


**The
Civic
Federation**

Report of The Civic Federation Task Force on Cook County Classification and Equalization



**Prepared by
The Civic Federation
June 1999**

*This study
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Foreword

FOR MANY YEARS, Cook County taxpayers and taxing bodies have expressed concerns about the policy and practical implications of the combined impact of the state's equalization multiplier and Cook County's real property classification system. In response to these concerns, The Civic Federation has prepared this comprehensive resource document on the subject.

The purpose of The Report of The Civic Federation Task Force on Cook County Classification and Equalization is to produce as clear and concise a statement as possible:

1. detailing the workings of the current system in all its complexity;
2. stating specifically the underlying assumptions of each of its parts; and
3. analyzing the interaction of the multiplier with classification, and of both with other features of the property tax system such as tax caps, rate limits, and exemptions.

This Report is designed to provide a sound basis for understanding the current system so that the wisdom of various proposals for alterations of that system, either already advanced or yet to be articulated, may be realistically evaluated.

Several authors contributed to the preparation of this Report. We would like to express our deepest appreciation and thanks to the principal author, Theodore M. Swain of Gould and Ratner, who brought to this task a wealth of knowledge of the workings of the Cook County property tax system. Mr. Swain, who also chaired The Civic Federation's Task Force on Cook County Classification and Equalization and the Federation's Task Force on Reform of the Cook County Property Tax Appeals Process, is a distinguished expert in property taxation. His previous accomplishments include serving as Judge of the Cook County Circuit Court, Chief Deputy Assessor of Cook County and Chair of the Illinois Director of Revenue's Committee to Recodify the Property Tax Act. We are extremely grateful for his commitment to this endeavor and his unyielding desire to raise significantly the level of debate.

The Civic Federation would also like to thank the following contributors to the Report:

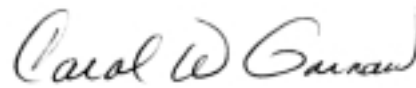
- Mark R. Davis of O'Keefe, Ashenden, Lyons and Ward, who authored the Report's fourth chapter regarding the legal and constitutional issues engendered by classification;
- Guerino Turano, who contributed to the historical overview of classification in Cook County;
- Bill Vaselopulos, Tax Extension Supervisor of the Cook County Clerk's Office, and Roland Calia, Ph.D., Director of Research at The Civic Federation, who produced the quantitative sections of the Report. Dr. Calia also administered the Task Force and the production of the Report.

This Report would not have been possible without the expert editorial commentary provided by Dr. Woods Bowman of the Graduate Public Services Program of DePaul University and Chair of The Civic Federation Research Committee; Dr. Richard Dye of Lake Forest College and the Institute of Government and Public Affairs of the University of Illinois at Chicago; and Andrew Freiheit, Research Manager at The Civic Federation. We would also like to thank the Illinois Department of Revenue, the Cook County Assessor's Office, and the Cook County Clerk's Office for providing us with commentary and data throughout the process.

The Civic Federation is indebted to the generosity of the Arthur Rubloff Residuary Trust for funding the Report of The Civic Federation Task Force on Cook County Classification and Equalization.



Lance Pressl, Ph.D.
President



Carol W. Garnant
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About The Civic Federation

The Civic Federation is a nonpartisan government and fiscal watchdog and research organization founded in 1894. The Federation provides three primary services. First, it promotes efficiency and economy in the organization and management of public business. Second, it guards against excessive taxation and wasteful expenditure of public funds. Finally, the organization serves as a technical resource providing objective information regarding state and local governmental revenues and expenditures.

The Civic Federation serves the public by analyzing public finance and government service delivery through research reports and public commentary. Recent research reports have assessed the impact of tax increment finance in Northeastern Illinois, evaluated the status of major local pension funds and analyzed Cook County property tax trends.

The Federation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is incorporated as a nonprofit Illinois corporation. For more information, please contact The Civic Federation at 312/341-9603 (phone), 312/341-9609 (fax), or civiced@mcs.net (e-mail); or visit our Website at www.mcs.net/~civiced/.

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About the Task Force on Cook County Classification and Equalization

The Civic Federation convened a Task Force on Cook County Classification and Equalization in 1997 to assist in the preparation of a basic resource document. Invited to participate in the Task Force were organizations, government offices and agencies, legislators and members of The Civic Federation with past involvement or expressed interest in the issues of classification and equalization. It was our belief that by involving a wide range of affected officials and groups in this undertaking, we would be better able to obtain a more comprehensive understanding of all aspects of the subject and an appreciation of the perceptions and points of view of all those impacted by the system.

The Task Force on Cook County Classification and Equalization was chaired by Civic Federation Board member Theodore M. Swain of Gould and Ratner. A list of invited participants in the Task Force is included below. While The Civic Federation assumes full responsibility for the content of this Report, we are deeply indebted to the many individuals, offices, agencies and organizations that participated in the work of the Task Force.

Offices, Agencies and Organizations

Building Owners and Managers Association
Chicago Bar Association
Chicago Development Council
Chicago Public Schools
Chicagoland Chamber of Commerce
City of Chicago Department of Finance
Civic Committee of the Commercial Club
Federal Reserve Bank of Chicago
Illinois Department of Revenue
Illinois Property Tax Appeal Board
Illinois Retail Merchants Association
Illinois State Bar Association
Illinois State Chamber of Commerce

Institute of Government and Public Affairs
of the University of Illinois at Chicago
Legislators from both House and Senate,
Republicans and Democrats,
with Revenue Interests
Metropolitan Planning Council
Office of the Cook County Assessor
Office of the Cook County Board of Appeals
Office of the Cook County Clerk
Office of the President of the Cook County Board
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**Report of
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Introductory Scope Note

This Report is offered as a resource document for discussions of structural changes in the Illinois property tax system. Its purpose is not to choose among the proposals for change that have been advanced, but rather to provide a clear analysis of the functioning of the current system and demonstrate the effects of changing one or more of its components. Even this limited goal, however, must be set in the broader context of Illinois' overall tax structure.

Although local property taxes are the largest single source of government revenue in the state, these taxes are not the only source of funding for Illinois governing units, nor are they the only burden on the taxpayer. An understanding of the Illinois property tax system is insufficient to resolve all the policy issues about the adequacy, efficiency and equity of the mosaic of methods for funding governments in Illinois. Beyond the scope of this study are the policy issues concerning, among other things:

- Income tax
- Utility taxes
- Sales and use tax
- Franchise fees
- User charges
- Borrowing patterns
- Impact fees
- Adequacy of pension funding

No fair evaluation of tax burdens or government funding can be made without full consideration of the role and impact of each funding source and the policy question of what share of the total cost of government each should bear. Nevertheless, a thorough understanding of the property tax system is a necessary and even a critical component of any meaningful tax policy debate.

This Report is not intended to recommend specific structural changes in the property tax system or endorse any tax policies other than those implicit in its findings.

Executive Summary

Preface

This Report is intended as a response to the recent flurry of inconclusive, often confusing debates on property tax policy in Illinois and, particularly, Cook County. The Report has two specific goals:

1. *Clarification* of the terminology and the detailed mechanical operation of the current system; and
2. *Quantification* of the impact of altering one or more of the variables in that system.

Discussions to date often have bogged down for lack of agreement about the first and lack of data about the second.

To the greatest extent possible, the Report contains no policy recommendations or any specific suggestions for structural change. Meaningful policy debate, in our opinion, can proceed only after there is general agreement on core concepts and understanding of the implications of change. The Civic Federation hopes to contribute to such agreement and understanding.

Later, as future policy discussions occur, The Civic Federation fully intends to exercise a leadership role in tax policy matters as it has throughout its century of existence.

Summary

This summary follows the organization of the main Report. For detailed definitions of terms, readers are referred to the Definitions section beginning on page 11.

Terminology

Some general principles emerging from this Chapter can be stated as follows:

- A. A higher multiplier raises all assessments proportionately and does not affect the classification spread between classes (i.e., the relative share of the total tax burden borne by each class). Conversely, a lower multiplier does not decrease the spread.
- B. Classification does, and changes in the multiplier have the potential to, alter intercounty comparative tax rates (with possible implications for intercounty competition when locational decisions are sufficiently affected).
- C. Tax rate limits in combination with the magnitude of the assessment base determine the revenue-raising capacity of each taxing district. Where there are no rate limits, as in the case of home-rule units, the size of the base is not a factor in the unit's revenue-raising capacity.
- D. Tax caps limit revenues, not rates; thus, inflating the assessment base does not enhance the revenue-raising capacity of an extension-limited taxing district.
- E. The prior-year's-EAV limitation merely defers for one year any inflation-driven increases in the taxing district's revenue-raising capacity.
- F. The home exemptions increase the apparent spread (authorized in the classification ordinance) in assessment level differentials between classes. In addition, a widening of this apparent spread occurs to whatever degree the underassessment of a lower-assessment-level class is capable of demonstration.

Executive Summary, continued

Historical Overview

The earliest studies and proposals were either an outgrowth of or a stimulus to the 1970 Constitutional Convention. Most commentary focused on the issue of classification and suggested directly confronting the issue.

The 1971 *Reconnaissance Study of the Office of the Assessor of Cook County* by the Real Estate Research Corporation provided both a professional analysis of the operations of the office and the impetus for a thorough overhaul of the Assessor's procedures and technical capabilities. This set the stage for Professor Richard Michael's report of the Assessor's public hearings on a differential taxation policy for Cook County, the first serious examination of existing classification patterns. It contained the first proposed classification ordinance for Cook County.

A series of reports from 1978 to 1994 addressed the question of how well the classification system was functioning. The focus tended toward economic development issues and school-funding equity problems. One result was the addition of the incentive classes, six through nine, to the ordinance. Nevertheless, all of these reports dealt broadly with the policy questions to which they were addressed, and none did serious economic analysis.

In 1997, the Metropolitan Planning Council published Professor Toni Hartrich's *Options for Reform to Cook County Classification of Real Estate Taxes*. It was the first serious effort at identifying and quantifying some of the likely consequences of change, although it did not advocate the adoption of any one reform. Like any good initial study, it flushed out a host of questions crying for more precise answers and clearer analysis than its methodology and scope permitted.

The Illinois legislature and courts also have contributed to the emerging experience and debate on classification and equalization. The General Assembly formalized the Illinois Department of Revenue's reliance on its own Ratio Studies by authorizing the Department to use the Studies in setting the equalization multiplier for each county. The courts have held that the same statutory language authorizes the Property Tax Appeal Board to use these Ratio Studies, but only in downstate counties, to establish the county-wide assessment level for measuring the taxpayer's proof of value. The General Assembly also enacted its own statewide system of assessment classification of farm property. In addition, the legislature added both tax extension limitations ("tax caps") and the prior-year's-EAV limitation to supplement tax rate limits. All these actions occurred while the consequences of the new classification system were being played out.

The Illinois Supreme Court has upheld the authority of the General Assembly to enact the classification system for farm property. In three separate cases, it also examined the validity of the Department's Ratio Studies. The apparently different conclusions reached by the Court about the Ratio Studies can be harmonized by distinguishing between the Department's use of them for multiplier purposes, which was permissible, and their use by complaining taxpayers for establishing assessment levels, which was not. Lower Illinois courts have also reached that latter result.

Interactions

An examination of the charts contained in this chapter of the Report discloses several significant relationships. The five classification scenarios are considered independently of the sixth scenario, which deals solely with the elimination of equalization. Those scenarios, set forth more fully in the next chapter on Methodology, page 7, are:

- a. Classification: No.1, Ordinance level to 33.3%; Nos. 2 and 3, adjust full values for undervaluation (No.2, Class 2 only; No.3, all five classes); Nos. 4 and 5, change ordinance level *and* adjust for undervaluation (No.4, Class 2 only; No. 5, all five classes);
- b. Equalization: No. 6, set multiplier at 1.000.

A. Classification Scenario Results

1. All five of the classification scenarios had the effect of reducing, in varying degrees, the magnitude of the classification spread.
2. Every change in classification produced a shift of tax burden onto Class 2 (smaller residential) properties, because Class 2 not only has the lowest ordinance level-of-assessment, but also because external evidence indicates that it is proportionately more underassessed than any other significant class.
3. For each classification scenario, the increase in Class 2 assessed valuations produced a reduction in the multiplier.
4. The size of these multiplier reductions was determined solely by the changes in the county-wide assessed valuation totals.
5. Whether, and to what extent, there was a shift of tax burden away from any one of the other classes of property depended upon the size of changes in that class's total assessed valuation relative to the multiplier's reduction.
6. For all county-wide taxing districts, there was no change in their tax revenues because the change in multiplier exactly offset any change in assessed valuation, leaving the total net EAV intact. This was true in all of the classification scenarios.
7. Assessment base shifts for each non-county-wide taxing district (and resulting revenue implications for tax-limited districts) depended on the mix of the various classes in their respective assessment bases.
8. The key figure for predicting assessment base shifts was the percentage of Class 2 property in the mix, which is 44 percent county wide. Any taxing district with more than 44 percent of its original assessment base in Class 2 (most of suburbia) experienced an increase in net EAV after the implementation of any one of the five classification scenarios. Any taxing district with less than 44 percent in Class 2 (e.g., the City of Chicago and the Chicago Public Schools) experienced a decrease.

B. Equalization Scenario Results

1. The assessment bases for all taxing districts fell in half.
2. There was no loss of revenue for home-rule units, but there was an unexpected shift in the tax burden away from Class 2 (smaller residential) onto all other classes and most particularly (percentage-wise, though not dollar-wise) onto the property not subject to the multiplier (e.g., railroads). This occurred because the home exemptions, if not eliminated by the multiplier reduction itself, were a fixed amount, which would be deducted from the gross EAV, now only half as large. [See "Note on Constants" at the end of the Explanation of the Charts (page 27) which explains that a legislative change would be necessary in this case to maintain the fixed amount of the exemptions.]
3. For rate-limited districts, the revenue loss was profound. Chicago Public Schools lost \$500 million of its \$1,300 million levy. All taxpayers benefited from this reduction, but Class 2 taxpayers did so disproportionately.

Executive Summary, continued

Legal

Two questions arise in any attempt to alter the classification system: 1) Where does the power to abolish classification reside? and 2) what amounts to its abolition? Detailed analysis of these questions is contained in the Report; but one general conclusion is that both the County Board and the General Assembly have power in this area. Therefore, the cooperation of both sides would enhance the prospects for smooth implementation of any future changes.

Methodology

The Scenarios

The principal method used in this Report to demonstrate the impact and interactions of various structural components of the Cook County tax and assessment system is to vary one such component in a clearly defined manner and trace the consequences of that change throughout the system. The two processes under scrutiny are (1) eliminating or altering classification and (2) eliminating equalization.

Because classification is a much more complex process to demonstrate, five of the six “what-if” scenarios are addressed to it. The sixth deals with equalization. The classification scenarios illustrate three types of change: 1) simply changing the ordinance to provide that each class shall be assessed at 33.3 percent; 2) dealing with *de facto* differentials between the level at which a class is in fact assessed and the level prescribed for that class by the ordinance; and 3) combining the first two efforts in an attempt to make the *de facto* levels of assessment the same for all classes, at 33.3 percent.

The *de facto* differentials, in turn, are each treated in two separate scenarios. The effort to adjust only the Class 2 (smaller residential) *de facto* levels is undertaken separately from the effort to adjust *de facto* levels for Classes 1 (vacant land), 2 (smaller residential), 3 (apartment buildings), 5a (commercial) and 5b (industrial) at the same time. There are three reasons for treating Class 2 scenarios separately from those for all five classes. The first is the magnitude of the class, which currently accounts for 44 percent of the county-wide assessment base. The second is Class 2’s greater differential between the *de facto* level indicated by the Ratio Studies and the prescribed ordinance level. Finally, there is a significant difference in the nature of the data available between Class 2 and the other classes, as discussed below.

All the tax and assessment data is for the tax and assessment year 1996 (statutory valuation date: January 1, 1996; taxes payable: March and September, 1997). The figures used, for consistency, are all drawn from the County Clerk’s summaries of the county’s database. There are slight variations with class totals compared with those from the Assessor’s office because the Clerk aggregates by tax parcel, using the major class category appearing on the tax bill. The Assessor’s class data is aggregated by individual lines on the property record cards. Thus, on split-code parcels there will be some variance; but its magnitude will not be significant. The Clerk’s figures are broken down into more categories that are useful to this study and were chosen for that reason.

The six scenarios in this Report attempt to demonstrate what would happen if each of the following hypotheses were implemented.

- Scenario 1: If the ordinance level of each class were changed to 33.3 percent;
- Scenario 2: If all Class 2 assessed values were factored to bring them to 16 percent;
- Scenario 3: If all the assessed values of Classes 1, 2, 3, 5a and 5b were factored to bring them to their respective ordinance levels;

The Scenarios, continued

- Scenario 4: If Class 2 assessed values were first factored to bring them to 16 percent, and then all classes were changed to 33.3 percent;
- Scenario 5: If the assessed values of Classes 1, 2, 3, 5a and 5b were first factored to bring them to their ordinance levels, and then all classes were changed to 33.3 percent;
- Scenario 6: If the county multiplier were arbitrarily set at 1.0000 without any changes in existing classification.

The Central Problem in Ascertaining *de facto* Differentials

To make a meaningful adjustment to the full values imputed from the Assessor's assessments in order to bring them in line with fair market value, it is necessary to have an independent objective measure of what that market value is. In theory, any valid independent data source could be used for this purpose. In fact, only one source exists that has ever been seriously considered in this regard: the Illinois Department of Revenue's Assessment/Sales Ratio Studies. Their origin and method of compilation are sketched briefly below.

Before using these Ratio Studies for the purpose of ascertaining *de facto* class assessment levels, however, their validity for this particular purpose must be evaluated. For the factors that are usually cited as relevant to this issue, there is wide variation among the various classes. These factors include the number of sales transactions, the spread between the first and third quartiles, and the coefficient of dispersion. The Department's 1994 Findings for Cook County give the following county-wide figures:

Class	Adjusted Median	C.O.D.	Quartiles		Number of Transactions
			1st	3rd	
1	12.14	73.02	8.07	18.20	639
2	9.46	16.76	8.22	10.02	55,448
3	23.31	51.40	5.62	27.78	497
5a	29.52	54.55	20.23	40.96	433
5b	33.47	44.20	24.27	40.20	202

There is not agreement, however, about the probative weight of this evidence (i.e., the class medians for classes other than Class 2) to establish true class assessment levels. Without attempting to resolve this disagreement, but for a clearer understanding of the issues involved, there is set forth at this point a review of the arguments for and against its probative value for this purpose. (This, of course, is a quite different question from its use to establish county equalization multipliers.)

Those arguing in favor of using the non-Class-2 data to establish class assessment levels point out that, of necessity, the studies can only proceed on the basis of whatever sales exist, and that the studies' procedures, when challenged, have been upheld. This argument has on its side an impressive array of professional expertise in support of the Department's methodology, coupled with a high level of technical competence. In addition it cites other accepted statistical measures in support of the accuracy of the studies. Prominent among these is the Confidence Interval which measures the narrowness of the range within which it can be stated with 95% confidence that the true median will fall. It has also been asserted that the Department's internal checks adequately demonstrate the representativeness of the sales sample. In short, this argument runs, this is the most reliable answer that is possible from the available data, and that no one else has a better one.¹

¹ A serious question has also been raised about the precedential value of the U.S. Steel case since it was decided on the constructive fraud theory before the repeal of that standard for valuation objections in 1995. For an evaluation of this point, see footnote 21 at page 81.

On the other hand, those arguing that non-Class-2 data is inadequate to establish those class assessment levels point to the dramatic variation between the number of sales in Class 2 and those in other classes. Also cited is the Coefficient of Dispersion, which the Standards published by the International Association of Assessing Officers indicate will not, in an acceptably uniform assessment, exceed 20 percent; whereas the Department's Findings show that only Class 2 is within that target (at 16.76 percent), and all the other classes are well beyond it. In addition, a cursory examination of the quartiles reveals a significantly greater spread for the other classes than for Class 2.

It should be noted at this point that even though the Illinois Supreme Court in the 1985 *U.S. Steel* case cited the high Coefficient of Dispersion as indicating a problem with the quality of the Ratio Studies, most statistics professionals would see that figure as indicating a problem with the quality of the assessment and not with the studies themselves. However, both the higher Coefficient of Dispersion and the greater quartile spread in the non-Class-2 data, to the extent that they point to non-clustered assessment/sales ratios in those classes, raise sharply the question of whether the data on these other classes is representative of the apparently wide disparities in the assessments of all the diverse types of properties embraced within these classes.

The inadequacy argument assumes, without actually examining the 1700 sales in the four classes other than Class 2, that the bulk of those sales are of lower-valued properties in each class. For example, it raises the question of how many of the 433 commercial sales are of major office buildings. With respect to Class 3, the issue becomes the number of sales of twelve-flats it takes to indicate whether an unsold 300-unit apartment building is underassessed and by how much. It may be that a significant, identifiable portion of the assessment base of some of these other classes is not represented by a single sale, or at the least, by enough sales to have any measurable impact on the median.

While this Report declines to make any judgment on the merits of this controversy, it would be irresponsible to use the Ratio Studies data, as has been done here, without revealing its source and whatever can be ascertained about its validity for these class-assessment-level purposes. It seems clear that there is a significant difference, by all tests, between the Class 2 data and that for the other classes. It is for that reason that we have run separate scenarios in the accompanying charts for Class 2 as distinct from the ones for the combined classes 1, 2, 3, 5a and 5b.

A final word should be included about the Ratio Studies themselves. The 1970 Illinois Constitution authorizes, and the Cook County Board of Commissioners has by ordinance adopted, a real estate assessment classification program. It provides for different assessment levels by classes that are defined by the use of the property. They range in level from smaller residential properties (Class 2) to be assessed at 16 percent of fair market value, to commercial properties (Class 5a) at 38 percent.

In this context of only one county that classifies and 101 that do not, it is the unenviable statutory task of the Illinois Department of Revenue to determine the de facto level of assessment for each county. The sole purpose of such a determination is to be able to assign a multiplier to each county's total assessments to achieve intercounty equalization. The reason why such equalization is important is that statutory rate limits would have very uneven application across the state without some method of assuring at least gross overall uniformity in the assessment bases to which the rate limits are applied. The product of this equalization process also has derivative applications in other statewide programs in which the size of the assessment base becomes a factor. The most obvious of these is the school-aid distribution formula; but they also include such diverse areas as bonding limitations and library district grants.

The Department's implementation of this mandate is a very substantial undertaking. Stated in its most simple terms, it consists of comparing the sale price of all known reliable sales of property

The Illinois Department of Revenue's Ratio Studies

The Illinois Department of Revenue's Ratio Studies, continued

within each county to the immediately preceding assessed valuation of each such property. The resulting ratios are then arrayed by magnitude, and the median or middle ratio is used as the county's assessment level. The statute provides that the Department must utilize a three-year average of the most recent available median ratios; and the Department, before averaging, adjusts the two earlier years' medians to reflect any changes in local assessments (by, e.g., a county's application of its own multipliers).

The process becomes more complicated in relation to Cook County, the only one of the eight eligible counties that has opted to use a classification system. For Cook County the Department arrays its assessment/sales ratios by class, and then weights the resulting class medians to reflect the respective portions of the assessment base in each class.

No question is raised in this Report about the Department's procedure or the quality of its end product, i.e., the county multipliers certified for statutory equalization purposes. The Report accepts the Cook County multiplier as a given and makes no suggestions as to any procedural modifications, and no criticism of the Department's work in this area.

Relevance to this Report

Throughout this consideration of the Ratio Studies debate, it should be remembered that it is not the purpose of this Report to evaluate the usefulness of those studies for purposes either of taxpayer litigation or of establishing equalization multipliers. This Report's sole purpose is to aid in the determination of sound public policy in the property tax field. For that purpose the Ratio Studies are a valuable resource, and the discussions about them are useful.

Terminology

A prerequisite to any useful discussion about the effects of changes in classification or equalization procedures is an agreement—or at least an understanding—about how the relevant terms are used. An awareness of the rationale for the inclusion in the tax structure of the various components which these terms describe, is also necessary.

Definitions

As used generally in the Illinois property assessment and taxation field, and specifically in this Report, the following terms have the particular meanings set forth regardless of how they are used in less formal contexts.

1. Classification of Assessments

The legally authorized deviation, in the valuation of property for tax and assessment purposes, of certain identified classes of property, from the otherwise legal requirement of uniformity in proportion to value. (See following page for abbreviated description of Cook County's classification structure).

2. Undervaluation of a Class

The downward deviation from the legally prescribed assessment level for a particular class of property when it occurs generally across the entire class. (There also may be occurrences of undervaluation, or differential undervaluation, of subclasses within a single overall class.)

3. Equalization of Assessments

The process by which a wider jurisdiction (e.g., the state government) reviews and adjusts in a wholesale manner the assessments of its constituent narrower jurisdictions (e.g., the county assessment authorities) to achieve aggregate parity of assessment levels. [A county assessment authority also may review and adjust the assessments of separate township assessors.] The current statute commands the Illinois Department of Revenue to equalize the aggregate assessed value of all taxable property within a county to 33 1/3 percent of the "full, fair cash value" of that property, by the method prescribed in the Property Tax Code.

4. Equalization Multipliers

The factors applied wholesale to the assessments of the narrower jurisdictions by the wider jurisdiction to effect its equalization goals. When the state's multiplier is applied to the county's final assessments, it produces the Equalized Assessed Valuation (EAV).

5. Assessment Base

The aggregate final assessed value of all property within a particular taxing district. It consists principally of the aggregate "adjusted" Equalized Assessed Value (EAV) for all property subject to the county's equalization multiplier (i.e., most of the property). (The "adjustment" is the subtraction from gross EAV of both the sums of the various homeowner exemptions and the incremental value in

Definitions,
continued

Cook County's Classification Structure (Condensed)

Class	Description	Assessment Level
<i>Regular Classes</i>		
1	Unimproved land	22%
2	Residential property with not more than six living units, but including condos and coops regardless of number of units; also farm land	16%
3	Residential property with more than six living units	33%
4	Not-for-profit ownership and use	30%
5a	Commercial property (although identified in the Ordinance as "everything else")	38%
5b	Industrial Property	36%
<i>Incentive Classes</i>		
6a	(Repealed, 1994)	
6b	Industrial new construction or rehab, with municipal approval	16%, 8 years, then upward by steps
6c	"Brownfields" cleanup and redevelopment (environmental remediation of industrial properties); may be added to post-cleanup Class 6b or Class 8 eligibility	16%, 3 years, with 2 one-year extensions
7a	Commercial development per requirements, with municipal approval	16%, 8 years, then upward by steps
7b	Same as 7a, except costing more than \$2,000,000	16%, 8 years, then upward by steps
8	Industrial or commercial development in severely blighted areas	16%, 10 years, then upward by steps
9	Low and moderate income multi-unit residential property	16%, 10 years, renewable
L	Substantial rehabilitation of commercial or industrial "landmark" properties, with municipal approval	16%, 8 years, then upward by steps

TIF districts,² producing the net EAV.) This adjusted figure is added to the state-assessed property (railroad non-situs operating property and all state-certified pollution control equipment) plus farm property that is locally assessed but not subject to the multiplier.³ Sometimes, "total EAV" is used as if it were the same as "assessment base." It is a close approximation, but what is usually meant by "total EAV" is total EAV plus the non-equalized portion of the assessment. "Tax base" is another term

² Enterprise Zone abatement values also get deducted.

³ The statute creating the alternative farm assessment methodology does define its end product as "equalized assessed value."

used to indicate what is in reality the assessment base. Most importantly, it is the figure used by the County Clerk's office to compute tax rates.

6. Tax Levy

The document filed with the County Clerk setting forth a dollar amount representing the portion of the taxing district's total annual budget to be raised by the property tax. Many districts levy by funds; and the tax levy is the "askings" figure for that district or that particular fund, requested by the governing board of the taxing district; and (depending on the effects of the various limiting provisions) it may or may not be the amount that ends up getting extended as taxes.

7. Tax Extension

The aggregate dollar amount of taxes that the County Clerk certifies or warrants to the County Collector for collection for a particular taxing district. It is contained in the Warrant Books on a parcel-by-parcel basis and is calculated by applying the maximum allowable rate necessary to raise the levied amount to the taxing district's assessment base.

8. Home-Rule Units

The County of Cook, the City of Chicago, and all other municipalities with a population of at least 25,000; plus any other municipalities that vote by referendum to become home-rule units. (Municipalities also may opt out of home-rule status by referendum.) For purposes of this Report, the most significant additional power that home-rule units have is increased taxing power. In the 1997 tax year there were approximately 62 home-rule units in Cook County.

9. Rate Limits

The statutory limitations, applicable only to non-home-rule units, which are contained in the legislation authorizing the various taxing bodies to levy a tax (e.g., the School Code, the Municipal Code, etc.), specifying the highest tax rate that can be utilized in extending the taxes on that taxing district's levy. Some rate limits apply only to particular funds of a taxing district's total levy (e.g., the Chicago Public Schools' educational fund is its only rate-limited fund, albeit the lion's share of its total levy). Most rate limit legislation also contains provisions for a popular referendum to increase that maximum rate, up to an absolute limit, or even to decrease it below the otherwise statutory limit. The Property Tax Code gives the County Clerk specific instructions on how to convert the tax levy into tax extensions in a manner that will make the rate limit effective.

10. Tax Caps

A media term for the state legislation imposing tax extension limitations on non-home-rule units. These limitations were imposed initially (1991) on the collar counties and later (1995) extended to Cook County and made optional for adoption by downstate counties. They are not limitations on tax rates or on the tax bill of any individual taxpayer. Rather, tax caps are designed to limit the aggregate dollar amount of the taxing district's tax extension, limiting it to an increase over that district's prior aggregate extension, of no more than the lesser of 5 percent or the inflation factor based on the Consumer Price Index (CPI). This extension limitation now allows for additional extension leeway attributable to new property. It can also be raised by referendum.

11. Prior Year's EAV

Another limiting device, enacted at the time of the imposition of the collar county tax caps and applicable only to Cook County non-home-rule units. This is a limitation in time rather than in rate or in extension amount. It provides that instead of calculating the rate limits with the current year's assessment base (although that base, of course, is used in the actual extension of individual tax bills), rate limits are to be implemented using the prior year's assessment base (plus the current

Definitions, continued

year's EAV on any new construction). In practical terms, this means that a taxing district whose assessment base experienced an inflation-driven increase in a triennial reassessment year will not be able until the following year to avail itself of the resulting additional levying potential within an existing rate limit.

12. TIFs (Tax Increment Financing districts)

An economic development funding device in which a newly created district, whose boundaries are specifically delineated in the originating municipal ordinance, has its initial assessment base benchmarked,⁴ so that any increase in the TIF district's total assessment occurring during the 23-year life of the TIF (and presumptively attributable to TIF activity) can be readily identified. During the life of the TIF, tax revenues collected on the benchmarked initial assessment base are distributed to all taxing districts in the ordinary fashion; but taxes generated on the assessment increment (i.e., the amount of the assessment in excess of the benchmarked initial assessment) are reserved solely for the expenses of the TIF district. Typically, this has been the retirement of the municipal bonds originally issued to raise the funds for the TIF expenses (e.g., infrastructure improvements) deemed appropriate to spur the hoped-for development.

13. Exemptions

The exclusion from the assessment base of the value, in whole or in part, of certain specified properties. Exemptions thus excuse, to the extent of the exemption, certain owners, or the owners of certain types of property, from sharing the property tax burdens that are borne by all the other property owners. The various exemptions currently authorized by the Property Tax Code can be categorized by type.

- a. Exemptions based on *ownership* are generally limited to governments. An isolated exception to this is those private institutions that have a pre-1870 charter exemption, e.g., Northwestern University or the Chicago Baptist Theological Union. (Where such an entity leases part of its property for a non-exempt use, that leasehold estate is separately assessable and taxable.)
- b. Exemptions based on *use* include religious, and cemetery properties
- c. Exemptions based on a *combination of use and ownership* include educational and charitable properties.
- d. Exemptions based on status can generally be viewed to include the partial exemptions for senior citizens, homeowners, and home improvements, as well as the senior freeze.

