



January 3, 2018

Let's Make the Property Tax System Fair!

Happy New Year! There has been a lot of attention paid to those homeowners who could afford to pay their property tax bills early. As of New Year's Eve, a total of \$757,023,249.27 in payments that ordinarily wouldn't be due for three months had arrived, according to Cook County Treasurer Maria Pappas, who spent her New Year's Eve personally accepting payments from those who stopped by her office instead of filing electronically. "It's absolutely amazing." said Treasurer Maria Pappas. This has come on the heels of the new federal tax reforms which recently became law.

The new law places a limit of \$10,000 on the amount of state and local taxes, including property taxes, that can be deducted annually. The new law signed by President Trump prompted many Cook County accountants to encourage taxpayers who pay more than \$10,000 a year in such taxes to avoid the new law this year by prepaying taxes in 2017 that are due in March 2018.

Communities need to hear about the good happening around them, and it is encouraging that so many families could pay their property tax bills early. It should give all of us hope that we can get to that point someday.

There is another group of people that we can't forget about, and those are the struggling families without the ability to pay their property taxes at all, or who pay them late.

Our property tax system in Illinois is set up in such a way that if your taxes are sold at the annual tax sale because the taxes haven't been paid on time, you must pay delinquent monthly interest, tax buyer interest and additional fees to the tax buyer to regain a clear title to your property. State law requires homeowners to pay property taxes, interest and late fees in full.

This system only benefits the county and tax buyer. A property tax buyer makes a profit off the interest and fees while fronting the money to the county to continue the county and city services funded by taxes. The tax buyer pays off the property taxes which comes to a great benefit to the tax investor and government, but it puts the homeowner in a relationship similar to a loan shark, paying 1.5 % interest per month plus other fees. Ordinary people would never get that rate of return on their investment with no risk.

The interest rates for taxes sold to a buyer can be as much as 36% interest per year. According to the county redemption process, if you don't pay all the original taxes you owe and all the interest, penalties

and fees, then the tax buyer can actually acquire legal title to your property at the end of the redemption period.

I am working in legislation to reduce the fees and interest that a homeowner has to pay to regain clear title to their home. I am also working to set up a relief fund to help struggling homeowners with delinquent property taxes.

Let's continue the fight to keep homeowners in their homes, and property taxes fair, in 2018!

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Ford', with a stylized flourish at the end.

La Shawn K. Ford
State Representative-Eighth District