



Illinois Department of Revenue

Report on the Feasibility of Printing Tax Increment Financing (TIF) District Information on Individual Tax Bills

Submitted to Governor Rod R. Blagojevich
and
the Illinois General Assembly

in Response to Public Act 95-227
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Illinois Department of Revenue

Executive Summary

Tax Increment Financing (TIF) districts are the focus of discussion at both the local and state levels of government. There is an increased interest in understanding how the more than \$1 billion captured annually by TIF districts affects Illinois citizens, especially with regard to the impact on property tax bills. This paper carries out the mandate set by Public Act 95-227 (House Bill 3434), which directs the Illinois Department of Revenue to study the feasibility of printing Tax Increment Financing (TIF) District information on tax bills.

Sponsors of the measure expressed a desire to educate taxpayers about TIFs in general by 1) providing more transparency about the projects and the revenues directed to these revitalization efforts and 2) showing the impact on taxing districts' tax rates and the effect on a property owner's tax bill.

Public Act 95-227 instructed us to determine the feasibility of printing, for each TIF project that affects the taxpayer, the following information on the taxpayer's property tax bill:

- 1 A description of the project
- 2 A statement of the initial total equalized assessed value (EAV) of the property in the project area before the tax increment financing
- 3 A statement of the current total EAV of the property in the project area
- 4 A statement of the impact of the tax increment financing on each tax rate for each affected taxing district
- 5 Projections for future impacts of the TIF on each tax rate for each affected taxing district

In addition, we were asked to identify obstacles that must be overcome to print the information and to identify possible solutions to those obstacles.

To accomplish our directive, we met with the county clerks' legislative committee. We also sent a survey, included in Appendix A, and the URL at which Public Act 95-227 is located to all county clerk offices, to any individual with the title "tax extender" who is not the county clerk, and to all county treasurer offices. We also asked each county to provide a copy of its tax bill. We sent a follow-up request approximately 30 days later. Responses were compiled, tabulated, and then reviewed.

Our review of tax bills provides the following information:

- Most tax bills include the TIF district name currently when the bill is for a parcel located within the TIF district.
- All tax bills include the current EAV of a parcel within the TIF district.
- Some tax bills also include the initial EAV of a parcel within the TIF district.
- The tax bill often shows the TIF increment for a parcel in a TIF.
- There is little or no room for additional information to be printed on tax bills as they are designed currently.

Executive Summary (cont.)

Because TIF administrators must file annual reports with the Illinois Office of the Comptroller, we added a question to our survey to determine whether it is feasible to print a state Internet web site address where specific information about the TIF project could be located.

Our final step was to contact the software companies that provide tax extension and tax billing software to counties. We asked for their input regarding the feasibility of printing additional information on tax bills and what counties could expect to pay to implement these changes.

We identify obstacles that must be overcome to print certain TIF information on tax bills and offer suggestions to overcome these difficulties.

The simplest and least costly approach to meet the sponsors' stated goals of taxpayer education, TIF transparency, and the TIF's effect on tax rates is to enact legislation that requires specific TIF information/reports be made available on the Internet at a state web site address and require counties to print this address on each tax bill.

As stated previously, the TIF administrator must file an annual report with the Illinois Office of the Comptroller. These reports are not currently available on the Internet, nor do they statutorily require all of the TIF information that may be of interest to property owners. Annual reports include the TIF redevelopment project area name, date designated, primary focus or use, component types, beginning and ending fund balances, revenues/receipts, expenditures for permissible redevelopment costs, payments to other municipal funds in excess of \$10,000, description of debt obligations, project costs to be paid, property purchased, public and private investment information, and optional information about initial and current EAV, overlapping taxing districts and surplus revenues distributed, jobs created and retained and corresponding salaries, and a legal (mapping) description. No penalty is imposed if the TIF does not file the required report timely.

The statute that mandates these reports could be amended to either 1) incorporate additional information or 2) require an entirely separate annual report of TIF data that includes specific information that would be of interest to and would educate property owners. The county collector could be authorized by statute to withhold TIF increment disbursements if the TIF does not file the annual report of TIF information.

The benefit to this approach is that property owner can obtain TIF information at little or no cost to the counties.

Executive Summary (cont.)

A second option is to require a separate mailing at the county level that provides aggregated TIF information and include a state web site address where additional information about TIF redevelopment projects and expenditures is located.

Because many tax bills are mailed directly to the property owner’s mortgagor, a separate mailing would ensure the TIF information is sent directly to the property owner. If this option is pursued, we recommend a standard format that includes definitions of key terms, an explanation of what a TIF is and how TIF works, and provide a state web site address where specific information about a TIF project is available. We also recommend that only aggregate TIF information be included, perhaps as shown below.

TIF name	Year created	Initial EAV	Current EAV	Tax increment	Current year taxes to TIF	Taxes to TIF last 5 years
TIF 1	1999	1,000,000	2,000,000	1,000,000	80,000	800,000
TIF 2	2000	1,000,000	1,900,000	900,000	72,000	648,000
TIF 3	2001	1,000,000	1,800,000	800,000	64,000	512,000
TIF 4	2002	1,000,000	1,700,000	700,000	56,000	392,000
TIF 5	2003	1,000,000	1,600,000	600,000	48,000	288,000
TIF 6	2004	1,000,000	1,500,000	500,000	40,000	200,000
TIF 7	2005	1,000,000	1,400,000	400,000	32,000	128,000
TIF 8	2006	1,000,000	1,300,000	300,000	24,000	72,000
TIF 9	2007	1,000,000	1,200,000	200,000	16,000	32,000
TIF 10	2008	1,000,000	1,100,000	100,000	8,000	8,000
Total	10 TIFs	10,000,000	15,500,000	5,500,000	440,000	3,080,000

If this option is pursued, taxing districts might seek funding to offset the additional costs for programming, printing, and mailing.

A third option is to require each municipality compile the information and mail it directly to all property owners within the county. Information from the TIFs’ annual reports (e.g., the taxes directed to each TIF, amounts spent for current projects, future projects and expenses, amounts paid to developers, jobs created and retained and corresponding salaries, initial and current EAV, overlapping taxing districts and rates) could be provided along with a link to a state web site address where additional information about TIF redevelopment projects and expenditures is located.

We conclude that it is feasible (with some caveats) for counties to include the following items on individual on tax bills:

- TIF district name
- TIF district identification number
- A state Internet web site address where specific TIF information can be accessed
- The initial EAV of the taxpayer’s parcel if it is in a TIF district
- The current EAV of the taxpayer’s parcel if it is in a TIF district

Executive Summary (cont.)

Due to the number of TIF districts, the limited space on tax bills, and the amount of tax dollars that would be spent, we further conclude that it is not feasible (i.e., either practical or possible) for counties to print the following information on tax bills:

- A detailed project description for every TIF district in the county
- The aggregate initial EAV and the aggregate current EAV for every TIF district in the county
- The impact on each aggregate tax rate for each affected taxing district for every TIF in the county (information would be subjective, voluminous, and perhaps make the tax bills more confusing)
- The TIF's impact on each tax rate for each affected taxing district (information would be subjective, voluminous, and perhaps make the tax bills more confusing)
- The projected TIF impact on each tax rate for each affected taxing district (the number of variables that affect future tax rates could make the projections meaningless)

Feasibility Study Overview

Public Act 95-227 (House Bill 3434) directs the Illinois Department of Revenue to study the feasibility of printing Tax Increment Financing (TIF) District information on tax bills.

We were specifically instructed to determine the feasibility of printing, for each TIF project that affects the taxpayer, the following information on the taxpayer's property tax bill:

- 1 A description of the project
- 2 A statement of the initial total equalized assessed value (EAV) of the property in the project area before the tax increment financing
- 3 A statement of the current total EAV of the property in the project area
- 4 A statement of the impact of the tax increment financing on each tax rate for each affected taxing district
- 5 Projections for future impacts of the TIF on each tax rate for each affected taxing district

Note: Verbiage is copied directly from Public Act 95-227.

In addition, we were asked to identify what obstacles must be overcome to print the information and to identify possible solutions to those obstacles.

To accomplish our directive, we met with the county clerks' legislative committee on December 13, 2007, to listen to their thoughts and recommendations.

We sent the survey in Appendix A to all county clerk offices, to any individual within a county with the title "tax extender" who is not the county clerk, and to all county treasurer offices. We also asked each county to provide a copy of its tax bill. We sent a follow-up request approximately 30 days later. Responses were compiled, tabulated, and then reviewed.

Finally, we contacted software providers for their input regarding the feasibility of printing additional information and associated costs.

Survey

Our survey was a combination of a forced choice four-point scale and open-ended responses.

Forced choice questions

Respondents were asked to rate the feasibility of printing the following TIF project information on a scale of 1 through 4, "1" indicating "Easy" and "4" indicating "Not possible".

- Item 1 Print the name of the TIF district in which the property is located
- Item 2 Print the TIF district's number (e.g., TIF #1)
- Item 3 Print a state web site address where information for the TIF is available
- Item 4 Print the initial equalized assessed value (EAV)
- Item 5 Print the current equalized assessed value (EAV)
- Item 6 Print the TIF project description
- Item 7 Print the TIF's impact on each aggregate tax rate for each affected taxing district

Space was provided for additional comments.

Feasibility Study Overview (cont.)

Though not specifically requested as part of Public Act 95-227, we added Items 1 through 3 and Item 7 as part of our study. We sought to discover what TIF information was currently printed on tax bills or that could be printed without excessive effort.

Item 3, feasibility of printing a state web site address where TIF project information could be obtained — TIF administrators must file annual reports with the Illinois Office of the Comptroller. These reports include limited TIF project financial information (although they do not statutorily require all of the information that may be of interest to property owners). If these reports were made available on-line, two goals could be accomplished: 1) affected taxpayers could access TIF project information; and 2) counties — and taxpayers — would not bear additional costs of printing detailed information on tax bills.

The statute that mandates these reports could be amended to either 1) incorporate additional information or 2) require an entirely separate annual report of TIF data that includes specific information that would be of interest to and would educate property owners. The county collector could be authorized by statute to withhold TIF increment disbursements if the TIF does not file the annual report of TIF information.

Item 7, feasibility of printing the TIF's impact on each aggregate tax rate for each affected taxing district — Public Act 95-227 directs us to study the feasibility of printing the TIF's impact on each tax rate for each affected taxing district. Because a single tax bill includes aggregate rates for each taxing district, the combination of taxing districts and funds for which those districts extend taxes could be as high as 80 different tax rates. For example, although a single aggregate rate for a school district is printed on the tax bill, this aggregate rate is actually the sum of all the individual tax rates for each of the school district's funds for which taxes are billed (Education Fund, Operations and Maintenance Fund, Transportation Fund, I.M.R.F., bonds and interest, special education, etc.). We added Item 7 to learn if printing the impact on aggregate tax rates would be a more feasible option than printing the TIF's impact on each rate for each taxing district.

Open-ended question

Our survey also included an open-ended question which asked respondents to evaluate the possibility of computing the TIF's impact on each tax rate for each fund for which a taxing district extends taxes. We asked participants to indicate effort required to make these calculations and to note any financial impact to the county if these computations were statutorily required. We also asked the companies that currently provide tax extension and tax billing software to respond to this question as well so that we could compare their responses to those received from the county officials.

Note: Public Act 95-227 also directs us to study the feasibility of providing the impact on future tax rates for those taxing districts affected by the TIF. Because projections for future TIF impacts on each tax rate for each taxing districts are affected by numerous variables and react in part to particular circumstances in a given year, we believe that any projections could be virtually meaningless because of the many assumptions that would have to be made to determine future impacts. The comments we received at our meeting with the county clerks' legislative committee reinforced our opinion. Therefore, we did not include this question in our survey. See Page 18.

Survey Results

We received 110 responses from 79 counties. Of the 23 counties that did not participate, 16 had TIF districts. We did receive responses from counties with the largest number of TIF districts — Cook, St. Clair, DuPage, and LaSalle among others. A complete list of participants is located in Appendix C.

Table A — Participants Summary	
Surveys	
County Clerk.....	39
Tax Extender	11
County Treasurer	60
Total responses	110
Total counties responding.....	79
Counties with TIFs that did not respond	16
Tax Bills	
County Clerk.....	10
Tax Extender	5
County Treasurer	33
Total number of tax bills	48

Table B — Forced Choice Responses							
Difficulty	Print/Identify TIF district	ID/print TIF district no.	Print web site	ID/Print initial EAV	ID/print current EAV	ID/print project description	ID/print aggregate impact
1 [Easy]	75	64	24	20	34	1	1
2 [Somewhat easy]	5	9	20	27	24	1	2
3 [Difficult]	8	8	23	27	21	36	22
4 [Not possible]	5	7	23	17	10	49	65
No response	0	5	2	3	4	6	3
No TIF	15	15	15	15	15	15	15
1 st year for TIF	2	2	2	2	2	2	2
Total	110	110	110	110	110	110	110

Some of the TIF information about which we inquired currently is printed on an individual tax bill when the parcel is located within the TIF district. For example, most counties print the name of the TIF district and the parcel's current EAV. As a result, it is reasonable to presume that some responses are predicated on the notion that any additional TIF information would appear only on those tax bills for parcels within the TIF district boundaries. Subsequent conversations with the counties' software providers and a review of the tax bills submitted indicate that aggregated TIF information for every TIF in the county would be a more difficult task.