14. Abatements

The return or forgiveness of tax collections by one or more individual taxing districts to a particular taxpayer, usually as a part of a statutorily-authorized program of industrial development.⁵

15. Special-Valuations Procedures

Those statutory directives that depart from the market value basis otherwise implicit in the assessment process. Often they represent a departure from the highest-and-best-use concept by prescribing

⁴ The term of art usually used in discussion of TIFs is that the initial assessment base is "frozen." This is a misleading term as it suggests that initial assessments do not thereafter change; when, in fact, they fluctuate the same as any other part of the assessment base with new construction, demolitions and simply changes in neighborhood values. What is important for the TIF system to work is that the amount of the initial assessments be recorded as a baseline so that subsequent increment can be measured. The Cook County Clerk's office does this on a net basis, tax-code-by-tax-code, within the TIF district. Thus, within a given TIF tax code, if some assessments decline while others increase, only the net assessment increase will be treated as TIF increment.

⁵ The same term, abatement, also is used to describe the action of a taxing district to reduce the amount of its already-filed tax levy prior to its extension by the County Clerk. This may be done if, between the time of the levy and the time of the extension, circumstances change and the taxing district no longer anticipates requiring the larger amount. That procedure is not involved in this discussion.

that the property should be valued only as in a particular, existing use such as open space or Cook County farm land. Other more complicated procedures are set forth for valuing railroad operating property, pollution control equipment, non-Cook County farm land, and coal mining and coal reserves property, among others.

Rationales

1. The theoretical justification for use-based *classification* is usually stated in terms of the incidence of the resulting tax burden, with the owners of higher-assessment-level properties being assumed to have the ability to shift the incidence of the tax to others. Examples of such parties are commercial space users who pass the tax cost on to consumers of their service industry, such as insurance, legal services, dry cleaning, etc.; manufacturers who include taxes as a cost of production; and multi-unit apartment owners who recover the tax cost from their residential tenants. By contrast, the homeowner absorbs the whole tax cost alone.

Another reason which was advanced at the time of the adoption of the ordinance was the preservation of the status quo; that is, the *de facto* classification system in place at the time.

For incentive-type classifications, the justification is cast in terms of the social utility of the goal for which the incentive is granted: e.g., industrial or commercial development of an economically depressed area; or the availability of housing for economically disadvantaged citizens.

2. *Undervaluation of a class* of property has no articulated rationale, but when evidence of undervaluation exists, it speaks to the difficulty of conducting mass assessments in a manner accurately reflecting market activity. Multiple regression techniques have dramatically reduced the wide fluctuations that formerly characterized the ratios of assessments to sale prices of Class 2 residential properties. However, comparable procedures are not easily applied in valuing other types of property. Caution should be exercised in evaluating evidence of the actual assessment levels of different classes.⁶
3. The original purpose of *equalization* was to provide a uniform base point for the application of statutory rate limits. The thinking was that two taxing districts containing the same full value of taxable property and with the same rate limit should have equal levying powers regardless of their location in the state. Other needs for inter-county equalization arise from bonding limitations, the application of the state's school-aid formula, and the existence of some taxing districts that overlap county boundary lines. One part of the school-aid formula is the adequacy of the school district's assessment base. Fairness, therefore, requires that differences in assessment levels be factored out. Overlapping districts need to have the portions of their assessment base that are located in different counties equalized to achieve equitable distribution of the burden of their tax levies. For this latter purpose, a unique problem is posed when one of the counties classifies and the other does not. Other state grants-in-aid programs are also affected by equalization. Finally, there was a need to establish the same relative equity between locally-assessed and state-assessed properties in all counties.
4. *Multipliers* (sometimes referred to as "equalization factors") are the figures certified to the various county clerks to effect equalization. They vary inversely with the assessment levels determined by the reviewing agency.
5. The *assessment base* is a measure of levying potential of a particular taxing district. Bond-rating organizations are interested not only in the current magnitude of this base but also in its patterns of growth or decline.

⁶ See chapter on Methodology, page 7.

Rationales, continued

6. The *tax levy* is a basic part of the annual budgeting process of a taxing district. After estimating its expenses for the year, the district's governing body evaluates its current resources and its revenue from all non-tax sources. The difference typically is the amount of the district's property tax levy, which may (as determined by the applicable statute) either be for the entire taxing district's budget or for each of its various funds. In preparing its budget, the taxing district is confronted with the difficulty of estimating the maximum amount that can be extended on its levy.
7. The *tax extension*, on the other hand, represents not the askings by the taxing district but only the maximum portion of those askings that the County Clerk is permitted by statute to bill to the taxpayers. The Clerk thus effectuates all the limitation provisions of the statutes.
8. Prior to the adoption of the 1970 Constitution, municipalities in Illinois were entirely creatures of state government. One of the liberating features of the home-rule provisions of the 1970 Constitution was the freedom from rate limits on tax levies of *home-rule* municipalities. The current lingo for this trend is devolution of governmental powers to those levels of government closer to the voters.
9. Before the devolution revolution, it was believed that not every governmental unit with levying powers could be trusted with unlimited taxing authority. The first curb on this power was the *tax rate limit*, which effectively restricted the revenue-raising potential to a specific portion of the taxable value of property within the jurisdiction.
10. A second type of restriction on the taxing power, and one of more recent origin, is the tax extension limitation, referred to as *tax caps*. Fueled by a concern, especially in the collar counties, for the steadily rising dollar levels of total taxes during previous decades, the recognition arose that rate limits were no longer totally effective in containing tax growth. (The increased levying power, notwithstanding rate limits, arose from two sources: greatly increased new construction and inflation in values of all real estate in the area.)

The General Assembly consequently enacted tax caps, which prohibited the County Clerk from extending any tax levy that exceeded the prior year's extension by more than a specified amount, even if the higher levied amount was well within existing rate limits. The specified permissible increase was the lesser of the inflation rate as measured by the CPI or 5 percent.

The limitation formula excluded from its calculation any new construction and annexed property on the theory that if, e.g., new residential subdivisions were built within, or annexed to, a school district, the added school-age population would require additional staffing and possibly new buildings, necessitating new revenues well above prior extensions. The new or annexed property, of course, received the benefit of any tax-cap-limited rate, applied to new and old property alike. The formula also excludes enumerated debt-service levies because of constitutional considerations.

11. At the same time that the General Assembly imposed tax caps on the collar counties, it adopted the *prior year's EAV limitation* on non-home-rule units in Cook County. This was specifically directed at the practice of "balloon levying." Especially in years of a reassessment in their area, taxing districts would be uncertain, at the time of levying, of the size of the new, increased assessment base. In response, many taxing districts adopted budgets with a very generous (or "ballooned") tax levy so that they would be sure to have an extension that would hit their rate limit, guaranteeing maximum revenue. To balance this balloon levy, these taxing districts would include in their budgets a number of "flexible" expenses that could be cancelled if the necessary revenue failed to materialize.

To counter this practice, the new legislation directed the County Clerk to implement existing statutory rate limits by using in their calculation the prior, rather than the current, year's EAV. The effect

of this change was to delay the availability of the increased levying potential of the reassessment increase until the second year of the reassessment period.

Originally, this limitation contained no exception for new construction. Consequently, taxing districts had to wait a year to realize on the increased levying potential of even this new construction, as well as on the general inflation-generated increase.⁷ A new-construction exception⁸ was added in 1998. At that time the legislation also dealt with a future technical problem when TIF increments would start coming on line for all affected taxing districts at the expiration of an existing TIF.

Another point of interest was that the prior-year's-EAV limitation was not repealed when tax caps were extended into Cook County. This omission was felt particularly acutely by south-suburban Cook County school districts because the tax caps were implemented one year after that area's reassessment. The expected increase in levying capacity, which had been denied to them during the first year of the reassessment period by the prior-year's-EAV limitation, was now permanently denied to them by the extension limitation in the tax caps.⁹ No other county has the prior-year's-EAV limitation imposed on it.

12. *Tax Increment Financing* (TIFs) arose out of the perceived need of declining municipalities to find a way to spur redevelopment (i.e., generate seed money or jumpstart projects) at a time when revenue sources were already strained to the limits. TIFs promised (1) a dedicated stream of tax revenue in addition to what the municipality currently received (2) that would not cause any existing taxpayers to pay higher taxes, and (3) would not divert existing revenue from any other taxing districts. For example, infrastructure improvements could be provided to a redevelopment area and paid for by the issuance of municipal bonds. These improvements would make the area more attractive to private investors who would then fund new construction in the area. In turn, the taxes on this new construction would create a new revenue source that could be used to retire the original bonds.¹⁰ The earmarking of the entire tax revenue stream generated solely on the incremental assessment would not be a burden on any other taxpayers nor a diversion of any existing revenues from other taxing bodies. The key to this rationale is the “but-for” hypothesis: the added assessment base and the taxes generated thereon, would not have occurred but for the TIF expenditures.
13. The theory of *exemption* of the owners of certain properties or portions thereof from the tax burden borne by the owners of all other property varies with the type of exemption.
 - a. For governments and what were thought of in the last century as “good and useful” organizations, taxation was considered an inappropriate vehicle for intergovernmental transfer payments, or for depriving eleemosynary institutions of funds that would simply have to be replaced by further public subscriptions. The beneficiaries of these tax exemptions were uniformly considered to be serving the public good.
 - b. With the 1870 Constitution's insistence that further exemptions be only by general law, the emphasis shifted to use (sometimes only when combined with ownership). The justification for exemption of property dedicated to certain uses (such as educational and charitable) has, as one of its themes, that such activities provide services that would otherwise be a governmental responsibility. Religious uses proved more problematical to a country founded on the separation of church

⁷ Of course, the new construction did not escape taxation for a year; the taxes were extended on the current year's EAV: it is only the implementation of the rate limit that is based on the prior year's EAV.

⁸ In the calculation of the current tax rate there is added to the prior year's EAV the new constructions's current EAV.

⁹ Some alleviation was allowed, that first year only, by permitting the full 5 percent increase instead of the lower of 5 percent or the CPI rate.

¹⁰ Not all TIFs involve issuing municipal bonds; some make the authorized expenditures on a pay-as-you-go basis.

**Rationales,
continued**

and state, but in a time of less diversity, legislators had little difficulty assuming that all religious activity was good for the public.

- c. Recently, partial exemptions have been granted in support of more narrowly tailored social policies, such as home ownership, home improvement, the relaxation of home ownership burdens for senior citizens, particularly those with limited incomes.
14. *Abatements* are special tax reductions that taxing districts offer to commercial entities to induce them to locate within their jurisdictions. As the term implies, the bargaining districts are abating (reducing or excusing) their own taxes. This contrasts with the exempting of property which excuses it from the taxes of all taxing districts. The value of an industrial abatement to the taxing district and its other taxpayers depends on what revenues and other benefits it produces. Economically, it amounts to the taxing district writing out a check very much like a signing bonus.
15. *Special valuation procedures* contained in the Property Tax Code lie somewhere between the formality of classification and the flexibility of the special methodologies that are used for assigning assessable value to properties that cannot be handled by the local assessor (e.g., railroad operating property). Downstate farmland and coal properties (either being mined or held as reserves) are two examples that were negotiated directly between industry representatives and state legislators. In both instances, the actual economics of the industry informed the assessment process. To that extent, those special valuation procedures import the income tax philosophy into the property tax in a manner not unlike the universally-accepted appraisal technique of using the income approach for calculating the market value of major office buildings.

Historical Overview

Although the 1870 Illinois Constitution (Art. IX, Sec. 1) required that property be assessed uniformly for taxation purposes, political considerations have long influenced the property assessment process. The traditional categories for property have been vacant land and residential, commercial, and industrial uses. Despite its political underpinnings, the Cook County Assessor's "1943 Quadrennial Building Manual," with its 33 separate classes of buildings, was hailed as a "truly scientific method of determining value." (1952 Law Forum 193)

The 1970 Illinois Constitutional Convention recognized both the long existence and the political need for classification of real property in Cook County. Hence, its product permitted the longstanding *de facto* classification system at long last, to become *de jure*. Article IX, Sec. 4 of the 1970 Illinois Constitution authorized counties having over 200,000 inhabitants (of which there were eight) to classify or continue to classify real property for taxation purposes. Soon after, Cook County became the only county electing to do so, promptly enacting its first classification ordinance in 1974.

Major Earlier Studies

1. In 1951 the Illinois General Assembly appointed a joint study committee to consider amendments to Article IX of the 1870 Illinois Constitution. (See 1952 Law Forum at p. 226). Of the several amendments proposed, the committee report to the General Assembly included three versions of amendments to Sec. IX that would permit the General Assembly itself to classify property for taxation purposes. One of those versions was proposed by the Chicago Bar Association, another by The Civic Federation.
2. After adoption of the 1970 Illinois Constitution, with its authorization of *de jure* classification in larger counties, J. Nelson Young, in his study, *The Revenue Article of the Illinois Constitution of 1970—an Analysis and Appraisal*, predicted "that variations in assessment levels of all property or of property of the same class in different counties will create inequities in the overall allocation of tax burdens." (See 1972 Law Forum at p. 334)
3. A substantial effort to upgrade the technical capabilities and procedures of the Assessor's office coincided with the interest in classification. In 1970, the Real Estate Research Corp. was retained to conduct a thorough survey of the office and make specific recommendations for implementing state-of-the-art procedures. The *Reconnaissance Study of the Office of the Assessor of Cook County* (1971) by Anthony Downs and the subsequent implementation of its recommendations provided the technical infrastructure for dealing seriously with classification.
4. Acting on its constitutional mandate, the Cook County Assessor P.J. Cullerton held public hearings to determine a differential taxation policy for real property in Cook County. Professor Michael's 1972 report on these classification hearings recommended retaining the classification system with some modifications. It proposed having five classes, suggested assessment levels for each, and recommended that "[T]he major costs of public education should be removed from those governmental expenses supported by the property tax."

Major Earlier Studies, continued

5. In 1978, Cook County Assessor Thomas M. Tully appointed a Commission to Study the Property Tax, headed by Justin A. Stanley. The Assessor gave the commission a series of questions to ponder, including whether the existing classification system was operating realistically and equitably, and also whether equalization was compatible with classification. The study focused on the undue burden on residential property and, in particular, residential rental units.
6. When Assessor Thomas C. Hynes commissioned a study in 1985, the focus shifted to the growing burden on commercial and industrial property in the county and its inability to compete effectively with comparable property in the collar counties. The resulting report, *Cook County, Illinois Analysis of Property Classification for Tax Assessment Purposes*, was prepared by Donald H. Haider and Thomas L. Jacobs.
7. Concern over the inability of commercial and industrial property in Cook County to compete with comparable collar-county property led to another very extensive study in 1988 entitled *The Assessment of Major Investment Properties in Cook County: Analysis and Recommendations*, prepared for the Chicago Development Council by Shlaes & Co./Pannell Kerr Forster.
8. In 1990, the General Assembly authorized the Economic and Fiscal Commission to conduct a property tax study. The Commission's resulting *Report to the Illinois General Assembly on Property Tax* examined Cook County's difficulty with school funding and equalization, as well as with the classification system.
9. In accordance with the periodic review requirements contained in the ordinance amendment authorizing the incentive classes, the Cook County Assessor commissioned a study by Donald F. Eslick in 1994. His *Report and Recommendations on the Cook County Real Property Tax Incentive Program* reviewed the effects that the existing incentive classes have had and proposed changes.
10. Most recently, the *1997 Options for Reform to Cook County Classification of Real Estate Taxes*, prepared for the Metropolitan Planning Council by Professor Toni Hartrich, enumerates some alternative proposals for easing or eliminating the burden of classification on commercial and industrial property. It also projects possible results of adoption of these alternatives.

Proposals for Change

1. Professor Michael's report on classification (1972) recommended that the existing system of classification be continued in light of the "intolerable" added burden that uniformity would place on homeowners. Michael estimated that uniformity would cause taxes on the average single-family residence to rise by about \$150 to \$200.
2. Justin Stanley's *Report of the Commission to Study the Property Tax* (1978) contained many recommendations including adoption of annual reassessment and improvement of "the quality of assessments for Class 3 (commercial residential) and Class 5 (commercial and industrial) properties."
3. The Haider and Jacobs' *Analysis of Property Classification for Tax Assessment Purposes* (1985) recommended revamping the method for calculating the Cook County multiplier. They advocated eliminating it or, alternatively, restricting its use to state aid purposes only. They also recommended assessing the Chicago townships apart from the suburban townships, assessing on a biennial cycle, and reducing the disparity between levels of assessment with a view toward possible eventual elimination of classification.
4. Shlaes' *Assessment of Major Investment Properties in Cook County: Analysis and Recommendations* (1988) recommended reducing commercial/industrial assessment ratios, moving toward a biennial assessment, finding alternative sources of school funding, increasing residential and vacant classifications to a level closer to 33 ⅓ percent, basing "fair cash value" of income-producing property

on actual productive capability, and appraising major investment and business property using an income approach to value.

5. The Economic and Fiscal Commission's *Report to the General Assembly on Property Tax* (1990) recommended the following:
 - a. All Illinois counties should extend taxes on the prior year's EAV; require a uniform June levy; collect taxes in four installments annually; while the Department of Revenue should monitor local assessing practices more closely; expand assessor education; increase assessor performance incentives; and abolish the equalization factor or limit it to the calculation of the school-aid formula.
 - b. Cook County should either (1) switch to a biennial reassessment and equalize by biennial assessment district or (2) be required to equalize by class within each assessment district to the ordinance levels in effect prior to application of the countrywide equalization factor.
6. Eslick's *Report and Recommendations of the Cook County Real Property Tax Incentive Program* (1994) recommended continuation of the Cook County tax incentives program for an additional five years, further expansion of the program as well as simplification of application and approval procedures, and further changes to the incentive classes 6, 7, and 8.
7. Toni Hartrich's *Options for Reform to Cook County Classification of Real Estate Taxes* (1997) made no specific recommendations but listed five possibilities to make Cook County's commercial/industrial assessments more competitive with those of the collar counties:
 - a. Place less reliance on the property tax to fund education and other government units;
 - b. Eliminate or phase-out classification;
 - c. Change from classified assessments to classified tax rates;
 - d. Minimize the equalization factor; or
 - e. Combine two or more of the above alternatives.

Applicable Statutes and Constitutional Provisions

1. The Illinois Constitution of 1970, Article IX, Sec. 4, continues to require the taxes on real property to be levied uniformly by valuation except that counties having more than 200,000 inhabitants are permitted to classify or continue to classify within certain enumerated limitations.
2. Article IX, Sec. 6, in addition to authorizing the General Assembly to exempt certain classes of property from taxation, authorizes it to grant homestead exemptions and rent credits.
3. Article IX, Sec. 7 permits the General Assembly to provide for apportionment of the burden of taxation on property in overlapping taxing districts.
4. The Definitions sections of the Property Tax Code (35 ILCS 200/150, 200/1-55, and 200/1-60) include definitions of the terms "fair cash value," "33 1/3 percent," and "farm," which are to be used by assessors for valuation purposes.
5. Section 9-220 of the Property Tax Code originally permitted Cook County to divide itself into any number of assessment districts following township lines. However, in 1995 the then existing triennial districts were frozen by state statute.
6. Article 10 of the Property Tax Code provides special valuation procedures for certain types of property. These relate to Solar Energy Systems (Div. 1), Residential Property (Div. 2), Residential Developments (Div. 3), Historic Residences (Div. 4), Airports and Bridges (Div. 5), Farmland, Open Space and Forestry (Div. 6), Coal (Div. 7), Sports Stadiums (Div. 8), and Nurseries (Div. 9).

Applicable Statutes and Constitutional Provisions, continued

7. Article 17 of the Property Tax Code (35 ILCS 200/17-5 through 200/17-40) relates to the equalization process of assessments among counties by the Illinois Department of Revenue.
8. The original collar-counties tax cap legislation was contained in the Property Tax Extension Limitation Law that became Division 5 of Article 18 of the Property Tax Code. The key formula for effectuating its extension-limitation goal is contained in the last paragraph of 35 ILCS 200/18-185. Subsequent amendments extended the provisions to Cook County, and were made optional in all other counties by referendum.
9. The Property Tax Appeal Board's authority to utilize the Department of Revenue's Ratio Studies in establishing county-wide assessment levels, in downstate counties only, is derived from the combined action of two different sections of the Property Tax Code. Section 9-145 sets the statutory level of assessment for all property, except in counties that classify, at 33-1/3 percent. In the Definitions article, Section 1-55 defines 33-1/3 percent in terms of the Department's Ratio Studies.
10. The Cook County Classification Ordinance, first enacted by the Cook County Board of Commissioners in 1974, and amended periodically thereafter, implemented Article 1, Sec. 4 of the 1970 Constitution which permitted counties of more than 200,000 inhabitants to classify property.

Case Law

1. Before *de jure* classification was authorized by the 1970 Constitution, Illinois courts refused to recognize *de facto* classification as legal, even in Cook County where it was long practiced and generally accepted. In *Bistor v. McDonough*, 348 Ill. 624 (1932), on a direct appeal from the Circuit Court of Cook County, the Supreme Court held: "The rule of uniformity applies equally in the burden of taxation, both as to the assessment of property and as to the rate of tax, and it requires that one person shall not be compelled to pay a greater portion of the taxes, according to the value of his property, than another."
2. However, in *People ex rel. Paschen v. Morrison Hotel Corp.*, 9 Ill.2d 187(1956), the Illinois Supreme Court, in rejecting the hotel's challenge, noted in its rationale that the taxpayer had made no showing that it was discriminated against in the amount or method of its assessment, vis-a-vis other hotels.
3. In the Railroad Discrimination Cases, where the first taxpayer victories occurred in Lee and Sangamon counties, the railroads submitted substantial proof that local property was assessed at a level not exceeding 55 percent of fair market value. They argued that state-assessed railroads were presumed to be assessed at full value because this was statutorily required. In addition, the state's railroad assessor testified that the final assessment he had arrived at after doing several alternative value calculations was a full value figure. When the issue was subsequently litigated in Cook County, the State's Attorney submitted evidence of the sales of railroads (as reported in detail in the Interstate Commerce Commission reports) to counter the presumption of full value assessment of the railroads. The Court rejected this evidence as failing to demonstrate the representativeness (called comparability in the opinion) of the sold properties to the total class. *People ex rel. Korzen v. C.B. and Q. RR. Co.*, 32 Ill. 2d 554 (1965).
4. Prior to the decision in *Hoffmann v. Clark*, 69 Ill. 2d 402 (1977), it was generally believed that only counties having over 200,000 inhabitants were authorized by the 1970 Constitution to classify property for taxation purposes. Hoffmann involved an attack on the special valuation procedure that the General Assembly had created for farmlands, which was not based on the value of the land itself but on the value of crops it could produce. The Supreme Court ruled that the General Assembly had an implicit right to classify even though none was expressly stated in the Revenue Article of the Constitution.

5. In first of the U.S. Steel cases, *Rosewell v. United States Steel Corp.*, 86 Ill. App.3d 117 (1980), the appellate court ruled that the Assessor was not required to specifically determine fair market value en route to making an assessment in a classification system. The assessment itself would be presumed correct. It was the taxpayer's burden to demonstrate the fair market value of the property and its proper assessment level.
6. *Rosewell v. United States Steel Corp.*, 106 Ill. 2d 311 (1985) was a taxpayer challenge that attempted to use only the Department's Ratio Studies to establish the appropriate level of assessment for Class 5 industrial property. The Illinois Supreme Court held that the Department's studies were neither sufficiently random nor representative and were not appropriately edited and adjusted; and thus the taxpayer had not established constructive fraud, which was necessary for the court to overturn the assessor's valuation of property. As in all tax objection cases, the Department of Revenue was not a party.
7. In *Rosewell v. Twin Manors West of Morton Grove Condominium Association*, 175 Ill. App. 3d 564 (1988), the assessor's valuation was challenged for allegedly overassessing the subject property relative to comparable property in the same township. In this case, too, the court denied relief, finding that it could look only to the entire county's assessment level (and not township by township) to determine whether property is being assessed in accord with the constitutional guaranty of equality and uniformity.
8. In a tax objection proceeding in Cook County Circuit Court, the taxpayer, American Can Co., buttressed the Department of Revenue's Class 5 Ratio Studies with parallel studies by Professor Samuel Ramenofsky which the taxpayer had commissioned. Ramenofsky used the same sales data but independently edited and calculated it. However the taxpayer also advanced a second argument: citing the voluminous Class 2 (smaller residential) data as a reliable fixed point, the taxpayer urged that the Assessor had violated the constitutional injunction against any assessments at more than 2 ½ times the lowest level. The trial judge made detailed findings about the insufficiency of the Ratio Studies (both the Department's and the private ones) and ruled that the Constitutional limitation did not give rise to any individual taxpayer rights. *In re Application of Rosewell, American Can Company, Objector*; 1978 Obj. No. 959; 1979 Obj. No. 984 (1989). No appeal was taken.
9. While these assessment level cases were being litigated, two direct challenges to the Cook County multiplier were proceeding through the courts. Both were on administrative review from the Department's determination, following a statutory hearing, of the multiplier. In *Airey v. Department of Revenue*, 116 Ill.2d 528 (1987), many objections to the validity of the Ratio Studies were raised by the taxpayer but were resolved by the Illinois Supreme Court in favor of the Department. These alleged defects included the comparison of sales with prior year's assessments, the failure to use appraisals, an inadequate show of representativeness and stratification, and a high coefficient of dispersion. The opinion concluded with an analysis distinguishing the *Rosewell v. U.S. Steel* case in which similar objections had been cited by the County in a successful rebuff to the taxpayer's use of the Ratio Studies for purposes of establishing assessment levels in tax objection cases.
10. *In Advanced Systems, Inc. v. Johnson*, 126 Ill. 2d 484 (1989), largely the same array of arguments was presented under that claim the Department's action constituted a failure to exercise its statutorily-required "considered judgement." The court came, however, to the same conclusion as in *Airey* and upheld the Department.

Interactions in the Existing System

This section dealing with the interactions among the separate components of the property tax system is the heart of this study. It deals with what happens with other parts of the system when there is a change in any particular one of them. The focus of this study—as the title implies—is on the effects produced in the system by a change in either *classification* or *equalization*.

These two aspects of the current system were selected for scrutiny because of the ease with which they illustrate the inner workings of the system and because they figure prominently in any discussion of tax policy.

Charts accompany and illustrate the changes resulting from manipulating the variables in the property tax framework. A basic illustrative set of charts for each scenario (one for each of five different taxing districts) is inserted where that scenario is discussed in the text. The balance of the charts referred to in the text are included in the Appendix. Before referring to the charts or the portions of the text related to each, the reader is directed to the detailed Explanation of the Charts at this point.

Explanation of the Charts

This Report contains complete sets of charts for each of five different taxing districts, which were selected for demonstrative purposes. They are (with their identifying abbreviations) as follows:

CO	County of Cook (the taxing district for county government)
CH	City of Chicago (a home-rule unit)
CPS	The Chicago Public Schools (with a rate-limited educational fund)
WSD	Winnetka School District No.36 (with an assessment base composed overwhelmingly of Class 2 property)
NLTIF	North Loop Tax Increment Financing District (the TIF generating the greatest revenues)

A complete set of charts for each of these five taxing districts consists of one chart for each of the six scenarios set forth below and are to be referred to in connection with those portions of the text dealing with each separate scenario. The scenarios are:

1. If the only change were to alter the Cook County Classification *Ordinance levels* so that each class would be assessed at 33.3%.
2. If the only change were to adjust the Assessor's full values (imputed from the assessments) to reflect the results of the Illinois Department of Revenue's Assessment/Sales Ratio Studies *for Class 2 only*, but retaining the existing ordinance levels.

Explanation of the Charts, continued

3. Same as #2, except adjusting for the Department's Ratio Studies as to all classes for which separate ratios are computed, namely *Classes 1, 2, 3, 5a and 5b*.
4. If the two changes were made at the same time: adjusting the Assessor's imputed full values to reflect the Department's Ratio Studies *for Class 2 only* and in addition changing all *ordinance levels* to 33.3%.
5. Same as #4, except adjusting for the Department's Ratio Studies for *Classes 1, 2, 3, 5a and 5b*, and changing *ordinance levels* to 33.3%.
6. If the only change were to set the Cook County *multiplier at 1.0000* without making any changes in classification.

In addition, there are included some charts for other taxing districts reflecting one or more of the six scenarios. These are the Forest Preserve District of Cook County; The Metropolitan Water Reclamation District, the Chicago City Colleges, the Chicago Park District, the School Finance Authority, Oak Park School District #97, Markham School District #144, the Hoffman Estates TIF District and the Burbank TIF District. These additional charts are included in the Appendix.

The format for each chart, after its scenario's description, lists the property classes in Col. 1, followed by the "old" and "new" assessment levels in Cols. 2 and 3. The starting point (or "old" figure) is either the ordinance levels, or those ordinance levels with one or more of the classes replaced with the appropriate ratio from the Department's studies. The target (or "new" figure) is either the ordinance levels or 33.3%, depending on what the particular scenario undertakes to show.

Col. 4, labeled "factor" is the Col. 3 (new) figure divided by the Col. 2 (old) figure. It is this change factor, for each line, that is applied to convert current assessed values to what they would be if the change specified in the particular scenario were effected. Cols. 5 through 8 are historic (actual) data, while Cols. 9 through 12 are the hypothetical figures to which the actual figures would be changed if the prescribed scenario occurred. Briefly, each of these sets of four columns contains the assessed value in each class, the gross equalized assessed value (resulting from the application of the multiplier), the net EAV after the subtraction from gross EAV of the sum of the various exemptions and the TIF increment (detailed in the separate listing set forth beneath Col. 4), and the percentage that the net EAV of each class bears to the total assessment base (labeled the "mix" in Cols. 8 and 12, and often referred to in the text).

Note that the percentage mix of net EAV (either "old" or "new") is not the same as the mix of "imputed full values" (which are set forth beneath Cols. 8–10 in the basic County, City and school charts). These latter values are the figures in Col. 5 for each class divided by that class's level in Col. 2. (It is also the same set of figures obtained from dividing the new AV, in Col. 9, by the new level in Col. 3). The working through of the scenario does not affect the imputed full values, but the choice of the scenario definitely does.

The first key to understanding the interactions represented by these charts is understanding the calculation of the new multiplier. Since this is done on a county-wide basis, a county chart is necessary. Looking at CO #1 (on p.28), the subtotals of Cols. 5 and 6 should be compared. They comprise the entire county assessment base to which the multiplier is applied. (State assessments of railroads and pollution control equipment are certified directly to each county clerk and no county multiplier is applied to them.) The relationship between Col. 5 and Col. 6 is the Cook County 1996 multiplier of 2.1517, which is the figure that the Illinois Department of Revenue derives from its Assessment/Sales Ratio Studies in order to bring the assessment of all locally-assessed property to 33⅓% of its full market value. It is the operative assumption of this Report that the Department's Ratio Studies would still show the same gross figure for 33⅓% of the full market value of all locally-assessed property in Cook County regardless of what changes were made in the assessments as a result of any of the hypothetical changes in classification contemplated in the first five scenarios.

If that assumption is correct, the computation of the “new multiplier” is simply a division of the subtotal of the new AV (Col. 9) into the unchanged subtotal of gross current EAV (Col. 6). Thus, on chart CO #1, the subtotal of \$79,872,719,701 in Col. 6, is divided by the subtotal of \$54,718,329,504 in Col. 9 resulting in a new hypothetical multiplier for this scenario of 1.4597. Of course, the charts for taxing districts with a less-than-county-wide base will not follow this calculation procedure; and their “new multiplier” will simply be the figure carried forward as calculated on the Cook County chart for each respective scenario.

Scenario 6 for each taxing district assumes no changes at all in classification, but simply the “elimination” of equalization by changing the Cook County multiplier to 1.0000. As a result, these charts (beginning at p.65) show Cols. 2 and 3 to be the same (the “new” assessment level is unchanged from the “old”), Col. 4 to have all change factors steady at 1.0000 (N.B., this is *not* the new multiplier), and Col. 9 to be the same as Col. 6 (since there will be no change in AV). However, the dramatic change will occur in Col. 10 which will be the same as Col. 9 (since the multiplier was not calculated to achieve equalization but was set at 1.0000 by fiat).

The balance of the information on all the charts deals with tax extensions. Cols. 13 and 14 show the old and new taxes, and Col. 15 indicates the percent of change. This discloses at a glance whether that particular scenario would result in any revenue loss to the affected taxing body, and gives some idea of the magnitude of the tax shift between classes which that scenario would entail. The impact on tax rates is shown in the lower left part of each chart. The impact of rate limits and tax caps is detailed in the lower right part of non-home-rule charts.

