

OPPOSITION TO HB 860 (DAVIS)

For the reasons outlined below, we respectfully share our continued opposition to HB 860, along with our collective belief that further work on this legislation is warranted.

Procedural Background

In 2019, SB 1379 advanced to the House with the assurance of the Senate sponsor (then Sen. Toi Hutchinson) that the bill was a work in progress and would be amended in the House – something that has not occurred. This measure, an initiative of Cook County Assessor Fritz Kaegi, requires commercial and industrial properties to submit financial information related to the income and expenses of those properties.

House Revenue & Finance Chairman Michael Zalewski, together with Assistant Majority Leader Will Davis as chief sponsor of SB 1379, convened stakeholder meetings during the 2019 spring session in an effort to bridge a significant communication gap that had developed between the two sides. The parties all acknowledged, upon concluding these meetings at the conclusion of the 2019 spring session, that no agreement on SB 1379 had been reached.

Stakeholders were ready to reconvene discussions during the 2020 spring session; however, the COVID-19 pandemic halted consideration of almost all legislative matters and no agreement has been reached on this issue. SB 1379 was not acted upon in the January 2021 Lame Duck Session, and was reintroduced as HB 860 in the 102nd General Assembly.

Continued Opposition

Significant concerns remain over the impact of this legislation on the Cook County property tax system, as well as those in the remaining 101 Illinois counties given the opt-in provisions. As has been reported by multiple media sources, Assessor Kaegi's current reassessments of the northern, southern, and western suburbs have resulted in significantly unbalanced and increased assessments of both residential and commercial properties; many of which have required correction by the Cook County Board of Review. Many have warned of the consequences in residential areas with relatively little commercial property. We would not want to see the next Cook County reassessment cycle continue to result in both increased commercial disinvestment and higher residential property taxes if HB 860 becomes law.

HB 860 contemplates a tremendous, rapid and uncertain shift in a \$14.5 billion segment (total Cook County property taxes) of the Illinois economy. By its own admission, the Assessor's office is unsure as to the ultimate impact this legislation will have on assessments or final property tax bills. A recent report by the International Association of Assessing Officers ("IAAO") calls into question whether HB 860 will even lead to more accurate assessments. While the IAAO report does suggest that Cook County assessments are in need of improvement, it also notes that the Cook County Assessor's office is *seriously understaffed* and utilizes aging technology that is inadequate to handle the data that is currently available.

Assessor Kaegi's office further increased inaccuracy by developing an untested "COVID factor" for residential properties and then reassessing all residential properties in the north and south triads.

Each of these factors only raise questions as to what the Assessor's office will do with all the new information for more than 50,000 properties that it seeks through HB 860. The information sought, and much more, is available through the appeals process.

If the Assessor's office lacks the staff and technology to process information currently available to them, and then decides to make up new assessment factors to add into his equations, why require property owners to submit yet additional data?

Further Work Warranted

We believe that a review of outcomes from the now completed Cook County reassessment of the North and South Triads, and the upcoming reassessment of the City triad, together with additional discussion with a larger stakeholder group over a less compressed time, is warranted. It should be noted that nobody, including the Cook County Assessor, has represented that this bill will result in property tax relief.