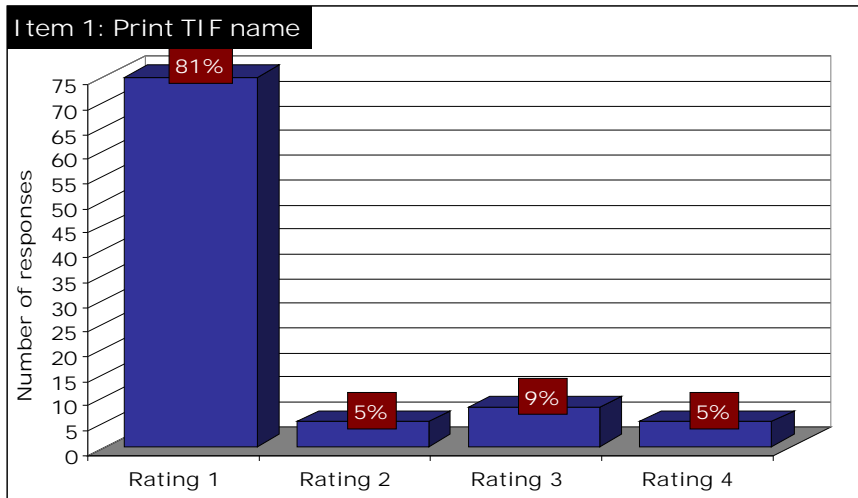
Results

The following charts show the ratings for which a forced choice answer was provided. Counties that responded to our survey and that do not have TIFs currently are not represented. Two counties said that they were not prepared to answer these questions definitively because this is the first year that the county has a TIF district. Some respondents did not answer each forced choice question.

Survey Results (cont.)

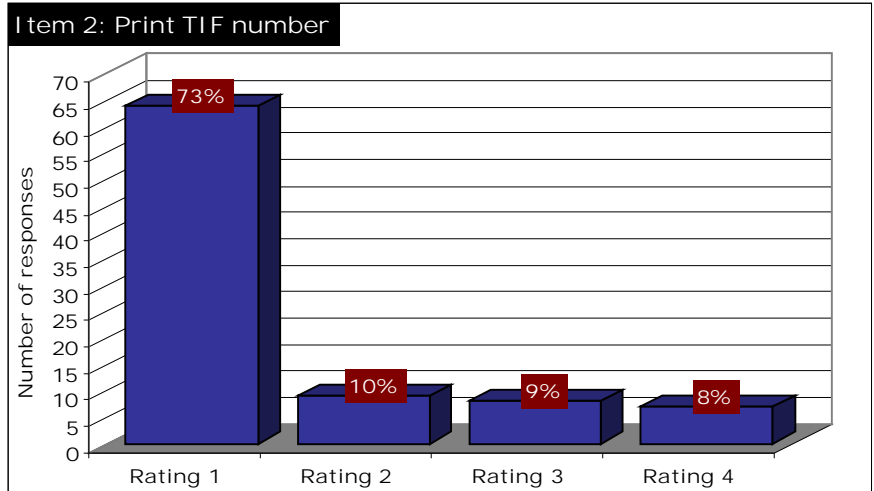
Item 1 — Print the TIF district name

Of the 93 responses, approximately 81 percent rating printing the TIF district name as “Easy”. Our review of the tax bills that were submitted reveals that most are printing some sort of TIF district name, if not the “official” name.

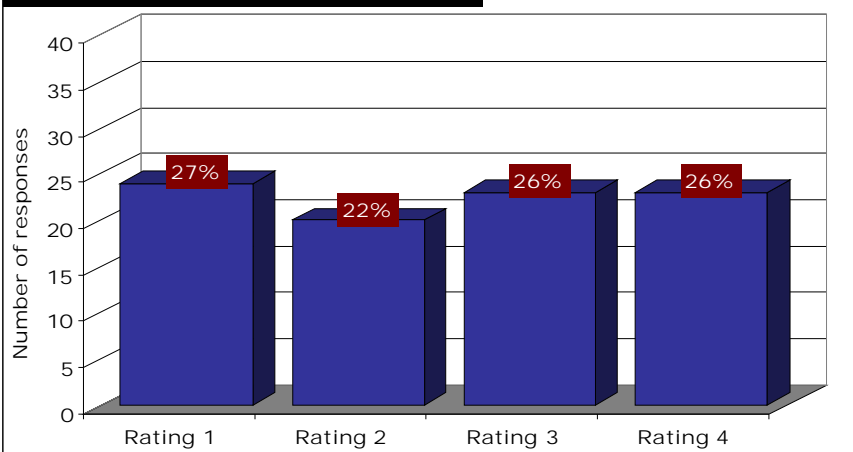


Item 2 — Print the TIF district number

Of the 88 responses received approximately 73% rating printing the TIF district number as “Easy”.



Item 3: Print state web site address



Item 3 — Print a state web site address

Results are almost evenly distributed for each rating. The majority cite space limitations on the front of the tax bill as the primary obstacle. Several respondents suggested that, given space limitations, one option would be to print the web site address on

the reverse side of the tax bill.

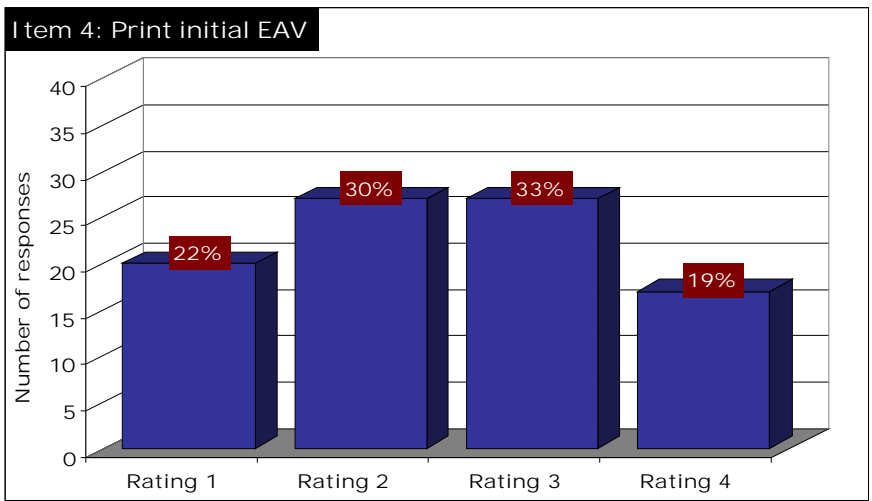
Survey Results (cont.)

We agree that space is a concern. Public Act 95-644 enacted several new homestead exemptions; counties were required to modify their tax bill systems to include room for these new exemptions. As a result, space that might have been available on the front of the tax bill is now used for the new homestead exemptions.

Based on the survey responses and our review of tax bills, we initiated conversations with software providers to solicit their feedback. Software providers indicate that they are able to make minor programming modifications — generally with minimal or no cost to the county — to add a web site address.

Item 4 — Print initial EAV

Approximately 22 percent indicate that printing the initial EAV is “Easy;” 19 percent indicate that it is “Not possible.” We reviewed the additional comments and tax bills



and conclude that those who assigned a rating of “1” currently print the initial EAV of a parcel that is located in the TIF district. The initial EAV is generally shown in the column that includes the intra-county and state equalization factors, homestead exemptions, and

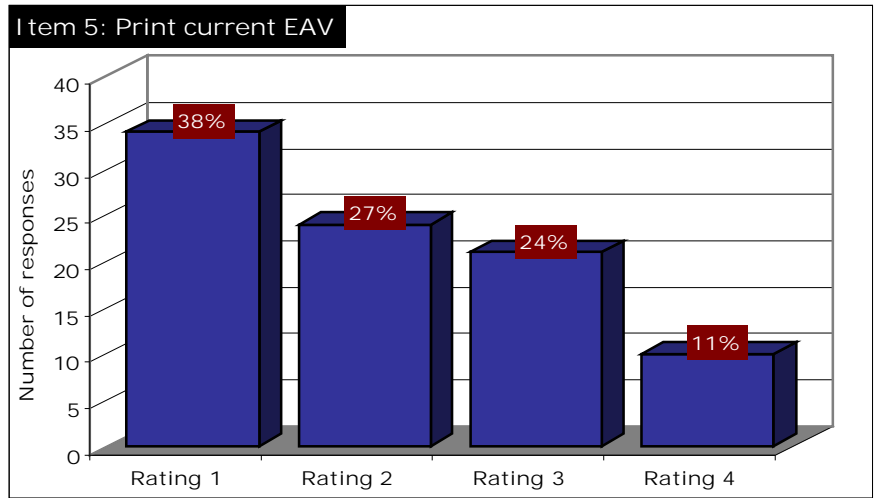
values of any farmland or buildings. We believe that those who indicate that printing the initial EAV is “Not possible” base their responses on tax bill space limitations and could also have answered under the supposition that this information would be printed for every TIF district in the county. Most tax billing programs would need to be modified to add the initial EAV of a parcel located in a TIF district. Our review of tax bills shows that computer programs that generate tax bills would have to be changed to include the initial EAV of all parcels in a TIF district.

Note: Space to include a TIF’s aggregate initial EAV is provided on TIF annual reports filed with the IOC, but reporting this information is not mandatory.

Survey Results (cont.)

Item 5 — Print current EAV

Approximately 38 percent state that it is “Easy” to print the current EAV. Once again, we presume that these responses are based on the ability to print the current EAV for a parcel located in the TIF district. When the respondent rated printing the current EAV as “1” additional comments generally indicate that the current EAV is printed on the tax bill (e.g., “Already on” and “We currently do this”).

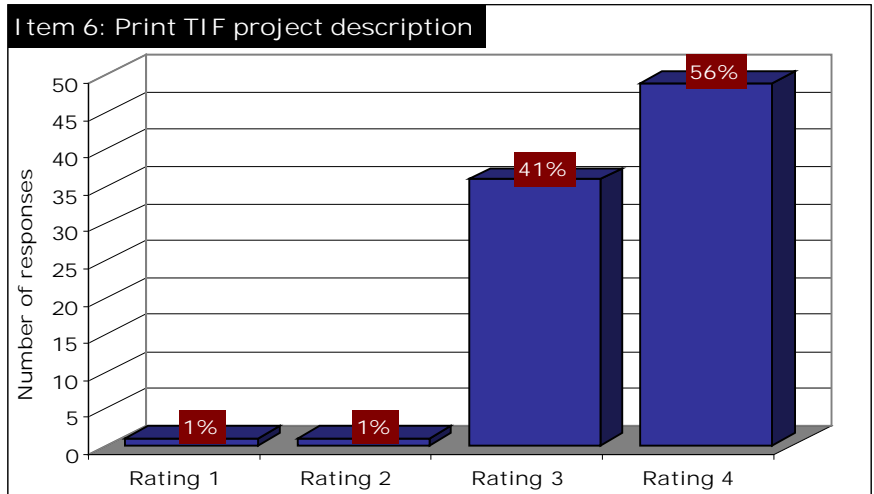


Our review of the tax bills shows that those who print the initial EAV in the same column as the equalization factors, homestead exemptions, and farm values also print the current EAV.

Note: Space to include a TIF’s aggregate current EAV is provided on TIF annual reports filed with the IOC, but reporting this information is not mandatory.

Item 6 — Print TIF project description

A significant number of participants provided additional comments to this question. Approximately 97 percent of the responses indicate that this is a difficult or impossible proposition. Most commented on current space limitations on a tax bill and the need to create an insert, tax bill redesign, and/or programming changes. Of particular concern is that the counties generally do not have a project description readily available. As a result, they indicate that they would have to rely on each TIF administrator or unit of local government to provide the information by a set date and use a set

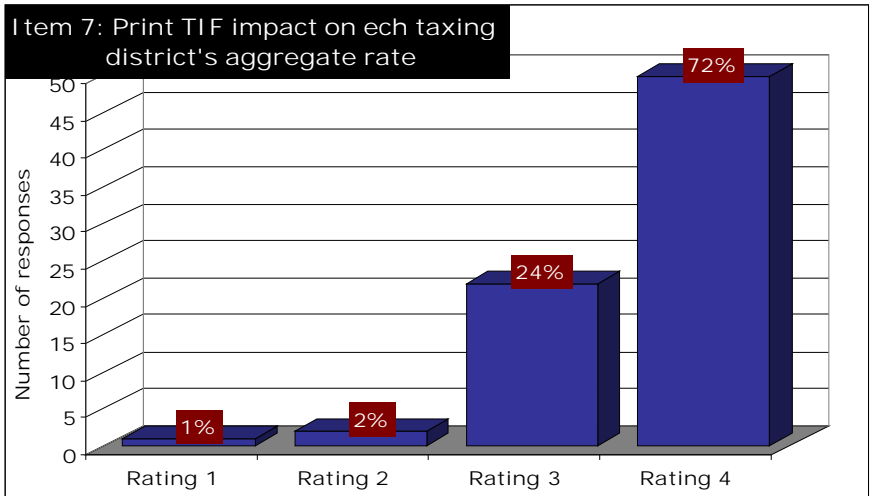


number of space/words to describe the project as a whole. Delineating specific “projects” within a single TIF district would require even more space. If all TIF projects within a county are included, multiple page tax bills are a reality. Counties

Survey Results (cont.)

will incur additional costs for programming, inserts, printing, and postage. One participant asserts, "No other district describes their services."