Note on Constants: The design is basically to vary one or more identified variables in the specified manner, and to see the resulting changes, assuming everything else is held constant. The term “constant,” however, can be ambiguous in certain situations. The case of school aid funding is elaborated in the text.

Another ambiguity arises in making the subtractions from gross EAV to arrive at net EAV. These subtractions consist of the various exemptions accorded to homeowners, plus the increment in the EAV in TIF districts above the original bench-marked figure. For example, in Scenario #6: if the multiplier were arbitrarily set at 1.0000, the homestead exemption which is measured by the amount by which the current EAV exceeds the earlier base year EAV (with a \$4,500 limit), would be seriously impacted (and in many, if not most, instances wiped out) if no adjustment were made simultaneously with the change in the multiplier.

What “constant” means in that case is unclear. It either means letting the change in multiplier substantially wipe out the homestead exemption, or alternatively keeping that exemption constant by devising appropriate hold-harmless language. This Report has chosen the assumption that the exemption will be held constant (admittedly requiring a legislative change), and thus the same dollar figures are subtracted from new gross EAV to arrive to new net EAV, as those in the corresponding “current” columns.

Similar considerations apply to the subtraction of the TIF increment; and these problems are not limited to Scenario #6, but are only more dramatic there. Both decisions were made easier by the near-impossibility of calculating the results under the alternative assumption. Most of the million-plus parcels would have to be examined individually and the resulting parcel changes cumulated. Nonetheless, the reader should be aware that these assumption are being made. The direction of the difference in results should be obvious in each case, but the magnitude remains unknown.

1996 Cook County: All Ordinance Levels Changed to 33.3%

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$516,817,971	\$1,112,037,228	\$1,112,037,228	1.52%	\$782,274,474	\$1,141,891,399	\$1,141,891,399	1.56%	\$10,959,572	\$11,253,796	3%
2	0.16	0.333	2.0813	\$17,374,730,486	\$37,385,207,587	\$32,112,956,329	43.96%	\$36,161,157,824	\$52,784,689,319	\$47,512,438,061	65.04%	\$316,486,030	\$468,254,082	48%
3	0.33	0.333	1.0091	\$2,945,459,741	\$6,337,745,725	\$6,337,745,725	8.68%	\$2,972,236,648	\$4,338,594,157	\$4,338,594,157	5.94%	\$62,461,019	\$42,758,581	-32%
4	0.3	0.333	1.1100	\$111,691,551	\$240,326,710	\$240,326,710	0.33%	\$123,977,622	\$180,970,982	\$180,970,982	0.25%	\$2,368,516	\$1,783,541	-25%
5a Cm	0.38	0.333	0.8763	\$11,917,461,929	\$25,642,802,833	\$24,013,098,043	32.87%	\$10,443,460,059	\$15,244,390,053	\$13,614,685,263	18.64%	\$236,658,686	\$134,178,169	-43%
5b Ind	0.36	0.333	0.9250	\$3,995,365,129	\$8,596,827,148	\$8,372,040,918	11.46%	\$3,695,712,744	\$5,394,657,161	\$5,169,870,931	7.08%	\$82,509,812	\$50,951,146	-38%
6	0.16	0.333	2.0813	\$225,725,935	\$485,694,494	\$485,694,494	0.66%	\$469,792,102	\$685,758,744	\$685,758,744	0.94%	\$4,786,714	\$6,758,427	41%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.03%	\$22,654,304	\$33,068,643	\$33,068,643	0.05%	\$230,825	\$325,905	41%
8	0.16	0.333	2.0813	\$5,218,441	\$11,228,519	\$11,228,519	0.02%	\$10,860,880	\$15,853,701	\$15,853,701	0.02%	\$110,662	\$156,245	41%
9	0.16	0.333	2.0813	\$17,394,761	\$37,428,307	\$37,428,307	0.05%	\$36,202,846	\$52,845,542	\$52,845,542	0.07%	\$368,871	\$520,814	41%
Subtotal				\$37,120,750,895	\$79,872,719,701	\$72,745,977,423	99.58%	\$54,718,329,504	\$79,872,719,701	\$72,745,977,423	99.58%	\$716,940,706	\$716,940,706	0%
Railroad					\$308,929,595	\$308,929,595	0.42%		\$308,929,595	\$308,929,595	0.42%	\$3,044,625	\$3,044,625	0%
Air Pollution					\$349,985	\$349,985	0.00%		\$349,985	\$349,985	0.00%	\$3,449	\$3,449	0%
TOTAL				\$37,120,750,895	\$80,181,999,281	\$73,055,257,003	100.00%	\$54,718,329,504	\$80,181,999,281	\$73,055,257,003	100.00%	\$719,988,780	\$719,988,780	0%

Exempt.	\$5,253,519,025
TIF Incr.	\$1,873,223,253
Class 2	\$18,732,233
Class 5a Com	\$1,629,704,790
Class 5b Ind	\$224,786,230

	Imputed Full Value	% of Total
Class 1	\$2,349,172,595	1.43%
Class 2	\$108,592,065,538	65.96%
Class 3	\$8,925,635,579	5.42%
Class 4	\$372,305,170	0.23%
Class 5a	\$31,361,741,918	19.05%
Class 5b	\$11,098,236,469	6.74%
Classes 6-9	\$1,620,150,550	0.98%
Non-Equalized	\$309,279,580	0.19%
TOTAL	\$164,628,587,400	100.00%

	Current	New	% Change
Assess Base	\$73,055,257,003	\$73,055,257,003	0%
Extension	\$719,988,780	\$719,988,780	0%
Tax Rate	0.009855	0.009855	0%
Loss	\$—	\$—	

New Multiplier	1.4597	(Col 6 Subtotal/Col 9 Subtotal)
Current Multiplier	2.1517	(From IDOR)

Chart CH 1

1996 City of Chicago: All Ordinance Levels Changed to 33.3% (Does Not Include DuPage Portion)

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$235,842,005	\$344,258,575	\$344,258,575	1.21%	\$7,262,902	\$8,121,168	12%
2	0.16	0.333	2.0813	\$5,811,317,294	\$12,504,211,421	\$10,475,889,798	33.81%	\$12,094,804,118	\$17,654,785,571	\$15,626,463,947	54.91%	\$226,944,567	\$368,633,178	62%
3	0.33	0.333	1.0091	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,887,063,938	\$2,754,547,230	\$2,754,547,230	9.68%	\$87,169,973	\$64,980,632	-25%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$54,629,499	\$54,629,499	0.19%	\$1,571,633	\$1,288,727	-18%
5a Cm	0.38	0.333	0.8763	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$5,641,256,093	\$8,234,541,520	\$7,771,903,512	27.31%	\$290,049,839	\$183,341,638	-37%
5b Ind	0.36	0.333	0.9250	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$990,181,864	\$1,445,368,467	\$1,410,358,023	4.96%	\$49,139,630	\$33,270,787	-32%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$163,387,128	\$163,387,128	0.57%	\$2,506,921	\$3,854,354	54%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$33,068,488	\$33,068,488	0.12%	\$507,384	\$780,096	54%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$436,327	\$436,327	0.00%	\$6,695	\$10,293	54%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$48,416,008	\$48,416,008	0.17%	\$742,868	\$1,142,149	54%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$21,054,626,850	\$30,733,438,813	\$28,207,468,737	99.13%	\$665,902,412	\$665,423,021	0%
Railroad					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$3,864	\$4,208	9%
Air Pollution					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.87%	\$5,386,052	\$5,865,099	9%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100.00%	\$21,054,626,850	\$30,982,240,394	\$28,456,270,318	100.00%	\$671,292,328	\$671,292,328	0%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Imputed Full Value	% of Total
Class 1	\$708,234,250	1.12%
Class 2	\$36,320,733,088	57.22%
Class 3	\$5,666,858,673	8.93%
Class 4	\$112,387,853	0.18%
Class 5a	\$16,940,708,989	26.69%
Class 5b	\$2,973,519,111	4.68%
Classes 6-9	\$504,665,694	0.80%
Non-Equalized	\$248,801,581	0.39%
TOTAL	\$63,475,909,239	100.00%

	Current	New	% Change
Assess Base	\$30,987,234,221	\$28,456,270,318	(8.2%)
Extension	\$671,292,328	\$671,292,328	0%
Tax Rate	0.021664	0.023590	8.9%
Loss	\$—	\$—	

New Multiplier	1.4597	(From Cook Co. chart)
Current Multiplier	2.1517	(From IDOR)

1996 Chicago Public Schools: All Ordinance Levels Changed to 33.3% (Does Not Include DuPage Portion)

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exempt - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exempt - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$235,842,005	\$344,258,575	\$344,258,575	1.21%	\$14,402,648	\$15,798,169	10%
2	0.16	0.333	2.0813	\$5,811,317,294	\$12,504,211,421	\$10,475,889,797	33.81%	\$12,094,804,118	\$17,654,785,571	\$15,626,463,947	54.91%	\$450,040,854	\$717,104,925	59%
3	0.33	0.333	1.0091	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,887,063,938	\$2,754,547,230	\$2,754,547,230	9.68%	\$172,861,812	\$126,407,317	-27%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$54,629,499	\$54,629,499	0.19%	\$3,116,617	\$2,506,970	-20%
5a Cm	0.38	0.333	0.8763	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$5,641,256,093	\$8,234,541,520	\$7,771,903,512	27.31%	\$575,181,328	\$356,655,882	-38%
5b Ind	0.36	0.333	0.9250	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$990,181,864	\$1,445,368,467	\$1,410,358,023	4.96%	\$97,446,002	\$64,721,916	-34%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$163,387,128	\$163,387,128	0.57%	\$4,971,331	\$7,497,903	51%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$33,068,488	\$33,068,488	0.12%	\$1,006,165	\$1,517,527	51%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$436,327	\$436,327	0.00%	\$13,276	\$20,023	51%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$48,416,008	\$48,416,008	0.17%	\$1,473,139	\$2,221,831	51%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$21,054,626,850	\$30,733,438,813	\$28,207,468,737	99.13%	\$1,320,513,172	\$1,294,452,463	-2%
Railroad					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.87%	\$10,680,773	\$11,409,422	7%
Air Pollution					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$7,663	\$8,186	7%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100.00%	\$21,054,626,850	\$30,982,240,394	\$28,456,270,318	100.00%	\$1,331,201,608	\$1,305,870,071	-2%

	Current	New	% Change
Exempt.	\$2,025,820,878		
TIF Incr.	\$500,149,198		
Class 2	\$2,500,746		
Class 5a Com	\$462,638,008		
Class 5b Ind	\$35,010,444		
Assess Base	\$30,987,234,221	\$28,456,270,318	(8.2%)
Extension	\$1,331,201,608	\$1,305,870,071	(1.9%)
Tax Rate	0.042960	0.0458904	(6.8%)
Loss	\$—	(25,331,537)	

	Imputed Full Value	% of Total
Class 1	\$708,234,250	1.12%
Class 2	\$36,320,733,088	57.22%
Class 3	\$5,666,858,673	8.93%
Class 4	\$112,387,853	0.18%
Class 5a	\$16,940,708,989	26.69%
Class 5b	\$2,973,519,111	4.68%
Classes 6-9	\$504,665,694	0.80%
Non-Equalized	\$248,801,581	0.39%
Total	\$63,475,909,239	100.00%

New Multiplier	1.4597	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Ed. Fund (R/L)*	\$985,223,936	\$942,386,304
Social Security	\$6,998,600	\$6,998,600
Op & Main	\$227,854,420	\$227,854,420
Worker's Comp	\$75,984,800	\$75,984,800
Subtotal	\$1,296,061,756	\$1,253,224,124
Tax Cap Max	\$1,278,555,661	\$1,278,555,661
PBC	\$52,645,947	\$52,645,947
TOTAL	\$1,331,201,608	\$1,305,870,071

*R/L = Rate Limited

Chart WSD 1

1996 SD 36 (Winnetka): All Ordinance Levels Changed to 33.3%

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$1,242,079	\$2,672,581	\$2,672,581	0.51%	\$1,880,056	\$2,744,318	\$2,744,318	0.38%	\$70,261	\$52,856	-25%
2	0.16	0.333	2.0813	\$233,590,841	\$502,617,413	\$484,564,735	92.01%	\$486,160,938	\$709,649,121	\$691,596,443	96.21%	\$12,739,038	\$13,320,308	5%
3	0.33	0.333	1.0091	\$5,086,883	\$10,945,446	\$10,945,446	2.08%	\$5,133,127	\$7,492,826	\$7,492,826	1.04%	\$287,752	\$144,314	-50%
4	0.3	0.333	1.1100	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.333	0.8763	\$13,005,594	\$27,984,137	\$27,984,137	5.31%	\$11,397,007	\$16,636,212	\$16,636,212	2.31%	\$735,693	\$320,417	-56%
5b Ind	0.36	0.333	0.9250	\$126,443	\$272,067	\$272,067	0.05%	\$116,960	\$170,726	\$170,726	0.02%	\$7,153	\$3,288	-54%
6	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$253,051,840	\$544,491,644	\$526,438,966	99.97%	\$504,688,088	\$736,693,203	\$718,640,525	99.97%	\$13,839,896	\$13,841,183	0%
Railroad					\$183,059	\$183,059	0.03%		\$183,059	\$183,059	0.03%	\$4,813	\$3,526	-27%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$253,051,840	\$544,674,703	\$526,622,025	100.00%	\$504,688,088	\$736,876,262	\$718,823,584	100.00%	\$13,844,709	\$13,844,709	0%

Exempt. \$18,052,678

	Imputed Full Value	% of Total
Class 1	\$5,645,814	0.37%
Class 2	\$1,459,942,756	96.32%
Class 3	\$15,414,797	1.02%
Class 4	\$—	0.00%
Class 5a	\$34,225,247	2.26%
Class 5b	\$351,231	0.02%
Classes 6-9	\$—	0.00%
Non-Equalized	\$183,059	0.01%
Total	\$1,515,762,904	100.00%

	Current	New	% Change
Assess Base	\$526,622,025	\$718,823,584	36.5%
Extension	\$13,844,709	\$13,844,709	0%
Tax Rate	0.0262897	0.0192602	(26.5%)
Loss	\$—	\$—	

New Multiplier 1.459/ (From Cook Co. Chart)
 Current Multiplier 2.1517 (From IDOR)

FUNDS	Curr w/old EAV	With New EAV
IMRF (Pension)	\$236,852	\$236,852
Soc Sec	\$215,798	\$215,798
Liab Ins	\$70,003	\$70,003
Trans (R/L)*	\$115,794	\$115,794
Education (R/L)	\$10,186,414	\$10,186,414
Bldg (R/L)	\$1,842,181	\$1,842,181
Work. Cash (R/L)	\$252,447	\$252,447
Subtotal	\$12,919,489	\$12,919,489
Tax Cap Max	\$12,854,673	\$12,854,673
Bonds	\$343,615	\$343,615
Life S Bonds	\$646,079	\$646,079
Grand Total	\$13,844,367	\$13,844,367

*R/L = Rate Limited

Chart NLTIF 1

1996 North Loop TIF District: All Ordinance Levels Changed to 33.3% (Assessment Increases Only)

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$2,266,592	\$4,877,026	\$—	1.28%	\$3,430,796	\$5,007,933	\$—	2.18%	\$461,025	\$473,400	3%
3	0.33	0.333	1.0091	\$1,780,461	\$3,831,018	\$—	1.00%	\$1,796,647	\$2,622,566	\$—	1.14%	\$362,146	\$247,911	-32%
5a Cm	0.38	0.333	0.8763	\$172,901,726	\$372,032,644	\$—	97.31%	\$151,516,513	\$221,168,653	\$—	96.25%	\$35,379,746	\$21,032,807	-41%
5b Ind	0.36	0.333	0.9250	\$729,910	\$1,570,547	\$—	0.41%	\$675,167	\$985,541	\$—	0.43%	\$148,464	\$93,163	-37%
TOTAL				\$177,678,689	\$382,311,235	\$—	100.00%	\$157,419,122	\$229,784,693	\$—	100.00%	\$36,351,381	\$21,847,281	-40%

New Multiplier	1.4597	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the city-only districts' rates would *rise* (see, e.g. CH 1 and CPS 1). Therefore, the "new tax" figure (Col. 14) is *somewhat understated* and the percentage decreases in Col. 15 *somewhat overstated*.

Elimination or Alteration of Classification

Ordinance Change

Important: Before any meaningful discussion of eliminating or altering classification can occur, a threshold distinction must be made between (a) changing the ordinance language to prescribe assessing all classes at 33.3 percent instead of the current range of 16 percent to 38 percent and (b) changing the *Assessor's full values* (imputed from the assessments) to conform to some external measure of value. The first, (a), deals with *de jure* classification, while the second, (b), deals with undervaluation which may exist in any one or more classes. The combined effects, (a) plus (b), deal with *de facto* classification. This study will address all three questions separately.

Scenario 1: Ordinance Levels Changes (Elimination of *de jure* Classification) (All ordinance levels changed to 33.3 percent)

Methodological Assumptions: It is assumed in this subsection that, if the ordinance level of all classes were raised to 33.3 percent, the Assessor would not, at the same time, make any changes in the "full value" information on his Property Record Cards but merely alter the "assessment level" column to reflect .333 for each line. In other words, there would be no massive re-valuing of property but only a change in the level at which existing "imputed full values" would be converted into assessments.

Primary Interactions

Assessed Values: On a county-wide basis, changing the ordinance to 33.3 percent for all classes would result in increasing the assessed value of all properties in classes currently with an assessment level at 16 percent or 22 percent or 30 percent; and decreasing those at 36 percent or 38 percent. The magnitude of the change for each separate parcel in a class would be determined by the factor equal to the ratio of 33.3 percent to the assessment-level percentage of that class prescribed by the ordinance. For example, the assessment of each Class 2 (smaller residential) parcel would be increased by a factor of 2.0813; and the county's Class 2 assessed value base would increase from \$17.4 billion to \$36.2 billion. The total assessed value of all classes would rise from \$37.1 billion to \$54.7 billion.

Multiplier: As a result of these assessed value increases and decreases, the state's Cook County equalization multiplier would fall from 2.1517 to 1.4597 in order to keep the county's aggregate equalized assessed value steady at \$79.9 billion.

Equalized Assessed Values: Although Cook County's aggregate EAV would remain the same, the EAV's of each class would shift, representing the combined effects of the AV change and the new reduced multiplier. Thus smaller residential (Class 2) properties, with a 108 percent increase in AV, would experience an increase in net EAV of only 48 percent; while industrial (Class 5b) classifications, with a 7.5 percent decrease in AV, would have the much greater decrease in net EAV of 38 percent.

Secondary Interactions

Tax Rates: Considered independently of rate limits and extension limits ("tax caps"), the tax rate for each separate taxing district is a function of the dollar amount of its tax levy and the size of its assessment base. What will happen to a particular district's tax rate if the changes described above occur will depend first on the particular mix of the different classes of property in its assessment base and second, on whether and how the taxing district adjusts its levy in response to the other changes.

Considering first the mix: for Cook County (by definition) and for taxing districts with a county-wide or substantially county-wide assessment base (i.e., the Forest Preserve District of Cook County and the Metropolitan Water Reclamation District), there will be no change in tax rates since the aggregate EAV (after adjustment of the multiplier) will be the same. However, if a taxing district's assessment base is more predominantly Class 2 (smaller residential) properties, than the county-wide average of that class, that taxing district's assessment base will increase. That larger EAV base, in turn, will not require as high a tax rate to produce a tax extension equal to its (unchanged) levy.

Elimination or Alteration of Classification, continued

Ordinance Change, continued

Scenario 1: Ordinance Levels Changes, continued

Conversely, if the taxing district's assessment base has proportionally more Class 5 (commercial and industrial) properties, and less Class 2 than the county-wide average, the EAV base will fall and a higher tax rate will be required if the levy remains constant.

What the taxing district's levying response might be is impossible to predict. For example, in a heavily Class 2 district, if the taxing district anticipated public resistance to higher residential tax bills (occasioned by percentage increases in residential EAV that exceeded the percentage reduction in the tax rate), its governing body could dampen the magnitude of such selective tax increase by decreasing the total levy, but that would of course also reduce its tax revenues.

Rate Limits: For non-home-rule taxing districts, rate limits (whether for a single levy, or for levies for particular funds) are set by statute with power granted to the voters of the local taxing district to alter many of those limits by referendum within a statutory range. Home rule taxing districts have no rate limits. The effect of rate limits in the preceding scenario is as follows: when a falling assessment base (e.g., a taxing district with mostly Class 5 property) would otherwise produce an increase in the tax rate, that increase will be limited or prevented altogether if the taxing district is near or at its rate limit. In such case the tax extension would simply be reduced to less than the taxing district's levy. In the other scenario, a predominantly Class 2 taxing district with a rising EAV, rate limits will be less effective in containing the magnitude of the total tax extension. However, where the prior-year's-EAV limitation applies (Cook County, non-home-rule units) a rising EAV would not increase levying potential until the following year.

Tax Caps: Because they are extension limits rather than rate limits, the effects of tax caps deal only with the maximum permissible dollar amount of each non-home-rule taxing district's tax extension or the limited part thereof.¹¹ Therefore, tax caps come into play only if the combination of the above actions would otherwise produce a tax extension greater than the prior year. In that case, the increase would be limited to the lesser of 5 percent or the inflation (CPI) increase.

In practical terms, this means that a taxing district with a greater-than-average Class 5 assessment base, which is at or near its rate limit, is unlikely to feel any additional limiting impact from tax caps. The falling EAV base would increase rates to their limit before the tax extension would reach the extension limit imposed by tax caps, which, of course, is a modest increase over the prior year's extension. On the other hand, in a taxing district with a greater-than-average Class 2 assessment base, the rising EAV base would permit an increase in tax extension (if the levy askings warranted it) before hitting the rate limit. In that case, the tax cap extension limitation would come into play to limit the increase.

Consequential Interactions

Taxing District Revenues: The amount of a taxing district's tax extension (which converts into its tax revenues) is a direct function of the size of its levy, unless limited by the combined effect of the size of its assessment base and its statutory rate limit. Thus home-rule units, which have no rate limits, will automatically have the full amount of their levy extended for them by the County Clerk.

Although the amount of a home-rule-unit's extension (and its tax revenues) will be the same regardless of changes in the assessment levels prescribed in the classification ordinance, the distribution of that burden between classes will be profoundly affected by classification changes. The unchanged tax extension of Cook County (as a governmental unit) would see a 48 percent increase of its smaller residential (Class 2) portion and decreases of 43 percent and 38 percent respectively of its commercial (Class 5a) and industrial (5b) portions. For the City of Chicago's extension, the corresponding

¹¹ The statute excludes from the limitation formula any portion of the levy attributable to new construction and certain specified special service levies, (e.g., for debt service.)

figures are a 62 percent increase of its Class 2 portion and decreases of 37 percent and 32 percent in the Class 5a and Class 5b portions, respectively.

The tax revenue picture for non-home-rule units is more complex and varied, depending as it does on both the class mix of property in each district's assessment base and where the district is positioned (i.e., how close) in relation to its rate limit.

What has been said above about the shift in burden among classes for home-rule units is also applicable to non-home-rule units. The amounts thereof can be discerned from the accompanying charts, but will not be summarized here (except to note that as the percentage of Class 2 property in the base rises, e.g., Winnetka School District #36 at 92%, the percentage shift in the tax burden on that class decreases). What this subsection addresses is the changes, if any, in the revenue flow to taxing districts resulting from a change in the ordinance levels.

For clarity in identifying the separate actions of the two different tax limits, perhaps it will be useful to look first at the impact on tax revenue flows of the base-mix/rate-limit combination, and only thereafter at what additional impact tax caps may have on the conclusions. Two questions will be addressed: (1) the ability of taxing districts to maintain their current tax extensions in the face of classification changes; and (2) their ability to avail themselves of any additional levying potential which those changes may bring, in order to augment their current levies and extensions.

Looking first at the schools, a comparison of the Chicago Public Schools (p.30) with the Chicago City Colleges (p.88) discloses that, because of their assessment base mix, both would suffer a 8.2% loss in their assessment base (these districts are, mostly, co-terminus with the City of Chicago). However, the Chicago Public Schools would suffer a loss in tax extensions (1.9 percent) because its educational fund would now otherwise exceed its rate limit, while the City Colleges are not so close to their limits, and would lose only 0.8% of their tax extension. The corresponding rate increases would be 6.8% (CPS) and 8.0% (CCC).

Comparing both of these with the three suburban school districts [Winnetka School District #36 (p.31), Oak Park School District #97 (p.91) and Markham School District #144 (p.92)] shows that their assessment mixes do not result in any assessment-base decreases, but rather increases of 36.5 percent, 19.5 percent and 15.8 percent, respectively. If these suburban school districts were to generate only their existing extension amount, the new rates would fall by 26.7 percent, 16.3 percent and 13.6 percent, respectively.

Regarding the other major taxing bodies appearing on Chicago tax bills: the Chicago Park District (p.89) and the Chicago School Finance Authority (SFA) (p.90), which are co-terminus with the City of Chicago, would (like the City) lose 8.2 percent in assessment base. However, SFA is not rate limited and even though CPD is, it is not at its limits. Both would simply have their rate rise by 8.9 percent.

The Cook County Forest Preserve District (p.86) and (almost) the Metropolitan Water Reclamation District (p.87) are co-terminus with the County and suffer no loss in assessment base. (The multiplier change offsets the aggregate assessed value changes.) Therefore, no rate changes are necessary to maintain steady tax extensions.

Tax caps will come into play only for those taxing districts (mostly suburban) that would experience significant assessment base increases. If districts that are now at or near their rate limits were tempted by this new levying potential (within the same rate limits) to increase their levies, the amount of their increase in extensions over the prior year would be limited by tax caps to the lesser of 5 percent or the CPI inflation rate.

Elimination or Alteration of Classification, continued

Ordinance Change, continued

Scenario 1: Ordinance Levels Changes, continued

School-Aid Formula: The key to examining how changes in classification would affect the amount of state aid received by school districts is the school district's "wealth" (referred to as "available local resources"). More aid is given to those poorer districts that are unable to generate the "foundation level" of school district revenue (currently \$4,225 per pupil) that has been determined to be necessary to provide an adequate education for each child. Comparative "wealth" in this context is measured in terms of total assessment base per pupil.

As has been stated above, although the total net EAV for the county would remain the same, that is not true for individual school districts. Thus, if only the ordinance level is changed, the Chicago Public Schools (with its higher-than-average mix of Class 5 property) would experience a decline in its assessment base of approximately 8.2 percent.

Suburban school districts, with the opposite mix of Class 2 and Class 5 properties (in varying degrees), would experience assessment base increases. Of the three districts covered by the charts, Markham School District No. 144's assessment base would rise 15.8 percent; Oak Park School District No. 97's, 19.5 percent; and Winnetka School District No. 36's, 36.5 percent.

Because substantial changes in the school-aid system have been proposed in conjunction with the ongoing discussions of school funding generally, the above figures must be viewed solely in the context of the current school-aid formula. Under that formula, Chicago school aid would increase while suburban aid would decrease.

TIF Districts: The sole source of tax revenues of TIF districts is derived from applying the composite tax rate of all taxing districts in which the TIF property is situated to the increased assessment base occurring within the TIF district above the benchmarked figure existing at the time of the creation of the TIF. (This is done aggregately, but on a tax-code-by-tax-code basis.) All of the constituent tax rates (even those of the creating municipality) are calculated without taking account of the TIF district's anticipated expenditures or including in the relevant assessment base any increment in the assessment of TIF district property above the original benchmarked amount. The rates, which are computed independently of the TIF, are applied uniformly to the equalized assessment of all TIF property, including the incremental portion.

The main concern here is what effect classification changes would have on TIF district revenues. Again, the property class mix is an important factor. All the early TIFs have been for predominantly industrial and commercial development. So, although revitalization of a business district, for example, might spur some adjacent residential development within the TIF district boundaries, it is fair to assume that the preponderance of any assessment increment consists of Class 5 (commercial and industrial) property.¹²

Where Class 5 predominates, changing all ordinance levels to 33.3 percent would decrease the equalized assessed value of the increment on which TIF revenues are based. (The reason is that the large residential-driven increase in county-wide AV would produce a fall in the multiplier at the same time that the AVs of commercial and industrial properties would fall because their assessment levels are being reduced.)

A further complicating consideration is to what extent the industrial/commercial increment is, for the time being, in one of the incentive classes (6 through 9). If all such increments were, at the time of change, in a 16 percent mode and there were no attempt to change the incentive classes, then the increment assessment base would fall by the amount of the multiplier's reduction. However, if the incentive classes were abolished

¹² Care should be taken, however, in thinking through the implications for residential TIFs, which are statutorily authorized for low and moderate income housing, and which also may be involved in Class 9 incentives.

along with the rest of classification, presumably the increase to 33.3 percent would offset the fall of the multiplier and the increment assessment base would not suffer and could even increase. It also must be remembered that the 16 percent incentive assessment level does not last more than 8–10 years out of the 23-year life of the TIF. (More discussion of possible changes in the incentive classes follows below).

Any indicated shortfall in revenue has implications for meeting bond payments as they become due, if the bonds are strictly revenue bonds. If they are double-barreled (dedicated revenue in the first instance but backed by the general obligation of the municipality to prevent default), then a potential shortfall has serious implications for the budget picture of the municipality itself.

In quantifying the anticipated revenue flows from TIF districts and the changes that would be caused to them, other complex factors are involved, including their date of creation, their remaining life, the degree of their “maturity” (how much of the reasonably anticipated development has already occurred), and the issue of expanding the boundaries of existing TIFs or altering their development plans. There is much current legislative debate around these questions.

Incentive Classes: The concept of eliminating or altering Cook County’s classification system does not necessarily mean changing the incentive classes (6 through 9). Such classes could be retained as they are without any theoretical contradiction, because their rationale is entirely different from the main part of the classification system. The decision to retain them should be based on the practical question of whether they work effectively and fairly.

If the incentive classes are kept and the main classification system is altered, thought should be given as to whether their percentages should be adjusted to reflect the changes in other classes to maintain the same level of relative benefit for them. There are likely to be legal questions concerning the effect of outright abolition of incentive classes on taxpayers acting in reliance on current ordinance levels.

As a proportion of the total assessment base, property currently affected by incentive classes is relatively minor. Less than 1 percent of the imputed full value of all assessable property is in these classes.

Other: In taxing districts overlapping county lines, the apportionments under Section 18-155 of the Property Tax Code would be affected by any changes in classification and would need to be studied by the Department of Revenue. Also, the value of partial exemptions (subtracted from EAV) would be proportionately greater if the total AV declined and smaller if it increased. Similarly, the value of the Senior Freeze, if not adjusted, would likewise change. The observations under this paragraph apply to all the scenarios and will not be repeated.

Values Change

Adjustment of Assessor’s Imputed Full Values

(No change in ordinance levels, but with Assessor’s full values adjusted for IDOR Ratio Studies)

Methodological Assumptions: It is assumed here that the Assessor’s full-value data on property classification will be adjusted by a factor that reflects the amount by which the Assessor’s full value (imputed from the assessment) of that class deviates from some independent objective measure of its market value. For this purpose, the scenarios will utilize the Department of Revenue’s Assessment/Sales Ratio Studies, which are discussed in the Note on Methodology. This adjustment will be made without any change in the ordinance classification levels themselves.

