



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Text

File #: 16-1441, Version: 1

PROPOSED RESOLUTION

URGING THE ILLINOIS STATE LEGISLATURE TO RESTORE COOK COUNTY'S 12-MONTH GRACE PERIOD BEFORE PROPERTIES ARE OFFERED TO TAX BUYERS

WHEREAS, second installment Cook County property taxes are due in early August each year; and

WHEREAS, taxpayers historically have had until August of the following year before the Cook County Treasurer was required to offer their unpaid taxes for sale to tax buyers; and

WHEREAS, tax buyers "purchase" the unpaid taxes at annually held tax sales. In exchange for fronting the money, tax buyers also buy a guarantee that indebted property owners will either repay them the full tax amount plus fees and interest, or else tax buyers have a right-two years later-to take title to the property; and

WHEREAS, as the law stands today, taxpayers will lose two months of the current twelve-month grace period for tax year 2014 (tax sale June 2016 instead of August 2016); they will lose two additional months for tax year 2015, and lose four additional months for tax year 2016. In tax year 2016 and in subsequent years, *taxpayers will have only four months after the due date to pay their taxes in full* before their taxes are offered to tax buyers; and

WHEREAS, the Cook County Treasurer currently receives 1.5% interest per month on delinquent taxes; and

WHEREAS, the Cook County Treasurer estimates that the aggregate loss of tax sale revenue to Cook County over the next three years alone will be \$84 million. Specifically, in tax year 2014 when the sale is two months earlier the County is estimated to lose \$12 million in revenue; in tax year 2015 when the sale is four months earlier the County is estimated to lose \$24 million in revenue; and in tax year 2016 when the sale is eight months earlier the County is estimated to lose \$48 million in revenue; and

WHEREAS, the property tax burden on Chicago residents and on all Cook County residents continues to rise even without this change; and

WHEREAS, although having more taxes auctioned would bring revenues more quickly to taxing districts, this accelerated schedule comes at the expense of taxpayers and benefits tax *buyers* the most; and

WHEREAS, Cook County taxpayers deserve more than four months to pay their taxes before they are offered to tax buyers.

NOW, THEREFORE, BE IT RESOLVED, that the Cook County Board of Commissioners contact state legislators and urge them to restore the tax sale schedule's twelve-month grace period, the way it has been in the past.

BE IT FURTHER RESOLVED, that a copy of this resolution be distributed to the Illinois State Legislature.