Note: TIF annual reports filed with the IOC include the name of the TIF district, its purpose, and a description of all projects started or anticipated.



Item 7 — Print TIF impact on each taxing district's aggregate rate. This is highly subjective; directions would need to be provided. The impact of TIFs on aggregate tax rates is a difficult and somewhat subjective determination.

Counties would need to be given detailed guidance on how should be calculated and the assumptions to be included. For instance, should it be assumed that "but for" the TIF, any redevelopment in the TIF district would not have occurred? The percent of responses that indicate this is "Not possible" is approximately 72 percent. An additional 24 percent indicate that this is a difficult undertaking. While the majority of additional comments related to this question cite space limitations and programming issues as a major concern and obstacle, we received several comments about computer programming, separate extensions, and difficulties that arise when a single taxing district's boundaries overlap multiple TIF districts. A sample of additional responses is below.

- "HUGE IMPACT, this would require an entire rewrite of the process that calculates rates, database changes to store additional rates, and modifications to tax bills. This in my opinion would also create confusion among taxpayers who are not located within a TIF as the information would also print on their bills. This would require a minimum 6 months notification before it could be completed. This would also mean additional expenses for the county."
- "Would require recalculation of every tax rate. Current system cannot perform a second extension. Not space on tax bill and would be confusing to the taxpayer."
- "Would require tax rates for all funds by district affected prior to and after TIF calculation mitigated by PTELL. Any district that overlaps with multiple TIF districts in a county will not be able to show the impact of a single TIF District, as all calculations are done in aggregate."
- "The dollar amount collected for the TIF district on a parcel is currently listed on their bill. It would involve a programming change to break out this information for each taxing body. There is no room on the bill for another column for this information."

Survey Results (cont.)

Open-ended Question

Feasibility of adding the TIF's impact on each tax rate for each affected taxing district and degree of burden and costs.

While several responses cite concerns about space limitations, the responses to this question changed somewhat from space limitations and programming to the extra effort required to compute another set of tax rates. Some of the confounding variables that affect these computations include the impact of the Property Tax Extension Limitation Law and Enterprise Zones on tax rates, whether or not a district is at the statutory maximum rate, the impact of a TIF in one county affecting the tax rate in another due to overlapping taxing district boundaries (i.e., community college districts), and potential of delayed tax bills.

Based on these comments, we asked providers of county tax extension and tax billing software to evaluate these concerns, to contemplate the feasibility of adding this information to the tax bill, and to determine what they would charge for programming changes to implement these additional calculations. The software providers who responded echoed the responses from participants — this concept is not feasible.

Appendix D includes the “additional comments” received in response to posing this question. A sample of some responses received is below.

- “The impact of a single TIF district on other districts within the county would require a whole separate extension by individual TIF, that would not necessarily add up to the calculation done in aggregate. Extension time could be increased for the county. The ability to determine the impact of TIF from other counties due to overlap and vice versa would be nearly impossible.”
- “This would require a recalculation of rates assuming no TIFs exist. Given the time constraints in Cook, with estimated billing and delayed final assessment figures, this added calculation of a second set of rates would complicate and delay the 2nd installment tax bills by at least one and maybe two weeks every year. These delays impact the distribution of tax dollars to the taxing districts. Costs incurred by the Clerk's office and the county's MIS department to implement these changes would be substantial, requiring many months of reprogramming and proofing in the first year of implementation to ensure accuracy. Once designed, future years would require an annual proofing regime by the Clerk's office, similar to the tax rate verifying procedures followed every tax year. Displaying this additional information clearly on an already crowded tax bill would require reformatting at the least and possibly an overhaul of the current style of the bill. Realistically it would mean additional inserts to the tax bill and increased mailing and production costs. For details on the degree of burden and costs related to the tax bill, the County Treasurer is the appropriate agency to contact.”
- “This proposal is unrealistic. Many community college districts include 8 or 9 counties. A new TIF district in Stark County, north of Peoria, or Calhoun County, near St. Louis, affects Hancock County tax bills. Computing figures will be unruly.”
- “... the addition of the requested detailed information would require either keeping two separate sets of books/databases and calculations, including the calculation of PTELL, or paying for an entire re-writing of the software. At best we could expect the costs of preparing the tax rates and extensions to double. This would also impact our ability to send out the tax bills in a timely manner and

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expand the bill from one page to two or more pages as every TIF includes the County and Forest Preserve in it, and therefore the County and Forest Preserve are affected by every TIF."

- "I don't believe it is only a question of extra work or cost. The theoretical "impact" of TIF on any given tax bill is not "knowable" in any useful or absolute sense. There are too many variables affecting the outcome. If a TIF was never created "what would the EAV be" type of theorizing is not productive. If what you are asking is for us to "calculate County tax district rates a second time while leaving the increments in the rate bases for all TIF overlapping tax districts", then the answer would be we would double the time it takes to extend tax and cause our bills to be about two to three weeks late because that is what it takes us to set the rates the first time. I do not know who would pay the interest on the late tax distribution - approximately \$750,000,000 is the estimated extension for first installment 2007 levy. Since the "impact" of any TIF does not stop at the Boundary of the TIF itself, this imaginary county value base would have to be certified to 11 neighboring counties for our 89 overlapping taxing districts, in order for those counties to do the same. This TIF "effect" of raising the rates of those overlapping districts and increasing the tax burden on citizens that do not live in the TIF, or in the municipality that created the TIF, or in the County that contains the municipality that created the TIF an insidious process. Those taxpayers not living in a TIF, who are paying a higher rate and higher tax because some municipality 10 miles away, or in a neighboring County, created a TIF which captured value growth from the other shared districts on the bill, have reason to be unhappy."

Additional Comments

Please see Appendix E to read all additional comments that were provided in response to the survey.

Major Obstacles and Possible Solutions

Obstacle 1: Common definitions and understanding

The responses to our survey reflect different interpretations of the language in the statute. To prevent misunderstanding, a common set of definitions is needed. For example, the term “project” can be interpreted to mean the entire TIF redevelopment area (i.e., the “project” as a whole) or to mean each of the various redevelopment or development projects initiated within the TIF district boundaries (e.g. sidewalks, sewers, building facade repairs). Likewise, the word “property”, “initial EAV”, and “current EAV” can be applied to a single parcel or property within a TIF redevelopment area, or an aggregate of all property within the TIF, or a combination of the two.

- Determine if information for all TIFs in a county must be printed on every tax bill (regardless of whether the property is in a TIF). If all tax bills must include information about all TIFs, the information and size of the tax bill could be overwhelming.

Example: Cook County has 371 TIFs (2005). Legislation is enacted and mandates information for all TIFs with any portion of their boundaries within the county must be included and that a 50-word project description must be printed. If only a description of the TIF as a whole is printed per page (not every redevelopment or development project within the TIF), and 10 descriptions are printed per page, then 19 pages (front and back) are needed.

Example: Legislation is enacted and mandates the total aggregate initial EAV and current EAV for every TIF district, the total tax increment for the current year, and the tax increment for the prior year must be printed on every tax bill. A county with 10 TIFs will need 10 lines to print the TIF name, initial EAV, and current EAV if this information can be printed in separate columns. (Given space limitations, a multiple page tax bill is a reality.)

TIF name	Initial EAV	Current EAV	Total Taxes Paid to TIF	Prior year Taxes Paid to TIF
TIF District 1	1,000,000	10,000,000	800,000	750,000
TIF District 2	2,000,000	20,000,000	1,600,000	1,500,000
TIF District 3	3,000,000	30,000,000	2,400,000	2,250,000
TIF District 4	4,000,000	40,000,000	3,200,000	3,000,000
TIF District 5	5,000,000	50,000,000	4,000,000	3,750,000
TIF District 6	6,000,000	60,000,000	4,800,000	4,500,000
TIF District 7	7,000,000	70,000,000	5,600,000	5,250,000
TIF District 8	8,000,000	80,000,000	6,400,000	6,000,000
TIF District 9	9,000,000	90,000,000	7,200,000	6,750,000
TIF District 10	10,000,000	100,000,000	8,000,000	7,500,000

- Determine if counties with no TIF districts must print TIF district information from another county when an affected taxing district’s boundaries are in both counties.

Example: School District overlaps a TIF district. Legislation is enacted and mandates that a TIF’s effect on tax rates must be printed. County A has no TIF districts. The school district boundaries are in County A, County B, and County C. Both County B and C have TIF districts. Must County A print TIF district information for TIFs in County B and County C on its tax bills?

Major Obstacles and Possible Solutions (cont.) _____

- 1 Clarify the phrase “description of the project” to indicate one or more of the following options:
 - a TIF district name (currently printed on tax bills if parcel is in a TIF district)
 - b A specific explanation the TIF’s purpose as a whole.
 - c A specific list and explanation of each of the redevelopment projects initiated or planned as of a certain date (street lighting, storm sewers, building façade repairs, etc.)

If option b or c above is chosen, then some consideration should be given to the number of words permitted or lines on a tax bill or other mailer for the description, who must provide the description, and by what date the information must be provided to the county official.

Printing the TIF project name is feasible. Our survey results show that the majority of counties print the TIF district name (and/or the TIF district number) on tax bills for those parcels within the TIF district.

Printing a TIF district number is also feasible. One particular concern with printing only the district number is that it is not particularly helpful to taxpayers. The TIF district name is likely more beneficial.

While printing the name of every TIF district in the county is also possible, it requires computer programming changes and either a redesign of the tax bill or a separate insert. And, there will likely be additional postage and mailing costs if there are a large number of districts.

The TIF annual reports filed with the IOC do include a written statement about the TIF’s purpose, amendments to the plan, and lists of current and future development or redevelopment projects within the TIF district.

- 2 Determine if “property” in the statement relates to a single property or parcel of all of the properties in a TIF district. — Some survey participants were confused as to whether the “initial total EAV” is intended to apply to only the parcel located within a TIF (i.e., the parcel’s initial EAV) or for the TIF district as a whole. Printing the initial EAV for a parcel within a TIF is feasible, with programming modifications in most counties.

Printing the initial EAV for an entire TIF is also possible, but at some cost to counties and taxpayers for computer programming changes, tax bill redesign or separate insert, and additional paper and postage if there are a large number of TIFs.

The TIF annual reports filed with the IOC currently include lines for this information, along with the names of the overlapping taxing districts, but reporting this information is voluntary, not mandatory.

- 4 “A statement of the impact of the tax increment financing on each tax rate for each affected taxing district” — In addition to defining the term “statement”, a definition of the word “impact” is critical. Ultimately, the TIF’s impact is really a philosophical discussion. A TIF’s impact on tax rates is an incredibly complicated question with respect to each TIF. This question is subject to very different points of view based on assumptions used to make calculations. TIF proponents argue that the increased EAV is the result of the development or redevelopment occurring not only within the TIF district, but that development may occur outside the TIF district as a result of the TIF. They argue that this additional EAV growth both within and outside the TIF would not have occurred absent the TIF district. Opponents generally contend that the TIF takes money

Major Obstacles and Possible Solutions (cont.)

away from taxing districts. Still others will purport that taxing districts do not lose revenues; instead, the tax base is smaller as a result of the TIF which means property owners have a larger share of the burden and pay a higher tax rate. It is not feasible to say what would or would not have happened if the TIF had not been created, nor is it possible to second-guess what amounts taxing districts would have billed. One possible solution to overcome subjective interpretation is to define "statement" so that it is based on a set of calculations.

Decide if the intent is to show

- a the affected taxing district's rate, what amount of taxes would have been paid directly to the district and then show the amount paid to the TIF; or
- b what the tax rate would have been if there had been no TIF and presume that the EAV growth would have occurred naturally.

Clarify the meaning of "each tax rate." Most respondents interpreted this verbiage literally, meaning every tax rate, which is a separate calculation, for each of a taxing district's funds for which taxes are billed (i.e., not the aggregate rate for the district). Showing the TIF impact on each tax rate is not feasible. First, tax bills are computed on a district's aggregate rate. Second, other statutes, most notably the Property Tax Extension Limitation Law, also affect the district's tax rate. (The PTELL affects only those funds subject to the PTELL; not all the funds in a district's aggregate rate are affected by PTELL, nor are all PTELL funds affected identically.) Finally, printing comprehensive information will essentially require counties to have two separate record keeping systems, one for what is actual and one that is theoretical. We asked county tax software providers for their feedback so we could compare their responses to those provided by the county officials. We presumed that the potential additional income they would receive for programming changes would be a motivation to indicate how the programming could be accomplished. The responses are consistent and echo those provided by the counties. Software providers said that these changes would impose a substantial fiscal burden for simple calculations and the costs will increase as more variables or complexities are included (e.g., effect of PTELL) in the calculations. In fact, the software companies actually gave the impression that they either thought the calculations are impossible, or something that they were generally not anxious to do.