Scenario 2:

Class 2 Adjustment Only

If a three-year adjusted arithmetic average of the median assessment/sales ratio for Class 2 (smaller residential) properties, as determined by the Department of Revenue studies, were applied to adjust the Assessor’s imputed full values for all Class 2 properties, but no other changes were made (either

1996 Cook County: No Change in Ord. Levels, But With Assessor's Full Value for Class 2 Only Adjusted for IDOR Assessment/Sales Ratios

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$516,817,971	\$1,112,037,228	\$1,112,037,228	1.52%	\$516,817,971	\$870,239,305	\$870,239,305	1.19%	\$10,959,572	\$8,576,556	-22%
2	0.1004	0.16	1.5936	\$17,374,730,486	\$37,385,207,587	\$32,112,956,329	43.96%	\$27,688,813,524	\$46,623,560,326	\$41,351,309,068	56.60%	\$316,486,030	\$407,533,691	29%
3	0.33	0.33	1.0000	\$2,945,459,741	\$6,337,745,725	\$6,337,745,725	8.68%	\$2,945,459,741	\$4,959,685,969	\$4,959,685,969	6.79%	\$62,461,019	\$48,879,689	-22%
4	0.3	0.3	1.0000	\$111,691,551	\$240,326,710	\$240,326,710	0.33%	\$111,691,551	\$188,070,816	\$188,070,816	0.26%	\$2,368,516	\$1,853,513	-22%
5a Cm	0.38	0.38	1.0000	\$11,917,461,929	\$25,642,802,833	\$24,013,098,043	32.87%	\$11,917,461,929	\$20,067,111,388	\$18,437,406,598	25.24%	\$236,658,686	\$181,708,017	-23%
5b Ind	0.36	0.36	1.0000	\$3,995,365,129	\$8,596,827,148	\$8,372,040,918	11.46%	\$3,995,365,129	\$6,727,559,740	\$6,502,773,510	8.90%	\$82,509,812	\$64,087,434	-22%
6	0.16	0.16	1.0000	\$225,725,935	\$485,694,494	\$485,694,494	0.66%	\$225,725,935	\$380,086,591	\$380,086,591	0.52%	\$4,786,714	\$3,745,905	-22%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.03%	\$10,884,951	\$18,328,527	\$18,328,527	0.03%	\$230,825	\$180,635	-22%
8	0.16	0.16	1.0000	\$5,218,441	\$11,228,519	\$11,228,519	0.02%	\$5,218,441	\$8,787,025	\$8,787,025	0.01%	\$110,662	\$86,600	-22%
9	0.16	0.16	1.0000	\$17,394,761	\$37,428,307	\$37,428,307	0.05%	\$17,394,761	\$29,290,012	\$29,290,012	0.04%	\$368,871	\$288,665	-22%
Subtotal				\$37,120,750,895	\$79,872,719,701	\$72,745,977,423	99.58%	\$47,434,833,933	\$79,872,719,701	\$72,745,977,421	99.58%	\$716,940,706	\$716,940,706	0%
Railroad					\$308,929,595	\$308,929,595	0.42%		\$308,929,595	\$308,929,595	0.42%	\$3,044,625	\$3,044,625	0%
Air Pollution					\$349,985	\$349,985	0.00%		\$349,985	\$349,985	0.00%	\$3,449	\$3,449	0%
TOTAL				\$37,120,750,895	\$80,181,999,281	\$73,055,257,003	100.00%	\$47,434,833,933	\$80,181,999,281	\$73,055,257,001	100.00%	\$719,988,780	\$719,988,780	0%

Exempt.	\$5,253,519,025
TIF Incr.	\$1,873,223,253
Class 2	\$18,732,233
Class 5a Com	\$1,629,704,790
Class 5b Ind	\$224,786,230

	Imputed Full Value	% of Total
Class 1	\$2,349,172,595	1.03%
Class 2	\$173,055,084,522	75.54%
Class 3	\$8,925,635,579	3.90%
Class 4	\$372,305,170	0.16%
Class 5a	\$31,361,741,918	13.69%
Class 5b	\$11,098,236,469	4.84%
Classes 6-9	\$1,620,150,550	0.71%
Non-Equalized	\$309,279,580	0.14%
TOTAL	\$229,091,606,384	100.00%

	Current	New	% Change
Assess Base	\$73,055,257,003	\$73,055,257,001	0%
Extension	\$719,988,780	\$719,988,780	0%
Tax Rate	0.009855	0.009855	0%
Loss	\$—	\$—	

New Multiplier	1.6838	(Col 6 Subtotal/Col 9 Subtotal)
Current Multiplier	2.1517	(From IDOR)

Chart CH 2

1996 City of Chicago: No Change in Ord. Levels, But With Assessor's Full Value for Class 2 Only Adjusted for IDOR Assessment/Sales Ratios (Does Not Include DuPage Portion)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$155,811,535	\$262,355,463	\$262,355,463	0.89%	\$7,262,902	\$5,957,479	-18%
2	0.1004	0.16	1.5936	\$5,811,317,294	\$12,504,211,421	\$10,475,889,798	33.81%	\$9,261,063,417	\$15,593,778,581	\$13,565,456,957	45.89%	\$226,944,567	\$308,039,780	36%
3	0.33	0.33	1.0000	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,870,063,362	\$3,148,812,689	\$3,148,812,689	10.65%	\$87,169,973	\$71,502,167	-18%
4	0.3	0.3	1.0000	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$33,716,356	\$56,771,600	\$56,771,600	0.19%	\$1,571,633	\$1,289,150	-18%
5a Cm	0.38	0.38	1.0000	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$6,437,469,416	\$10,839,411,003	\$10,376,772,995	35.10%	\$290,049,839	\$235,632,230	-19%
5b Ind	0.36	0.36	1.0000	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$1,070,466,880	\$1,802,452,133	\$1,767,441,689	5.98%	\$49,139,630	\$40,134,464	-18%
6	0.16	0.16	1.0000	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$53,781,137	\$90,556,678	\$90,556,678	0.31%	\$2,506,921	\$2,056,330	-18%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$10,884,951	\$18,328,080	\$18,328,080	0.06%	\$507,384	\$416,188	-18%
8	0.16	0.16	1.0000	\$143,623	\$309,034	\$309,034	0.00%	\$143,623	\$241,832	\$241,832	0.00%	\$6,695	\$5,491	-18%
9	0.16	0.16	1.0000	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$15,936,800	\$26,834,384	\$26,834,384	0.09%	\$742,868	\$609,346	-18%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$18,909,337,477	\$31,839,542,443	\$29,313,572,367	99.16%	\$665,902,412	\$665,642,626	0%
Railroad					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$3,864	\$4,051	5%
Air Pollution					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.84%	\$5,386,052	\$5,645,651	5%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100.00%	\$18,909,337,477	\$32,088,344,024	\$29,562,373,948	100.00%	\$671,292,328	\$671,292,328	0%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Imputed Full Value	% of Total
Class 1	\$ 708,234,250	0.84%
Class 2	\$57,881,646,355	68.41%
Class 3	\$5,666,858,673	6.70%
Class 4	\$112,387,853	0.13%
Class 5a	\$16,940,708,989	20.02%
Class 5b	\$ 2,973,519,111	3.51%
Classes 6-9	\$80,746,511	0.10%
Non-Equalized	\$248,801,581	0.29%
TOTAL	\$84,612,903,323	100.00%

	Current	New	% Change
Assess Base	\$30,987,234,221	\$29,562,373,948	(4.6%)
Extension	\$671,292,328	\$671,292,328	0.0%
Tax Rate	0.021664	0.022708	4.8%
Loss	\$—	\$—	

New Multiplier	1.6838	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

1996 Chicago Public Schools: No Change in Ord. Levels, But With Assessor's Full Value for Class 2 Only Adjusted for IDOR Assessment/Sales Ratios (Does Not Include DuPage Portion)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$155,811,535	\$262,355,463	\$262,355,463	0.89%	\$14,402,648	\$11,813,937	-18%
2	0.1004	0.16	1.5936	\$5,811,317,294	\$12,504,211,421	\$10,475,889,798	33.81%	\$9,261,063,417	\$15,593,778,581	\$13,565,456,957	45.89%	\$450,040,854	\$610,856,156	36%
3	0.33	0.33	1.0000	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,870,063,362	\$3,148,812,689	\$3,148,812,689	10.65%	\$172,861,812	\$141,791,878	-18%
4	0.3	0.3	1.0000	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$33,716,356	\$56,771,600	\$56,771,600	0.19%	\$3,116,617	\$2,556,440	-18%
5a Cm	0.38	0.38	1.0000	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$6,437,469,416	\$10,839,411,003	\$10,376,772,995	35.10%	\$575,181,328	\$467,268,864	-19%
5b Ind	0.36	0.36	1.0000	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$1,070,466,880	\$1,802,452,133	\$1,767,441,689	5.98%	\$97,446,002	\$79,588,372	-18%
6	0.16	0.16	1.0000	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$53,781,137	\$90,556,678	\$90,556,678	0.31%	\$4,971,331	\$4,077,791	-18%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$10,884,951	\$18,328,080	\$18,328,080	0.06%	\$1,006,165	\$825,318	-18%
8	0.16	0.16	1.0000	\$143,623	\$309,034	\$309,034	0.00%	\$143,623	\$241,832	\$241,832	0.00%	\$13,276	\$10,890	-18%
9	0.16	0.16	1.0000	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$15,936,800	\$26,834,384	\$26,834,384	0.09%	\$1,473,139	\$1,208,359	-18%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$18,909,337,477	\$31,839,542,443	\$29,313,572,367	99.16%	\$1,320,513,172	\$1,319,998,006	0%
Railroad					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.84%	\$10,680,773	\$11,195,569	5%
Air Pollution					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$7,663	\$8,033	5%
TOTAL				\$15,459,591,501	\$33,513,204,297	\$30,987,234,221	100.00%	\$18,909,337,477	\$32,088,344,024	\$29,562,373,948	100.00%	\$1,331,201,608	\$1,331,201,608	0%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Current	New	% Change
Assess Base	\$30,987,234,221	\$29,562,373,948	(4.6%)
Extension	\$1,331,201,608	\$1,331,201,608	0%
Tax Rate	0.04296	0.0450303	4.8%
Loss	\$—	\$—	

	Imputed Full Value	% of Total
Class 1	\$708,234,250	0.84%
Class 2	\$57,881,646,355	68.41%
Class 3	\$5,666,858,673	6.70%
Class 4	\$112,387,853	0.13%
Class 5a	\$16,940,708,989	20.02%
Class 5b	\$2,973,519,111	3.51%
Classes 6-9	\$80,746,511	0.10%
Non-Equalized	\$248,801,581	0.29%
Total	\$84,612,903,323	100.00%

New Multiplier	1.6838	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Ed. Fund (R/L)*	\$985,223,936	\$979,017,138
Social Security	\$6,998,600	\$6,998,600
Op & Main	\$227,854,420	\$227,854,420
Worker's Comp	\$75,984,800	\$75,984,800
Subtotal	\$1,296,061,756	\$1,289,854,958
Tax Cap Max	\$1,278,555,661	\$1,278,555,661
PBC	\$52,645,947	\$52,645,947
TOTAL	\$1,331,201,608	\$1,331,201,608

*R/L = Rate Limited

Chart WSD 2

1996 SD 36 (Winnetka): No Change in Ord. Levels, But With Assessor's Full Value for Class 2 Only Adjusted for IDOR Assessment/Sales Ratios

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$1,242,079	\$2,672,581	\$2,672,581	0.51%	\$1,242,079	\$2,091,413	\$2,091,413	0.33%	\$70,261	\$45,122	-36%
2	0.1004	0.16	1.5936	\$233,590,841	\$502,617,413	\$484,564,735	92.01%	\$372,256,320	\$626,805,192	\$608,752,514	94.87%	\$12,739,038	\$13,133,783	3%
3	0.33	0.33	1.0000	\$5,086,883	\$10,945,446	\$10,945,446	2.08%	\$5,086,883	\$8,565,294	\$8,565,294	1.33%	\$287,752	\$184,795	-36%
4	0.3	0.3	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.38	1.0000	\$13,005,594	\$27,984,137	\$27,984,137	5.31%	\$13,005,594	\$21,898,819	\$21,898,819	3.41%	\$735,693	\$472,465	-36%
5b Ind	0.36	0.36	1.0000	\$126,443	\$272,067	\$272,067	0.05%	\$126,443	\$212,905	\$212,905	0.03%	\$7,153	\$4,593	-36%
6	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$253,051,840	\$544,491,644	\$526,438,966	99.97%	\$391,717,319	\$659,573,622	\$641,520,944	99.97%	\$13,839,896	\$13,840,760	0%
Railroad					\$183,059	\$183,059	0.03%		\$183,059	\$183,059	0.03%	\$4,813	\$3,949	-18%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$253,051,840	\$544,674,703	\$526,622,025	100.00%	\$391,717,319	\$659,756,681	\$641,704,003	100.00%	\$13,844,709	\$13,844,709	0%

Exempt.	\$18,052,678		
	Current	New	% Change
Assess Base	\$526,622,025	\$641,704,003	21.9%
Extension	\$13,844,709	\$13,844,709	0%
Tax Rate	0.0262897	0.0215749	(17.9%)
Loss	\$—	\$—	

	Imputed Full Value	% of Total
Class 1	\$5,645,814	0.24%
Class 2	\$2,326,602,002	97.66%
Class 3	\$15,414,797	0.65%
Class 4	\$—	0.00%
Class 5a	\$34,225,247	1.44%
Class 5b	\$351,231	0.01%
Classes 6-9	\$—	0.00%
Non-Equalized	\$183,059	0.01%
Total	\$2,382,422,150	100.00%

New Multiplier	1.6838	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Curr w/old EAV	With New EAV
IMRF (Pension)	\$236,852	\$236,852
Soc Sec	\$215,798	\$215,798
Liab Ins	\$70,003	\$70,003
Trans (R/L)*	\$115,794	\$115,794
Education (R/L)	\$10,186,414	\$10,186,414
Bldg (R/L)	\$1,842,181	\$1,842,181
Work. Cash (R/L)	\$252,447	\$252,447
Subtotal	\$12,919,489	\$12,919,489
Tax Cap Max	\$12,854,673	\$12,854,673
Bonds	\$343,615	\$343,615
Life S Bonds	\$646,079	\$646,079
Grand Total	\$13,844,367	\$13,844,367

*R/L = Rate Limited

Chart NLTIF 2

1996 North Loop TIF District: No Change in Ord. Levels, But Full Value for Class 2 Only Adjusted for IDOR Assessment/Sales Ratios (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$2,266,592	\$3,816,488	\$—	1.28%	\$2,266,592	\$3,816,488	\$—	1.28%	\$461,025 "	360,773	-22%
3	0.33	0.33	1.0000	\$1,780,461	\$2,997,940	\$—	1.00%	\$1,780,461	\$2,997,940	\$—	1.00%	\$362,146 "	283,395	-22%
5a Cm	0.38	0.38	1.0000	\$172,901,726	\$372,032,644	\$—	97.31%	\$172,901,726	\$291,131,926	\$—	97.31%	\$35,379,746 "	27,686,209	-22%
5b Ind	0.36	0.36	1.0000	\$729,910	\$1,570,547	\$—	0.41%	\$729,910	\$1,229,022	\$—	0.41%	\$148,464 "	116,179	-22%
TOTAL				\$177,678,689	\$382,311,235	\$—	100.00%	\$177,678,689	\$299,175,377	\$—	100.00%	\$36,351,381	\$28,446,556	-22%

New Multiplier	1.6838	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the city-only districts' rates would *rise* (see, e.g. CH 2 and CPS 2). Therefore, the "new tax" figure (Col. 14) is *somewhat understated* and the percentage decreases in Col. 15 *somewhat overstated*.

Elimination or Alteration of Classification, continued

Values Change, continued

Scenario 2: Class 2 Adjustment Only, continued

to the assessment levels prescribed by county ordinance or the Assessor's imputed full values of any other classes), the following interactions would occur:

Primary Interactions: *Assessed Values* under this scenario would increase only for Class 2 properties. On a county-wide level the increase in this class would be from \$17.4 billion to \$27.7 billion, raising the total assessed value of all classes from \$37.1 billion to \$47.4 billion.

This rise in the total AV would result in a *Multiplier* fall from 2.1517 to 1.6838 in order to keep the aggregate EAV steady at \$79.9 billion.

The county-wide *Equalized Assessed Values* would exhibit differential shifts between classes while the aggregate would remain the same. Smaller residential (Class 2) properties would experience a 59 percent increase in AV, but only a 29 percent increase in EAV. Industrial (Class 5b) properties would not experience any increase in AV, and a 22 percent decrease in EAV.

All three of these primary interactions would be smaller in magnitude when (as in this scenario No. 2) only the Class 2 imputed full values are adjusted than when (as in the prior scenario No. 1) only the ordinance assessment levels were changed to 33.3 percent: The AV would increase less, the multiplier would fall less, and the EAV percentage shifts in each class would be less.

Secondary Interactions: *Tax Rates* would fall in any taxing district with higher-than-county-average concentration of its assessment base in smaller residential (Class 2) properties (viz., Winnetka), and rise in any non-limited taxing district with such higher-than-average concentration in commercial/industrial (Class 5) properties (viz., Chicago). The swings in tax rates under this scenario (i.e., adjustment of Class 2 values only) would be somewhat less than comparable swings under the first scenario, which assumes ordinance level changes only.

The *Rate Limits* of rate-limited districts would be the same as in the first scenario: higher-than-average-residential districts with their falling tax rates would feel no impact; whereas the higher-than-average-commercial/industrial district would be affected if they are at or near their rate limits.

The impact of *Tax Caps* would also be the same. Since the heavier commercial/industrial districts, with their falling EAVs, would likely hit their rate limits before ever reaching even their pre-existing levy amount, the extension limits contained in the tax caps would not impact them. What would be lost to the tax cap limitation by their opposite numbers, the more heavily residential districts with their rising EAVs, is not revenue *per se* but the added revenue-raising potential otherwise inherent in the higher assessment base.

Consequential Interactions: Here, *Taxing District revenues* follow the first scenario pattern but with somewhat lesser amounts. Again, home-rule units are unaffected in their revenue flows: they will have extended for them the full amount of their levies, but the distribution of the burden among classes shifts. For Cook County's levy, the smaller residential (Class 2) portion's share of the total tax burden rises 29 percent while the commercial (Class 5a) and industrial (5b) portions experience falls of 23 percent and 22 percent respectively. The corresponding City of Chicago figures are Class 2, +36 percent; Class 5a, -19 percent; and Class 5b, -18 percent.

For non-home-rule units, there are shifts that occur in the tax burdens of the various classes that can be followed on the charts; and their revenues are also affected. The Chicago Public Schools, for example, will experience a 4.6 percent drop in its assessment base but with a smaller drop in the extension of its rate-limited educational fund below its maximum (only 0.6 percent below its actual levy).

Elimination or Alteration of Classification, continued

Values Change, continued

Scenario 2: Class 2 Adjustment Only, continued

Suburban school districts generally would experience an increase in assessment base under this scenario (being higher-than-county-average residential), and would not suffer loss of income (see, e.g., Winnetka School District No. 36). They could not, however, capitalize on this increase to levy for new revenue beyond the amount limited by tax caps.

For county-wide jurisdictions, there is no change in assessment base or revenue flow, but only in the class distribution of tax burden. For Chicago-wide jurisdictions, there is a lesser loss of assessment base than in the first scenario, but no revenue loss because all taxing districts except the Chicago Public Schools' Education Fund are below their statutory rate limits. For the Chicago Public Schools, the levy is already tax-cap limited and would suffer no additional loss from the effect of the rate limit on its reduced assessment base. Again, of course, there is a class shift in tax burden.

The *School-Aid Formula* considerations are the same as in the first scenario, with the figures somewhat lower. The Chicago Public Schools would experience a 4.6 percent loss of assessment base, while Markham School District No. 144, Oak Park School District No. 97 and Winnetka School District No. 36 would have assessment base increases of 9.0 percent, 4.5 percent and 21.9 percent, respectively. Under the current formula this would result in increased school aid in Chicago and decreases in the suburbs.

As in the first scenario, *TIF District* revenues would fall, due to the residential-driven decline in the county multiplier. The accompanying charts indicate the somewhat lesser magnitude of those declines.

Scenario 3: Comments in the first scenario about *Incentive Classes* are equally applicable here.

Class 1, 2, 3, 5a and 5b Adjustments

If the Department of Revenue's three-year adjusted arithmetic average of the median assessment/sales ratio for each of the Classes 1, 2, 3, 5a and 5b were applied to adjust the Assessor's imputed full values, but no changes were made to the ordinance levels themselves, the following interactions would occur:

Primary Interactions: *Assessed Values* under this scenario would rise significantly not only for smaller residential properties (Class 2), but also for vacant land (Class 1) and apartment buildings (Class 3). They would rise somewhat for commercial (Class 5a) and marginally for industrial (5b) properties.

With this broader rise in AVs (with most of the Assessor's imputed full values being adjusted), the *Multiplier* would fall further than if just Class 2 values were adjusted. It would now fall from 2.1517 to 1.5398. (This is not as far as if only the ordinance levels were changed, 1.4597; but further than if only Class 2 were adjusted, 1.6838.)

Again the aggregate county-wide *Equalized Assessed Values* would remain constant; but because more than one class experiences upward value adjustment, the differential shifts between classes would be somewhat muted. Thus, smaller residential properties (Class 2) would still have a 59 percent AV increase, but their EAV increase would be only 16 percent, the same as for vacant land (Class 1). Apartment buildings (Class 3), with a 40 percent AV increase, would be an even wash (no change) in EAV due to a coincidentally exact proportionate fall in the multiplier, while the business classes would fall in EAV by 12 percent (5a, commercial) and 28 percent (5b, industrial).

Secondary Interactions: Again, *Tax Rates* would fall in those taxing districts with a higher-than-county-average percentage of their assessment base in smaller residential (Class 2) properties; and rise in the opposite situation, such as the City of Chicago. Now, however, the rise would be modest

Chart CO 3

1996 Cook County: No Change in Ord. Levels, But With Assessor's Full Values for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$516,817,971	\$1,112,037,228	\$1,112,037,228	1.52%	\$836,029,071	\$1,287,301,361	\$1,287,301,361	1.76%	\$10,959,572	\$12,686,870	16%
2	0.1004	0.16	1.5936	\$17,374,730,486	\$37,385,207,587	\$32,112,956,329	43.96%	\$27,688,813,524	\$42,634,698,442	\$37,362,447,184	51.14%	\$316,486,030	\$368,221,862	16%
3	0.2352	0.33	1.4031	\$2,945,459,741	\$6,337,745,725	\$6,337,745,725	8.68%	\$4,132,660,351	\$6,363,390,316	\$6,363,390,316	8.71%	\$62,461,019	\$62,713,757	0%
4	0.3	0.3	1.0000	\$111,691,551	\$240,326,710	\$240,326,710	0.33%	\$111,691,551	\$171,980,486	\$171,980,486	0.24%	\$2,368,516	\$1,694,936	-28%
5a Cm	0.3064	0.38	1.2402	\$11,917,461,929	\$25,642,802,833	\$24,013,098,043	32.87%	\$14,780,142,079	\$22,758,176,328	\$21,128,471,538	28.92%	\$236,658,686	\$208,229,538	-12%
5b Ind	0.3539	0.36	1.0172	\$3,995,365,129	\$8,596,827,148	\$8,372,040,918	11.46%	\$4,064,231,270	\$6,258,024,543	\$6,033,238,313	8.26%	\$82,509,812	\$59,459,977	-28%
6	0.16	0.16	1.0000	\$225,725,935	\$485,694,494	\$485,694,494	0.66%	\$225,725,935	\$347,568,420	\$347,568,420	0.48%	\$4,786,714	\$3,425,426	-28%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.03%	\$10,884,951	\$16,760,437	\$16,760,437	0.02%	\$230,825	\$165,181	-28%
8	0.16	0.16	1.0000	\$5,218,441	\$11,228,519	\$11,228,519	0.02%	\$5,218,441	\$8,035,254	\$8,035,254	0.01%	\$110,662	\$79,191	-28%
9	0.16	0.16	1.0000	\$17,394,761	\$37,428,307	\$37,428,307	0.05%	\$17,394,761	\$26,784,116	\$26,784,116	0.04%	\$368,871	\$263,968	-28%
Subtotal				\$37,120,750,895	\$79,872,719,701	\$72,745,977,423	99.58%	\$51,872,791,933	\$79,872,719,701	\$72,745,977,425	99.58%	\$716,940,706	\$716,940,706	0%
Railroad					\$308,929,595	\$308,929,595	0.42%		\$308,929,595	\$308,929,595	0.42%	\$3,044,625	\$3,044,625	0%
Air Pollution					\$349,985	\$349,985	0.00%		\$349,985	\$349,985	0.00%	\$3,449	\$3,449	0%
TOTAL				\$37,120,750,895	\$80,181,999,281	\$73,055,257,003	100.00%	\$51,872,791,933	\$80,181,999,281	\$73,055,257,005	100.00%	\$719,988,780	\$719,988,780	0%

Exempt.	\$5,253,519,025
TIF Incr.	\$1,873,223,253
Class 2	\$18,732,233
Class 5a Com	\$1,629,704,790
Class 5b Ind	\$224,786,230

	Current	New	% Change
Assess Base	\$73,055,257,003	\$73,055,257,005	0%
Extension	\$719,988,780	\$719,988,780	0%
Tax Rate	0.009855	0.009855	0%
Loss	\$—	\$—	

	Imputed Full Value	% of Total
Class 1	\$3,800,132,140	1.57%
Class 2	\$173,055,084,522	71.55%
Class 3	\$12,523,213,185	5.18%
Class 4	\$372,305,170	0.15%
Class 5a	\$38,895,110,734	16.08%
Class 5b	\$11,289,531,305	4.67%
Classes 6-9	\$1,620,150,550	0.67%
Non-Equalized	\$309,279,580	0.13%
TOTAL	\$241,864,807,186	100.00%

New Multiplier	1.5398	(Col 6 Subtotal/Col 9 Subtotal)
Current Multiplier	2.1517	(From IDOR)

1996 City of Chicago: No Change in Ord. Levels, But With Assessor's Full Values for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios (Does Not Include DuPage Portion)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$252,048,071	\$388,103,620	\$388,103,620	1.27%	\$7,262,902	\$8,525,870	17%
2	0.1004	0.16	1.5936	\$5,811,317,294	\$12,504,211,421	\$10,475,889,798	33.81%	\$9,261,063,417	\$14,260,185,449	\$12,231,863,825	40.03%	\$226,944,567	\$268,709,896	18%
3	0.2352	0.33	1.4031	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$2,623,813,391	\$4,040,147,859	\$4,040,147,859	13.22%	\$87,169,973	\$88,754,071	2%
4	0.3	0.3	1.0000	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$33,716,356	\$51,916,445	\$51,916,445	0.17%	\$1,571,633	\$1,140,502	-27%
5a Cm	0.3064	0.38	1.2402	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$7,983,806,717	\$12,293,465,583	\$11,830,827,575	38.72%	\$290,049,839	\$259,899,921	-10%
5b Ind	0.3539	0.36	1.0172	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$1,088,917,990	\$1,676,715,922	\$1,641,705,478	5.37%	\$49,139,630	\$36,065,028	-27%
6	0.16	0.16	1.0000	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$53,781,137	\$82,812,195	\$82,812,195	0.27%	\$2,506,921	\$1,819,220	-27%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$10,884,951	\$16,760,648	\$16,760,648	0.05%	\$507,384	\$368,198	-27%
8	0.16	0.16	1.0000	\$143,623	\$309,034	\$309,034	0.00%	\$143,623	\$221,151	\$221,151	0.00%	\$6,695	\$4,858	-27%
9	0.16	0.16	1.0000	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$15,936,800	\$24,539,485	\$24,539,485	0.08%	\$742,868	\$539,084	-27%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$21,324,112,453	\$32,834,868,355	\$30,308,898,279	99.19%	\$665,902,412	\$665,826,649	0%
Railroad					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$3,864	\$3,919	1%
Air Pollution					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.81%	\$5,386,052	\$5,461,761	1%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100.00%	\$21,324,112,453	\$33,083,669,936	\$30,557,699,860	100.00%	\$671,292,328	\$671,292,328	0%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Imputed Full Value	% of Total
Class 1	\$1,145,673,051	1.25%
Class 2	\$57,881,646,355	63.00%
Class 3	\$7,950,949,668	8.65%
Class 4	\$112,387,853	0.12%
Class 5a	\$21,010,017,676	22.87%
Class 5b	\$3,024,772,196	3.29%
Classes 6-9	\$504,665,694	0.55%
Non-Equalized	\$248,801,581	0.27%
TOTAL	\$91,878,914,074	100.00%

	Current	New	% Change
Assess Base	\$30,987,234,221	\$30,557,699,860	(1.4%)
Extension	\$671,292,328	\$671,292,328	0%
Tax Rate	0.021664	0.021968	1.4%
Loss	\$—	\$—	

New Multiplier	1.5398	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

Chart CPS 3

1996 Chicago Public Schools: No Change in Ord. Levels, But With Assessor's Full Values for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios (Does Not Include DuPage Portion)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$252,048,071	\$388,103,620	\$388,103,620	1.27%	\$14,402,648	\$16,907,168	17%
2	0.1004	0.16	1.5936	\$5,811,317,294	\$12,504,211,421	\$10,475,889,797	33.81%	\$9,261,063,417	\$14,260,185,449	\$12,231,863,825	40.03%	\$450,040,854	\$532,863,300	18%
3	0.2352	0.33	1.4031	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$2,623,813,391	\$4,040,147,859	\$4,040,147,859	13.22%	\$172,861,812	\$176,003,147	2%
4	0.3	0.3	1.0000	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$33,716,356	\$51,916,445	\$51,916,445	0.17%	\$3,116,617	\$2,261,664	-27%
5a Cm	0.3064	0.38	1.2402	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$7,983,806,717	\$12,293,465,583	\$11,830,827,575	38.72%	\$575,181,328	\$515,392,741	-10%
5b Ind	0.3539	0.36	1.0172	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$1,088,917,990	\$1,676,715,922	\$1,641,705,478	5.37%	\$97,446,002	\$71,518,504	-27%
6	0.16	0.16	1.0000	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$53,781,137	\$82,812,195	\$82,812,195	0.27%	\$4,971,331	\$3,607,592	-27%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$10,884,951	\$16,760,648	\$16,760,648	0.05%	\$1,006,165	\$730,153	-27%
8	0.16	0.16	1.0000	\$143,623	\$309,034	\$309,034	0.00%	\$143,623	\$221,151	\$221,151	0.00%	\$13,276	\$9,634	-27%
9	0.16	0.16	1.0000	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$15,936,800	\$24,539,485	\$24,539,485	0.08%	\$1,473,139	\$1,069,027	-27%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$21,324,112,453	\$32,834,868,355	\$30,308,898,280	99.19%	\$1,320,513,172	\$1,320,362,930	0%
Railroad				\$248,623,200	\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.81%	\$10,680,773	\$10,830,907	1%
Air Pollution				\$178,381	\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$7,663	\$7,771	1%
TOTAL				\$15,459,591,501	\$33,513,204,297	\$30,987,234,221	100.00%	\$21,324,112,453	\$33,083,669,936	\$30,557,699,861	100.00%	\$1,331,201,608	\$1,331,201,608	0%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

Imputed Full Value	% of Total	FUNDS
Class 1	\$1,145,673,051	1.25%
Class 2	\$57,881,646,355	63.00%
Class 3	\$7,950,949,668	8.65%
Class 4	\$112,387,853	0.12%
Class 5a	\$21,010,017,676	22.87%
Class 5b	\$3,024,772,196	3.29%
Classes 6-9	\$504,665,694	0.55%
Non-Equalized	\$248,801,581	0.27%
Total	\$91,878,914,074	100.00%

Current w/ Old EAV	With New EAV
Ed. Fund (R/L)*	\$985,223,936
Social Security	\$6,998,600
Op & Main	\$227,854,420
Worker's Comp	\$75,984,800
Subtotal	\$1,296,061,756
Tax Cap Max	\$1,278,555,661
PBC	\$52,645,947
TOTAL	\$1,331,201,608

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$30,987,234,221	\$30,557,699,861	(1.4%)
Extension	\$1,331,201,608	\$1,331,201,608	0.0%
Tax Rate	0.042960	0.0435635	1.4%
Loss	\$—	\$—	

New Multiplier	1.5398	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

1996 SD 36 (Winnetka): No Change in Ord. Levels, But With Assessor's Full Values for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$1,242,079	\$2,672,581	\$2,672,581	0.51%	\$2,009,245	\$3,093,836	\$3,093,836	0.52%	\$70,261	\$72,055	3%
2	0.1004	0.16	1.5936	\$233,590,841	\$502,617,413	\$484,564,735	92.01%	\$372,256,320	\$573,200,282	\$555,147,604	93.39%	\$12,739,038	\$12,929,383	1%
3	0.2352	0.33	1.4031	\$5,086,883	\$10,945,446	\$10,945,446	2.08%	\$7,137,208	\$10,989,873	\$10,989,873	1.85%	\$287,752	\$255,954	-11%
4	0.3	0.3	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.3064	0.38	1.2402	\$13,005,594	\$27,984,137	\$27,984,137	5.31%	\$16,129,653	\$24,836,440	\$24,836,440	4.18%	\$735,693	\$578,440	-21%
5b Ind	0.3539	0.36	1.0172	\$126,443	\$272,067	\$272,067	0.05%	\$128,622	\$198,053	\$198,053	0.03%	\$7,153	\$4,613	-36%
6	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$253,051,840	\$544,491,644	\$526,438,966	99.97%	\$397,661,050	\$612,318,484	\$594,265,806	99.97%	\$13,839,896	\$13,840,446	0%
Railroad					\$183,059	\$183,059	0.03%		\$183,059	\$183,059	0.03%	\$4,813	\$4,263	-11%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$253,051,840	\$544,674,703	\$526,622,025	100.00%	\$397,661,050	\$612,501,543	\$594,448,865	100.00%	\$13,844,709	\$13,844,709	0%

Exempt. \$18,052,678

	Imputed Full Value	% of Total
Class 1	\$9,132,934	0.38%
Class 2	\$2,326,602,002	96.93%
Class 3	\$21,627,904	0.90%
Class 4	\$—	0.00%
Class 5a	\$42,446,456	1.77%
Class 5b	\$357,285	0.02%
Classes 6-9	\$—	0.00%
Non-Equalized	\$183,059	0.01%
Total	\$2,400,349,639	100.00%

	Current	New	% Change
Assess Base	\$526,622,025	\$594,448,865	12.9%
Extension	\$13,844,709	\$13,844,709	0%
Tax Rate	0.0262897	0.0232900	(11.4%)
Loss	\$—	\$—	

	Imputed Full Value	% of Total
Class 1	\$9,132,934	0.38%
Class 2	\$2,326,602,002	96.93%
Class 3	\$21,627,904	0.90%
Class 4	\$—	0.00%
Class 5a	\$42,446,456	1.77%
Class 5b	\$357,285	0.02%
Classes 6-9	\$—	0.00%
Non-Equalized	\$183,059	0.01%
Total	\$2,400,349,639	100.00%

	New Multiplier	(From Cook Co. Chart)
New Multiplier	1.5398	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Curr w/old EAV	With New EAV
IMRF (Pension)	\$236,852	\$236,852
Soc Sec	\$215,798	\$215,798
Liab Ins	\$70,003	\$70,003
Trans (R/L)*	\$115,794	\$115,794
Education (R/L)	\$10,186,414	\$10,186,414
Bldg (R/L)	\$1,842,181	\$1,842,181
Work. Cash (R/L)	\$252,447	\$252,447
Subtotal	\$12,919,489	\$12,919,489
Tax Cap Max	\$12,854,673	\$12,854,673
Bonds	\$343,615	\$343,615
Life S Bonds	\$646,079	\$646,079
Grand Total	\$13,844,367	\$13,844,367

*R/L = Rate Limited

Chart NLTIF 3

**1996 North Loop TIF District: No Change in Ord. Levels, But Full Values
for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios (Assessment Increases Only)**

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$2,266,592	\$4,877,026	\$—	1.28%	\$3,666,546	\$5,645,747	\$—	1.66%	\$461,025	\$553,692	16%
3	0.2352	0.33	1.4031	\$1,780,461	\$3,831,018	\$—	1.00%	\$2,498,096	\$3,846,568	\$—	1.13%	\$362,146	\$363,616	0%
5a Cm	0.3064	0.38	1.2402	\$172,901,726	\$372,032,644	\$—	97.31%	\$214,434,255	\$330,185,867	\$—	96.88%	\$35,379,746	\$31,400,180	-11%
5b Ind	0.3539	0.36	1.0172	\$729,910	\$1,570,547	\$—	0.41%	\$742,491	\$1,143,288	\$—	0.34%	\$148,464	\$108,075	-27%
TOTAL				\$177,678,689	\$382,311,235	\$—	100.00%	\$221,341,388	\$340,821,470	\$—	100.00%	\$36,351,381	\$32,425,563	-11%

New Multiplier	1.5398	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the city-only districts' rates would *rise* (see, e.g. CH 3 and CPS 3). Therefore, the "new tax" figure (Col. 14) is *somewhat understated* and the percentage decreases in Col. 15 *somewhat overstated*.

