

## **PROPERTY TAX LATE FEES AND ASSESSMENT CHANGES**

The Illinois legislature has passed [Senate Bill 685](#), which is waiting signature by the Governor. This law would allow county boards (other than Cook County) to waive interest penalties for property tax installments. Cook County previously exercised its own authority to waive interest penalties.

However, while SB 685 attempts to create some structure for how other counties may act, it is unclear how effective it will be. The bill only applies to interest penalties on first installments – it specifically excludes final installment payments. It also permits counties to waive interest penalties for a period of up to 120 days after the bill comes into effect, or the end of the statewide COVID-19 public health emergency.

Ultimately, we believe that SB 685 will serve as the means for county officials to waive interest payments, but that there will continue to be a variety of different deadlines. At this point, we have identified the following deadlines:

Cook County – no interest will accrue on second installment of 2019 taxes provided they are paid on or before October 1, 2020;

DuPage County – taxpayers can apply for a waiver of penalties on first installment payments (normally due June 1, 2020) so long as payment is made by September 1, 2020;

Grundy County – first installment due dates have been delayed until late-July or early-August, but no additional information or programs have been announced as of this date;

Kane County – no interest will accrue on payments due June 1, 2020 until July 1, 2020;

Lake County – no programs have been announced as of this date;

LaSalle County – interest on late payments will be waived provided the full payment is made prior to the second installment being due;

Will County – 50% of the first installment payment is due June 3, 2020 with the remaining 50% due August 3, 2020; and 50% of the second installment is due September 3, 2020 with the remaining 50% due November 3, 2020. No interest will accrue so long as the full payments are made by August 3, 2020, and November 3, 2020;

Winnebago County – is accepting partial payments but requires that the full amount of taxes be paid prior to the autumn tax sale date.

In addition to the interest penalty changes, Cook County has announced how it is updating its assessments for this triennial. Full details can be found in its [May 28, 2020 white paper](#), but generally speaking, Cook County residents in the south and west suburbs can expect to see lower reassessments based on the underlying public health emergency. The average single-family home and condo in the south and west suburbs is estimated to have a reduced value of 10.3%, while multi-family buildings can expect to see a reduced value of 13.1%. The Cook County Assessor has also indicated that it will be adjusting its cap rate for commercial properties in the south and west suburbs. That will likely result in many commercial properties seeing a reduced valuation as well.

Although no taxing body wants to see a decrease in its total EAV, the timing is to a district's benefit. Because these changes are being made at the Assessor's level, it means that fewer taxpayers will file for reductions at the Board of Review and Property Tax Appeals Board. Ultimately, while these changes may lead to an increase in the taxing rate, it should lower the number of appeals that would otherwise come out of such a major change in the real estate market.

We will continue to monitor these changes. If you would like further information or to discuss how these changes may impact your finances, please contact our attorneys for further assistance.