



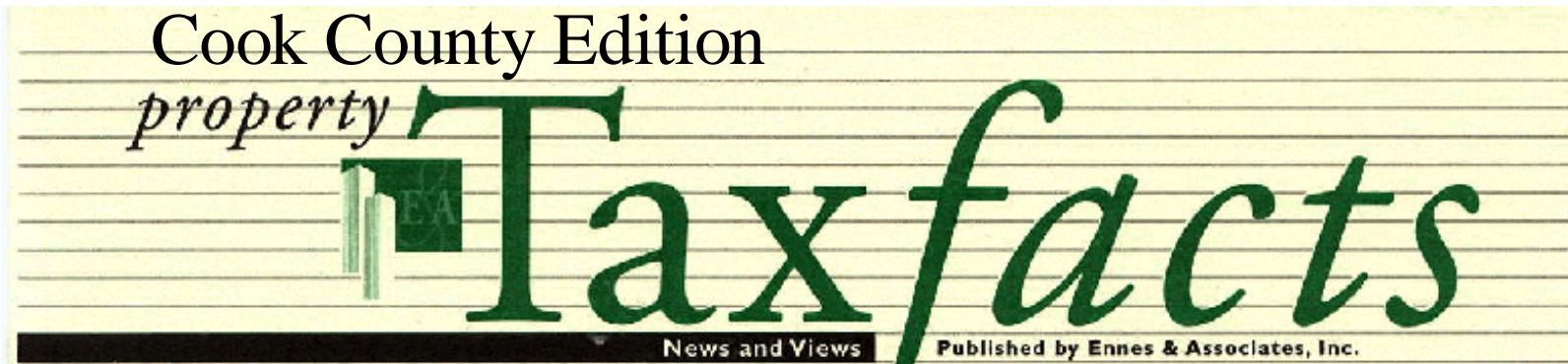
Forget to Pay Your Second Installment Property Taxes?

Online payment is available 24/7!

Just go to www.cookcountytreasurer.com, touch the "online payment" icon and follow the prompts. You need to have your Property Tax Index number on hand.

Don't wait! The state imposes a 1.5% penalty per month for late payments.

October, 2006



Eminent Domain still an Issue

It's been one year since the U.S. Supreme Court, in a 5-4 decision, ruled that local governments could condemn private property, not just for a public purpose such as a road or school, but also for private development if a locality's economic future was at issue.

In that year, local governments, according to the Institute for Justice, have threatened or condemned 5,783 properties. This is up from 2,056 over the previous 5 years!!

However, on the other side, at least 30 states have passed some form of eminent domain reforms. The U.S. House of Representatives voted to bar federal economic development funds to state and local agencies that use eminent domain for private commercial development. On June 23rd, 2006 President Bush issued an Executive Order that federal agencies can seize private property only for public projects.

State and local governments, as well as the voting public, need to stay vigilant on the issue of eminent domain so that the seizure of a person's private property for the benefit of another private concern is always a last resort.



The Gap Narrows

A report released in August by the Civic Federation shows the gap in the effective tax rate between residential and commercial/industrial properties is narrowing...albeit slowly. The effective tax rate is the percentage of property tax divided by the full market value. These rates are estimates based on the median level of assessment within a given community. They also are not adjusted to reflect the homestead or senior citizen exemptions.

In their report the Civic Federation calculates the effective tax rate for tax year 2004. Chicago and 26 other communities in Cook, DuPage, Kane, Lake, McHenry and Will counties were included in the study. The rates varied from 0.87% to 9.0%. However, there was a continuation of the downward trend across the region.

The good news is that the effective tax rate declined by a much smaller fraction on homes than it did on commercial/industrial properties. This means business's collective share of the property tax bill has declined. This is due to a couple of factors: the discrepancy in the classification system being outweighed by the explosive growth in home values, slower growth of business property values and tax caps.



Business leaders, however, still say their tax bills are too high. They are still paying a disproportionately higher share of the property tax burden. It is even more of a burden for those businesses in Chicago.

The design of the study included some communities that lie in two counties. The difference is visible. For example, Elk Grove Village commercial properties were taxed at an effective tax rate of 3.20%, industrials were at 3.99%, while all properties on the DuPage side of the border were taxed at 1.81%. Buffalo Grove is another good example. Commercial properties on the Cook side are at 4.02%, industrials at 4.87%. On the Lake County side all properties are at 2.22%.

Only three communities, Naperville, Elk Grove Village (DuPage County) and Buffalo Grove (Lake County) showed increased effective tax rates over the five year period from 2000 to 2004. All other communities sampled saw flat or decreasing estimated effective tax rates.

County Expands Tax Reactivation Project

On September 19 the Cook County Board expanded the South Suburban Tax Reactivation Project to include all of Cook County. The Project was created as a way to get derelict or abandoned properties back on the tax rolls and contributing to the community.

Since its start in 2000, about \$8 million has been invested in new developments. These projects have added over 100 full time jobs and 22 part time jobs in the south suburbs. In 2004 alone, about \$130,000 in new tax revenues have been generated for the city.

The project will now be known as the Cook County Tax Reactivation Project. Communities throughout Cook County will be eligible to participate. A \$1.5 million state grant will be used to fund the project. The program is used to build homes and businesses.

City and County officials look to the program to spur new developments in typically blighted areas. "This has been a very successful program and we hope it will prime the pump of development. We are very happy to expand it to the rest of Cook County," says Cook County Assessor James M. Houlihan.