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MEMORANDUM

Date: November 24, 2020

To: Honorable Chairman John Daley, Cook County Board of Commissioners
Honorable Cook County Board of Commissioners

CC: Honorable Maria Pappas, Cook County Treasurer
Lanetta Haynes Turner, Chief of Staff
Annette Guzman, Budget Director
Zahra Ali, Revenue Director

From: Ammar M. Rizki, Chief Financial Officer, Bureau of Finance

Subject: **Fiscal Impact Note on Item # 20-5643 to Amend the COVID-19 Property Tax Relief Ordinance.**

In accordance with Sec. 2-77 of the Cook County Code of Ordinances, this note is prepared to convey the fiscal impact of item **#20-5643 an Amendment to the COVID-19 Property Tax Relief Ordinance.**

Ordinance **20-5643** indicates that the first and second installments of the 2020 property tax levy are due from Cook County real property owners on March 2nd and August 2nd of 2021, respectively. The proposed amendment recommends an extension of the property tax relief so that the first and second instalments would not be due until May 3rd and October 1st of 2021, respectively. During the two months between when the property taxes are due and the end of the extension, any penalty that would normally accrue during that period would be waived.

Approximately, 66% of all property taxes paid by Cook County Real Property Tax owners are held in escrow by third party agents and are therefore not seriously at risk of becoming delinquent. The Cook County Treasurer collects approximately \$2 to \$3 million of penalties and fees from delinquent property tax revenue in the following two months after the official due date of the instalments. In FY 2020, the County Treasurer is projected to receive approximately \$40 million in penalties and fees despite implementing a similar ordinance waiving the penalty and fees on delinquent taxes for the second installment of the 2019 property tax levy.

Accordingly, the proposed ordinance would result in an estimated \$4 to \$6 million decrease in delinquent property tax revenues collected for each 2-month extension in FY2021.