It is possible to print, for an individual property within a TIF district, the each taxing district's aggregate rate, the amount of taxes would have been paid directly to the district if the TIF did not exist, and the amount paid to the TIF. We must caution that the existing computer systems are not programmed to do this and the majority of tax bills we reviewed do not have space to print this type of detailed information. To do so, the size of the overall tax bill must be increased from 8.5" X 11" to 8.5" X 14", a single-page bill must become multiple pages, or an insert must be included. All three will be an added cost to the county for programming changes and printing costs. If this option is pursued, taxing districts might seek funding to offset this effort.

- 5 "Projections for future impacts of the TIF on each tax rate for each affected taxing district" — At best, a county could only make a presumption that all variables that affect a tax bill would remain constant (e.g., percentage growth in EAV, percentage increase in taxing body extensions, no voter-approved increases in tax rates, no changes in CPI for taxing districts subject to the PTELL, no new bond issues) and project what a future tax bill could be. This information is meaningless given the large number of variables that must be included and

Major Obstacles and Possible Solutions (cont.) _____

suppositions that would have to be made. Another pitfall is that property owners might rely on these projections only to discover that they were inaccurate when the subsequent tax bills are mailed. The effort expended to make projections in an attempt to provide information and to educate property owners will be subject to criticism and scrutiny because estimated projections will be inaccurate.

Printing projections for the future TIF impact is not feasible because too many variables would have to remain constant to make projections and could be considered meaningless or of little value when the subsequent tax bills are mailed.

Obstacle 2: Tax bill space and design limitations

Tax bills are generally 8.5" X 11" with a perforated stub to return with the payment. Given the tax bill information currently mandated by statute, room for additional information is limited or non-existent. Public Act 95-644 created several new homestead exemptions and some of the space that might have been available to print TIF information was taken to incorporate these new homestead exemptions on the tax bill.

The amount of TIF information that may be ultimately mandated by statute could mean a complete redesign of tax bill programs and may result in multiple page tax bills. Options to consider are below.

- 1 Require counties to print a state Internet web site address where taxpayers can access TIF information.

Annual TIF reports filed with the IOC are not currently available on the Internet, nor do the statutes mandate reporting all of the TIF information that may be of interest to property owners. Annual reports include the TIF redevelopment project area name, date designated, primary focus or use, component types, beginning and ending fund balances, revenues/receipts, expenditures for permissible redevelopment costs, payments to other municipal funds in excess of \$10,000, description of debt obligations, project costs to be paid, property purchased, public and private investment information, and optional information about initial and current EAV, overlapping taxing districts and surplus revenues distributed, jobs created and retained and corresponding salaries, and a legal (mapping) description. No penalty is imposed if the TIF does not file the required report timely.

The statute that mandates these reports could be amended to either 1) incorporate additional information or 2) require an entirely separate annual report of TIF data that includes specific information that would be of interest to and would educate property owners and require that these reports be submitted electronically. The county collector could be authorized by statute to withhold TIF increment disbursements if the TIF does not file the annual report of TIF information.

The benefit to this approach is that, while survey participants correctly say that there is no room on the face of the bill, several offered that they could print a web site address on the reverse side. Follow-up conversations with software providers indicate that this option would have little or no expense to the county.

The county collector could be authorized by statute to withhold TIF increment disbursements if the TIF does not file the annual report.

Major Obstacles and Possible Solutions (cont.)

- 2 Require TIF information be made available in a separate mailing and sent to all property owners in the county. Because many tax bills are mailed directly to the property owner’s mortgagor, a separate mailing would ensure the TIF information is sent directly to the property owner. If this option is pursued, we recommend a standard format that includes definitions of key terms, an explanation of what a TIF is and how TIF works, and provide a state web site address where specific information about a TIF project is available. We also recommend that only aggregate TIF information be included, perhaps as shown below.

TIF name	Year created	Initial EAV	Current EAV	Tax increment	Current year taxes to TIF	Taxes to TIF last 5 years
TIF 1	1999	1,000,000	2,000,000	1,000,000	80,000	800,000
TIF 2	2000	1,000,000	1,900,000	900,000	72,000	648,000
TIF 3	2001	1,000,000	1,800,000	800,000	64,000	512,000
TIF 4	2002	1,000,000	1,700,000	700,000	56,000	392,000
TIF 5	2003	1,000,000	1,600,000	600,000	48,000	288,000
TIF 6	2004	1,000,000	1,500,000	500,000	40,000	200,000
TIF 7	2005	1,000,000	1,400,000	400,000	32,000	128,000
TIF 8	2006	1,000,000	1,300,000	300,000	24,000	72,000
TIF 9	2007	1,000,000	1,200,000	200,000	16,000	32,000
TIF 10	2008	1,000,000	1,100,000	100,000	8,000	8,000
Total	10 TIFs	10,000,000	15,500,000	5,500,000	440,000	3,080,000

If this option is pursued, taxing districts might seek funding to offset the additional costs for programming, printing, and mailing.

- 3 Require each TIF administrator or unit of local government to compile an annual report. The report should include the tax rates and total taxes billed by taxing district, the increment directed to the TIF, current projects and costs, and future projects and costs. This report could then be mailed directly to property owners or published on the municipal web site. The separate mailing could also include a link to a state web site where TIF information can be obtained. The county collector could be authorized by statute to withhold TIF disbursements if the TIF does not comply.
- 4 Redesign tax bills (state-mandated format) so all counties have the same tax bill format and information. This option means a total reprogramming effort at considerable cost to the counties. If this option is pursued, taxing districts might seek funding to offset this effort.

Obstacle 3: Cost

The costs to implement the printing of additional TIF information vary depending on what information is printed and the level of detail. Potential significant costs include programming development (new calculations), existing tax bill programming changes (to add new information), redesign of tax bills (to accommodate information) and printing and mailing. Preliminary estimates from software providers indicate that the minimum amount for each county is approximately \$10,000. These costs increase based on the information that must be provided, and which variables must be considered. This figure presumes that Item 5 (TIF impact on future tax rates) is not mandated.

Major Obstacles and Possible Solutions (cont.) _____

Options to consider are below.

- 1 Require counties to print a state Internet web site address where taxpayers can access TIF reports. Making detailed information available through a web site is potentially more manageable and meaningful at little or no cost to the county for programming changes. The State of Illinois would bear the cost of this effort, however. Therefore, it must be decided exactly what information must be made available and by whom.

Annual reports filed with the Illinois Office of the Comptroller are not available on the Internet. In addition, these reports do not include all the TIF information that may be of interest to taxpayer nor do they reflect the impact on tax rates. The statute that mandates these reports could be amended to either 1) incorporate additional information or 2) require an entirely separate annual report of TIF data that includes specific information that would be of interest to and would educate property owners.

- 2 Require TIF information be made available in a separate mailing and sent to all property owners in the county. Because many tax bills are mailed directly to the property owner's mortgagor, a separate mailing would ensure the TIF information is sent directly to the property owner. If this option is pursued, we recommend a standard format that includes definitions of key terms, an explanation of what a TIF is and how TIF works, and provide a state web site address where specific information about a TIF project is available. We also recommend that only aggregate TIF information be included.
- 3 Require each TIF administrator or unit of local government to compile an annual report. The report should include the tax rates and total taxes billed by taxing district, the increment directed to the TIF, current projects and costs, and future projects and costs. This report could then be mailed directly to property owners or published on the municipal web site. The separate mailing could also include a link to a state web site where TIF information can be obtained. The county collector could be authorized by statute to withhold TIF disbursements if the TIF does not comply. Clearly, the TIF will bear the cost of such a report.
- 4 Ask counties' IT personnel and software providers to determine specific costs for various "TIF information printing" scenarios and provide funding to implement any state mandates.
- 5 Some participants suggested that they could print a statement that refers the taxpayer to the municipal government that established the TIF and separate the funds generated by the TIF increment for detailed information. (Most do this now when they receive telephone inquiries.)

Obstacle 4: Potential taxpayer confusion

Taxpayers may be confused about or overwhelmed by the sheer volume of information, especially if the rates before and after the TIF increment are shown for all TIFs. Counties that currently include a line for "TIF" state that taxpayers often think that it is a new tax or new taxing district.

Major Obstacles and Possible Solutions (cont.) _____

The Treasurers' Offices generally are not able to field TIF questions given staffing constraints and workload associated with general collection and distribution of property taxes. Taxpayers may be referred to the TIF administrator for specific questions about the TIF and to the county clerk's or tax extender's office for an explanation of the tax rate computations.

Options to consider are below.

1. Require counties to print a state Internet web site address where taxpayers can access TIF reports. Interested taxpayers can then access the information and learn more about TIF districts that potentially affect their tax bills. Annual reports filed with the Illinois Office of the Comptroller are not available on the Internet. In addition, these reports do not reflect the impact on tax rates. The statute that mandates these reports could be amended to either 1) incorporate additional information or 2) require an entirely separate annual report of TIF data that includes specific information that would be of interest to and would educate property owners. To ensure compliance, the county collector could be authorized by statute to withhold TIF disbursements until these reports are filed.
2. Require TIF information be made available in a separate mailing and sent to all property owners in the county. Because many tax bills are mailed directly to the property owner's mortgagor, a separate mailing would ensure the TIF information is sent directly to the property owner. If this option is pursued, we recommend a standard format that includes definitions of key terms, an explanation of what a TIF is and how TIF works, and provide a state web site address where specific information about a TIF project is available. We also recommend that only aggregate TIF information be included.
3. Require each TIF administrator or unit of local government to compile an annual report. The report should include the tax rates and total taxes billed by taxing district, the increment directed to the TIF, current projects and costs, and future projects and costs. This report could then be mailed directly to property owners or published on the municipal web site. The separate mailing could also include a link to a state web site where TIF information can be obtained. The county collector could be authorized by statute to withhold TIF disbursements if the TIF does not comply. Alternatively, the TIF could publish the information on the municipal web site.
4. Create standard TIF overview document that the state, county, citizen action groups, and TIF administrators can readily disseminate. A tri-fold insert that identifies the purpose of a TIF district and explains how it works is one possible avenue available to educate taxpayers.

Obstacle 5: Receiving timely information

If a complete statement about the TIF project (summary level or detailed information about specific work projects within the district) becomes a mandated inclusion on a tax bill, counties need this information at least 6-9 months in advance of the date tax bills are mailed so that the programming can be completed. Counties will have to rely on the TIF administrator, municipal government, or the Joint Review Committee to provide this information timely.

Major Obstacles and Possible Solutions (cont.) _____

Options to consider are below.

- 1 Require counties to print a state Internet web site address where taxpayers can access TIF reports. To ensure compliance, the county collector could be authorized by statute to withhold TIF disbursements until these reports are filed.
- 2 Require the TIF administrator or municipality to prepare the information as a separate insert and thereby eliminate the need to modify computer programs. The county collector could be authorized by statute to withhold TIF disbursements to ensure compliance.
- 3 Require the TIF administrator or municipality to supply the information by a particular date.

Obstacle 6: Implementation timeframe

Reasonable time is needed to implement the addition of any TIF information not printed on a tax bill currently.

- 1 Legislation that requires a state web site address where TIF information can be obtained must be enacted by autumn of the year prior to the tax bills being mailed. This will allow sufficient time to make programming changes before the tax bills are mailed in the next calendar year
- 2 More comprehensive reporting should be phased in over at least a two-year period.

Obstacle 7: Difficult, if not impossible calculations

Ignoring the theoretical aspects of the impact of a TIF on a tax rate or tax rates, showing the impact of a single TIF on each taxing body's aggregate rate or individual rates would require significant effort if a TIF's prior history is considered. Ultimately, the TIF's impact is really a philosophical discussion. A TIF's impact on tax rates is an incredibly complicated question with respect to each TIF. This question is subject to very different points of view based on assumptions used to make calculations. TIF proponents argue that the increased EAV is the result of the development or redevelopment occurring not only within the TIF district, but that development may occur outside the TIF district as a result of the TIF. They argue that this additional EAV growth both within and outside the TIF would not have occurred absent the TIF district. Opponents generally contend that the TIF takes money away from taxing districts. Still others will purport that taxing districts do not lose revenues, instead the tax base is smaller as a result of the TIF which means property owners have a larger share of the burden and pay a higher tax rate. Aside from the philosophical discussion, the effort become increasingly complex when a taxing district's fund extensions are limited by the Property Tax Extension Limitation Law or affected by Enterprise Zones that overlap the TIF district. See the comments under "Recommendations" for more information.