Elimination or Alteration of Classification, continued

Values Change, continued

Scenario 3: Class 1, 2, 3, 5a and 5b Adjustments, continued

because all the classes are being factored upward and the aggregate loss of assessment base in Chicago would amount to less than 1.4 percent. The magnitude of the swings in rates would be less than for either of the first two scenarios.

The *Rate Limits* of districts would follow the earlier pattern. For suburban schools with their rising EAVs and falling rates, rate limits will be inoperative. On the other hand, the smaller decline in the assessment base experienced by the lower-than-average-residential districts in this scenario (and the accompanying reduction in the upward pressure on their rates) means rate limits would be less of a problem for these districts than in the preceding scenarios.

For *Tax Caps*, the reverse situation still holds true: the suburban schools with their rising assessment base would find their ability to capitalize on it (for greater tax extensions) limited by the tax cap formula. For lesser-than-average-residential districts, tax caps would be a non-issue.

Consequential Interactions: Taxing District Revenues of non-home-rule units would be less affected in this scenario than the two earlier ones because the swings are less. Looking again at the Chicago Public Schools, its only rate-limited fund (the educational fund) would not be affected at all. The swings in the class shifts would be less in both home-rule and non-home-rule units.

The *School-Aid Formula*, for the same reason, would be less affected. Suburban schools' assessment-base-per-pupil would rise more modestly, while Chicago's would still fall but somewhat less. This would result in some shift of school aid, under the existing formula, into Chicago but less so than for the two earlier scenarios.

TIF District revenues would fall more modestly than in either of the preceding scenarios because the fall in the multiplier would be offset somewhat by increases in the affected classes' AV. In the first scenario the new AV's had been decreased, and in the second scenario they had held even.

Again, nothing new need be added about *Incentive Classes*, other than to point out that if they are retained without adjustment, their relative benefit would theoretically be somewhat greater under this scenario than the preceding ones.

De Facto Correction

Combined Effect (Attempts to Eliminate *de facto* Classification)

(All ordinance levels to 33.3 percent and Assessor's full values adjusted for IDOR Ratio Studies)

Methodological Assumptions: It is assumed in this subsection that, first, the Assessor's full value imputed from the existing 1996 assessments for Class 2 only would be adjusted, based on the Department of Revenue's Assessment/Sales Ratio Studies, and that a 33.3 percent assessment level would then be applied to all property without any other full-value adjustments. This is followed by what the results would be if adjustments were also made in the Assessor's imputed full values for classes 1, 3, 5a and 5b on the basis of the Department's ratio-studies data, and again all assessment levels were changed to 33.3 percent.

Scenario 4:

Only Class 2 Value Adjustment Plus Ordinance Level Changes

Primary Interactions: As the earlier scenarios in this Report are now combined, the resulting changes, as might be expected, are enhanced. While earlier scenarios produced changes in *Assessed Values* in the 25 percent–50 percent range, the combined effect after adjusting just Class 2 Assessor's imputed full values, but then bringing all ordinance levels to 33.3 percent, would more than double the county-wide total AV, increasing it by 105.2 percent. Since Class 2 full values are the only ones adjusted upward, their share of the total assessed value would rise from less than 50 percent to more than 75 percent.

Chart CO 4

1996 Cook County: Ord. Levels to 33.3%, But With Assessor's Full Value for Class 2 Only Adjusted to IDOR Assessment/Sales Ratio

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$516,817,971	\$1,112,037,228	\$1,112,037,228	1.52%	\$782,274,474	\$820,145,537	\$820,145,537	1.12%	\$10,959,572	\$8,082,862	-26%
2	0.1004	0.333	3.3167	\$17,374,730,486	\$37,385,207,587	\$32,112,956,329	43.96%	\$57,627,343,146	\$60,417,167,934	\$55,144,916,676	75.48%	\$316,486,030	\$543,475,212	72%
3	0.33	0.333	1.0091	\$2,945,459,741	\$6,337,745,725	\$6,337,745,725	8.68%	\$2,972,236,648	\$3,116,127,013	\$3,116,127,013	4.27%	\$62,461,019	\$30,710,678	-51%
4	0.3	0.333	1.1100	\$111,691,551	\$240,326,710	\$240,326,710	0.33%	\$123,977,622	\$129,979,561	\$129,979,561	0.18%	\$2,368,516	\$1,281,001	-46%
5a Cm	0.38	0.333	0.8763	\$11,917,461,929	\$25,642,802,833	\$24,013,098,043	32.87%	\$10,443,460,059	\$10,949,043,384	\$9,319,338,594	12.76%	\$236,658,686	\$91,845,810	-61%
5b Ind	0.36	0.333	0.9250	\$3,995,365,129	\$8,596,827,148	\$8,372,040,918	11.46%	\$3,695,712,744	\$3,874,627,656	\$3,649,841,426	5.00%	\$82,509,812	\$35,970,647	-56%
6	0.16	0.333	2.0813	\$225,725,935	\$485,694,494	\$485,694,494	0.66%	\$469,792,102	\$492,535,432	\$492,535,432	0.67%	\$4,786,714	\$4,854,134	1%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.03%	\$22,654,304	\$23,751,033	\$23,751,033	0.03%	\$230,825	\$234,076	1%
8	0.16	0.333	2.0813	\$5,218,441	\$11,228,519	\$11,228,519	0.02%	\$10,860,880	\$11,386,672	\$11,386,672	0.02%	\$110,662	\$112,220	1%
9	0.16	0.333	2.0813	\$17,394,761	\$37,428,307	\$37,428,307	0.05%	\$36,202,846	\$37,955,480	\$37,955,480	0.05%	\$368,871	\$374,066	1%
Subtotal				\$37,120,750,895	\$79,872,719,701	\$72,745,977,423	99.58%	\$76,184,514,826	\$79,872,719,701	\$72,745,977,424	99.58%	\$716,940,706	\$716,940,706	0%
Railroad					\$308,929,595	\$308,929,595	0.42%		\$308,929,595	\$308,929,595	0.42%	\$3,044,625	\$3,044,625	0%
Air Pollution					\$349,985	\$349,985	0.00%		\$349,985	\$349,985	0.00%	\$3,449	\$3,449	0%
TOTAL				\$37,120,750,895	\$80,181,999,281	\$73,055,257,003	100.00%	\$76,184,514,826	\$80,181,999,281	\$73,055,257,004	100.00%	\$719,988,780	\$719,988,780	0%

Exempt.	\$5,253,519,025
TIF Incr.	\$1,873,223,253
Class 2	\$18,732,233
Class 5a Com	\$1,629,704,790
Class 5b Ind	\$224,786,230

	Imputed Full Value	% of Total
Class 1	\$2,349,172,595	1.03%
Class 2	\$173,055,084,522	75.54%
Class 3	\$8,925,635,579	3.90%
Class 4	\$372,305,170	0.16%
Class 5a	\$31,361,741,918	13.69%
Class 5b	\$11,098,236,469	4.84%
Classes 6-9	\$1,620,150,550	0.71%
Non-Equalized	\$309,279,580	0.14%
TOTAL	\$229,091,606,384	100.00%

	Current	New	% Change
Assess Base	\$73,055,257,003	\$73,055,257,004	0%
Extension	\$719,988,780	\$719,988,780	0%
Tax Rate	0.009855	0.009855	0%
Loss	\$—	\$—	

New Multiplier	1.0484	(Col 6 Subtotal/Col 9 Subtotal)
Current Multiplier	2.1517	(From IDOR)

1996 City of Chicago: Ord. Levels to 33.3%, But With Assessor's Full Value for Class 2 Only Adjusted to IDOR Assessment/Sales Ratio (Does Not Include DuPage Portion)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$235,842,005	\$247,256,758	\$247,256,758	0.90%	\$7,262,902	\$6,074,618	-16%
2	0.1004	0.333	3.3167	\$5,811,317,294	\$12,504,211,421	\$10,475,889,798	33.81%	\$19,274,588,236	\$20,207,478,307	\$18,179,156,683	66.53%	\$226,944,567	\$446,626,523	97%
3	0.33	0.333	1.0091	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,887,063,938	\$1,978,397,833	\$1,978,397,833	7.24%	\$87,169,973	\$48,605,387	-44%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$39,236,533	\$39,236,533	0.14%	\$1,571,633	\$963,965	-39%
5a Cm	0.38	0.333	0.8763	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$5,641,256,093	\$5,914,292,888	\$5,451,654,880	19.95%	\$290,049,839	\$133,936,557	-54%
5b Ind	0.36	0.333	0.9250	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$990,181,864	\$1,038,106,666	\$1,003,096,222	3.67%	\$49,139,630	\$24,644,123	-50%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$117,349,500	\$117,349,500	0.43%	\$2,506,921	\$2,883,049	15%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$23,750,773	\$23,750,773	0.09%	\$507,384	\$583,510	15%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$313,383	\$313,383	0.00%	\$6,695	\$7,699	15%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$34,773,819	\$34,773,819	0.13%	\$742,868	\$854,325	15%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$28,234,410,968	\$29,600,956,459	\$27,074,986,383	99.09%	\$665,902,412	\$665,179,757	0%
Railroad					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$3,864	\$4,382	13%
Air Pollution					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.91%	\$5,386,052	\$6,108,188	13%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100.00%	\$28,234,410,968	\$29,849,758,040	\$27,323,787,964	100.00%	\$671,292,328	\$671,292,328	0%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Imputed Full Value	% of Total
Class 1	\$708,234,250	0.83%
Class 2	\$57,881,646,355	68.07%
Class 3	\$5,666,858,673	6.66%
Class 4	\$112,387,853	0.13%
Class 5a	\$16,940,708,989	19.92%
Class 5b	\$2,973,519,111	3.50%
Classes 6-9	\$504,665,694	0.59%
Non-Equalized	\$248,801,581	0.29%
TOTAL	\$85,036,822,506	100.00%

	Current	New	% Change
Assess Base	\$30,987,234,221	\$27,323,787,964	(11.8%)
Extension	\$671,292,328	\$671,292,328	0%
Tax Rate	0.021664	0.024568	13.4%
Loss	\$—	\$—	

New Multiplier	1.0484	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

Chart CPS 4

1996 Chicago Public Schools: Ord. Levels to 33.3%, But With Assessor's Full Value for Class 2 Only Adjusted to IDOR Assessment/Sales Ratio (Does Not Include DuPage Portion)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$235,842,005	\$247,256,758	\$247,256,758	0.90%	\$14,402,648	\$11,477,617	-20%
2	0.1004	0.333	3.3167	\$5,811,317,294	\$12,504,211,421	\$10,475,889,798	33.81%	\$19,274,588,236	\$20,207,478,307	\$18,179,156,683	66.53%	\$450,040,854	\$843,873,403	88%
3	0.33	0.333	1.0091	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,887,063,938	\$1,978,397,833	\$1,978,397,833	7.24%	\$172,861,812	\$91,836,895	-47%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$39,236,533	\$39,236,533	0.14%	\$3,116,617	\$1,821,353	-42%
5a Cm	0.38	0.333	0.8763	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$5,641,256,093	\$5,914,292,888	\$5,451,654,880	19.95%	\$575,181,328	\$253,064,905	-56%
5b Ind	0.36	0.333	0.9250	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$990,181,864	\$1,038,106,666	\$1,003,096,222	3.67%	\$97,446,002	\$46,563,558	-52%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$117,349,500	\$117,349,500	0.43%	\$4,971,331	\$5,447,344	10%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$23,750,773	\$23,750,773	0.09%	\$1,006,165	\$1,102,507	10%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$313,383	\$313,383	0.00%	\$13,276	\$14,547	10%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$34,773,819	\$34,773,819	0.13%	\$1,473,139	\$1,614,195	10%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$28,234,410,968	\$29,600,956,459	\$27,074,986,383	99.09%	\$1,320,513,172	\$1,256,816,325	-5%
Railroad					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.91%	\$10,680,773	\$11,541,047	8%
Air Pollution					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$7,663	\$8,280	8%
TOTAL				\$15,459,591,501	\$33,513,204,297	\$30,987,234,221	100.00%	\$28,234,410,968	\$29,849,758,040	\$27,323,787,964	100.00%	\$1,331,201,608	\$1,268,365,653	-5%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Current	New	% Change
Assess Base	\$30,987,234,221	\$27,323,787,964	(11.8%)
Extension	\$1,331,201,608	\$1,268,365,653	(4.7%)
Tax Rate	0.042960	0.0464198	8.1%
Loss	\$—	(62,835,955)	

	Imputed Full Value	% of Total
Class 1	\$708,234,250	0.83%
Class 2	\$57,881,646,355	68.07%
Class 3	\$5,666,858,673	6.66%
Class 4	\$112,387,853	0.13%
Class 5a	\$16,940,708,989	19.92%
Class 5b	\$2,973,519,111	3.50%
Classes 6-9	\$504,665,694	0.59%
Non-Equalized	\$248,801,581	0.29%
Total	\$85,036,822,506	100.00%

New Multiplier	1.0484	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Ed. Fund (R/L)*	\$985,223,936	\$904,881,886
Social Security	\$6,998,600	\$6,998,600
Op & Main	\$227,854,420	\$227,854,420
Worker's Comp	\$75,984,800	\$75,984,800
Subtotal	\$1,296,061,756	\$1,215,719,706
Tax Cap Max	\$1,278,555,661	= \$1,278,555,661
PBC	\$52,645,947	\$52,645,947
TOTAL	\$1,331,201,608	\$1,268,365,653

*R/L = Rate Limited

Chart WSD 4

1996 SD 36 (Winnetka): Ord. Levels to 33.3%, But With Assessor's Full Value for Class 2 Only Adjusted to IDOR Assessment/Sales Ratio

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$1,242,079	\$2,672,581	\$2,672,581	0.51%	\$1,880,056	\$1,971,051	\$1,971,051	0.24%	\$70,261	\$33,532	-52%
2	0.1004	0.333	3.3167	\$233,590,841	\$502,617,413	\$484,564,735	92.01%	\$774,758,467	\$812,256,776	\$794,204,098	97.59%	\$12,739,038	\$13,511,152	6%
3	0.33	0.333	1.0091	\$5,086,883	\$10,945,446	\$10,945,446	2.08%	\$5,133,127	\$5,381,571	\$5,381,571	0.66%	\$287,752	\$91,552	-68%
4	0.3	0.333	1.1100	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.333	0.8763	\$13,005,594	\$27,984,137	\$27,984,137	5.31%	\$11,397,007	\$11,948,623	\$11,948,623	1.47%	\$735,693	\$203,272	-72%
5b Ind	0.36	0.333	0.9250	\$126,443	\$272,067	\$272,067	0.05%	\$116,960	\$122,621	\$122,621	0.02%	\$7,153	\$2,086	-71%
6	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$253,051,840	\$544,491,644	\$526,438,966	99.97%	\$793,285,617	\$831,680,641	\$813,627,963	99.98%	\$13,839,896	\$13,841,595	0%
Railroad					\$183,059	\$183,059	0.03%		\$183,059	\$183,059	0.02%	\$4,813	\$3,114	-35%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$253,051,840	\$544,674,703	\$526,622,025	100.00%	\$793,285,617	\$831,863,700	\$813,811,022	100.00%	\$13,844,709	\$13,844,709	0%

Exempt. \$18,052,678

	Imputed Full Value	% of Total
Class 1	\$5,645,814	0.24%
Class 2	\$2,326,602,002	97.66%
Class 3	\$15,414,797	0.65%
Class 4	\$—	0.00%
Class 5a	\$34,225,247	1.44%
Class 5b	\$351,231	0.01%
Classes 6-9	\$—	0.00%
Non-Equalized	\$183,059	0.01%
Total	\$2,382,422,150	100.00%

	Current	New	% Change
Assess Base	\$526,622,025	\$813,811,022	54.5%
Extension	\$13,844,709	\$13,844,709	(0%)
Tax Rate	0.0262897	0.0170122	(35.3%)
Loss	\$—	\$—	

New Multiplier 1.0484 (From Cook Co. Chart)
 Current Multiplier 2.1517 (From IDOR)

FUNDS	Curr w/old EAV	With New EAV
IMRF (Pension)	\$236,852	\$236,852
Soc Sec	\$215,798	\$215,798
Liab Ins	\$70,003	\$70,003
Trans (R/L)*	\$115,794	\$115,794
Education (R/L)	\$10,186,414	\$10,186,414
Bldg (R/L)	\$1,842,181	\$1,842,181
Work. Cash (R/L)	\$252,447	\$252,447
Subtotal	\$12,919,489	\$12,919,489
Tax Cap Max	\$12,854,673	\$12,854,673
Bonds	\$343,615	\$343,615
Life S Bonds	\$646,079	\$646,079
Grand Total	\$13,844,367	\$13,844,367

*R/L = Rate Limited

Chart NLTIF 4

1996 North Loop TIF District: Ord. Levels to 33.3%, But With Full Value of Class 2 Only Adjusted to IDOR Assessment/Sales Ratio (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$2,266,592	\$4,877,026	\$—	1.28%	\$3,430,796	\$3,596,847	\$—	2.18%	\$461,025	\$340,010	-26%
3	0.33	0.333	1.0091	\$1,780,461	\$3,831,018	\$—	1.00%	\$1,796,647	\$1,883,605	\$—	1.14%	\$362,146	\$178,057	-51%
5a Cm	0.38	0.333	0.8763	\$172,901,726	\$372,032,644	\$—	97.31%	\$151,516,513	\$158,849,912	\$—	96.25%	\$35,380,556	\$15,106,734	-57%
5b Ind	0.36	0.333	0.9250	\$729,910	\$1,570,547	\$—	0.41%	\$675,167	\$707,845	\$—	0.43%	\$148,464	\$66,913	-55%
TOTAL				\$177,678,689	\$382,311,235	\$—	100.00%	\$157,419,122	\$165,038,208	\$—	100.00%	\$36,352,191	\$15,691,714	-57%

New Multiplier	1.0484	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the city-only districts' rates would *rise* (see, e.g. CH 4 and CPS 4). Therefore, the "new tax" figure (Col. 14) is *somewhat understated* and the percentage decreases in Col. 15 *somewhat overstated*.

Elimination or Alteration of Classification, continued

De Facto Correction, continued

Scenario 4: Only Class 2 Value Adjustment, continued

In response to these large AV increases the *Multiplier* would drop over 50 percent (from 2.1517 to 1.0484).

The county-wide aggregate *Equalized Assessed Values* would remain unchanged (which, of course, was the purpose of reducing the multiplier); but the relative class shifts would be the most dramatic of any of the scenarios: Class 2 (smaller residential), +72 percent; Class 1 (vacant land), -26 percent; Class 3 (apartment buildings), -51 percent; Class 5a (commercial), -61 percent; and Class 5b (industrial), -56 percent.

Secondary Interactions: With the large increase in the AV of all Class 2 (smaller residential) property, any taxing district with greater-than-county-wide average of such property would experience an overall assessment base increase, notwithstanding the sharp drop in the multiplier. This would produce a decrease in *Tax Rates*, as, e.g., Winnetka School District No. 36's rate would fall 35.29 percent. However in a taxing district with a substantial residential property base but still less than the county-wide average, the increases in Class 2 AV would be more than offset by the lower multiplier, and the district would lose assessment base. In Chicago, for example, the assessment base would fall by 11.8 percent and the tax rate would rise by 10.6 percent.

Rate Limits would be meaningless in the suburban school situation with their falling tax rates; and of course Chicago, as a home-rule-unit, has no rate limits. For the Chicago Public Schools, on the other hand, the loss of 11.8 percent of its assessment base would precipitate an attempted rate rise which, when it hit its limit, would result in lost revenue.

Tax Caps would not be a problem to falling AV jurisdictions with their upward pressure on rates colliding with rate limits; nor are any home-rule-units subject to tax caps. In the typical suburban school situation, the rising assessment base and falling rates offer a tempting target for expanding levies and extensions. It is these jurisdictions that tax caps would keep in check.

Consequential Interactions: *Taxing District Revenues* would be more significantly affected for less-than-average-residential, rate-limited districts in this scenario than in any of the others. This is true because the larger loss of assessment base would put greater upward pressure on tax rates; meaning that more districts would hit their rate limits and hit them sooner than in any other scenario.

The impact on the *School-Aid Formula* would be more pronounced here than in the other scenarios, since suburban districts' EAV-per-pupil would rise further while Chicago's would fall further than previously.

TIF District revenues would be much more adversely affected because the EAVs of the commercial/industrial property, which make up most of the TIF increment, would fall more.

If unadjusted, *Incentive Classes* would be receiving even more favorable treatment than before.

Scenario 5: Class 1, 2, 3, 5a and 5b Value Adjustments Plus Ordinance Level Changes

Primary Interactions: *Assessed Values* would rise even more than in the preceding scenarios with the county's total AV rising by 116.7 percent. However, the extent of the differential between classes would be somewhat less, occasioned by full-value adjustments in classes other than Class 2. The total AV of Class 2 would now be slightly over 71 percent.

The *Multiplier* would fall even further (by 53.9 percent), from 2.1517 to .9930.

The county-wide aggregate *Equalized Assessed Values*, while still unchanged, would exhibit somewhat lesser class shifts than the dramatic changes of the preceding scenario. Nonetheless, smaller

Chart CO 5

1996 Cook County: Ord. Levels to 33.3%, But With Assessor's Full Value for Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$516,817,971	\$1,112,037,228	\$1,112,037,228	1.52%	\$1,265,444,003	\$1,256,551,205	\$1,256,551,205	1.72%	\$10,959,572	\$12,383,815	13%
2	0.1004	0.333	3.3167	\$17,374,730,486	\$37,385,207,587	\$32,112,956,329	43.96%	\$57,627,343,146	\$57,222,371,998	\$51,950,120,740	71.11%	\$316,486,030	\$511,989,220	62%
3	0.2352	0.333	1.4158	\$2,945,459,741	\$6,337,745,725	\$6,337,745,725	8.68%	\$4,170,229,990	\$4,140,924,061	\$4,140,924,061	5.67%	\$62,461,019	\$40,810,463	-35%
4	0.3	0.333	1.1100	\$111,691,551	\$240,326,710	\$240,326,710	0.33%	\$123,977,622	\$123,106,380	\$123,106,380	0.17%	\$2,368,516	\$1,213,263	-49%
5a Cm	0.3064	0.333	1.0868	\$11,917,461,929	\$25,642,802,833	\$24,013,098,043	32.87%	\$12,952,071,875	\$12,861,052,315	\$11,231,347,525	15.37%	\$236,658,686	\$110,689,422	-53%
5b Ind	0.3539	0.333	0.9409	\$3,995,365,129	\$8,596,827,148	\$8,372,040,918	11.46%	\$3,759,413,925	\$3,732,994,970	\$3,508,208,740	4.80%	\$82,509,812	\$34,574,800	-58%
6	0.16	0.333	2.0813	\$225,725,935	\$485,694,494	\$485,694,494	0.66%	\$469,792,102	\$466,490,679	\$466,490,679	0.64%	\$4,786,714	\$4,597,452	-4%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.03%	\$22,654,304	\$22,495,103	\$22,495,103	0.03%	\$230,825	\$221,698	-4%
8	0.16	0.333	2.0813	\$5,218,441	\$11,228,519	\$11,228,519	0.02%	\$10,860,880	\$10,784,556	\$10,784,556	0.01%	\$110,662	\$106,286	-4%
9	0.16	0.333	2.0813	\$17,394,761	\$37,428,307	\$37,428,307	0.05%	\$36,202,846	\$35,948,434	\$35,948,434	0.05%	\$368,871	\$354,286	-4%
Subtotal				\$37,120,750,895	\$79,872,719,701	\$72,745,977,423	99.58%	\$80,437,990,693	\$79,872,719,701	\$72,745,977,423	99.58%	\$716,940,706	\$716,940,706	0%
Railroad					\$308,929,595	\$308,929,595	0.42%		\$308,929,595	\$308,929,595	0.42%	\$3,044,625	\$3,044,625	0%
Air Pollution					\$349,985	\$349,985	0.00%		\$349,985	\$349,985	0.00%	\$3,449	\$3,449	0%
TOTAL				\$37,120,750,895	\$80,181,999,281	\$73,055,257,003	100.00%	\$80,437,990,693	\$80,181,999,281	\$73,055,257,003	100.00%	\$719,988,780	\$719,988,780	0%

Exempt.	\$5,253,519,025
TIF Incr.	\$1,873,223,253
Class 2	\$18,732,233
Class 5a Com	\$1,629,704,790
Class 5b Ind	\$224,786,230

	Imputed Full Value	% of Total
Class 1	\$3,800,132,140	1.57%
Class 2	\$173,055,084,522	71.55%
Class 3	\$12,523,213,185	5.18%
Class 4	\$372,305,170	0.15%
Class 5a	\$38,895,110,734	16.08%
Class 5b	\$11,289,531,305	4.67%
Classes 6-9	\$1,620,150,550	0.67%
Non-Equalized	\$309,279,580	0.13%
TOTAL	\$241,864,807,186	100.00%

	Current	New	% Change
Assess Base	\$73,055,257,003	\$73,055,257,003	0%
Extension	\$719,988,780	\$719,988,780	0%
Tax Rate	0.009855	0.009855	0%
Loss	\$—	\$—	

New Multiplier	0.9930	(Col 6 Subtotal/Col 9 Subtotal)
Current Multiplier	2.1517	(From IDOR)

1996 City of Chicago: Ord. Levels to 33.3%, But With Assessor's Full Value for Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios (Does Not Include DuPage Portion)

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$381,509,126	\$378,838,562	\$378,838,562	1.35%	\$7,262,902	\$9,075,398	25%
2	0.1004	0.333	3.3167	\$5,811,317,294	\$12,504,211,421	\$10,475,889,798	33.81%	\$19,274,588,236	\$19,139,666,118	\$17,111,344,494	61.06%	\$226,944,567	\$409,916,706	81%
3	0.2352	0.333	1.4158	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$2,647,666,240	\$2,629,132,576	\$2,629,132,576	9.38%	\$87,169,973	\$62,983,091	-28%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$37,163,179	\$37,163,179	0.13%	\$1,571,633	\$890,275	-43%
5a Cm	0.3064	0.333	1.0868	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$6,996,335,886	\$6,947,361,535	\$6,484,723,527	23.14%	\$290,049,839	\$155,347,028	-46%
5b Ind	0.3539	0.333	0.9409	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$1,007,249,141	\$1,000,198,397	\$965,187,953	3.44%	\$49,139,630	\$23,121,892	-53%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$111,148,467	\$111,148,467	0.40%	\$2,506,921	\$2,662,655	6%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$22,495,724	\$22,495,724	0.08%	\$507,384	\$538,904	6%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$296,823	\$296,823	0.00%	\$6,695	\$7,111	6%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$32,936,286	\$32,936,286	0.12%	\$742,868	\$789,017	6%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$30,512,827,460	\$30,299,237,668	\$27,773,267,592	99.11%	\$665,902,412	\$665,332,076	0%
Railroad					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$3,864	\$4,273	11%
Air Pollution					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.89%	\$5,386,052	\$5,955,979	11%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100.00%	\$30,512,827,460	\$30,548,039,249	\$28,022,069,173	100.00%	\$671,292,328	\$671,292,328	0%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Imputed Full Value	% of Total
Class 1	\$1,145,673,051	1.25%
Class 2	\$57,881,646,355	63.00%
Class 3	\$7,950,949,668	8.65%
Class 4	\$112,387,853	0.12%
Class 5a	\$21,010,017,676	22.87%
Class 5b	\$3,024,772,196	3.29%
Classes 6-9	\$504,665,694	0.55%
Non-Equalized	\$248,801,581	0.27%
TOTAL	\$91,878,914,074	100.00%

	Current	New	% Change
Assess Base	\$30,987,234,221	\$28,022,069,173	(9.6%)
Extension	\$671,292,328	\$671,292,328	0%
Tax Rate	0.021664	0.023956	10.6%

