



TESTIMONY ON
DELAYED ASSESSMENTS AND PROPERTY TAX BILLING
PRESENTED TO THE COUNTY FINANCE AND TECHNOLOGY & INNOVATION JOINT COMMITTEE
APRIL 25, 2022

Thank you, Chairman Daley and Chairman Morrison, and members of the committee. I am Ron Tabaczynski, Director of Government Affairs for the Building Owners and Managers Association of Chicago, which you know as BOMA/Chicago and we appreciate the opportunity to testify today.

I know everyone involved in today's hearing is concerned about the delayed assessments from Assessor Kaegi and the subsequent risk of delayed property tax bills.

I wanted to provide a little context for how this delay can affect commercial properties where ultimately tenants are paying the property taxes.

For most commercial buildings, the tenant businesses pay the estimated property taxes, as part of their share of the building's annual operating expenses.

The process of "trueing up" those bills can create significant accounting problems if the bills are meaningfully delayed.

Thanks to the leadership of President Preckwinkle and the County Board, and the efforts of the Board of Review, Treasurer, and County Clerk, property tax bills were available on a regular schedule for many years.

Tenants had become accustomed to that regularity, until the assessment delays began last year.

When it comes to businesses, while affordable taxes are important - predictable taxes are essential. We are already dealing with enormous uncertainty on the amount of taxes that will be paid due to staggering increases in commercial assessments, but now we are layering additional uncertainty about WHEN the bills will be known.

If the bills are issued next calendar year, for example, a building may be unable to collect any taxes that exceeded its estimates. Even where those complications can be overcome, the delayed collections will still create challenges for tenants – at a critical time and perilous economic time - while many tenants are reevaluating their use of office space and their physical presence in the city altogether.

Concerning the rollout of the new Tyler System: we have heard from our members and other users of the system that the rollout has created a lengthy list of challenges. We have heard about an extraordinary number of certificates of error this year, which we assume are caused because of the new system, and which we are concerned will further delay the process because of the added burden on the Board of Review.

Given the challenges with the rollout of the new system, we would like to suggest a working group to help review implementation from a user experience perspective and so that our members can better understand what is happening and answer questions from tenants.

We are happy to help identify volunteers for such a process as well as any other assistance as you address the delays.

This is important to us because our members are trying to recruit investment and grow companies here in Cook County. The unpredictability and lack of transparency in the assessment process adds to the perception that doing business in our market is difficult and leads many investors to look at the coasts and the sun-belt as an alternative.

We appreciate your calling this hearing and your willingness to solve the problems in our property tax system, and we are committed to providing further input and assistance as helpful. Thank you very much.