Conclusion

We conclude that it is feasible (with some caveats) for counties to include the following items on individual on tax bills:

- TIF district name
- TIF district identification number (though not as transparent as a name)
- A state web site where specific TIF information can be accessed
- The initial EAV of a parcel in a TIF district
- The current EAV of a parcel in a TIF district

Due to the sheer number of TIF districts, the limited space on tax bills, and the amount of tax dollars that would be spent, we further conclude that it is not feasible for counties to print the following information on tax bills:

- A detailed project description for every TIF district in the county
- The aggregate initial EAV and aggregate EAV for every TIF district in the county
- The impact on each aggregate tax rate for each affected taxing district for every TIF in the county (information could be subjective, voluminous, and perhaps make the tax bills more confusing)
- The TIF's impact on each tax rate for each affected taxing district (information could be subjective, voluminous, and perhaps make the tax bills more confusing)
- The projected TIF impact on each tax rate for each affected taxing district
Projections for future impacts of the TIF on each tax rate for each affected taxing district (information is prospective and the sheer number of variables that affect future tax rates could make the projections meaningless)

TIF information available on the Internet

Comptroller's Office links:

<http://www.ioc.state.il.us/office/localgovt/index.cfm>

<http://www.ioc.state.il.us/Office/LocalGovt/index.cfm?DisplayPage=49>

<http://www.ioc.state.il.us/ioc-pdf/LocalGovt/TIF/FAQTIF.pdf>

<http://www.ioc.state.il.us/ioc-pdf/LocalGovt/TIF/TIFListingByCounty.pdf>

<http://www.ioc.state.il.us/ioc-pdf/LocalGovt/TIF/ConsumerGuideFinal.pdf>

TIF Association links:

<http://www.illinois-tif.com/Resources/Documents/BasicAnnualRepReq.htm>

<http://www.illinois-tif.com/Resources/Documents/AnnualReptReq.htm>

Cook County Clerk links:

<http://www.cookctyclerk.com/pdf/tif06.pdf>

http://www.cookctyclerk.com/sub/news_view.asp?NEWS_ID=110

<http://www.cookctyclerk.com/sub/TIF.asp>



Illinois Department of Revenue

Appendix A, TIF Survey _____

Tax Increment Financing (TIF) Information on Tax Bills

Public Act 95-227 requires the Illinois Department of Revenue to study the feasibility of printing TIF information on individual tax bills. Please complete this survey and return it on or before February 15, 2008.

- 1 Name and title of individual completing this survey:
County and office:
Email address: Phone:
2 County's software provider:
Contact name:
Email address: Phone:
3 If your county currently provides TIF information on the tax bill, please attach an example of the tax bill or identify what information is included.

4 On a scale of 1 to 4 ("1" being the easiest,"4" the most difficult), please tell us the ease with which you can include the following TIF information on an individual tax bill. On the lines provided, please identify any obstacles (e.g., programming changes, information not available, cost-prohibitive) that must be overcome to include the information and associated costs.

1 Easy 2 Somewhat easy 3 Difficult 4 Not possible

Rating

- a Identify/print the name of the TIF district in which the property is located
b Identify/print the TIF district's number
c Identify/print a state web site address where information for the TIF is available
d Identify/print the initial equalized assessed value (EAV)
e Identify/print the current equalized assessed value (EAV)
f Identify/print the TIF project description
g Identify/print the TIF's impact on each aggregate tax rate for each affected taxing district



Illinois Department of Revenue

Appendix B — Public Act 95-227

Public Act 095-0227
HB3434 Enrolled

LRB095 11434 BDD 32315 b

AN ACT concerning State government.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by adding Section 2505-555 as follows:

(20 ILCS 2505/2505-555 new)

Sec. 2505-555. Study concerning tax increment financing information on tax bills.

(a) The Department must conduct a study to determine the feasibility for each county to include, on the property tax bills for each taxpayer in that county, information concerning any tax increment financing project that affects the taxpayer.

(b) The information on a taxpayer's property tax bill must include, for each tax increment financing project that affects the taxpayer:

(1) a description of the project;

(2) a statement of initial total equalized assessed value of the property in the project area before the tax increment financing;

(3) a statement of the current total equalized assessed value of the property in the project area;

(4) a statement of the impact of the tax increment financing on each tax rate for each affected taxing district; and

(5) projections for future impacts of the tax increment financing on each tax rate for each affected taxing district.

(c) The study under this Section must include an analysis of any obstacles that a county will face in including the information on property tax bills and identify any possible solutions to those obstacles.

(d) No later than April 1, 2008, the Department must submit a report to the Governor and the General Assembly concerning the study under this Section.

Section 99. Effective date. This Act takes effect upon becoming law.

Effective Date: 8/16/2007

Appendix C — Participants

County	No. of TIFs	Treasurer	County Clerk	Tax Extender
Adams	2	X		X
Alexander	0			
Bond	0			
Boone	3			
Brown	1			
Bureau	3	X		
Calhoun	0		X	
Carroll	3			
Cass	2			
Champaign	20	X	X	
Christian	0			
Clark	0		X	
Clay	1	X		
Clinton	7	X		
Coles	2			
Cook	371	X		X
Crawford	2		X	
Cumberland	0	X	X	
DeKalb	8	X		X
DeWitt	7			
Douglas	8	X	X	
DuPage	51	X		
Edgar	1			X
Edwards	0	X	X	
Effingham	5		X	
Fayette	2		X	
Ford	2			
Franklin	3	X	X	
Fulton	4	X		
Gallatin	1			
Greene	1	X	X	
Grundy	4	X		
Hamilton	0			
Hancock	0		X	
Hardin	0			
Henderson	0	X	X	
Henry	14			
Iroquois	4	X		X
Jackson	1		X	X
Jasper	0		X	
Jefferson	0		X	
Jersey	1	X	X	
JoDaviess	1	X		
Johnson	0			
Kane	24	X		X
Kankakee	16	X	X	
Kendall	1			
Knox	4	X		
Lake	25	X		X

Report on Feasibility of Printing TIF Information on Tax Bills

County	No. of TIFs	Treasurer	County Clerk	Tax Extender
LaSalle	32	X	X	
Lawrence	1	X		
Lee	3		X	
Livingston	3	X	X	
Logan	2	X	X	
Macon	5	X	X	
Macoupin	1		X	
Madison	30	X		
Marion	6	X		
Marshall	3	X	X	
Mason	2		X	
Massac	1			
McDonough	1	X		X
McHenry	10		X	
McLean	11	X	X	
Menard	0	X		
Mercer	1	X		
Monroe	2	X		
Montgomery	3	X	X	
Morgan	3	X	X	
Moultrie	4	X		
Ogle	2	X		
Peoria	19			
Perry	1			
Piatt	1	X	X	
Pike	0		X	
Pope	0	X	X	
Pulaski	0			
Putnam	0	X	X	
Randolph	7	X		
Richland	1		X	
Rock Island	38	X		
Saline	1	X		
Sangamon	22	X		
Schuyler	1	X		
Scott	0	X		
Shelby	0	X		
St. Clair	51	X		
Stark	2	X		
Stephenson	10			
Tazewell	7			X
Union	0	X		
Vermillion	8	X		
Wabash	5		X	
Warren	2	X		
Washington	1			
Wayne	1			
White	0		X	
Whiteside	5	X	X	
Will	27	X		X
Williamson	8	X		
Winnebago	18	X	X	

Report on Feasibility of Printing TIF Information on Tax Bills

County	No. of TIFs	Treasurer	County Clerk	Tax Extender
Woodford	4	X		
Total	971	60	39	11

Note: 23 counties did not participate.

Appendix D

Comments related to showing the impact of a single TIF district on the aggregate tax rate of other taxing bodies _____

Comments received in response to the feasibility of providing the impact of single TIF district on another taxing district's aggregate tax rate are below. Because some counties elected to have their software providers answer this question, duplicate responses have been deleted. When a response included the county's vendor (software provider) name, that name was changed to "our software provider".

- 1 Again this would increase the cost of preparing/mailling each tax bill as I believe this would require a separate form to be sent with each bill, effectively doubling the cost. This would also cause confusion with the taxpayers as they would be seeing 2 rates for each taxing district. Which would then place a burden of the Treasurer office to have people available to answer questions at the busiest time of year.
- 2 This is impossible with rate limits as well as the fact that some districts adjust levies to meet a specific rate. It is impossible to know how districts would or do respond to value changes.
- 3 County has 17 TIF districts. The space needs on the tax bills are already a problem without this new information. The programming costs would be troublesome and would take a long time to get done. Our programming staff is not huge but the programming needs of the County are enormous. We would have to get in line to get this added to our bills. Who knows how long it would take to get everything in place.
- 4 The tax bill is a one page bill which is already very limited in space available, therefore, to incorporate the information as described above would necessitate an additional page for the tax bill and would be very costly and burdensome.
- 5 This they can already separate. I see NO gain in this.
- 6 The most significant challenge in implementing this change would be the cost involved in redesigning our tax bills to accommodate this additional data. We would most likely need to completely reprogram our bill print program, along with increasing the size of our tax bill form, possibly incurring additional postage cost along with changing our highly automated lockbox collection operation.
- 7 This would require a recalculation of rates assuming no TIFs exist. Given the time constraints in Cook, with estimated billing and delayed final assessment figures, this added calculation of a second set of rates would complicate and delay the 2nd installment tax bills by at least one and maybe two weeks every year. These delays impact the distribution of tax dollars to the taxing districts. Costs incurred by the Clerk's office and the county's MIS department to implement these changes would be substantial, requiring many months of reprogramming and proofing in the first year of implementation to ensure accuracy. Once designed, future years would require an annual proofing regime by the Clerk's office, similar to the tax rate verifying procedures followed every tax year. Displaying this additional information clearly on an already crowded tax bill would require

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- reformatting at the least and possibly an overhaul of the current style of the bill. Realistically it would mean additional inserts to the tax bill and increased mailing and production costs. For details on the degree of burden and costs related to the tax bill, the County Treasurer is the appropriate agency to contact.
- 8 This would be a question for our vendor. The Treasurer generates the Tax bills.
 - 9 The impact of a single TIF district on other districts within the county would require a whole separate extension by individual TIF that would not necessarily add up to the calculation done in aggregate. Extension time would be increased for the county. The ability to determine the impact of TIF from other counties due to overlap and vice versa would be nearly impossible.
 - 10 No TIF districts
 - 11 I currently have a report that shows a district the loss from a TIF district. The report includes ALL taxing within that TIF District.
 - 12 Very high degree of burden. My tax bill is already jammed with information, from and back, with statutory and payment info. This is a city issue that the cities should be responsible for disseminating to the taxpayers.
 - 13 Multiple offices would be affected by this change. Redesign of the tax bill and new programming required for the county clerk and county treasurer, seems quite costly.
 - 14 Cost is unknown for these additional features. This would require program changes as well as the redesigning of the tax statement. Each county would bear these costs on an individual basis as not all counties have TIF's.
 - 15 No TIF districts
 - 16 We don't have the manpower to devote to such research. We only have one employee plus office head, so it would be a great burden let alone who knows about cost!
 - 17 County currently has the district distribution by district on the tax bill. It shows the amount that each district receives.
 - 18 This proposal unrealistic. Many community college districts include 8 or 9 counties. A new TIF dist in Stark County, north of Peoria, or Calhoun County, near St. Louis, affects Hancock County tax bills. Computing figure will be unruly.
 - 19 Not enough room on tax bill
 - 20 Software changes required for this would place a large burden (cost) on limited county resources, and probably delay the tax collection and distribution in the year implemented.
 - 21 I can't say - That would be a question for "our software provider". At this time, I don't believe they have given us an estimate. I am very confident however, that there will be a fee involved.
 - 22 While it appears at first glance that few additional man-hours will be required at my office to provide this information, there will most certainly be additional software costs either one time or annually to be able to calculate and provide this information. At this time we have no idea what those costs will be. I'm sure your survey responses from the vendor will provide that information.
 - 23 Tax bills already full 1 page. More info would be 2 page or more. Would be cost prohibitive with more staff to stuff more papers and higher printing, software provider programming expense.
 - 24 For our county, since we have only one it would be easy and costs relatively low.