New Multiplier	0.9930	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

Chart CPS 5

1996 Chicago Public Schools: Ord. Levels to 33.3%, But With Assessor's Full Value for Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios (Does Not Include DuPage Portion)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$381,509,126	\$378,838,562	\$378,838,562	1.35%	\$14,402,648	\$17,460,040	21%
2	0.1004	0.333	3.3167	\$5,811,317,294	\$12,504,211,421	\$10,475,889,797	33.81%	\$19,274,588,236	\$19,139,666,118	\$17,111,344,494	61.06%	\$450,040,854	\$788,633,451	75%
3	0.2352	0.333	1.4158	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$2,647,666,240	\$2,629,132,576	\$2,629,132,576	9.38%	\$172,861,812	\$121,172,354	-30%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$37,163,179	\$37,163,179	0.13%	\$3,116,617	\$1,712,789	-45%
5a Cm	0.3064	0.333	1.0868	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$6,996,335,886	\$6,947,361,535	\$6,484,723,527	23.14%	\$575,181,328	\$298,870,138	-48%
5b Ind	0.3539	0.333	0.9409	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$1,007,249,141	\$1,000,198,397	\$965,187,953	3.44%	\$97,446,002	\$44,483,910	-54%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$111,148,467	\$111,148,467	0.40%	\$4,971,331	\$5,122,648	3%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$22,495,724	\$22,495,724	0.08%	\$1,006,165	\$1,036,791	3%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$296,823	\$296,823	0.00%	\$13,276	\$13,680	3%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$32,936,286	\$32,936,286	0.12%	\$1,473,139	\$1,517,979	3%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$30,512,827,460	\$30,299,237,668	\$27,773,267,592	99.11%	\$1,320,513,172	\$1,280,023,780	-3%
Railroad					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.89%	\$10,680,773	\$11,458,630	7%
Air Pollution					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$7,663	\$8,221	7%
TOTAL				\$15,459,591,501	\$33,513,204,297	\$30,987,234,221	100.00%	\$30,512,827,460	\$30,548,039,249	\$28,022,069,173	100.00%	\$1,331,201,608	\$1,291,490,632	-3%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Current	New	% Change
Assess Base	\$30,987,234,221	\$28,022,069,173	(9.6%)
Extension	\$1,331,201,608	\$1,291,490,632	(3.0%)
Tax Rate	0.042960	0.0460883	7.1%
Loss	\$—	(39,710,976)	

	Imputed Full Value	% of Total
Class 1	\$1,145,673,051	1.25%
Class 2	\$57,881,646,355	63.00%
Class 3	\$7,950,949,668	8.65%
Class 4	\$112,387,853	0.12%
Class 5a	\$21,010,017,676	22.87%
Class 5b	\$3,024,772,196	3.29%
Classes 6-9	\$504,665,694	0.55%
Non-Equalized	\$248,801,581	0.27%
Total	\$91,878,914,074	100.00%

New Multiplier	0.9930	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Ed. Fund (R/L)*	\$985,223,936	\$928,006,865
Social Security	\$6,998,600	\$6,998,600
Op & Main	\$227,854,420	\$227,854,420
Worker's Comp	\$75,984,800	\$75,984,800
Subtotal	\$1,296,061,756	\$1,238,844,685
Tax Cap Max	\$1,278,555,661	\$1,278,555,661
PBC	\$52,645,947	\$52,645,947
TOTAL	\$1,331,201,608	\$1,291,490,632

*R/L = Rate Limited

1996 SD 36 (Winnetka): Ord. Levels to 33.3%, But With Assessor's Full Value for Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$1,242,079	\$2,672,581	\$2,672,581	0.51%	\$3,041,267	\$3,019,978	\$3,019,978	0.39%	\$70,261	\$53,894	-23%
2	0.1004	0.333	3.3167	\$233,590,841	\$502,617,413	\$484,564,735	92.01%	\$774,758,467	\$769,335,157	\$751,282,479	96.84%	\$12,739,038	\$13,407,331	5%
3	0.2352	0.333	1.4158	\$5,086,883	\$10,945,446	\$10,945,446	2.08%	\$7202,092	\$7,151,677	\$7,151,677	0.92%	\$287,752	\$127,628	-56%
4	0.3	0.333	1.1100	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.3064	0.333	1.0868	\$13,005,594	\$27,984,137	\$27,984,137	5.31%	\$14,134,670	\$14,035,727	\$14,035,727	1.81%	\$735,693	\$250,481	-66%
5b Ind	0.3539	0.333	0.9409	\$126,443	\$272,067	\$272,067	0.05%	\$118,976	\$118,143	\$118,143	0.02%	\$7,153	\$2,108	-71%
6	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$253,051,840	\$544,491,644	\$526,438,966	99.97%	\$799,255,471	\$793,660,683	\$775,608,005	99.98%	\$13,839,896	\$13,841,442	0%
Railroad					\$183,059	\$183,059	0.03%		\$183,059	\$183,059	0.02%	\$4,813	\$3,267	-32%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$253,051,840	\$544,674,703	\$526,622,025	100.00%	\$799,255,471	\$793,843,742	\$775,791,064	100.00%	\$13,844,709	\$13,844,709	0%

Exempt. \$18,052,678

	Imputed Full Value	% of Total
Class 1	\$9,132,934	0.38%
Class 2	\$2,326,602,002	96.93%
Class 3	\$21,627,904	0.90%
Class 4	\$—	0.00%
Class 5a	\$42,446,456	1.77%
Class 5b	\$357,285	0.01%
Classes 6-9	\$—	0.00%
Non-Equalized	\$183,059	0.01%
Total	\$2,400,349,639	100.00%

	Current	New	% Change
Assess Base	\$526,622,025	\$775,791,064	47.3%
Extension	\$13,844,709	\$13,844,709	0%
Tax Rate	0.0262897	0.0178459	(32.1%)
Loss	\$—	\$—	

New Multiplier 0.9930 (From Cook Co. Chart)
Current Multiplier 2.1517 (From IDOR)

FUNDS	Curr w/old EAV	With New EAV
IMRF (Pension)	\$236,852	\$236,852
Soc Sec	\$215,798	\$215,798
Liab Ins	\$70,003	\$70,003
Trans (R/L)*	\$115,794	\$115,794
Education (R/L)	\$10,186,414	\$10,186,414
Bldg (R/L)	\$1,842,181	\$1,842,181
Work. Cash (R/L)	\$252,447	\$252,447
Subtotal	\$12,919,489	\$12,919,489
Tax Cap Max	\$12,854,673	\$12,854,673
Bonds	\$343,615	\$343,615
Life S Bonds	\$646,079	\$646,079
Grand Total	\$13,844,367	\$13,844,367

*R/L = Rate Limited

Chart NLTIF 5

1996 North Loop TIF District: Ord. Levels to 33.3%, But With Assessor's Full Value for Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$2,266,592	\$4,877,026	\$—	1.28%	\$5,549,817	\$5,510,968	\$—	2.82%	\$461,025	\$520,952	13%
3	0.2352	0.333	1.4158	\$1,780,461	\$3,831,018	\$—	1.00%	\$2,520,806	\$2,503,160	\$—	1.28%	\$362,146	\$236,624	-35%
5a Cm	0.3064	0.333	1.0868	\$172,901,726	\$372,032,644	\$—	97.31%	\$187,912,124	\$186,596,739	\$—	95.55%	\$35,379,746	\$17,745,070	-50%
5b Ind	0.3539	0.333	0.9409	\$729,910	\$1,570,547	\$—	0.41%	\$686,804	\$681,997	\$—	0.35%	\$148,464	\$64,469	-57%
TOTAL				\$177,678,689	\$382,311,235	\$—	100.00%	\$196,669,551	\$195,292,864	\$—	100.00%	\$36,351,381	\$18,567,115	-49%

New Multiplier	0.9930	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the city-only districts' rates would *rise* (see, e.g. CH 5 and CPS 5). Therefore, the "new tax" figure (Col. 14) is *somewhat understated* and the percentage decreases in Col. 15 *somewhat overstated*.

Elimination or Alteration of Classification, continued

De Facto Correction, continued

Scenario 5: Class 1, 2, 3, 5a and 5b Adjustments, continued

residential (Class 2) properties would still be up 62 percent, while commercial (5a) and industrial (5b) would be down over 50 percent.

Secondary Interactions: Tax Rates would follow the pattern in the preceding scenario with slightly reduced changes. Winnetka School District No. 36's slightly lower assessment base rise would see a rate drop of 32.1 percent; while the City of Chicago's 9.6 percent assessment base drop would cause a 10.6 percent rate rise.

Rate Limits again are relevant only to less-than-average-residential taxing districts with their falling assessment bases and upward pressure on rates. The Chicago Public Schools would reach their limit and lose revenue, but somewhat less than in the preceding scenario.

Tax Caps also would follow the earlier pattern: no problem to the districts losing assessment base, but limiting suburban school districts in increasing their revenues predicated on the rising assessment base.

Consequential Interactions: Taxing District Revenues would be affected in a similar manner but to a slightly lesser extent than in the preceding scenario.

Similarly, the results would be the same as the *School-Aid Formula* but in slightly reduced amounts.

TIF District revenues would again suffer substantial losses (almost half), but not quite to the extent in the fourth scenario.

Incentive Classes, if left intact and unadjusted, would still grant a greater benefit, but not quite as much as in the preceding scenario.

Exemptions and Special Valuations as Classification

Classification, which is the authorized deviation from strict ad valorem taxation, also includes other features of the system that have the effect of altering the magnitude of the differential between classes. One of the most visible of such features is the variety of exemptions extended specifically to some home owners: the homeowners' exemption, the senior citizens' exemption and the senior freeze. Collectively these benefits, reflected in lower tax bills for their recipients, are effectuated through specified deductions from equalized assessed value on each qualifying tax parcel.

The subtraction of these exemptions occurs before tax rates are calculated and taxes extended. The dollar amount of these reductions in EAV are listed on the accompanying charts, and for county-wide assessments aggregate over \$5 billion. This amount all shows up in Class 2 (smaller residential) properties, representing most of the difference between its gross EAV and its net EAV.

To illustrate the impact of these deductions, the aggregate of Class 2 gross EAV is 46.6 percent of the total, while after the deductions the Class 2 net EAV is only 44.0 percent of the total. This approximately \$500 million tax reduction is then spread to the remaining classes, with commercial (Class 5a) properties picking up almost 60 percent of it, and more than a third of it being split between industrial (Class 5b) properties and apartment buildings (Class 3). Thus the apparent differential between Class 2 and the other classes (either on an ordinance-level basis, or after any Assessor-value adjustments utilizing DOR Ratio Studies) is always further widened by this exemption amount.

The other amount (besides exemptions) that is subtracted from gross EAV to arrive at net EAV is the EAV of the TIF increment. It should be noted that the TIF increment is not subject to the same considerations as the exemptions. Full taxes are paid on the TIF increment: it is simply that those amounts are distributed into the TIF system rather than to the levying taxing districts. Also, most of the TIF increment county-wide is commercial (Class 5a) property, and presumably that is largely new construction and does not represent a tax burden being added to and borne by existing Class 5a value.

Elimination of Equalization

The other side of the exemption picture—the full exemptions under Article 15 of the Property Tax Code—while also having a possibly profound impact on classification, are virtually impossible to quantify and have quite different theoretical underpinnings. There is no agreed “taxable value” to, e.g., Holy Name Cathedral or the Dirksen Federal Building. Charitable and religious exemptions pre-date the founding of the Republic, and governmental property tax exemption is just one of a myriad of intergovernmental accommodations that characterize our federal system of government.

Special valuation procedures pose another, largely unquantifiable, departure from strict ad valorem theory (i.e., assessments in proportion to value). The statutory authorizations for these procedures are set forth in Article 10 of the Property Tax Code. The one that has received the most intense judicial scrutiny is the farm valuation process (§§10-110 through 10-147). The Illinois Supreme Court upheld this procedure against a challenge that it was an unauthorized General-Assembly-imposed classification.¹³ A full discussion of the ramifications of this method of blending other social policies into an existing ad valorem property tax system is beyond the scope of this Report.

The discussions surrounding the justification for the equalization of assessments and the benefits which, it is urged, would flow from the elimination of this procedure, tend to focus solely on its impact on the relative size of tax bills. Specifically, it has been asserted that eliminating the state’s equalization multiplier for Cook County (which is the numerical equivalent of reducing it from its 1996 level of 2.1517 to 1.0000, either in one step or gradually) would achieve the twin goals of reducing taxes and reducing the perceived competitive tax disadvantage experienced by Cook County business property.

In addressing this topic, this Report will focus primarily on the interaction of rate limits with any downward revisions of the multiplier, since it is at that point that the above issues are articulated. The additional interactions, concerning the impact on school-aid funding and the handling of taxing districts overlapping county boundaries, will be dealt with, but separately since they are viewed as separable problems.

If there is to be equalization of assessments, then the unit of equalization is an important consideration. To date, in Cook County the unit of equalization has been the county as a whole. In downstate counties, where separate township assessors make most of the initial proposed assessments, there is provision for township multipliers to effectuate county-wide uniformity. In Cook County, with a single assessing source, no such need exists; and Cook County’s Board of Appeals/Review has no authority to apply township multipliers. However, there has been a suggestion that Cook County’s triennial *assessment* districts be equalized separately. The purpose would be to factor out differential inflationary changes caused by the sequential reassessment of only a portion of the county each year. A final suggestion has been to assign multipliers to each assessment class, thereby attempting to assure that each class is at its ordinance level.

In examining the consequences of altering the multipliers, attention will first be given to county multipliers (Cook County and downstate analyzed separately), followed by assessment-district and class multipliers.

County Multipliers

1. If the multiplier were eliminated for county assessment purposes only (i.e., no equalization of assessments at the county level), the consequences would be as follows:
 - a. *In Cook County*, (i) there would not be any changes in the AV, but the net EAV would fall to below one-half its former level; (ii) the tax rates would increase but would (for non-home-rule-units)

¹³ See discussion in chapter on “Legal Issues,” (at pages 76 ff).

Elimination of Equalization, continued

- quickly hit their rate limits; hence tax caps would not be implicated; (iii) taxing district revenues would plummet; (iv) TIFs would experience revenue shortfalls; (v) school-aid formulas (by definition) would not be affected; and (vi) incentive classes would experience the same relative benefit as other classes.
- b. *In Downstate counties*, initially the effect would be minimal for that large number of them (like most collar counties) that currently have a multiplier of 1.0000. However, the disciplinary effect of keeping all counties (including Cook) at 33.3 percent would be gone, and prior history indicates there might be a quick slide to wide intercounty assessment-level disparities.
2. If the multipliers were eliminated *altogether*, immediate changes in the school-aid formula would be needed to prevent significant funding changes (especially in regard to Cook vis-a-vis other counties), as well as adjustments where overlapping taxing districts exist (in addition to the consequences mentioned in (1), above).

Assessment District Multipliers

If the only purpose of this proposal is to factor out fluctuating changes that float on a cyclical basis, thereby evening out over time, there is a question of whether any possible benefit from such a small technical improvement would be worth the effort. In addition, one distortion that such a procedure would produce is interdistrict disparities in the assessment of comparable properties (e.g., residential), resulting from the different mix of property classes in the different districts.

Class Multipliers

Applying separate multipliers to the different classes would be a dramatic departure from current equalization practice. Two possibilities have been suggested: first, that a multiplier be applied uniformly to all property within a class to bring the average level of assessment of that class to the ordinance level; and second, that such a multiplier be used to bring that class to 33.3 percent. Cutting across both these suggestions has been the query whether this should be done for all the classes for which Department of Revenue assessment/sales ratio data is available or only for Class 2.

The purpose of a class multiplier would be to shift the onus of maintaining the ordinance assessment level from the local assessing officials to a state agency, and for much the same realistic political reasons that the Department of Revenue's county multipliers are used to maintain the median assessment ratio of non-classifying counties at the statutory level.

The arguments for and against using class multipliers to move separate classes, either by adjusting full values at existing ordinance levels or by, in addition, changing the ordinance levels themselves to 33.3 percent, are obviously the same arguments as those for eliminating classification itself, in any of the senses detailed in an earlier section of this Report. The only difference would be in the agency charged with the responsibility for the task.

There is one especially significant problem in having a state agency apply class multipliers after the completion of the local assessment appeals process (as they do now with county multipliers). Individual taxpayers would lose the opportunity for a local assessment appeal, which would presumably be much more of a problem the first year that class multipliers were applied than in subsequent years. Another problem would be the sufficiency of data for some of the smaller classes.

Chart CO 6

1996 Cook County: Multiplier at 1.000

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	cf. Net Current EAV x Rate	New Net EAV x Rate	New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$516,817,971	\$1,112,037,228	\$1,112,037,228	1.5%	\$516,817,971	\$516,817,971	\$516,817,971	1.71%	\$10,959,572	\$12,279,299	12%
2	0.16	0.16	1.0000	\$17,374,730,486	\$37,385,207,587	\$32,112,956,329	44.0%	\$17,374,730,486	\$17,374,730,486	\$12,102,479,228	39.94%	\$316,486,030	\$287,547,978	-9%
3	0.33	0.33	1.0000	\$2,945,459,741	\$6,337,745,725	\$6,337,745,725	8.7%	\$2,945,459,741	\$2,945,459,741	\$2,945,459,741	9.72%	\$62,461,019	\$69,982,437	12%
4	0.3	0.3	1.0000	\$111,691,551	\$240,326,710	\$240,326,710	0.3%	\$111,691,551	\$111,691,551	\$111,691,551	0.37%	\$2,368,516	\$2,653,727	12%
5a Cm	0.38	0.38	1.0000	\$11,917,461,929	\$25,642,802,833	\$24,013,098,043	32.9%	\$11,917,461,929	\$11,917,461,929	\$10,287,757,139	33.95%	\$236,658,686	\$244,431,220	3%
5b Ind	0.36	0.36	1.0000	\$3,995,365,129	\$8,596,827,148	\$8,372,040,918	11.5%	\$3,995,365,129	\$3,995,365,129	\$3,770,578,899	12.44%	\$82,509,812	\$89,586,796	9%
6	0.16	0.16	1.0000	\$225,725,935	\$485,694,494	\$485,694,494	0.7%	\$225,725,935	\$225,725,935	\$225,725,935	0.74%	\$4,786,714	\$5,363,119	12%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.0%	\$10,884,951	\$10,884,951	\$10,884,951	0.04%	\$230,825	\$258,620	12%
8	0.16	0.16	1.0000	\$5,218,441	\$11,228,519	\$11,228,519	0.0%	\$5,218,441	\$5,218,441	\$5,218,441	0.02%	\$110,662	\$123,987	12%
9	0.16	0.16	1.0000	\$17,394,761	\$37,428,307	\$37,428,307	0.1%	\$17,394,761	\$17,394,761	\$17,394,761	0.06%	\$368,871	\$413,290	12%
Subtotal				\$37,120,750,895	\$79,872,719,701	\$72,745,977,423	99.6%	\$37,120,750,895	\$37,120,750,895	\$29,994,008,617	98.98%	\$716,940,706	\$712,640,474	0%
Railroad					\$308,929,595	\$308,929,595	0.4%		\$308,929,595	\$308,929,595	1.02%	\$3,044,625	\$7,339,990	141%
Air Pollution					\$349,985	\$349,985	0.0%		\$349,985	\$349,985	0.00%	\$3,449	\$8,315	141%
TOTAL				\$37,120,750,895	\$80,181,999,281	\$73,055,257,003	100%	\$37,120,750,895	\$37,430,030,475	\$30,303,288,197	100.00%	\$719,988,780	\$719,988,780	0%

Exempt.	\$5,253,519,025
TIF Incr.	\$1,873,223,253
Class 2	\$18,732,233
Class 5a Com	\$1,629,704,790
Class 5b Ind	\$224,786,230

	Imputed Full Value	% of Total
Class 1	\$2,349,172,595	1.43%
Class 2	\$108,592,065,538	65.96%
Class 3	\$8,925,635,579	5.42%
Class 4	\$372,305,170	0.23%
Class 5a	\$31,361,741,918	19.05%
Class 5b	\$11,098,236,469	6.74%
Classes 6-9	\$1,620,150,550	0.98%
Non-Equalized	\$309,279,580	0.19%
TOTAL	\$164,628,587,400	100.00%

	Current	New	% Change
Assess Base	\$73,055,257,003	\$30,303,288,197	(58.5%)
Extension	\$719,988,780	\$719,988,780	0%
Tax Rate	0.009855	0.023759	141.1%
Loss	\$—	\$—	

New Multiplier	1.0000	(Set By Fiat)
Current Multiplier	2.1517	(From IDOR)

1996 City of Chicago: Multiplier at 1.000 (Does Not Include DuPage Portion)

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$155,811,535	\$335,259,680	\$335,259,680	1.1%	\$155,811,535	\$155,811,535	\$155,811,535	1.18%	\$7,262,902	\$7,934,436	9%
2	0.16	0.16	1.0000	\$5,811,317,294	\$12,504,211,421	\$10,475,889,798	33.8%	\$5,811,317,294	\$5,811,317,294	\$3,782,995,670	28.70%	\$226,944,567	\$192,642,582	-15%
3	0.33	0.33	1.0000	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	13.0%	\$1,870,063,362	\$1,870,063,362	\$1,870,063,362	14.19%	\$87,169,973	\$95,229,777	9%
4	0.3	0.3	1.0000	\$33,716,356	\$72,547,483	\$72,547,483	0.2%	\$33,716,356	\$33,716,356	\$33,716,356	0.26%	\$1,571,633	\$1,716,948	9%
5a Cm	0.38	0.38	1.0000	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.2%	\$6,437,469,416	\$6,437,469,416	\$5,974,831,408	45.32%	\$290,049,839	\$304,258,066	5%
5b Ind	0.36	0.36	1.0000	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.3%	\$1,070,466,880	\$1,070,466,880	\$1,035,456,436	7.85%	\$49,139,630	\$52,728,847	7%
6	0.16	0.16	1.0000	\$53,781,137	\$115,720,872	\$115,720,872	0.4%	\$53,781,137	\$53,781,137	\$53,781,137	0.41%	\$2,506,921	\$2,738,712	9%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.1%	\$10,884,951	\$10,884,951	\$10,884,951	0.08%	\$507,384	\$554,298	9%
8	0.16	0.16	1.0000	\$143,623	\$309,034	\$309,034	0.0%	\$143,623	\$143,623	\$143,623	0.00%	\$6,695	\$7,314	9%
9	0.16	0.16	1.0000	\$15,936,800	\$34,291,213	\$34,291,213	0.1%	\$15,936,800	\$15,936,800	\$15,936,800	0.12%	\$742,868	\$811,554	9%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.2%	\$15,459,591,354	\$15,459,591,354	\$12,933,621,278	98.11%	\$665,902,412	\$658,622,533	-1%
Railroad					\$248,623,200	\$248,623,200	1%		\$248,623,200	\$248,623,200	1.89%	\$5,386,052	\$12,660,711	135%
Air Pollution					\$178,381	\$178,381	0%		\$178,381	\$178,381	0.00%	\$3,864	\$9,084	135%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100%	\$15,459,591,354	\$15,708,392,935	\$13,182,422,859	100.00%	\$671,292,328	\$671,292,328	0%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Imputed Full Value	% of Total
Class 1	\$708,234,250	1.12%
Class 2	\$36,320,733,088	57.60%
Class 3	\$5,666,858,673	8.99%
Class 4	\$112,387,853	0.18%
Class 5a	\$16,940,708,989	26.87%
Class 5b	\$2,973,519,111	4.72%
Classes 6-9	\$80,746,511	0.13%
Non-Equalized	\$248,801,581	0.39%
TOTAL	\$63,051,990,056	100.00%

	Current	New	% Change
Assess Base	\$30,987,234,221	\$13,182,422,859	(57.5%)
Extension	\$671,292,328	\$671,292,328	0%
Tax Rate	0.021664	0.050923	135.1%
Loss	\$—	\$—	

New Multiplier	1.0000	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

Chart CPS 6

1996 Chicago Public Schools: Multiplier at 1.000 (Does Not Include DuPage Portion)

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$155,811,535	\$155,811,535	\$155,811,535	1.18%	\$14,402,648	\$9,456,259	-34%
2	0.16	0.16	1.0000	\$5,811,317,294	\$12,504,211,421	\$10,475,889,797	33.81%	\$5,811,317,294	\$5,811,317,294	\$3,782,995,670	28.70%	\$450,040,854	\$229,591,391	-49%
3	0.33	0.33	1.0000	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,870,063,362	\$1,870,063,362	\$1,870,063,362	14.19%	\$172,861,812	\$113,494,829	-34%
4	0.3	0.3	1.0000	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$33,716,356	\$33,716,356	\$33,716,356	0.26%	\$3,116,617	\$2,046,258	-34%
5a Cm	0.38	0.38	1.0000	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$6,437,469,416	\$6,437,469,416	\$5,974,831,408	45.32%	\$575,181,328	\$362,614,703	-37%
5b Ind	0.36	0.36	1.0000	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$1,070,466,880	\$1,070,466,880	\$1,035,456,436	7.85%	\$97,446,002	\$62,842,230	-36%
6	0.16	0.16	1.0000	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$53,781,137	\$53,781,137	\$53,781,137	0.41%	\$4,971,331	\$3,263,997	-34%
7	0.16	0.16	1.0000	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$10,884,951	\$10,884,951	\$10,884,951	0.08%	\$1,006,165	\$660,612	-34%
8	0.16	0.16	1.0000	\$143,623	\$309,034	\$309,034	0.00%	\$143,623	\$143,623	\$143,623	0.00%	\$13,276	\$8,717	-34%
9	0.16	0.16	1.0000	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$15,936,800	\$15,936,800	\$15,936,800	0.12%	\$1,473,139	\$967,210	-34%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$15,459,591,354	\$15,459,591,354	\$12,933,621,278	98.11%	\$1,320,513,172	\$784,946,206	-41%
Railroad					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	1.89%	\$10,680,773	\$15,089,033	41%
Air Pollution					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$7,663	\$10,826	41%
TOTAL				\$15,459,591,501	\$33,513,204,297	\$30,987,234,221	100.00%	\$15,459,591,354	\$15,708,392,935	\$13,182,422,859	100.00%	\$1,331,201,608	\$800,046,065	-40%

Exempt.	\$2,025,820,878
TIF Incr.	\$500,149,198
Class 2	\$2,500,746
Class 5a Com	\$462,638,008
Class 5b Ind	\$35,010,444

	Current	New	% Change
Assess Base	\$30,987,234,221	\$13,182,422,859	(57.5%)
Extension	\$1,331,201,608	\$800,046,065	(39.9%)
Tax Rate	0.042960	0.0606904	41.3%
Loss	\$—	(531,155,543)	

	Imputed Full Value	% of Total
Class 1	\$708,234,250	1.12%
Class 2	\$36,320,733,088	57.60%
Class 3	\$5,666,858,673	8.99%
Class 4	\$112,387,853	0.18%
Class 5a	\$16,940,708,989	26.87%
Class 5b	\$2,973,519,111	4.72%
Classes 6-9	\$80,746,511	0.13%
Non-Equalized	\$248,801,581	0.39%
Total	\$63,051,990,056	100.00%

New Multiplier	1.0000	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Ed. Fund (R/L)*	\$985,223,936	\$436,562,298
Social Security	\$6,998,600	\$6,998,600
Op & Main	\$227,854,420	\$227,854,420
Worker's Comp	\$75,984,800	\$75,984,800
Subtotal	\$1,296,061,756	\$747,400,118
Tax Cap Max	\$1,278,555,661	\$1,278,555,661
PBC	\$52,645,947	\$52,645,947
TOTAL	\$1,331,201,608	\$800,046,065

*R/L = Rate Limited

1996 SD 36 (Winnetka): Multiplier at 1.000

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$1,242,079	\$2,672,581	\$2,672,581	0.51%	\$1,242,079	\$1,242,079	\$1,242,079	0.53%	\$70,261	\$53,314	-24%
2	0.16	0.16	1.0000	\$233,590,841	\$502,617,413	\$484,564,735	92.01%	\$233,590,841	\$233,590,841	\$215,538,163	91.65%	\$12,739,038	\$9,251,521	-27%
3	0.33	0.33	1.0000	\$5,086,883	\$10,945,446	\$10,945,446	2.08%	\$5,086,883	\$5,086,883	\$5,086,883	2.16%	\$287,752	\$218,344	-24%
4	0.3	0.3	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.38	1.0000	\$13,005,594	\$27,984,137	\$27,984,137	5.31%	\$13,005,594	\$13,005,594	\$13,005,594	5.53%	\$735,693	\$558,238	-24%
5b Ind	0.36	0.36	1.0000	\$126,443	\$272,067	\$272,067	0.05%	\$126,443	\$126,443	\$126,443	0.05%	\$7,153	\$5,427	-24%
6	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$253,051,840	\$544,491,644	\$526,438,966	99.97%	\$253,051,840	\$253,051,840	\$234,999,162	99.92%	\$13,839,896	\$10,086,844	-27%
Railroad					\$183,059	\$183,059	0.03%		\$183,059	\$183,059	0.08%	\$4,813	\$7,857	63%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$253,051,840	\$544,674,703	\$526,622,025	100.00%	\$253,051,840	\$253,234,899	\$235,182,221	100.00%	\$13,844,709	\$10,094,701	-27%

Exempt. \$18,052,678

	Imputed Full Value	% of Total
Class 1	\$5,645,814	0.37%
Class 2	\$1,459,942,756	96.32%
Class 3	\$15,414,797	1.02%
Class 4	\$—	0.00%
Class 5a	\$34,225,247	2.26%
Class 5b	\$351,231	0.02%
Classes 6-9	\$—	0.00%
Non-Equalized	\$183,059	0.01%
Total	\$1,515,762,904	100.00%

	Current	New	% Change
Assess Base	\$526,622,025	\$235,182,221	(55.3%)
Extension	\$13,844,709	\$10,094,701	(27.1%)
Tax Rate	0.0262897	0.0429229	63.3%
Loss	\$—	\$—	

New Multiplier 1.0000 (From Cook Co. Chart)
Current Multiplier 2.1517 (From IDOR)

FUNDS	Curr w/old EAV	With New EAV
IMRF (Pension)	\$236,852	\$236,852
Soc Sec	\$215,798	\$215,798
Liab Ins	\$70,003	\$70,003
Trans (R/L)*	\$115,794	\$115,794
Education (R/L)	\$10,186,414	\$7,055,467
Bldg (R/L)	\$1,842,181	\$1,293,502
Work. Cash (R/L)	\$252,447	\$117,591
Subtotal	\$12,919,489	\$9,105,007
Tax Cap Max	\$12,854,673	\$12,854,673
Bonds	\$343,615	\$343,615
Life S Bonds	\$646,079	\$646,079
Grand Total	\$13,844,367	\$10,094,701

*R/L = Rate Limited

Chart NLTIF 6

1996 North Loop TIF District: Multiplier at 1.000 (Assessment Increases Only)

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$2,266,592	\$4,877,026	\$—	1.3%	\$2,266,592	\$2,266,592	\$—	1.28%	\$461,025	\$214,261	-54%
3	0.33	0.33	1.0000	\$1,780,461	\$3,831,018	\$—	1.0%	\$1,780,461	\$1,780,461	\$—	1.00%	\$362,146	\$168,307	-54%
5a Cm	0.38	0.38	1.0000	\$172,901,726	\$372,032,644	\$—	97.3%	\$172,901,726	\$172,901,726	\$—	97.31%	\$35,379,746	\$16,442,695	-54%
5b Ind	0.36	0.36	1.0000	\$729,910	\$1,570,547	\$—	0.4%	\$729,910	\$729,910	\$—	0.41%	\$148,464	\$68,998	-54%
TOTAL				\$177,678,689	\$382,311,235	\$—	100.0%	\$177,678,689	\$177,678,689	\$—	100.00%	\$36,351,381	\$16,894,261	-54%

New Multiplier	1.0000	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the city-only districts' rates would *rise* (see, e.g. CH 6 and CPS 6). Therefore, the "new tax" figure (Col. 14) is *significantly understated* and the percentage decreases in Col. 15 *significantly overstated*.

Contextual Note on Intercountry Effective Tax Rates

Since virtually all of the above scenarios would result in a tax shift among the various classes of property, and since most of them would result in shifts to varying degrees onto Class 2 (smaller residential), it is relevant to consider the existing Cook County Class 2 tax burden in comparison with that of residential property in the surrounding counties.

