unanimously via voice vote.

Presentation

- Continuing Discussion: Post Tax Sale Partial Payments/Payment Plans
 - Tamika Davis, Cook County Clerk's Office
 - Issues post sale payment plan:
 - potential 35 million dollar shortfall
 - Human Resources
 - Complexities of differing interest rates
 - Technological constraints
 - Risk of default from payer. How do we recoup the money?
 - Any money collected for property taxes has to be distributed. 2-3 distributions during non-peak and 3-5 distributions during peak. This could put them in a position where they need property tax bonds.
 - Logistical constraints from manual postings

- Karen Yarborough is not in support of payment plan for taxes that have already been sold
 - Anthony Simpkins: the point is to prevent people from going to the tax sale in the first place. The system we have now is akin to contract buying. Post sale payment plan makes no sense.
 - Sen. Peters: Burden shifting: pre = tax payer & gov. Post = financial institution & tax payer
 - Justin Kirvan: treasurer's office loses jurisdiction after the tax sale. The universe we'd have to manage is smaller in post-tax sale. Only dealing with a few thousand versus over 1 million. There are solutions to the issues Tamika raised
 - Kendra Williams: Does post sale payment plan allow us to trickle in some money
 - Tamika Davis: We don't want more late payments because we allowed more people to enter payment plan that didn't need/deserve it
 - Rep. Meyers: who can we help the most initially? Take an incremental approach. Maybe that's our best strategy.
 - Peter Sellke: What's missing is a software/technology solution that is able to accommodate these changes.
 - Tamika Davis: At the moment the answer is no. We'd have to go back to the drawing board.
 - Jim Thompson: Yes it will be possible eventually.
 - Yana: We shouldn't be solving to the problem of the administration. Our solution should be broader.
 - Kristi DeLaurentiis: We only have to solve for the people that are running into trouble. Not for the whole million. Put the payment plan in place from day one. Ideas about a safety net. Can we put in a 30 day "cure" period to the tax sale?
 - Kendra Williams: We have to have a balanced approach. We can't ignore the costs (financial or hr).
 - Christopher Clark: some of our south land communities are not getting payments anyways. Tax losses cause these communities to deteriorate.
- Discussion: Potential Tax Sale Reform
 - Justin Kirvan, Cook County Treasurer's Office
 - Holding a foreclosure auction on the property itself creates the opportunity for homeowners to receive equity in the sale. We can also build in more time between the delinquency date and sale than currently exists between the second tax bill and the annual tax sale.
 - Buyers in a foreclosure auction are more likely to be interested in developing properties once they acquire them.

- Anthony Simpkins: Potential issues: how do we solve the issue when people don't bid up the property high enough to reflect the equity in the home?
- Kristi DeLaurentiis: if no one bids on the property, what happens? Is there another fix for the longstanding delinquencies - the properties that are consistently rolling through?
- Tamika Davis: Who comes up with the appraised value? How is that determined?
 - Justin Kirvan: there is an incentive for the homeowner to still maintain the property to get the highest value possible.

Public Comment Section

No public comment

Announcements

We will be doing another meeting in person.

Adjournment

Bob Palmer motioned to adjourn. 11:55 the motion to adjourn was approved

5. Minutes of December 13, 2023 Meeting

Property Tax Payment Plan Task Force

Meeting Minutes

December 13, 2023

The meeting was called to order at 10:13am

In attendance:

Christopher Clark

Kendra Williams

Anthony Simpkins

Sarah Brune

Bob Palmer

Heather Barnes

Janice Williams Miller

Ianna Kachoris

Kristi DeLaurentiis

Justin Kirvan

Tamika Davis

Sam Brown

Jim Thompson

Ken Jones

Cassandra Elston

There was a motion to approve the prior meeting's minutes by voice vote at 10:15am, and the minutes were approved.

The meeting began with a presentation: Protecting Homeowners in a Deed Sale System by Matt Kreis from the Center for Community Progress

- Any legislation on this topic should have two concurrent goals: keep people in their homes while also addressing vacant buildings
- There are three key time periods where we can protect homeowners' equity
 - Before delinquency, after delinquency before sale, at and post-foreclosure sale
- The most effective ways to protect home equity are:
 - Ensure assessments are fair, accurate, and sensitive to market realities and historical context
 - Enhance tax exemptions and allow for monthly payments and payment plans.
 - Anthony Simpkins mentioned the lack of ability to stack exemptions
 - Jim Thompson: mentioned that exemptions sometimes drive tax rates up
 - Kristi DeLaurentiis: affirmed that this has occurred in the communities she represents
- We should create "exit strategies" for homeowners to get out of delinquency, including:
 - Allow payment plans
 - Allow for retroactive application of exemptions
- Sarah Brune from NHS presented a potential task force recommendation, a deed sale payment plan model
 - Ideal repayment period would be three years
 - Taxpayers with homeowner exemption (or added through certificate of error) can enroll if delinquent after second annual tax bill
 - Provide incentives to pay off debt within the first and second year with interest rate reductions
 - Monthly payment gets applied to principal first, not interest
 - Kristi DeLaurentiis: what happens when the next tax year comes through?
 - Justin Kirvan: Financial impact of interest rate reductions or incentives needs to be studied
 - CCT: is there a way to put them into a payment plan automatically before they come delinquent on the next year. Fold everything into one bill.
 - Justin Kirvan: the current tax year is not going to force them to lose their homes. But the other tax years could still leave them vulnerable. Under the new system, one option is for the deed to pass to the county.
- Matt Kreis reviewed some ways to ensure the remaining value at a public sale would stay with homeowners
 - Allow homeowners to redeem all the way up until the sale is confirmed
 - For homeowner-occupied homes, increase the likelihood of good prices:
 - The title is insurable, marketable
 - Increase participation of local stakeholders in the auction
 - Judgment inclusive of all public debt and costs to increase the minimum bid

Sarah Brune from NHS and Justin Kirvan from the Cook County Treasurer's Office presented another potential task force recommendation, a Simple Pre-Tax Sale Payment Plan

- Enrollment
 - All taxpayers with prior homeowner exemption can enroll if delinquent after the 2nd annual tax bill
 - Payment plan calculator going live in a few months and will be available to help homeowners determine best payment schedule
- Notices

- Program participants will receive monthly email and text reminders to make monthly property tax payments. Monthly reminders will include the amount due and monthly payment options.
- Anthony Simpkins: can we include both legislative options and administrative options in the task force recommendations?
- Senator Peters: Both short-term and long-term goals should be included in the report

Mare Ralph from Housing Action Illinois presented a potential first draft of task force recommendations in the final report.

Multiple task force members expressed a desire to strengthen the recommendations and add the pre tax sale payment plan and potential deed sale payment plan items in the report recommendations.

A new draft report will be presented for approval prior to the next task force meeting.

The public comment period was opened and Tracy S. from the Block Movement asked about the success rate for payment plans in other jurisdictions. Matt Kreis noted that a payment plan may only work for 50% of participants, but it gives those participants a critical resource. Ianna Kachoris from the Chicago Community Trust noted that it would be prudent to capture data on the pre tax sale payment plan and report on its success.

The meeting was adjourned at 12:05pm

Presentations and Resources

<https://www.cookcountytreasurer.com/pdfs/understandingyourtaxbill/propertytaxprimer.pdf>