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- 25 It would take many man hours to research the impact of a TIF on each tax rate and once again costly if it was to be on the tax bill; we probably would have to go to a two page bill.
- 26 Instead of sending a bill we would be sending a book that won't be read. Plus our postage costs would double. Do NOT do this!
- 27 County Treasurer Prints Tax Bills
- 28 You would have to contact my software provider.
- 29 We currently show how much tax money is being collected for the TIF district for a parcel on their tax bill. There is no more room on our bills to add another column showing the impact on each taxing body involved for each rate, it may require adding pages to our bill and that would not be cost effective. The cost and burden to add more information would not be feasible.
- 30 Because the software feeds the incremental values from the Parcels to the TCA level and not to the District level, the addition of the requested detailed information would require either keeping two separate sets of books/databases and calculations, including the calculation of PTELL, or paying for the an entire re-writing of the software. At best we could expect the costs of preparing the tax rates and extensions to double. This would also impact our ability to send out the tax bills in a timely manner and expand the bill from one page to two or more pages as every TIF includes the County and Forest Preserve in it, and therefore the County and Forest Preserve are affected by every TIF.
- 31 To the best of my knowledge the software product would have to be updated to do this as the bill would have to be totally redesigned. Can it be done? Yes. Time and money?
- 32 Not enough room. Would confuse would be cluttered and difficult to read. Gallant thought. Expensive to program.
- 33 The burden would be on the County Clerk's office as they calculate the rates. In a small county with limited resources it would also be an additional cost to do so.
- 34 Currently have a report from "our software provider" that shows a loss to the District from TIF. Taxpayers that question use of funds are sent to the TIF district for answers.
- 35 It would seem to be a heavy burden with respect to space on the tax bill and programming cost. In addition, it will tend to confuse people causing more headaches.
- 36 Must check with our software provider. I would assume they would have to research what needs to be done to accomplish this goal before making an estimate.
- 37 If the software provider must change their format to accommodate the proposed changes, this cost will be born by the county and the taxpayers. This information is freely available to anyone interested.
- 38 The county clerk does this.
- 39 To the best of my knowledge, no software vendor has this information available on-line; neither our old tax software, nor our new software, are capable of determining the TIF impact. The results would have to consist of figures calculated outside the software (read that: by hand), the data would have to be somehow keyed into a file that the tax bill printing software could read, room would have to be made on the physical bill to compile that data, and the presentation would, without a doubt, merely serve to confuse the taxpayer. Another consideration: while the TIF has a marginal impact on rates (if one

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assumes that the taxing body, knowing some of it's funding is going to be shifted to the TIF fund, raises their overall levy to offset that impact), we also have an Enterprise Zone here, which causes a vastly greater impact on the tax rates than the taxpayer is aware of. We'll include a PDF file of those results, as well.

- 40 Increased cost in printing and postage. What taxpayers will read and understand the additional information?
- 41 Unfunded mandate would be big burden for county. Where would you put any other additional information on bill? Additional pages would be costly.
- 42 Would require significant software changes and space is limited on tax bill as it is.
- 43 Our tax bill would need to be revamped completely. This would need to be done by our software provider. I am not sure what the purpose of adding this other than making our taxpayers angry. I am sure it would be informative.
- 44 Brilliant concept, very possible we have all the data. The size of the tax bill would have to be increased to an 8 X 14 bill. There would have to be a complete reprogramming of the system to implement. The cost would be \$10,000 or more.
- 45 Would be a cost set by "our software provider". Possibly larger tax bill which costs more to mail.
- 46 Taxing districts in other counties are affected by TIFs, so this would be a major step. There would also be disagreement on just what the impact of a particular TIF is on the rates. A space on the tax bill would be a problem. Not only does the TIF increase the rates of other districts, it also reduces revenue in rate-limited funds. In a community college district, the impact of a single TIF is felt across numerous counties, albeit a rather small impact.
- 47 Not sure. "Our software provider" may be useful in this information gathering.
- 48 Calculating the impact of TIFs is difficult. The components of each aggregate rate must be taken individually i.e., are they already at the maximum allowable?, can they raise to make up the TIF loss, etc. PTELL also comes into play. I could calculate the impact and explain it orally. But I do not think it can be explained in an understandable manner on a tax bill.
- 49 Not feasible - costly and nonproductive
- 50 See "our software provider" who would know the cost.
- 51 Not sure at this time what the additional cost would be.
- 52 I have no idea as to the cost. I am sure that we would have to go to a multiple page bill or send that information separately.
- 53 Including the TIF's impact on the bill would probably necessitate the generation of additional pages of the bill. This inclusion would require software changes as well as additional postage costs associated with any additional pages to the tax bill.
- 54 Each bill effected by TIF would need a separate disclosure statement to be sent with their bill. The bill itself would not have enough room to disclose all information.
- 55 I am not sure at this time because we do not have any TIF district currently.
- 56 This is a question that would have to be answered by "our software provider".
- 57 We do not have TIF's so not sure.

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- 58 Please review attached 2006 tax bill. As you can see there is no additional space to expand information. Any change in wording or design of our current tax bill must be confirmed by our supplier (form). This cost our County time and money.
- 59 Good concept - Impossible to implement. The info is there, BUT county would have to switch to a legal size tax bill. Require complete reprogramming - much cost!
- 60 Not possible
- 61 We already give the taxpayer the difference from their previous year's bill. Where applicable, obviously the increase is seen in addition to the TIF. To go back to the inception of the TIF and show a number to date of impact on the respective districts is of course possible, but would take reprogramming and adjustment to our existing format of a now familiar tax bill.
- 62 We have to present so many statements on our bills already, that we don't have any room left to put any more. We may have room for a one sentence statement saying that the TIF info is available at either the Treasurer or S of A office.
- 63 We have limited space on the tax bill - so the inclusion of information on TIF would be costly. We are exploring the possibility of putting a message on the tax bill to see information @ web site.
- 64 The real estate tax bill of County is already maxed out for information that we provide for the taxpayers.
- 65 I have no idea.
- 66 Again this would increase the cost of preparing/ mailing each tax bill as I believe this would require a separate form to be sent with each bill, effectively doubling the cost. This would also cause confusion with the taxpayers as they would be seeing 2 rates for each taxing district. Which would then place a burden of the Treasurer office to have people available to answer the taxpayer questions on the phone during their busiest time of the year. Further the already complicated process of calculating rates with PTELL, TIF, Enterprise and Abatements would become more complicated resulting in possible delay of mailing tax bills in an orderly time frame.
- 67 The TIF District does not have an affect on the tax rate
- 68 Our tax bill is already almost full - with the additional veteran and disabled exemptions - just how much can we jam on the bill and expect the taxpayers to understand it?
- 69 Would require new software, reprogramming at a non determined expense. The general public doesn't take the time or understand what is on it anyway - they look at the bottom line. It is totally cost prohibitive for us.
- 70 I don't believe it is only a question of extra work or cost. The theoretical "impact" of TIF on any given tax bill is not "knowable" in any useful or absolute sense. There are too many variables affecting the outcome. If a TIF was never created "what would the EAV be" type of theorizing is not productive. If what you are asking is for us to "calculate Will County tax district rates a second time while leaving the increments in the rate bases for all TIF overlapping tax districts", then the answer would be we would double the time it takes to extend Will County tax and cause our bills to be about two to three weeks late because that is what it takes us to set the rates the first time. I do not know who would pay the interest on the late tax distribution -approximately \$750,000,000 is the estimated extension for first installment 2007 levy. Since the "impact" of any TIF does not stop at the Boundary of the TIF itself, this imaginary Will County value base would have to be certified to 11 neighboring counties for our 89 overlapping

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taxing districts, in order for those counties to do the same. This TIF "effect" of raising the rates of those overlapping districts and increasing the tax burden on citizens that do not live in the TIF, or in the municipality that created the TIF, or in the County that contains the municipality that created the TIF an insidious process. Those taxpayers not living in a TIF, who are paying a higher rate and higher tax because some municipality 10 miles away, or in a neighboring County, created a TIF which captured value growth from the other shared districts on the bill, have reason to be unhappy.

- 71 It is not feasible to calculate the TIF's impact on each tax rate because of numerous variables affecting tax rates, such as the tax cap, home rule taxing districts, and overlapping districts.
- 72 Total reprogramming of our tax system. Cost to redesign tax bills.
- 73 I believe that this would be extremely cost prohibitive and largely ignored or misunderstood by the taxpayer. Not only would there be prohibitive programming costs, but our tax bill would have to be printed on larger sheet of paper.
- 74 This may be a brilliant concept but impossible to implement. The county would have to switch to an 8 1/2 x 14 tax bill. Complete reprogramming would have to be done. Cost could be up to \$10,000.00.

Appendix E Additional Comments

- 1 There is information "overload" already on the tax bills.
- 2 Why doesn't the burden of this information fall with the cities and villages who develop these TIFs? My staff would be put in a position of having to answer questions about this new information; questions we are not in a position to answer. The cities and villages promote them as a local solution and should be expected to explain the potential impact on the real estate bills, as well as the technicalities of the TIF information to their citizens. Also, don't overestimate the amount of information on a tax bill that is actually read by taxpayers. There is already so much mandated information on the bills that people don't even attempt to read or understand it at all.
- 3 All tracking is done through "our software provider". There is always additional burden and cost when you have to track specific tax information.
- 4 We provide the Cook County Clerk's web address for TIF information on the back of our semi-annual tax bill.
- 5 Currently we print the name of the TIF district on the tax bill. The language of PA 95-227 appears to require "information concerning any tax increment financing project that affects the taxpayer" to appear on each tax bill in the county. In Cook County, this would appear to require a list of all 378 TIFs going to every taxpayer, as all TIFs in the county can impact the county-wide tax rates (Cook County, Forest Preserve District). Clearly this is a huge amount of information to list, 378 TIFs, with project descriptions and total initial values and current values. Also, there are additional questions we have regarding items 4 a-g above. For example, what is the definition of the TIF district's number? Also, what defines the TIF project description; is it from the original redevelopment plan and would we consider any subsequent amendments to the plan? Whenever additional procedures are implemented to an already complicated process like the real estate tax billing system, the chance of errors increase on an annual basis and additional staffing may be required. While this information is important to provide full disclosure to the taxpayer regarding the intricacies and impact of TIFs on a

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tax rate and amounts due, it does complicate and deviate from the core mission of the tax bill, to inform the taxpayer of the amount due. An alternative form of notification including this important TIF data may better educate taxpayers of the impact of TIFs and not add an additional level of confusion to an already complex tax bill.

- 6 Our Treasurer adds the amount that goes to the TIF district and treats it just like any other fund. I know the treasurers association is against this bill and their lobbyist has expressed concerns. If the state is having a problem with TIF districts, they should re-write the code to voice their concerns. This whole idea of using the tax bill is almost not humanly possible. The State of Illinois has such a large number of units of government that tax. Since mostly municipalities form TIF districts – the district forming the TIF should give out the answers, if a taxpayer has questions. **THIS DOES NOT BELONG AT OUR LEVEL !!!!** Additionally this sounds like a Chicago based request. I think any details should be on the districts website, not the counties. To list 'the description of project' is almost a joke since the 'project' changes. The county should NOT be the escape goat on this – have the TIF district supply the information.
- 7 County currently has more than nine TIF districts, with new ones being established each year. Only a small percentage of our taxpayers have property in a TIF district and those TIF districts already appear as a line on their tax bill. This bill seeks to study the potential requirement that county officials place additional data on a tax bill already overcrowded with statutorily required information. That data should already be available from the municipality establishing the TIF district. A description of the project could be very long and involved, particularly if it includes printing a legal description of the property involved in the TIF. Or, does the "description" mean the purpose for which a TIF should be established? A statement of initial total EAV in the project area before and after the TIF is established. Again, there is no room on the tax bill to explain what that data is. It would need to be determined by the Supervisor of Assessments. Then either the assessor, county clerk, or the county treasurer would need to determine on which parcels' bills this information would need to be printed. Extensive computer programming changes would need to be made at an enormous cost to each of the counties. A statement on the impact of the TIF on each taxing district's tax rate. Does this legislation provide that the clerk calculate the taxes with and without the TIF district, and that the Treasurer then print those rates on the tax bills? Treasurers will be reluctant to put an estimate or two different rates for the same thing, on a tax bill. And again, there is no space for this. Projections for future impact of the TIF on each taxing district. There is no realistic way that these projections could even be calculated since the county cannot predictor control what each taxing district may do with its levy from year to year. In summary: Tax bills are already filled to capacity with information currently required in statutes. This information should be available to citizens from the municipality establishing the TIF. It is just simply not possible to provide some of the information requested. This unfunded mandate would cost Illinois counties an extraordinary amount to redesign tax bills, in many instances necessitating the expansion of the bill into two or more pages. Extensive property tax system computer reprogramming would be required in all 102 counties, again at an additional cost. All the offices involved in the property tax cycle would require that reprogramming as well as extensive testing, most likely delaying tax bills. And the additional printing and mailing cost would be a burden to the counties. Adding all this information and estimates will defeat the purpose of attempting to keep the tax bill relevant to the specific parcel, and as easy to comprehend as possible.