To effect such a comparison, effective tax rates may be compared where adequate data is available. For this purpose, there are listed below selected municipalities in Cook, Dupage and Lake Counties showing the 1996 actual aggregate tax rate (for a representative tax code in those municipalities with more than one code), the 1996 state equalization multiplier for the respective counties, and the *de facto* level of assessment for each. The product of these three numbers is the percent of full value that taxes in these municipalities would represent.

The assessment level figures used are from the Department of Revenue's 1995 Ratio Study Findings, and are for that single year. For Chicago it is the median for Cook County Triennial District 1; for the suburban Cook County it is the adjusted median for the country townships (Districts 2 and 3); and for Dupage and Lake County municipalities, it is the adjusted median for the township in which they are located.

Sample Effective Residential Tax Rates: Tax Year 1996

Municipality	Median Level of Assessment	Multiplier	Net Assessment Level	Aggregate Tax Rate	Effective Tax Rate
Chicago	9.33%	2.1517	20.08%	9.453%	1.898%
<i>Cook County Suburbs</i>					
Elk Grove Village (portion)	9.55%	2.1517	20.55%	7.391%	1.519%
Schaumburg	9.55%	2.1517	20.55%	9.040%	1.858%
Rosemont	9.55%	2.1517	20.55%	7.977%	1.639%
Skokie	9.55%	2.1517	20.55%	10.929%	2.246%
Harvey	9.55%	2.1517	20.55%	16.010%	3.290%
Chicago Heights	9.55%	2.1517	20.55%	14.279%	2.934%
Northbrook	9.55%	2.1517	20.55%	8.073%	1.659%
Orland Park	9.55%	2.1517	20.55%	9.256%	1.902%
South Holland	9.55%	2.1517	20.55%	13.080%	2.688%
Buffalo Grove (portion)	9.55%	2.1517	20.55%	8.820%	1.812%
<i>DuPage County Suburbs</i>					
Elk Grove Village (portion)	31.29%	1	31.29%	5.452%	1.706%
Oak Brook	31.23%	1	31.23%	3.555%	1.110%
Burr Ridge	31.05%	1	31.05%	5.250%	1.630%
<i>Lake County Suburbs</i>					
Deerfield	31.18%	1	31.18%	6.822%	2.127%
Buffalo Grove (portion)	31.30%	1	31.30%	7.357%	2.303%
Lincolnshire	31.30%	1	31.30%	5.640%	1.765%

No adjustments were made for the various homestead exemptions which apply in all counties, but with some variation in their limits.

It can be readily seen that there is wide variation in effective rates among municipalities within Cook County; and that the selected municipalities in the other two counties fall both above and below those in Cook. The higher assessment level and lower multiplier in Dupage and Lake combine to produce a higher net assessment level than in Cook, but the lower tax rates offset this differential. The lowest of the effective rates is in Oak Brook which enjoys substantial sales tax revenues from its major shopping center.

For a broader context than just these two collar counties, the Department of Revenue has conducted a study of effective residential tax rates in all downstate municipalities of over 10,000 population (plus county seats in counties without a municipality of that size). In their summarization of these results, the Department's figures show a significant shift, on a state-wide basis, toward higher effective residential tax rates outside of Cook County than within it.

Legal Issues

Most informed observers would agree that many legal issues arise from any effort to alter any significant portion of the property tax classification system now in place in Cook County. It is impossible to identify, let alone address, all of these potential issues in this study. It is also unnecessary to attempt to identify the full range of potential issues here, since that would be highly speculative in the absence of a concrete plan of abolition.

However, there are threshold issues in two areas that do seem appropriate and necessary to address at this stage of the discussion. First, if the abolition of classification were proposed, who would be authorized to do it? Second, how does one legally define the “abolition” of classification; or, in other words, what is the legal context for such abolition? These questions have an obvious primacy: without an answer to the first, it would be impossible to know the forum in which to initiate a debate about classification; and without an answer to the second, it would be impossible to have a clear understanding of the scope of the debate.

As with virtually every other aspect of property tax classification, complexity lurks beneath the apparent simplicity of these questions. Either the Cook County Board or the Illinois General Assembly or both have the power to abolish the current Cook County classification system. A review of the 1970 Illinois Constitution suggests that both of these legislative bodies have sufficient authority to make major changes in classification, to the point of abolition, and that, in case of a conflict, the General Assembly would likely prevail over the County Board. Either body probably would have discretion in defining the scope of whatever abolition plan it adopted, but again the General Assembly would have more freedom of action than the County Board. Most issues concerning constitutional power would be avoided, leaving the debate to proceed on a policy level, if the two bodies were able to coordinate their actions. These observations should not be interpreted as recommendations of any course of conduct.

Legislative Authority to Abolish Classification

The question of where the authority resides to alter the Cook County classification system cannot be understood without a review of the history of property tax classification in Illinois. The provisions on property tax classification in the 1970 Illinois Constitution represent one of its sharpest departures from prior constitutional law. Authorizing the present system was an express goal of the 1969–1970 Constitutional Convention, which suggests that an attempt to sweep the system away might provoke legal as well as political controversy.

The general uniformity provisions of the Illinois Constitutions of 1848 and 1870 were widely interpreted as prohibiting any form of classified property tax. E.g., G. Braden & R. Cohn, *The Illinois Constitution, An Annotated and Comparative Analysis*, 415–16 (1969).¹⁴ Despite this, a system of de facto classification had evolved in Cook County over many years—dating back at least to the 1920s. See *Aldrich v. Harding*, 340 Ill. 354, 358, 172 N.E. 772, 774 (1930), cited in Wattling, Taxation

¹⁴ As noted below, there was significant dissent from this view by some delegates to the 1969–1970 Constitutional Convention.

Legislative Authority to Abolish Classification, continued

of Real Property in Cook County—*The “Railroad Cases” and the Future of De facto Classification*, 1 John Marshall J. Prac. & Proc. 212, 213, n. 6 (1968). The likelihood that this system would be subject to increasing attack in the courts, and the specter that it might be struck down, fueled much debate at the 1969–1970 Constitutional Convention. See gen., J. Fishbane & G. Fisher, *Politics of the Purse: Revenue and Finance in the Sixth Illinois Constitutional Convention*, 70–74 (1974); 7 *Record of Proceedings, Sixth Illinois Constitutional Convention*, 2108-28 (1969–1970) (“Proceedings”). The convention delegates generally understood that no new constitution would have passed in 1970 if it did not “in some way, maybe with some restrictions, make legal the *de facto* classification in Cook County.” 3 *Proceedings* at 1898; *Hoffmann v. Clark*, 69 Ill.2d 402, 413-14, 372 N.E.2d 74 (1977).

Section 4 of Article IX of the 1970 Illinois Constitution did, “with some restrictions,” explicitly legalize classification in Cook County:

- (a) Except as otherwise provided in this Section, taxes upon real property shall be levied uniformly by valuation ascertained, as the General Assembly shall provide by law.
- (b) Subject to such limitations as the General Assembly may hereafter prescribe by law, counties with a population of more than 200,000 may classify or to [sic] continue to classify real property for purposes of taxation. Any such classification shall be reasonable and assessments shall be uniform within each class. The level of assessment or rate of tax of the highest class in a county shall not exceed two and one-half times the level of assessment or rate of tax of the lowest class in that county. Real property used in farming in a county shall not be assessed at a higher level of assessment than single family residential real property in that county.

Ill. Const. 1970, Art. IX, §§ 4(a) and (b). The authority granted by § 4(b) is permissive for those counties with more than 200,000 population. To date, only Cook County has elected to classify, and it seems clear that classification could be abolished at the county government level under this provision. A closer question is whether the “limitations” which the General Assembly may “prescribe by law” extend to the outright abolition of the county’s power to classify, which was the very purpose of § 4(b).

The text of § 4(b) (“continue to classify”) and the constitutional debates both indicated an intention to ratify the *de facto* classification system in Cook County. 3 *Proceedings* 1996. Almost immediately following the adoption of the constitution, the Illinois Supreme Court ruled that assessments made by the Cook County Assessor under that system were indeed constitutional. *People ex rel. Kutner v. Cullerton*, 58 Ill.2d 266, 270-72, 319 N.E.2d 55, 57-59 (1974); *LaSalle National Bank v. County of Cook*, 57 Ill.2d 318, 327-28 (1974). However, in P.A. 78-700, effective January 1, 1974, the General Assembly enacted the provision now codified as § 9-150 of the Property Tax Code:

Where property is classified for purposes of taxation in accordance with Section 4 of Article IX of the Constitution and with such other limitations as may be prescribed by law, the classification must be established by ordinance of the county board. If not so established, the classification is void.

35 ILCS 200/9-150. The Cook County Real Property Assessment Classification Ordinance was first enacted in response to this statute, which is the only direct state limitation on the classification system currently in force.¹⁵

As is evident from some of the constitutional debates noted below, a future requirement that classification be authorized by County Board legislation rather than mere administrative action was anticipated by the delegates to the Constitutional Convention. Abolition of classification through repeal of the Ordinance would be consistent with both the County Board’s and the General Assembly’s

¹⁵ In 1995 the General Assembly preempted Cook County’s control over the triennial assessment districts and reassessment cycle, freezing in place the districts and cycle that had previously been created by ordinance. P.A. 89-126, adding 35 ILCS 200/9-220(b), effective July 11, 1995. Although it is an important part of the assessment system as a whole, the triennial cycle does not directly affect the classification.

express powers: the state would have prescribed a limitation, but the fundamental choice that § 4(b) seems to contemplate would still have been made at the county level.

That the state also has the power simply to eliminate the county's choice entirely is implied rather than directly expressed in § 4(b)'s phrase, "subject to such limitations as the General Assembly may hereafter prescribe." Indeed, the state's power to make its own real property tax classifications is implied rather than expressed in § 4(a), which calls for taxes other than those described in § 4(b) to be "levied uniformly by valuation ascertained as the General Assembly shall provide by law." This language stands in marked contrast to the constitutional provisions on *personal* property taxation, under which:

The General Assembly by law may classify personal property for purposes of taxation by valuation, *abolish such taxes on any or all* classes and authorize the levy of taxes in lieu of the taxation of personal property by valuation.

Ill. Const. 1970, Art. IX, § 5(a) (emphasis supplied). Nevertheless the Supreme Court held in *Hoffmann v. Clark*, 69 Ill.2d 402, 372 N.E.2d 74 (1977), with one justice dissenting, that the General Assembly may also classify real property for purposes of ad valorem taxation.

Neither the *Hoffmann* court nor any other court has directly addressed whether the General Assembly also may revoke a county board's classifications. While this is strictly speaking a question of first impression, so long as the *Hoffmann* majority opinion rather than Justice Underwood's dissent remains the law, the answer seems fairly clear. A brief explanation of the general nature of classification for property tax purposes may be helpful in sorting out the two views expressed in *Hoffmann*.

The Nature of Property Tax Classification and the Power of the State to Classify

It is useful to recall that the term "classification" is often employed in several distinct but related senses. In its broadest constitutional sense, all legislation involves "classification" of persons or things in order to achieve some goal of the legislature. In an ad valorem property tax system, classification generally involves taxation of different categories of property at different effective tax rates. There are various means by which this may be accomplished, but the concept of a varying "effective tax rate" applied to groups or categories of property is the underlying characteristic of all of them.

The "effective rate" of an *ad valorem* property tax is the percentage relationship between the tax and the actual value of the taxed property. In a jurisdiction such as Cook County that assesses property at varying percentages of actual value subject to state equalization, the effective rate can be calculated as the product of the property's assessment level, the state multiplier, and the millage rate shown on the tax bill. Alternatively, the total tax bill can simply be divided by the actual value, which should produce the same percentage. The effective rate is often used in property tax administration as a common denominator to compare the tax burden among different classes or jurisdictions. See *Property Appraisal and Assessment Administration*, 14–16 (International Assoc. of Assessing Officers 1990).¹⁶

The classic uniform *ad valorem* property tax sought to tax all property in a jurisdiction at the same effective rate, so that each taxpayer's tax would vary strictly in accordance with his or her actual property wealth. See gen., the historical discussion in 7 Proceedings 2108 et seq. A classified property tax is therefore non-uniform when the system is viewed as a whole, in that it imposes different effective rates on different categories of properties. "Uniformity" in such a system can exist only within each category or class, not among classes. *Id.*

¹⁶ The drafters of § 4(b) of the 1970 Constitution were well aware that it is the effective rate that counts in classification. Thus, the permissible gap between the highest and lowest classes was limited as to "rate" as well as assessments, the effective rate being the product of the two.

Legislative Authority to Abolish Classification, continued

Commentators have identified four basic techniques by which effective rates are varied in a classified property tax system: (a) assessment of all categories of property at a uniform level with extension of different millage rates in certain categories; (b) assessment of certain categories of property at different levels with extension of a uniform millage rate in all categories; (c) assessment of certain categories of property by varying definitions of value; and (d) full or partial exemption of various categories of property.¹⁷ Siegel, *The Future of Classified Property Taxation in Illinois: The Wake of Hoffmann v. Clark*, 11 Loyola L. J. 21, 23–24, and nn. 18–29 (1979), and other authorities cited therein. The Cook County system of classification of assessments, as defined in the “Terminology” section of this study,¹⁸ is an example of technique (b): assessment of various classes at different percentage levels of actual value with extension of a uniform millage rate in all classes.

Although Cook County’s is the only system commonly called “classification,” the General Assembly, in the larger sense of the word, has enacted numerous classifications of real property for tax purposes in all counties of the state. These are now grouped together in Article 10 of the Property Tax Code and include solar energy systems, 35 ILCS 200/10-5 through 10-10; model homes and certain subdivision property, id. §§ 10-25 through 10-30; historic residences, id. §§ 10-40 through 10-85; airports and interstate bridges, id. §§ 10-90 through 10-105; farmland and forests, id. §§ 10-110 through 10-150; open space, id. §§ 10-155 through 10-165; coal, id. §§ 10-170 through 10-200; certain sports stadiums, id. §§ 10-205 through 10-220; and nurseries, id. §§ 10-223 through 10-225. All of these are examples of classification technique (c) noted above, in that the definition of taxable value is varied from category to category.¹⁹

These are true classifications, however, plainly causing a variance in the effective tax rate for each category from that at which other real property is taxed. Confirmation of this point is found in *Hoffmann v. Clark*, 69 Ill.2d 402, 372 N.E.2d 74 (1977). There the Supreme Court upheld §§ 20a-1 through 20a-3 of the Revenue Act of 1939, which were the predecessor provisions to §§ 10-110 through 10-147 of the Property Tax Code involving farm assessments. Throughout the lengthy discussion of the constitutional limitations on the power of the state to classify in both the majority and dissenting opinions, there was never the slightest attempt to suggest that these provisions were anything other than out-right classifications.

Because the farm classifications at issue in *Hoffmann* had not been enacted under § 4(b) of Article IX, the case turned squarely on whether the uniformity clause of § 4(a) deprived the General Assembly of the power to classify. Both the majority and the dissent acknowledged several explicit statements in debate by delegates to the Constitutional Convention, including Chairman Karns of the Committee on Revenue and Finance, expressing the view that the General Assembly could regulate classification by counties but could not itself initiate classifications. 69 Ill.2d at 417-18 (noting remarks of Chairman Karns); id. at 439-40 (Underwood, J., dissenting, noting remarks of Chairman Karns and Delegate Scott). The majority, however, placed more emphasis on the remarks of Chairman Parkhurst of the Committee on Local Government. Parkhurst stated that, since the general uniformity clause of what is now § 4(a) did not expressly forbid the state to classify, the power existed for the state as well as for the qualified counties. Compare 69 Ill.2d at 418-19, with id. at 441.

¹⁷ Courts and commentators have not always considered exemptions to be “classifications” in the same sense as other classifications of taxable property, at least for certain analytical purposes. E.g., *Department of Revenue of Oregon v. ACF Industries*, 510 U.S. 332 (1994) (equal protection analysis.) However, exemptions share the underlying characteristic of all property tax classifications—variance of the effective rate by category of property. See Siegel, 11 Loyola L.J., n.25; see also, *supra* part I.B.13.

¹⁸ *Supra* part I, A. 1.

¹⁹ See *supra* part I.B. 14.

In the end, the *Hoffmann* court relied most heavily on statements in the debate that the general requirement of uniformity in the 1848 and 1870 Constitutions did not preclude classification but only required equality within classes.

[I]t is evident that even the requirement of uniformity was not clearly viewed by the convention as specifically restricting the authority of the General Assembly. In fact, during the debate, *People ex rel. Miller v. Doe*, 24 Ill.2d 211, and *People ex rel. Toman v. Olympia Fields Country Club*, 374 Ill. 101, were called to the attention of the convention. Delegate Lyons informed the convention that these cases held that the requirement of uniformity of the 1870 Constitution did not preclude the General Assembly from classifying real property. Instead, he stated that the uniformity limitation meant only that taxes must be equal and uniform among the members of the same class. 3 Proceedings 1991–92.

69 Ill.2d at 419; see also *id.* at 423. Since the same uniformity principle was acknowledged to be embodied in § 4(a) of the 1970 Constitution, subject to the § 4(b) exceptions, the *Hoffmann* majority adopted this interpretation for the current constitution. There is some irony in this, since it seems likely that Delegate Lyons's view of uniformity was held by only a minority of the delegates, and the majority of scholarly opinion was clearly against it.²⁰ However, this view is now firmly embodied in the law, having not only carried the day in *Hoffmann* but having been subsequently reconfirmed by the Supreme Court. *People ex rel. Bosworth v. Lowen*, 102 Ill.2d 242, 248 (1984) (the Illinois Constitution “requires only that taxation be uniform as to the class on which it operates”).

The Power of the State to Forbid Classification by Counties

Given the overarching authority of the General Assembly to classify under *Hoffmann v. Clark* and *People ex rel. Bosworth v. Lowen*, its complementary authority to remove the power of the larger counties to classify or to alter their classifications is also reasonably clear. Indeed, the record of the Constitutional Convention is arguably clearer on this latter point than it is on the former.

As discussed extensively in *Hoffmann* and other cases (e.g. *LaSalle National Bank v. County of Cook*, 57 Ill.2d 318, 327–28 (1974)), present § 4(b) of Article IX was derived from § 4.1 of Proposal No. 2 of the Committee on Revenue and Finance. Proposed § 4.1 had provided:

Any county over 200,000 population is authorized to classify real property for taxation purposes. The General Assembly shall establish a system of classification of real property for taxation purposes, which system may be adopted by any other county in lieu of uniform taxation of real property. In any county the level of assessment or rate of taxation of the highest class in a county shall not be more than two and one-half times the level of assessment or rate of tax of the lowest class.

7 Proceedings at 2108. Delegate Netsch offered an amendment to require specifically that any exercise of the classification power by a county be done by the county board and not an administrative official. 3 Proceedings at 1989–92. See discussion in *LaSalle National Bank v. County of Cook*, 57 Ill.2d at 326–28. This would ensure that classifications were controlled by a legislative body, albeit only at the county level, because the role of the General Assembly was apparently confined to regulating classification only in the smaller counties. In explaining the need for the amendment, Delegate Netsch stated:

²⁰ See discussion in Siegel, 11 Loyola L.J. at 34–39. See also Committee on Revenue and Finance [majority] Proposal No.2, which concluded that “[c]lassification...is contrary to the letter of both the constitution and statutes,” but noted that “[s]ome members of the Committee” believed this statement to be inaccurate. 7 Proceedings at 2111, n. 2.

Legislative Authority to Abolish Classification, continued

I believe the committee's intent was to—that this would be, in effect, a self-executing grant of authority to the counties over 200,000 to adopt a classification system and I think the “without any further approval from the General Assembly” [in the committee report] was *intended* to mean that the General Assembly—at least, under this language—could not take away that power or otherwise interfere with it.

3 *Proceedings* at 1992 (emphasis supplied). Although several other delegates suggested that the General Assembly might nonetheless have retained a residual power over classification in the larger counties, the amendment proposed by Delegate Netsch was adopted. 3 *Proceedings* at 1996–97.

After further debate on other aspects of the proposal, however, Delegate Karns proposed an amendment that substantially restructured the first two sentences of § 4.1:

Taxes upon real property shall be levied uniformly by valuation which shall be ascertained in such manner as the General Assembly shall prescribe by law—provide by law, provided that, subject to such limitations as the General Assembly may hereafter prescribe by law, counties may classify or continue to classify real property for purposes of taxation. Any such classification shall be reasonable and assessments shall be uniform within each class. Real property used in agriculture shall be assessed at the same level of assessment as single-family residential real property.

3 *Proceedings* at 2021. The Karns amendment was adopted and, as modified by the Committee on Style, Drafting and Submission, it eventually formed the nucleus of present § 4(b). 3 *Proceedings* at 2029, 7 *Proceedings* at 2234, 2736; see discussion in *LaSalle National Bank v. County of Cook*, 57 Ill.2d at 327.

Prior to adoption of the Karns amendment, Delegate Netsch submitted a parallel version of her previous amendment to proposed § 4.1, which again would have required county board approval of any classification scheme enacted at the county level. 3 *Proceedings* at 2023–24. This time, however, the amendment failed. *Id.* Evidently, the second Netsch amendment was rejected only because further legislative control was thought unnecessary; under the Karns amendment, the General Assembly had the authority to restrict county classification power. *Id.*; see also *LaSalle National Bank v. County of Cook*, 57 Ill.2d at 327–28.

Delegate Karns confirmed this interpretation in a colloquy with Delegate Gertz:

MR. GERTZ: ... Chairman Karns, what sort of limitation do you encompass within the phrase, “provided subject to such limitations as the General Assembly may hereafter prescribe by law?”

MR. KARNS: I would think, Chairman Gertz, that this is generally, I would assume, the approach that the Local Government Committee is taking. This would be a right for the General Assembly to—in whole or in part—*pre-empt the subject matter of classification by dealing with it by law as they will—as they might*. As to the boundaries of those, I could not set those out.

MR. GERTZ: Would this mean that, from time to time, the General Assembly might change the limitations?

MR. KARNS: I should think so, yes.

MR. GERTZ: And there would be no vested right in any particular county?

MR. KARNS: No, no. That's right.

3 *Proceedings* at 2023 (emphasis supplied). The same point was also made by Delegate Netsch, while arguing that her amendment requiring county board action could be incorporated in Karns's proposal without causing any inconsistency:

In other words, absent General Assembly action, there would be no provision governing who was to do the classification. I think it would not in any way interfere with the legislature's power that is reserved to it under this section. If the legislature chose to take over the entire classification system—if that, indeed, is the residual power that it has under this [Karns] amendment—it could still do so, including wiping out any local classification system

3 *Proceedings* at 2024 (emphasis supplied).

As described in the above discussion of *Hoffmann v. Clark*, Delegate Karns's view of the powers of the state under what became §§ 4(a)–(b) was if anything more limited than the view which the Supreme Court ultimately adopted. If even Delegate Karns agreed that counties that elected to classify would have “no vested right” in their system, and that the state could “pre-empt the subject matter of classification by dealing with it by law as they will,” it seems clear that the other delegates who adopted his amendment also understood the matter in this way. Although one might well imagine the uproar that would have ensued had the General Assembly sought to abolish Cook County's classification system immediately after the adoption of the 1970 Constitution, instead of merely requiring approval of the system by the Cook County Board, the legislature's power to have done this (or to do it now) seems not to have been questioned.

Defining the Abolition of Classification

It was stated previously that the Cook County Board possesses authority to alter substantially, or even abolish, classification by changing its own Classification Ordinance. Furthermore, the General Assembly possesses authority to override the County Board's existing Ordinance and abolish classification whether or not the county chooses to act. This division of authority also suggests that the definition of “abolition” may vary substantially depending on which body acts; and, if that body were the General Assembly, depending on what ancillary changes to the Property Tax Code it might also choose to enact. It should perhaps be reemphasized here that this study takes no position on whether either body should act at all.

In the absence of action by the General Assembly, a repeal of the Cook County Classification Ordinance would leave most taxable property subject to § 9-145 of the Property Tax Code, which provides:

Statutory level of assessment. Except in counties with more than 200,000 inhabitants which classify property for purposes of taxation, property shall be valued as follows: (a) Each tract or lot of property shall be valued at 33.3 percent of its fair cash value. * * *

35 ILCS 200/9-145. The county would also remain subject to intercounty equalization of assessments at 33.3 percent of actual value, which the Illinois Department of Revenue (“IDOR”) accomplishes by imposing an annual equalization factor or “multiplier” pursuant to 35 ILCS 200/17-5 et seq. However, the continuation of equalization would be of far less significance than the resulting mandate under § 9-145 for assessments to be made in the first instance at “33.3 percent.”

This is particularly significant, not only because the numerical percentage of 33.3 percent differs substantially from the assessment levels for several major classes under the existing Cook County Classification Ordinance, but also because “33.3 percent” under the Property Tax Code is not defined as that numerical percentage. Rather, “33.3 percent” is defined as:

One-third of the fair cash value of property, as determined by the [IDOR's] sales Ratio Studies for the 3 most recent years preceding the assessment year, adjusted to take into account any changes in assessment levels implemented since the data for the studies were collected.

Defining the Abolition of Classification, continued

35 ILCS 200/1-55. The statutory assessment level of “33.3 percent” actually means the 3-year average of the IDOR’s studies of the *de facto* assessment level, which of course may vary from the prescribed numerical percentage.

The IDOR conducts the annual sales Ratio Studies referred to in this definition pursuant to § 17-10 of the Property Tax Code, primarily for purposes of intercounty equalization under §§ 17-5 and 17-20. Section 17-5 requires the IDOR to “use property transfers, property appraisals, and other means as it deems proper and reasonable,” and § 17-20 requires the IDOR to set a multiplier “so as to represent [its] considered judgment.” 35 ILCS 200/17-5, 17-10, 17-20. Despite the breadth of the “proper and reasonable” clause of § 17-5, the IDOR has historically relied exclusively on “property transfers” (sales) in performing its studies to the exclusion of appraisals or any other authorized means. This exclusive reliance on sales and other techniques used by the IDOR have provoked some controversy, but they have been upheld for purposes of setting the intercounty multiplier by the Illinois Supreme Court. *Airey v. Department of Revenue*, 116 Ill.2d 528, 508 N.E.2d 1058 (1987); *Advanced Systems, Inc. v. Johnson*, 126 Ill.2d 484, 535 N.E.2d 797 (1989). As noted in the main body of this study, the IDOR studies have routinely reported substantial variances from the prescribed statutory assessment levels currently defined by the Cook County Classification Ordinance, and thus an overall variance from 33.3 percent.

If the Cook County Board were simply to repeal classification, it would have no power to either affect the statutory definition of “33.3 percent” or the statutory mandate of § 9-145(a) that assessments be made at the average of the past 3-years’ IDOR ratio study results for the county. Although Cook County is a home-rule unit under the Illinois Constitution of 1970, the Supreme Court has settled that there is no home-rule power to alter the statutory provisions for assessment or collection of taxes under the Property Tax Code. *Chicago Bar Association v. County of Cook*, 102 Ill.2d 438 (1984); *Bridgman v. Korzen*, 54 Ill.2d 74 (1972). Accordingly, the county has only its power under Article IX, § 4(b) of the constitution with respect to assessment classification, and as has been seen this power does not extend to overriding an act of the General Assembly.

Of course, were it so inclined, the County Board could attempt to abolish classification not by repealing the Classification Ordinance, but rather by changing the definition of assessment levels within it. For example, the Board could redefine all real property as falling within a single class, and direct that class to be assessed at a uniform level of, say, “33 percent.” Whether such an attempt would succeed in avoiding the involuntary adoption of the existing definition of “33.3 percent” in § 1-55 of the Property Tax Code is an open question, but there is reason to believe that it would. The County Board clearly has authority under § 1-150 of the Code to set assessment levels by Ordinance, if it is exercising its power under Article IX, § 4(b) of the 1970 Constitution to “classify.” Declaring that all real property shall be uniformly assessed at a single level has historically been considered to be the opposite of “classification.” However, the § 4(b) power, both by its terms and by its history, must include the ability to decline classification as well as to adopt it. There is no rationale for limiting the county’s choice at any particular point on the continuum between those opposites, but the choice would still have to work within the statutory framework which the county is powerless to change.

The General Assembly, on the other hand, clearly possesses the power to alter the statutory definitions discussed above, and thus to vary the consequences of any abolition of the current classification system in Cook County. This would include the power to redefine the statutory target level for the making of assessments in the first instance. Such a change does not necessarily imply a need to alter the current definition of “33.3 percent” for purposes of setting the intercounty multiplier, because of the fundamental difference between making assessments within a single jurisdiction and equalizing them among jurisdictions. The courts have long noted this difference, and because of it have noted that the intercounty multiplier carries no implications for uniformity or lack of uniformity in the

distribution of individual assessed valuations or taxes within a county. *People ex rel. Ingram v. Wasson Coal Co.*, 403 Ill. 31, 38-39 (1949); see also *In Re Application (etc.) v. Johnson*, 133 Ill.App.3d 208, 213 (1st Dist. 1985).

This point also can be demonstrated arithmetically by a simple example. In a hypothetical assessment jurisdiction composed of three properties and one taxing district, with no inter-jurisdictional multiplier, one might see a pattern of assessments, tax rate, and taxes such as:

	Assessment	Tax Rate	Taxes Extended
	2,500,000	5 percent	\$125,000
	25,000	5 percent	\$1,250
	2,500	5 percent	\$125
Total	2,527,500		\$126,375

(Tax Rate = Total Taxes Extended/Total Assessments; 126,375 ÷ 2,527,500 = .05)

The introduction of a multiplier in any amount (e.g. a factor of 10) has no effect whatever on the distribution of the tax burden, so long as the initial assessments and tax extension remain unchanged:

	Assessment	Multiplier	Equalized Assessment	Tax Rate	Taxes Extended
	2,500,000	10	25,000,000	.5 percent	\$125,000
	25,000	10	250,000	.5 percent	\$ 250
	2,500	10	25,000	.5 percent	\$125
Total	2,527,500		25,275,000		\$126,375

(Tax Rate = Total Taxes Extended/Total Equalized Assessments; 126,375 ÷ 25,275,000 = .005)

While intercounty multipliers have other consequences that are irrelevant to the present discussion, the basic principle illustrated by this example holds regardless of the vastly greater complexity of real world property taxes. Original assessments, not intercounty equalization, determine the distribution of the tax burden within an assessment jurisdiction.

The difference between intercounty equalization and individual assessments may also help explain why the Illinois Supreme Court has rejected the use of IDOR sales Ratio Studies for challenges to the alleged disuniformity of individual assessments while also rejecting similar challenges to the studies themselves when used for the multiplier. Compare *In Re Application (etc.) v. U.S. Steel Corporation*, 106 Ill.2d 311, 478 N.E.2d 343 (1985), with *Airey v. Department of Revenue*, 116 Ill.2d 528, 508 N.E.2d 1058 (1987) and *Advanced Systems, Inc. v. Johnson*, 126 Ill.2d 484, 535 N.E.2d 797 (1989).

In technical legal terms, the various Supreme Court decisions on the IDOR studies result from allocation of the burden of proof. The taxpayer faces a heavy burden to show systematic inequality in challenging original assessments, and in *U.S. Steel* evidence that the IDOR studies were non-random, insufficiently representative of property within the county, and insufficiently edited rendered the studies insufficient to meet that burden.²¹ 106 Ill.2d at 321-24. On the other hand, the taxpayers challenging the IDOR multiplier in *Airey* and *Advanced Systems* also bore the burden of proof. Moreover, the court held that the IDOR was vested with considerable discretion under the statutory provisions now codified as §§ 17-5 through 17-20 of the Property Tax Code, which are used in com-

²¹ The *U.S. Steel* court made its ruling in terms of constructive fraud. 106 Ill.2d at 321-24. However, any constitutional equal protection challenge to tax assessments on the basis of alleged departures from uniformity must be supported by proof of intentional or quasi-intentional, systematic conduct by the taxing authorities. *Allegheny Pittsburgh Coal Co. v. Webster County, West Virginia*, 488 S. 3336, 343-45 (1989). While the requirement to prove fraud was removed by the General Assembly in P.A. 89-126, eff. July 11, 1995, amending 35ILCS 200/23-15, this change is unlikely to have affected the standard of proof required under the state and federal constitutions.

Defining the Abolition of Classification, continued

puting the multiplier. E.g. *Airey*, 116 Ill.2d at 542-544. *Advanced Systems*, 535 N.E.2d at 801-805. Thus it was possible for the court to find the IDOR studies insufficient for purposes of a uniformity challenge which sought to redistribute the tax burden within a county, yet also to find the studies sufficient for purposes of equalization among counties.