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- 8 The only thing we do with TIF is collect the money and distribute the money we do not budget for expenditures out of TIF money so are not responsible for reporting how it is spent. Cities are 100% responsible for the existence of TIF and how it is spent.
- 9 This is absolutely ridiculous! The responsibility of communicating this information should lie with the municipalities educating the public. A yearly newspaper publication should be done by the municipalities/TIF districts for public information.
- 10 This information can be computed by the property owner from information currently supplied on the tax bill.
- 11 Why county/taxpayers being asked to bear expense that only affects cities and few taxpayers? As cities receive primary benefit of TIF districts, why we supply info and not city? Send taxpayer to city show how spent. Redo computer program & redesign bills not feasible.
- 12 Local government through new legislation is losing funds right and left. New exemptions here - new exemptions there --- (TIF) district, et. I'm a taxpayer who likes decreases in Real Estate taxes like anyone else - but I don't see how local government is going to make it with so many un-funded mandates from the state. I am NOT in favor of printing (TIF) info on tax bills. We only have so much room on the tax bill and I believe this year we are adding info on Vet's exemptions. I'm not sure where that's going to fit. Again, the STATE mandates these additions are our expense.
- 13 Our tax bill is quickly filling up with information required by the state. We will soon begin to have to use smaller fonts, which is difficult for the visually impaired, or larger paper, which will be more expensive. We are simply running out of room on our tax bills.
- 14 I'm not sure how much more info we have room for on our bill. I would suggest you contact each vendor for these questions. I think a lot of this information would just be confusing to the taxpayer. They read the amount that is what they care about. Not how you get the amount.
- 15 Only TIF information on the tax bill is the distribution
- 16 Every TIF pitch "this cost existing tapers nothing". Now state to include on tax bills show costs to affected tapers. This is logical contradiction. TIF dist should only bring manufacturing or industrial jobs to town. Good jobs thrive retail, family pay own med, education cost.
- 17 My only concern with this issue is that while it is pertinent information for the few citizens who understand their tax bill and the information provided on that bill, I feel it will only succeed in confusing the majority of the taxpayers who do not understand the bills as they are now printed. I also feel that those who know what we are trying to provide them with already know how to obtain that information. Overall, I do not support TIF districts, but do not wish to confuse our taxpayers.
- 18 Since we have not previously had TIF in this county, the computer company, Supervisor of Assessments and Treasurer would probably have more information on these items.
- 19 Most of this could be included by software provider on 1 page tax bills. Item G could be difficult for one page. Not room to print TIFS effect on each line item for each tax bill without add'l pages. Wouldn't PRESS RELEASE do same result for less cost to txpr /cnty.
- 20 Print the names of the TIF district and how much money is taken out.

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- 21 We provide the TIF District and the amount to be billed. Approximately 2 out of ten taxpayers look at what they owe on the tax bill. Many have their bill sent to directly to their mortgage company and the bill is not sent to them until after the second installment has been paid and by then the majority of taxpayer's aren't concerned with the content of the bill only that it has been paid. I believe that it would be a waste of time, money and man hours to incorporate the TIF information on to the bill. I strongly am against this action.
- 22 Most taxpayers are not interested in an explanation of TIFs.
- 23 We list the actual dollar amount that goes to that TIF area. An easier approach would be to do a press release concerning the TIF and how they affect the taxpayer and taxing bodies. I feel placing this info. On the bill is an unrealistic request due to the fact we now already identify all the pensions in each taxing district on the bill. I understand the concern for informing the taxpayers on the effect of the TIFs, however there is only so much that can be identified on a tax bill.
- 24 There is also the very real possibility for an increase in human error as we attempt to maintain two sets of databases and books.
- 25 I'm not sure what will be done on the levy side, as far as printing the actual bill again that bill will have to be totally redesigned.
- 26 None of these questions really pertain to the county clerk's office, so I feel the Treasurer was the best one to answer this survey for our county.
- 27 Insert with succinct information as provided by the state may be a positive move. Expensive to send with insert.
- 28 We show the amount of property taxes that goes to the TIF district. From the information I've received by phone number listed on the tax bill currently for Senior Citizens and Disabled Person always rings busy for those in our county. Typically when people call our office for information on the TIF district, we refer them to the local administrator. I do not believe a website will help them understand it any better.
- 29 I think the TIF districts should be the entity reporting to the taxpayer and taking on the burden.
- 30 IDOR note (not from county) — Tax bill with TIF was hand calculated for TIF and EZ overlapping districts. TIF district tax shown.
- 31 Along with the breakout of taxing bodies on the bill, the fund "TIF DISTRICT" appears with the amount of money owed. Amending the structure of the tax bill would have to be performed by our software vendor - we don't have the capacity to do that without having to hand-calculate the bills (we can't afford an I.T. department) Our major issue here in McDonough County is that we have, for the last 20 years, had to hand-calculate a portion of the TIF bills for those parcels which had an Enterprise Zone abatement - we were the county that caused the court order with the Enterprise Zone abatements superceding the TIF! This has caused endless problems with the reports our software provides us, in that the hand-calculated bills had to be "tweaked" back into the overall report in order to produce anything remotely accurate. We understand the City of Macomb is considering either a) extending the existing TIF to 35 years, b) expanding the existing TIF to take in new territory - which is going to be affected by the Enterprise Zone, or c) allowing the old TIF to expire and replace it with a new TIF - which will not be affected by the Enterprise Zone - maybe. After reviewing a huge number of websites, and examining how the TIF works in this community and other communities around the state, it appears that there are a number of built-in abuses which indicate to me the unworkability of the concept - granted,

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that's just my opinion, but if someone took the time to carefully examine the issue, instead of simply throwing another law at it, perhaps we could solve the problems and make the concept of the TIF workable.

- 32 TIFs cost county /taxing dist. Decatur has had several TIFs that don't meet requirements. Also same of Mt.Zion TIF by General Assembly. Now you have outside farms trying to sell services to develop TIF's in every little community.
- 33 I am not in favor of this. We have already contracted with our printing vendor to print our tax bills for 07-08. Further, there is not any additional room to add info about TIFs. As you may know, HB 664 required some additional wording and I worked that in by taking some other wording off the tax bill. Further, who would pay for the additional costs in printing IF this was added next year and what wording is to be removed. Are you suggesting a 2 page tax bill? That is what you are looking at. We do not provide any wording on TIFs at all Does anyone have a clue how many taxpayers do not know what a TIF is or even if they live in one and frankly, how many taxpayers even flip the tax bill over and read all that fine verbiage?
- 34 This would require 2 page bill which taxpayer will not understand.
- 35 Along with the additional cost of programming the required information on the tax bill, we would incur additional cost from our tax bill printing vendor. Currently we do not have space to fit any additional information on our tax bill and we are at the maximum weight for the postage rate that we pay to mail our bills. This would require another insert which would more than double our postage.
- 36 I answered some of the questions difficult which they would be for me. I feel certain that our software provider can revamp the bills. One concern would be with adding all the information our bills may end up being multiple pages which would be costly and time consuming when printing and mailing the bills.
- 37 This will create more problems for the county. If this is a way to educate the people, this is not the way to do it.
- 38 I fell this is more of a factor to the County Treasurer's office than the County Clerk. Please contact Cidnet - Art and he will provide you with the TIF information you may need.
- 39 While I agree that TIFs have significant impacts on property taxes, tax rates, and revenue for districts, I do not believe the tax bill is the best forum for addressing this problem. The impacted taxing districts themselves have a representative on each TIF committee, and should be addressing concerns in that forum. Placing this information on a tax bill will only tent to confuse an already complex and over-crowded document. For most taxpayers, a website where they can access information if they desire might be a good compromise.
- 40 The bill has the TIF amount.
- 41 After 29 years of serving as County Collector, I have come to believe that no one reads anything on a tax bill but the amount due and how it compares to the previous year. Notices without penalties, exemptions available, etc. go unread. Adding more information will simply increase taxpayer costs for no real gain. There will be additional software costs for most of these additions, but I have no real idea of the amount. Anything added to the program naturally makes it more expensive and unwieldy. P.S. I know you are only gathering information for the legislature so if I said anything offensive, my apologies.
- 42 First year (that the county has a TIF district)

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- 43 All information listed on tax bills in Montgomery County is done under the direction of the Montgomery County Treasurer. Please see his response to your survey for more information on this subject.
- 44 If a TIF's impact for each district must be listed, it should be done by the TIF or directly charged to the TIF. The information should probably be conveyed by a separate letter. Again the TIF is benefiting at the expense of all other district so let them bear any cost associated with the notification.
- 45 I believe the additional information under consideration for inclusion on future tax bills would be confusing to the majority of the taxpayers and probably would generate additional confusion to the tax process. The addition of more pages to the tax bill can be intimidating to the taxpayer. Any questions and concerns could be addressed effectively with a phone call from the taxpayer to the various county offices.
- 46 A separate disclosure would require additional expense to the county and ultimately the taxpayer.
- 47 I am not really sure at this time what financial costs will be or how difficult TIF districts will be to implement because we do not have any at this time.
- 48 Not enough space on the bill to include more information. I am concerned that information explaining the new disability exemptions needs to be included on the tax bills. The message space on our tax bill is too small to include more information. It would seem that this could be addressed with a program change, as there is some blank space on the bill.
- 49 The attached 2006 tax bill from Randolph County proves there is very little room for additional information on the front or back. At best we could add information on the back (a cost of time and money) regarding a state web site address where TIF information is available.
- 50 Data available - Perhaps the fact that it is available could be printed on back of the tax bill. To include everything would create problems for the county.
- 51 Rock Island County has 4 installments. We have large bill already and including any of this information would create financial hardship for the county.
- 52 It would be a burden in that such a law would force this information to be on an insert. This would mean added costs in programming, materials, mailing, etc. More of a concern is the burden of not having the knowledge to answer the questions that will now be posed to the Collector's office as we printed the information. We therefore oppose this plan.
- 53 We print the amount of tax going to TIF agency. I advocate using the web for this information instead of sending it to the taxpayer on the tax bill. Sangamon County already has more info on bill than most taxpayers are interested in. I do not at this time recommend centralizing such info at State level until the State becomes much better at handling this info electronically. IDOR hasn't sent this years abstract of taxes for 05 pay 07 or finalized 05 pay 06 as of 1-31-08. What a nightmare!
- 54 I'm not sure how much more info we have room for on our bill. I would suggest you contact each vendor for these questions. I think a lot of this information would just be confusing to the taxpayer. They read the amount that is what they care about. Not how you get the amount.
- 55 Recorder, believes this should be done by the Treasurer because she prints the tax bills. Recorder only puts info on the TIF district into computer at tax time after the SOA rolls over to her. After Recorder done with tax cycle then rolls to Treasurer.

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- 56 I see no benefit to the average taxpayer and as this appears to be another 'unfunded' state Mandate do not see how any county would support this pending legislation.
- 57 These questions should be addressed to our software company.
- 58 County has no TIF districts.
- 59 I do not think it a bad idea to have an indicator on the bill to show it is a TIF area and before and after assessed value - but the rest of the information is overboard. How about the legislature passing the budget and doing what we sent them there for instead of messing around doing legislation like this. As if the Dept. of Revenue doesn't already have enough to do.
- 60 County's survey was answered by "our software provider", Inc. If you did not receive info, let us know.
- 61 Mandating this type of information would not only add expense to the cost of the tax bills - it would cause "additional irritation" to taxpayers which would take more time and effort to "try" to explain to taxpayers that are upset and angry anyway! Please give this idea up! Real estate tax bills are full of information that taxpayers don't read. Trying to explain a TIF district in a small space is useless and only leads to more questions. County funds are tight and doing this will only add more of a burden.
- 62 I am sorry but I am unable to provide any information at this time because the TIF districts in County were just created in December 2007 and we are just in the process of setting them up for 2007 payable 2008.
- 63 Attached is a bill showing TIF base value & current value and base extension and increment extension for the TIF, as well as the name and number of the TIF. The Will County Treasurer must answer questions C and F. A,B,D,&E are already on our bills. Here's a novel thought. Let the municipality that has created the situation explain the process to all taxpayers that are affected by the process. I think that is what used to be called being RESPONSIBLE for your own behavior. I have attached a copy of one of Will County's TIF area tax bills. VALUE: Note the base value (IEAV) is listed near the top right of the bill, and the current EAV is listed below that showing the net equalization process. RATES: are shown in the middle portion of the bill '05 and '06 EXTENSION: Is shown in the right middle portion and is calculated by multiplying the rate times the appropriate value (base EAV for all districts other than TIF, or current EAV for the TIF line item) We do not co-mingle the TIF/Non-TIF extension on the bill, only to separate it out later before distribution. We show it separately on the bill to begin with. Explanation, collection and distribution are easier.
- 64 Not a case of having the data but this approach will create more problems for the County. If the goal is to educate the taxpayers, this is not the way to do it.

Appendix F
 Brochure on TIF Reporting,
 Illinois Office of the Comptroller

COMMONLY ASKED QUESTION

Is there a penalty for delinquent TIF Reports?

- There is no penalty for delinquent TIF Reports, however, there is a list prepared annually by the IOC of municipalities with TIF districts that did not submit a TIF Report. Such communities are contacted by the IOC and informed of their delinquent status.

How often does the Joint Review Board meet?

- The Joint Review Board is required to meet annually 180 days after the close of the municipal fiscal year or as soon as the redevelopment project audit (and the annual report of which it is part) becomes available. A copy of the TIF Report should be submitted to each of the taxing districts that overlap the TIF district prior to this meeting.

Is transferring TIF funds from one TIF district to another adjacent TIF district a legally permissible TIF cost?

- You should consult with your legal counsel to determine what are permissible costs.

If a TIF district has been inactive, is the municipality still required to file a TIF Report?

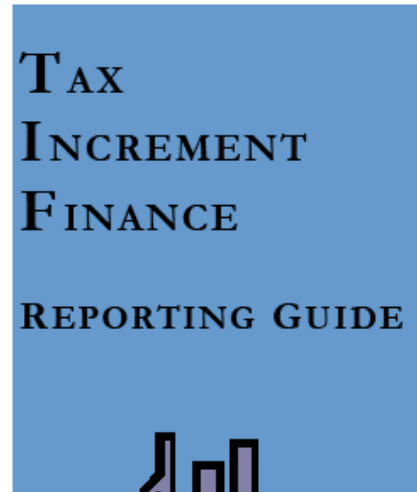
- Yes, if there has been no activity, the financial forms should reflect this. All other items, such as CEO certification, legal opinion, activity statement, etc. must be filed as part of the TIF Report.

THE FOLLOWING ATTACHMENTS MUST BE INCLUDED WITH THE ANNUAL TIF REPORT:

- Certified audit for special tax allocation funds that have accumulated over \$100,000 in incremental tax revenue since inception
- The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3
- A brief activity statement that summarizes fiscal year activities undertaken to further TIF Redevelopment Plan goals and objectives
- TIF Administrator must attest to completeness and accuracy of the Report
- Certification of compliance letter by municipal chief executive officer
- Opinion by legal counsel that municipality has complied with the TIF Act

Additional Frequently Asked Questions are available at:
www.ioc.state.il.us
www.illinois-tif.com

 DANIEL W. HYNES GOVERNOR OF ILLINOIS www.dwhines1111	 ILLINOIS TAX INCREMENT ASSOCIATION
Office of the State Comptroller 100 West Randolph Street, Suite 15-500 Chicago, Illinois 60601-3252 Phone: (877) 304-3899 Fax: (312)814-2986	Illinois Tax Increment Association 2970 Maria Avenue Suite 215 Northbrook, Illinois 60062 Phone: (847) 509-3494 FAX: (847) 509-3495



This guide was developed in conjunction with the IL Office of the Comptroller (IOC) and the IL Tax Increment Association (ITIA). It was created in order to provide information to municipalities that have one or more Tax Increment Finance (TIF) districts and must submit an annual TIF Report for each TIF district to the IOC.

Effective in November 1999, the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.] require all Illinois municipalities with one or more TIF districts to annually file information with the IOC.

The following agencies assist in the completion of the annual TIF report:



IL OFFICE OF THE COMPTROLLER (IOC)
www.ioc.state.il.us

- Central repository for annual TIF Reports
- Annually distributes forms and instructions to municipalities
- Makes TIF Reports available for public inspection

IL TAX INCREMENT ASSOCIATION (ITIA)
www.illinois-tif.com

- Sponsors semi-annual conferences and quarterly newsletters for its members, designed to keep them up to date regarding local and state economic development issues and laws pertaining to tax increment financing
- Organizes and conducts workshops and

seminars on critical TIF issues

- Provides its members with numerous opportunities for professional dialogue, research, education and exchange of information

RESPONSIBILITIES OF TIF MUNICIPALITIES

- Submit annual TIF Report to the IOC 180 days after the municipal fiscal year ends (or as soon thereafter as the audited financial statements become available)
- Conduct annual joint review board (JRB) meeting following submission of the annual TIF Report to the IOC
- Distribute copies of the annual TIF Report to all overlapping taxing districts and interested parties
- Select TIF Administrator (responsible for the completion and submission of the TIF Report)



RESPONSIBILITIES OF THE TIF ADMINISTRATOR

- Coordinate annual TIF reporting process for the municipality
- Sign TIF Report approved by the municipality
- Prepare and submit reports to IOC and overlapping taxing jurisdictions, convene annual JRB, mail notices to interested parties
- Monitor deadlines, report components, compliance audit for individual Special Tax Allocation Fund(s)
- Monitor TIF budget and accounting of TIF fund(s)
- Confirm eligible expenditures & accurate



- receipt of TIF revenue
- Determines surplus
- Identify amendments to plan such as boundary extensions, district terminations, etc.

RESPONSIBILITIES OF MUNICIPAL OR TIF ATTORNEY

- Answer and /or opine on any questions regarding permissible redevelopment costs

RESPONSIBILITIES OF AUDITOR

- Prepare a Certified Audit for Special Tax Allocation Fund(s) that have accumulated over \$100,000 in incremental tax revenue since inception
- The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3

ANNUAL TIF REPORT BASICS

- The TIF Report is due 180 days after the municipal fiscal year ends (or as soon thereafter as the audited financial statements become available)
- The Report must be signed by the TIF Administrator
- If there is a change in TIF Administrator, a letter from the Mayor MUST be included with the TIF Report
- CEO and legal certification must be included with report even if there is NO activity in the TIF district
- The annual TIF Report is due even if the district did not receive increment or was inactive
- Illinois statutes do not allow the IOC to grant extensions for late report submission

Appendix G Miscellaneous TIF Information

General Information about TIFs

Illinois statutes allow units of local government to fund development or redevelopment projects in designated blighted areas within their jurisdictions using Tax Increment Financing (TIF). Municipalities identify the blighted area and determine that the blighted conditions will not improve without local intervention.

Illinois statutes that govern TIFs require public notice and public meetings or hearings. Taxing bodies with any portion of their districts' boundaries in the proposed TIF area appoint one representative to a Joint Review Board who reviews the plan, and offers input and comments. A public hearing is required. Once these requirements are met, the municipal legislative body must enact an ordinance creating the TIF. No federal or state approval process is required.

Proposed TIF project areas must meet certain standards. Each TIF district must have a redevelopment plan which identifies specific projects to be completed. An annual report must be filed with the Illinois Office of the Comptroller.

If the TIF is approved, the equalized assessed value (EAV) of the all property in the TIF redevelopment project area is determined. This amount is called the "initial EAV." In subsequent years, taxing bodies continue to receive taxes on the initial EAV. If the EAV has increased, then the initial EAV is subtracted from the current year's EAV. The difference is called the "tax increment". Taxes collected on the tax increment are distributed to the TIF to be reinvested in the project area.

When the TIF expires, all taxing districts then receive property taxes on the full EAV in the area. By statute, TIF districts may last for 23 years, but may be extended to 35 years. A TIF may end sooner if all financial obligations have been paid and if the unit of local government votes to terminate the district. The TIF must be terminated if no redevelopment project has been initiated within the first 7 years after the TIF is created.

Example:
TIF district 1 is created in 2008.

Initial EAV (2008):	\$1,000,000
School district tax rate:	8.125%
School district tax:	\$81,250
Current EAV (2009):	\$1,200,000
School district base:	\$1,000,000
School district tax rate:	8.125%
School district taxes:	\$81,250
Tax increment:	\$16,250
Property owner's bills (in TIF):	\$97,500

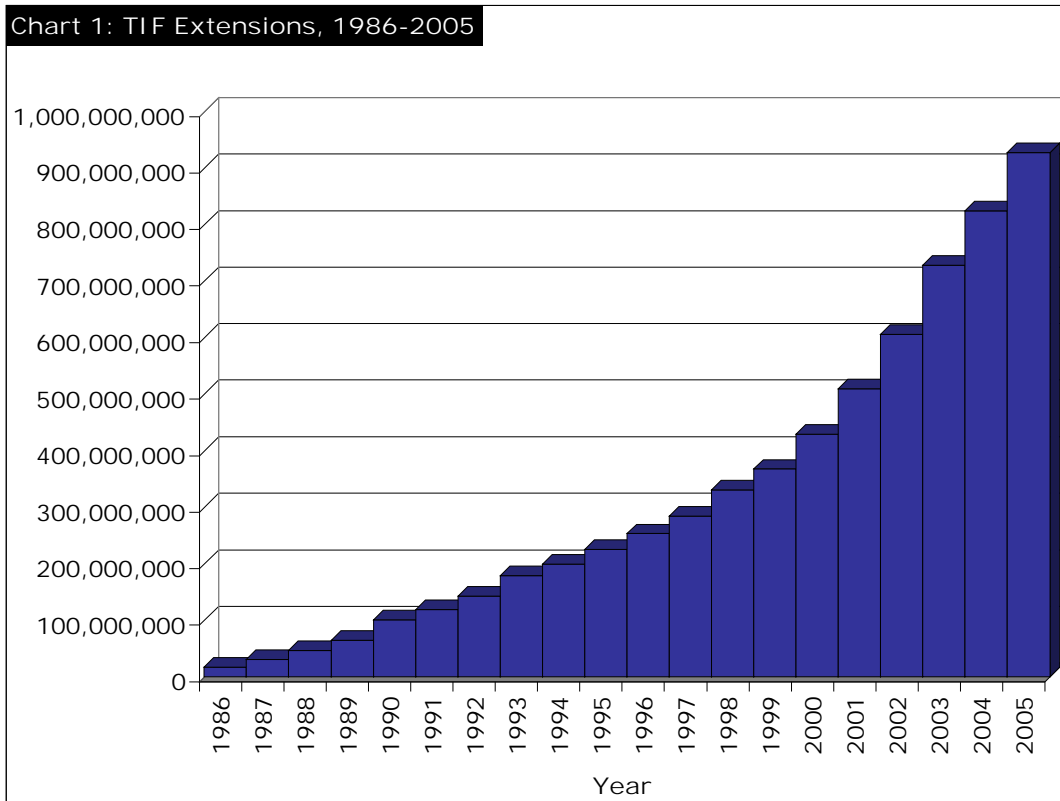
Property Tax TIF Data

In 2005, the most recent year for which the department has a complete set of reports from all counties, 78 of the 102 Illinois Counties had a total of 971 TIF districts. Cook County had the most districts, at 371. DuPage and St. Clair counties tied for second place with 51 TIF districts each. There were 20 counties with a single TIF district. The number of TIF districts in a county is stratified in Table A. Though not an absolute, counties with larger urban areas (not necessarily population) have the greatest number of TIF districts.

Table A	
Number of TIF districts	Number of counties
0	23
1-5	52
6-10	11
11-25	9
26-75	6
76 or more	1

In 2005, the equalized assessed value in TIF districts was \$13.037 billion. Tax extensions in these TIF districts were approximately \$928 million (average tax rate was 7.11%).

Note: The department does not have the initial EAV for all TIF districts.





Illinois Department of Revenue

Statewide Tax Increment Financing, 1986 — 2005

Year	EAV (TIF area) increase	Total TIF extension	Percentage increase
2005	13,037,075,690	927,446,220	12.47%
2004	11,253,049,157	824,591,304	13.20%
2003	9,718,931,711	728,427,739	20.10%
2002	7,699,116,656	606,514,275	18.86%
2001	6,197,927,454	510,261,580	18.67%
2000	5,090,551,334	429,982,435	16.86%
1999	4,262,988,494	367,933,761	11.23%
1998	3,772,754,431	330,773,322	15.98%
1997	3,218,026,826	285,197,699	12.39%
1996	2,864,332,533	253,746,501	12.39%
1995	2,521,893,474	225,771,663	12.97%
1994	2,238,564,321	199,842,836	11.41%
1993	2,093,615,836	179,368,148	25.13%
1992	1,665,343,127	143,349,523	20.29%
1991	1,368,610,990	119,172,948	18.08%
1990	1,169,227,199	100,923,872	55.98%
1989	757,326,650	64,701,971	39.58%
1988	521,244,801	46,353,452	48.55%
1987	366,523,896	31,203,237	79.74%
1986	209,251,629	17,360,318	67.46%

Report on Feasibility of Printing TIF Information on Tax Bills

2005 Number of TIFs by County			
County	Number of TIFs	County	Number of TIFs
Adams	2	Lee	3
Alexander	0	Livingston	3
Bond	0	Logan	2
Boone	3	McDonough	1
Brown	1	McHenry	10
Bureau	3	McLean	11
Calhoun	0	Macon	5
Carroll	3	Macoupin	1
Cass	2	Madison	30
Champaign	20	Marion	6
Christian	0	Marshall	3
Clark	0	Mason	2
Clay	1	Massac	1
Clinton	7	Menard	0
Coles	2	Mercer	1
Cook	371	Monroe	2
Crawford	2	Montgomery	3
Cumberland	0	Morgan	3
DeKalb	8	Moultrie	4
DeWitt	7	Ogle	2
Douglas	8	Peoria	19
DuPage	51	Perry	1
Edgar	1	Piatt	1
Edwards	0	Pike	0
Effingham	5	Pope	0
Fayette	2	Pulaski	0
Ford	2	Putnam	0
Franklin	3	Randolph	7
Fulton	4	Richland	1
Gallatin	1	Rock Island	38
Greene	1	St. Clair	51
Grundy	4	Saline	1
Hamilton	0	Sangamon	22
Hancock	0	Schuyler	1
Hardin	0	Scott	0
Henderson	0	Shelby	0
Henry	14	Stark	2
Iroquois	4	Stephenson	10
Jackson	1	Tazewell	7
Jasper	0	Union	0
Jefferson	0	Vermilion	8
Jersey	1	Wabash	5
JoDaviess	1	Warren	2
Johnson	0	Washington	1
Kane	24	Wayne	1
Kankakee	16	White	0
Kendall	1	Whiteside	5
Knox	4	Will	27
Lake	25	Williamson	8
LaSalle	32	Winnebago	18
Lawrence	1	Woodford	4