Given these legal and practical distinctions, a provision by the General assembly for assessments to be made uniformly within a single class would not necessarily require them to be made under the existing definition of “33.3.” Within existing constitutional and legal standards, the General Assembly would have virtually a blank slate on which to rewrite the present system of classification. It could leave the existing intercounty equalization system untouched, or it could change that in conjunction with changes to classification. It could incorporate the IDOR Ratio Studies within its new definition of assessment levels, or it could decline to do so regardless of its determination concerning intercounty equalization.

As noted above, the Cook County Board’s authority in this area is also significant, yet considerably more limited, because it cannot alter the existing statutory framework created by the General Assembly. This Report, it must be reiterated, takes no position on whether the General Assembly or the Cook County Board should alter the existing classification system one way or another. However, in the interest of not adding serious legal controversy to the policy issues that would inevitably attend any alteration of the classification system, the two bodies, if they are inclined to take action, might want to consider coordinating their actions.

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Appendix

1996 Forest Preserve District of Cook County: All Ordinance Levels Changed to 33.3%

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$516,817,971	\$1,112,037,228	\$1,112,037,228	1.52%	\$782,274,474	\$1,141,891,399	\$1,141,891,399	1.56%	\$820,029	\$842,043	3%
2	0.16	0.333	2.0813	\$17,374,730,486	\$37,385,207,587	\$32,112,956,329	43.96%	\$36,161,157,824	\$52,784,689,319	\$47,512,438,061	65.04%	\$23,680,451	\$35,036,200	48%
3	0.33	0.333	1.0091	\$2,945,459,741	\$6,337,745,725	\$6,337,745,725	8.68%	\$2,972,236,648	\$4,338,594,157	\$4,338,594,157	5.94%	\$4,673,524	\$3,199,328	-32%
4	0.3	0.333	1.1100	\$111,691,551	\$240,326,710	\$240,326,710	0.33%	\$123,977,622	\$180,970,982	\$180,970,982	0.25%	\$177,220	\$133,450	-25%
5a Cm	0.38	0.333	0.8763	\$11,917,461,929	\$25,642,802,833	\$25,418,016,043	34.79%	\$10,443,460,059	\$15,244,390,053	\$15,019,603,263	20.56%	\$18,743,528	\$11,075,622	-41%
5b Ind	0.36	0.333	0.9250	\$3,995,365,129	\$8,596,827,148	\$6,967,122,918	9.54%	\$3,695,712,744	\$5,394,657,161	\$3,764,952,931	5.15%	\$5,137,634	\$2,776,318	-46%
6	0.16	0.333	2.0813	\$225,725,935	\$485,694,494	\$485,694,494	0.66%	\$469,792,102	\$685,758,744	\$685,758,744	0.94%	\$358,157	\$505,686	41%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.03%	\$22,654,304	\$33,068,643	\$33,068,643	0.05%	\$17,271	\$24,385	41%
8	0.16	0.333	2.0813	\$5,218,441	\$11,228,519	\$11,228,519	0.02%	\$10,860,880	\$15,853,701	\$15,853,701	0.02%	\$8,280	\$11,691	41%
9	0.16	0.333	2.0813	\$17,394,761	\$37,428,307	\$37,428,307	0.05%	\$36,202,846	\$52,845,542	\$52,845,542	0.07%	\$27,600	\$38,969	41%
Subtotal				\$37,120,750,895	\$79,872,719,701	\$72,745,977,423	99.58%	\$54,718,329,504	\$79,872,719,701	\$72,745,977,423	99.58%	\$53,643,693	\$53,643,693	0%
Railroad					\$308,929,595	\$308,929,595	0.42%		\$308,929,595	\$308,929,595	0.42%	\$227,808	\$227,808	0%
Air Pollution					\$349,985	\$349,985	0.00%		\$349,985	\$349,985	0.00%	\$258	\$258	0%
TOTAL				\$37,120,750,895	\$80,181,999,281	\$73,055,257,003	100.00%	\$54,718,329,504	\$80,181,999,281	\$73,055,257,003	100.00%	\$53,871,759	\$53,871,759	0%

Exempt.	\$5,253,519,025		
TIF Incr.	\$1,873,223,253		
2	\$18,732,233		
5a Com	\$224,786,790		
5b Ind	\$1,629,704,230		
	Current	New	% Change
Assess Base	\$73,055,257,003	\$73,055,257,003	0%
Extension	\$53,871,759	\$53,871,759	0%
Tax Rate	0.000737	0.000737	0%
Loss	\$—	\$—	

New Multiplier	1.4597 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Corp (R/L)*	\$20,604,300	\$20,604,300
Botan (R/L)	\$7,623,023	\$7,623,023
Zoo (R/L)	\$12,131,198	\$12,131,198
Emp A & B	\$2,895,878	\$2,895,878
Con/Deve (R/L)	\$5,196,147	\$5,196,147
Subtotal	\$48,450,546	\$48,450,546
Tax Cap Max	\$49,503,779	\$49,503,779
Bonds	\$5,168,048	\$5,168,048
GRAND TOTAL	\$53,618,594	\$53,618,594

*R/L = Rate Limited

Chart MWRD 1

1996 Metropolitan Water Reclamation District: All Ordinance Levels Changed to 33.3%

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$479,644,080	\$1,032,050,167	\$1,032,050,167	1.45%	\$726,006,721	\$1,059,752,011	\$1,059,752,011	1.49%	\$5,062,797	\$5,219,491	3%
2	0.16	0.333	2.0813	\$16,823,841,210	\$36,199,859,132	\$31,083,685,347	43.54%	\$35,014,619,518	\$51,110,840,111	\$45,994,666,326	64.69%	\$152,483,272	\$226,532,932	49%
3	0.33	0.333	1.0091	\$2,916,979,959	\$6,276,465,778	\$6,276,465,778	8.79%	\$2,943,497,959	\$4,296,623,970	\$4,296,623,970	6.04%	\$30,789,658	\$21,161,733	-31%
4	0.3	0.333	1.1100	\$109,162,753	\$234,885,496	\$234,885,496	0.33%	\$121,170,656	\$176,872,806	\$176,872,806	0.25%	\$1,152,248	\$871,134	-24%
5a Cm	0.38	0.333	0.8763	\$11,750,929,570	\$25,284,475,156	\$25,059,688,366	35.10%	\$10,297,525,123	\$15,031,297,422	\$14,806,510,632	20.82%	\$122,932,118	\$72,925,027	-41%
5b Ind	0.36	0.333	0.9250	\$3,938,442,088	\$8,474,345,841	\$6,844,641,611	9.59%	\$3,643,058,931	\$5,317,773,122	\$3,688,068,892	5.19%	\$33,576,886	\$18,164,477	-46%
6	0.16	0.333	2.0813	\$219,736,146	\$472,806,265	\$472,806,265	0.66%	\$457,325,854	\$667,558,549	\$667,558,549	0.94%	\$2,319,385	\$3,287,859	42%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.03%	\$22,654,304	\$33,068,488	\$33,068,488	0.05%	\$114,894	\$162,869	42%
8	0.16	0.333	2.0813	\$5,218,441	\$11,228,519	\$11,228,519	0.02%	\$10,860,880	\$15,853,627	\$15,853,627	0.02%	\$55,082	\$78,082	42%
9	0.16	0.333	2.0813	\$17,394,761	\$37,428,307	\$37,428,307	0.05%	\$36,202,846	\$52,845,295	\$52,845,295	0.07%	\$183,607	\$260,274	42%
Subtotal				\$36,272,233,959	\$78,046,965,810	\$71,076,301,005	99.57%	\$53,272,922,793	\$77,762,485,401	\$70,791,820,596	99.57%	\$348,669,948	\$348,663,877	0%
Railroad					\$308,929,595	\$308,929,595	0.43%		\$308,929,595	\$308,929,595	0.43%	\$1,515,477	\$1,521,540	0%
Air Pollution					\$349,985	\$349,985	0.00%		\$349,985	\$349,985	0.00%	\$1,717	\$1,724	0%
TOTAL				\$36,272,233,959	\$78,356,245,390	\$71,385,580,585	100.00%	\$53,272,922,793	\$78,071,764,981	\$71,101,100,176	100.00%	\$350,187,141	\$350,187,141	0%

Exempt.	\$5,097,441,552		
TIF Incr.	\$1,873,223,253		
2	\$18,732,233		
5a Com	\$224,786,790		
5b Ind	\$1,629,704,230		
	Current	New	% Change
Assess Base	\$71,385,580,585	\$71,101,100,176	(0.4%)
Extension	\$350,187,141	\$350,187,141	0%
Tax Rate	0.004906	0.004925	0.4%
Loss	\$—	\$—	

New Multiplier	1.4597 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Corporate (R/L)*	\$131,705,399	\$131,705,399
Work Cash (R/L)	\$3,315,323	\$3,315,323
Employ A & B	\$20,033,000	\$20,033,000
Constr/Develop (R/L)	\$36,248,499	\$36,248,499
Reserve (R/L)	\$3,315,323	\$3,315,323
Constr Work Cash (R/L)	\$3,315,323	\$3,315,323
TOTAL CAP FUNDS	\$197,932,867	\$197,932,867
Tax Cap Max	\$201,428,783	\$201,428,783
Bonds	\$152,030,884	\$152,030,884
GRAND TOTAL	\$349,963,751	\$349,963,751

*R/L = Rate Limited

1996 Chicago City Colleges: All Ordinance Levels Changed to 33.3%

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exempt - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exempt - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$155,803,831	\$335,243,103	\$335,243,103	1.08%	\$235,830,344	\$344,241,553	\$344,241,553	1.21%	\$1,254,361	\$1,391,626	11%
2	0.16	0.333	2.0813	\$5,810,643,978	\$12,502,762,647	\$10,452,069,405	33.77%	\$12,093,402,779	\$17,652,740,037	\$15,602,046,794	54.89%	\$39,107,928	\$63,072,590	61%
3	0.33	0.333	1.0091	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	13.00%	\$1,887,063,938	\$2,754,547,230	\$2,754,547,230	9.69%	\$15,055,687	\$11,135,489	-26%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$54,629,499	\$54,629,499	0.19%	\$271,447	\$220,844	-19%
5a Cm	0.38	0.333	0.8763	\$6,432,108,300	\$13,839,967,429	\$13,377,329,421	43.22%	\$5,636,558,063	\$8,227,683,804	\$7,765,045,796	27.32%	\$50,053,211	\$31,390,852	-37%
5b Ind	0.36	0.333	0.9250	\$1,069,977,280	\$2,302,270,113	\$2,267,259,670	7.33%	\$989,728,984	\$1,444,707,398	\$1,409,696,954	4.96%	\$8,483,280	\$5,698,819	-33%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$163,387,128	\$163,387,128	0.57%	\$432,986	\$660,506	53%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$33,068,488	\$33,068,488	0.12%	\$87,634	\$133,682	53%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$436,327	\$436,327	0.00%	\$1,156	\$1,764	53%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$48,416,008	\$48,416,008	0.17%	\$128,306	\$195,726	53%
Subtotal				\$15,453,059,618	\$33,250,348,380	\$30,702,006,685	99.20%	\$21,048,062,939	\$30,723,857,473	\$28,175,515,778	99.12%	\$114,875,995	\$113,901,899	-1%
Railroad					\$248,623,200	\$248,623,200	0.80%		\$248,623,200	\$248,623,200	0.87%	\$930,260	\$1,005,080	8%
Air Pollution					\$178,381	\$178,381	0.00%		\$178,381	\$178,381	0.00%	\$667	\$721	8%
TOTAL				\$30,906,119,236	\$33,499,149,961	\$30,950,808,266	100.00%	\$21,048,062,939	\$30,972,659,054	\$28,424,317,359	100.00%	\$115,806,922	\$114,907,700	-1%

Exempt.	\$2,025,685,783
TIF Incr.	\$500,149,198
2	\$25,007,460
5a Com	\$462,638,008
5b Ind	\$35,010,444

New Multiplier	1.4597 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Auditing (R/L)*	\$919,754	\$919,754
Liab Ins	\$1,876,545	\$1,876,545
Education (R/L)	\$53,155,402	\$52,456,007
Bldg (R/L)	\$15,187,258	\$14,987,431
O & M/PBC	\$8,224,787	\$8,224,787
TOTAL	\$79,363,746	\$78,464,524
Tax Cap Max	\$79,952,814	\$79,952,814
PBC	\$36,443,176	\$36,443,176
GRAND TOTAL	\$115,806,922	\$114,907,700

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$30,950,808,266	\$28,424,317,359	(8.2%)
Extension	\$115,931,579	\$114,907,700	(0.8%)
Tax Rate	0.003742	0.004043	8.0%
Loss	\$—	(\$899,222)	

Chart CPD 1

**1996 Chicago Park District: All Ordinance Levels Changed to 33.3%
(Does Not Include DuPage Portion)**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$235,842,005	\$344,258,575	\$344,258,575	1.21%	\$2,399,887	\$2,683,484	12%
2	0.16	0.333	2.0813	\$5,811,317,294	\$12,504,211,421	\$10,475,889,797	33.81%	\$12,094,804,118	\$17,654,785,571	\$15,626,463,947	54.91%	\$74,989,474	\$121,807,755	62%
3	0.33	0.333	1.0091	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,887,063,938	\$2,754,547,230	\$2,754,547,230	9.68%	\$28,803,644	\$21,471,602	-25%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$54,629,499	\$54,629,499	0.19%	\$519,316	\$425,835	-18%
5a Cm	0.38	0.333	0.8763	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$5,641,256,093	\$8,234,541,520	\$7,771,903,512	27.31%	\$95,841,400	\$60,581,724	-37%
5b Ind	0.36	0.333	0.9250	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$990,181,864	\$1,445,368,467	\$1,410,358,023	4.96%	\$16,237,247	\$10,993,693	-32%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$163,387,128	\$163,387,128	0.57%	\$828,364	\$1,273,597	54%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$33,068,488	\$33,068,488	0.12%	\$167,655	\$257,768	54%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$436,327	\$436,327	0.00%	\$2,212	\$3,401	54%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$48,416,008	\$48,416,008	0.17%	\$245,467	\$377,401	54%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$21,054,626,850	\$30,733,438,813	\$28,207,468,737	99.13%	\$220,034,666	\$219,876,260	0%
Railroad					\$248,623,200	\$248,623,200	0.80%	\$248,623,200	\$248,623,200	\$248,623,200	0.87%	\$1,779,717	\$1,938,009	9%
Air Pollution					\$178,381	\$178,381	0.00%	\$178,381	\$178,381	\$178,381	0.00%	\$1,277	\$1,390	9%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100.00%	\$21,303,428,431	\$30,982,240,394	\$28,456,270,318	100.00%	\$221,815,660	\$221,815,660	0%

Exempt.	\$2,025,685,783
TIF Incr.	\$500,149,198
2	\$25,007,460
5a Com	\$462,638,008
5b Ind	\$35,010,444

New Multiplier	1.4597 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
Corp (R/L)*	\$69,561,191	\$69,561,191
Liab Ins	\$12,074,022	\$12,074,022
Aquar/Muse (R/L)	\$34,222,480	\$34,222,480
Mun Emp A & B	\$9,998	\$9,998
Park Emp A & B	\$10,406,393	\$10,406,393
Labor Ret. A & B	\$6,899	\$6,899
Corp Notes (R/L)	\$48,990,220	\$48,990,220
TOTAL	\$175,271,203	\$175,271,203
Tax Cap Max	\$177,821,708	\$177,821,708
Bonds	\$42,115,116	\$42,115,116
PBC	\$4,200,996	\$4,200,996
GRAND TOTAL	\$221,587,315	\$221,587,315

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$30,987,234,221	\$28,456,270,318	(8.2%)
Extension	\$221,815,660	\$221,815,660	0%
Tax Rate	0.007158	0.007795	8.9%
Loss	\$—	\$—	

Chart SFA 1

1996 School Finance Authority: All Ordinance Levels Changed to 33.3%
(Does Not Include DuPage Portion)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exempt - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exempt - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$155,811,535	\$335,259,680	\$335,259,680	1.08%	\$235,842,005	\$344,258,575	\$344,258,575	1.21%	\$968,609	\$1,083,070	12%
2	0.16	0.333	2.0813	\$5,811,317,294	\$12,504,211,421	\$10,475,889,797	33.81%	\$12,094,804,118	\$17,654,785,571	\$15,626,463,947	54.91%	\$30,266,209	\$49,162,353	62%
3	0.33	0.333	1.0091	\$1,870,063,362	\$4,023,815,336	\$4,023,815,336	12.99%	\$1,887,063,938	\$2,754,547,230	\$2,754,547,230	9.68%	\$11,625,326	\$8,666,070	-25%
4	0.3	0.333	1.1100	\$33,716,356	\$72,547,483	\$72,547,483	0.23%	\$37,425,155	\$54,629,499	\$54,629,499	0.19%	\$209,599	\$171,870	-18%
5a Cm	0.38	0.333	0.8763	\$6,437,469,416	\$13,851,502,942	\$13,388,864,934	43.21%	\$5,641,256,093	\$8,234,541,520	\$7,771,903,512	27.31%	\$38,682,174	\$24,451,153	-37%
5b Ind	0.36	0.333	0.9250	\$1,070,466,880	\$2,303,323,586	\$2,268,313,142	7.32%	\$990,181,864	\$1,445,368,467	\$1,410,358,023	4.96%	\$6,553,452	\$4,437,121	-32%
6	0.16	0.333	2.0813	\$53,781,137	\$115,720,872	\$115,720,872	0.37%	\$111,931,991	\$163,387,128	\$163,387,128	0.57%	\$334,333	\$514,032	54%
7	0.16	0.333	2.0813	\$10,884,951	\$23,421,149	\$23,421,149	0.08%	\$22,654,304	\$33,068,488	\$33,068,488	0.12%	\$67,667	\$104,037	54%
8	0.16	0.333	2.0813	\$143,623	\$309,034	\$309,034	0.00%	\$298,915	\$436,327	\$436,327	0.00%	\$893	\$1,373	54%
9	0.16	0.333	2.0813	\$15,936,800	\$34,291,213	\$34,291,213	0.11%	\$33,168,465	\$48,416,008	\$48,416,008	0.17%	\$99,072	\$152,321	54%
Subtotal				\$15,459,591,354	\$33,264,402,716	\$30,738,432,640	99.20%	\$21,054,626,850	\$30,733,438,813	\$28,207,468,737	99.13%	\$88,807,333	\$88,743,399	0%
Railroad					\$248,623,200	\$248,623,200	0.80%	\$248,623,200	\$248,623,200	\$248,623,200	0.87%	\$718,305	\$782,192	9%
Air Pollution					\$178,381	\$178,381	0.00%	\$178,381	\$178,381	\$178,381	0.00%	\$515	\$561	9%
TOTAL				\$15,459,591,354	\$33,513,204,297	\$30,987,234,221	100.00%	\$21,303,428,431	\$30,982,240,394	\$28,456,270,318	100.00%	\$89,526,153	\$89,526,153	0%

Exempt.	\$2,025,685,783
TIF Incr.	\$500,149,198
2	\$25,007,460
5a Com	\$462,638,008
5b Ind	\$35,010,444

New Multiplier	1.4597 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

	Current	New	% Change
Assess Base	\$30,987,234,221	\$28,456,270,318	(8.2%)
Extension	\$89,526,153	\$89,526,153	0%
Tax Rate	0.002889	0.003146	8.9%
Loss	\$—	\$—	

Chart OPSD 1

1996 SD 97 (Oak Park): All Ordinance Levels Changed to 33.3%

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$228,035	\$490,663	\$490,663	0.07%	\$345,162	\$503,833	\$503,833	0.06%	\$23,120	\$19,870	-14%
2	0.16	0.333	2.0813	\$239,096,450	\$514,463,831	\$454,624,431	69.49%	\$497,619,487	\$726,375,165	\$666,535,765	85.27%	\$21,422,173	\$26,286,626	23%
3	0.33	0.333	1.0091	\$54,458,136	\$117,177,571	\$117,177,571	17.91%	\$54,953,210	\$80,215,201	\$80,215,201	10.26%	\$5,521,477	\$3,163,502	-43%
4	0.3	0.333	1.1100	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.333	0.8763	\$52,093,316	\$112,089,188	\$76,464,368	11.69%	\$45,650,195	\$66,635,590	\$31,010,770	3.97%	\$3,603,046	\$1,222,993	-66%
5b Ind	0.36	0.333	0.9250	\$2,558,680	\$5,505,512	\$5,505,512	0.84%	\$2,366,779	\$3,454,787	\$3,454,787	0.44%	\$259,423	\$136,249	-47%
6	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$600,934,833	\$877,184,576	\$781,720,356	100.00%	\$30,829,239	\$30,829,239	0%
Railroad					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$600,934,833	\$877,184,576	\$781,720,356	100.00%	\$30,829,239	\$30,829,239	0%

Exempt.	\$59,839,400
TIF Incr.	\$35,624,820
2	\$—
5a Com	\$35,624,820
5b Ind	\$—

New Multiplier	1.4597 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$592,250	\$592,250
Soc Sec	\$592,250	\$592,250
Liab Ins	\$2,294,221	\$2,294,221
Trans (R/L)*	\$712,818	\$712,818
Education (R/L)	\$20,790,511	\$20,790,511
Bldg (R/L)	\$2,079,051	\$2,079,051
Work Cash (R/L)	\$297,007	\$297,007
Life Safety (R/L)	\$297,007	\$297,007
Spec Ed (R/L)	\$118,803	\$118,803
TOTAL	\$27,773,918	\$27,773,918
Tax Cap Max	\$27,427,007	\$27,427,007
Bonds	\$3,400,024	\$3,400,024
GRAND TOTAL	\$30,827,031	\$30,827,031

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$654,262,545	\$781,720,356	19.5%
Extension	\$30,829,239	\$30,829,239	0%
Tax Rate	0.047121	0.039438	(16.3%)
Loss	\$—	\$—	

Chart MARK 1

1996 SD 144 (Markham): All Ordinance Levels Changed to 33.3%

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$2,695,785	\$5,800,521	\$5,800,521	3.68%	\$4,080,438	\$5,956,216	\$5,956,216	3.26%	\$264,394	\$234,459	-11%
2	0.16	0.333	2.0813	\$55,014,248	\$118,374,157	\$91,611,795	58.06%	\$114,498,404	\$167,133,320	\$140,370,958	76.83%	\$4,175,772	\$5,525,530	32%
3	0.33	0.333	1.0091	\$1,491,771	\$3,209,844	\$3,209,844	2.03%	\$1,505,333	\$2,197,334	\$2,197,334	1.20%	\$146,308	\$86,495	-41%
4	0.3	0.333	1.1100	\$44,233	\$95,176	\$95,176	0.06%	\$49,099	\$71,669	\$71,669	0.04%	\$4,338	\$2,821	-35%
5a Cm	0.38	0.333	0.8763	\$18,577,325	\$39,972,830	\$38,286,538	24.27%	\$16,279,603	\$23,763,337	\$22,077,045	12.08%	\$1,745,145	\$869,036	-50%
5b Ind	0.36	0.333	0.9250	\$8,580,003	\$18,461,592	\$18,461,592	11.70%	\$7,936,503	\$11,584,913	\$11,584,913	6.34%	\$841,501	\$456,026	-46%
6	0.16	0.333	2.0813	\$143,736	\$309,277	\$309,277	0.20%	\$299,151	\$436,670	\$436,670	0.24%	\$14,097	\$17,189	22%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$144,648,530	\$211,143,459	\$182,694,805	100.00%	\$7,191,556	\$7,191,556	0%
Railroad				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$144,648,530	\$211,143,459	\$182,694,805	100.00%	\$7,191,556	\$7,191,556	0%

Exempt.	\$26,762,362		
TIF Incr.	\$1,686,292		
2	\$—		
5a Com	\$1,686,292		
5b Ind	\$—		
	Current	New	% Change
Assess Base	\$157,774,743	\$182,694,805	15.8%
Extension	\$7,191,556	\$7,191,556	0%
Tax Rate	0.045581	0.0393638	(13.6%)
Loss	\$—	\$—	

New Multiplier	1.4597 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$217,268	\$217,268
Soc Sec	\$209,020	\$209,020
Liab Ins	\$439,194	\$439,194
Trans (R/L)*	\$173,801	\$173,801
Education (R/L)	\$3,555,672	\$3,555,672
Bldg (R/L)	\$362,085	\$362,085
Work Cash (R/L)	\$72,417	\$72,417
Life Safety (R/L)	\$72,417	\$72,417
Spec Ed (R/L)	\$28,967	\$28,967
Lease Ed Fac (R/L)	\$72,417	\$72,417
TOTAL	\$5,203,258	\$5,203,258
Tax Cap Max	\$5,207,354	\$5,207,354
Bonds	\$1,960,495	\$1,960,495
Life Safe Lim Bonds	\$27,488	\$27,488
GRAND TOTAL	\$7,191,241	\$7,191,241

*R/L = Rate Limited

Chart HOFTIF 1

1996 Hoffman Estates TIF District: All Ordinance Levels Changed to 33.3% (Assessment Increases Only)

			New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$14,722,524	\$31,678,455	\$—	13.16%	\$22,284,548	\$32,528,754	\$—	20.73%	\$2,599,608	\$2,669,385	3%
3	0.33	0.333	1.0091	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.333	0.8763	\$94,905,196	\$204,207,510	\$—	84.84%	\$83,166,922	\$121,398,756	\$—	77.35%	\$15,674,968	\$9,318,568	-41%
5b Ind	0.36	0.333	0.9250	\$2,240,841	\$4,821,618	\$—	2.00%	\$2,072,778	\$3,025,634	\$—	1.93%	\$382,318	\$239,910	-37%
TOTAL				\$111,868,561	\$240,707,583	\$—	100.00%	\$107,524,247	\$156,953,144	\$—	100.00%	\$18,656,895	\$12,227,864	-34%

<u>New Multiplier</u>	1.4597	(From Cook Co. Chart)
<u>Old Multiplier</u>	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would *fall*. Therefore, the "new tax" figure (Col. 14) is *moderately overstated* and the percentage decreases in Col. 15 are correspondingly *understated*.

Chart BTIF 1

1996 Burbank TIF District: All Ordinance Levels Changed to 33.3% (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$56,033	\$120,566	\$—	0.39%	\$84,814	\$123,802	\$—	0.67%	\$11,102	\$11,400	3%
3	0.33	0.333	1.0091	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.333	0.8763	\$14,428,666	\$31,046,161	\$—	99.61%	\$12,644,068	\$18,456,546	\$—	99.33%	\$2,858,730	\$1,699,479	-41%
5b Ind	0.36	0.333	0.9250	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$14,484,699	\$31,166,727	\$—	100.00%	\$12,728,881	\$18,580,348	\$—	100.00%	\$2,869,832	\$1,710,878	-40%

New Multiplier 1.4597 (From Cook Co. Chart)

Old Multiplier 2.1517 (From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would **fall**. Therefore, the "new tax" figure (Col. 14) is **moderately overstated** and the percentage decreases in Col. 15 are correspondingly **understated**.

Chart OPSD 2

1996 SD 97 (Oak Park): No Change in Ord. Levels, But Full Value for Class 2 Only Adjusted for IDOR Assessment/Sales Ratios

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$228,035	\$490,663	\$490,663	0.07%	\$228,035	\$383,965	\$383,965	0.05%	\$23,120	\$16,211	-30%
2	0.1004	0.16	1.5936	\$239,096,450	\$514,463,831	\$454,624,431	69.49%	\$381,030,199	\$641,578,649	\$581,739,249	79.67%	\$21,422,173	\$24,560,580	15%
3	0.33	0.33	1.0000	\$54,458,136	\$117,177,571	\$117,177,571	17.91%	\$54,458,136	\$91,696,609	\$91,696,609	12.56%	\$5,521,477	\$3,871,360	-30%
4	0.3	0.3	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.38	1.0000	\$52,093,316	\$112,089,188	\$76,464,368	11.69%	\$52,093,316	\$87,714,725	\$52,089,905	7.13%	\$3,603,046	\$2,199,195	-39%
5b Ind	0.36	0.36	1.0000	\$2,558,680	\$5,505,512	\$5,505,512	0.84%	\$2,558,680	\$4,308,305	\$4,308,305	0.59%	\$259,423	\$181,893	-30%
6	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$490,368,366	\$825,682,255	\$730,218,035	100.00%	\$30,829,239	\$30,829,239	0%
Railroad					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$490,368,366	\$825,682,255	\$730,218,035	100.00%	\$30,829,239	\$30,829,239	0%

Exempt.	\$59,839,400
TIF Incr.	\$35,624,820
2	\$—
5a Com	\$35,624,820
5b Ind	\$—

New Multiplier	1.6838 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$592,250	\$592,250
Soc Sec	\$592,250	\$592,250
Liab Ins	\$2,294,221	\$2,294,221
Trans (R/L)*	\$712,818	\$712,818
Education (R/L)	\$20,790,511	\$20,790,511
Bldg (R/L)	\$2,079,051	\$2,079,051
Work Cash (R/L)	\$297,007	\$297,007
Life Safety (R/L)	\$297,007	\$297,007
Spec Ed (R/L)	\$118,803	\$118,803
TOTAL	\$27,773,918	\$27,773,918
Tax Cap Max	\$27,427,007	\$27,427,007
Bonds	\$3,400,024	\$3,400,024
GRAND TOTAL	\$30,827,031	\$30,827,031

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$654,262,545	\$730,218,035	11.6%
Extension	\$30,829,239	\$30,829,239	0%
Tax Rate	0.047121	0.042219	(10.4%)
Loss	\$—	\$—	

Chart MARK 2

1996 SD 144 (Markham): No Change in Ord. Levels, But Full Value for Class 2 Only Adjusted for IDOR Assessment/Sales Ratios

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix % of Total	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix % of Total	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax % Change
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$2,695,785	\$5,800,521	\$5,800,521	3.68%	\$2,695,785	\$4,539,163	\$4,539,163	2.63%	\$264,394	\$189,493	-28%
2	0.1004	0.16	1.5936	\$55,014,248	\$118,374,157	\$91,611,795	58.06%	\$87,672,108	\$147,622,296	\$120,859,934	70.16%	\$4,175,772	\$5,045,439	21%
3	0.33	0.33	1.0000	\$1,491,771	\$3,209,844	\$3,209,844	2.03%	\$1,491,771	\$2,511,844	\$2,511,844	1.46%	\$146,308	\$104,860	-28%
4	0.3	0.3	1.0000	\$44,233	\$95,176	\$95,176	0.06%	\$44,233	\$74,480	\$74,480	0.04%	\$4,338	\$3,109	-28%
5a Cm	0.38	0.38	1.0000	\$18,577,325	\$39,972,830	\$38,286,538	24.27%	\$18,577,325	\$31,280,500	\$29,594,208	17.18%	\$1,745,145	\$1,235,445	-29%
5b Ind	0.36	0.36	1.0000	\$8,580,003	\$18,461,592	\$18,461,592	11.70%	\$8,580,003	\$14,447,009	\$14,447,009	8.39%	\$841,501	\$603,107	-28%
6	0.16	0.16	1.0000	\$143,736	\$309,277	\$309,277	0.20%	\$143,736	\$242,023	\$242,023	0.14%	\$14,097	\$10,104	-28%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$119,204,961	\$200,717,314	\$172,268,660	100.00%	\$7,191,556	\$7,191,556	0%
Railroad				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$119,204,961	\$200,717,314	\$172,268,660	100.00%	\$7,191,556	\$7,191,556	0%

Exempt.	\$26,762,362
TIF Incr.	\$1,686,292
2	\$—
5a Com	\$1,686,292
5b Ind	\$—

New Multiplier	1.6838 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$217,268	\$217,268
Soc Sec	\$209,020	\$209,020
Liab Ins	\$439,194	\$439,194
Trans (R/L)*	\$173,801	\$173,801
Education (R/L)	\$3,555,672	\$3,555,672
Bldg (R/L)	\$362,085	\$362,085
Work Cash (R/L)	\$72,417	\$72,417
Life Safety (R/L)	\$72,417	\$72,417
Spec Ed (R/L)	\$28,967	\$28,967
Lease Ed Fac (R/L)	\$72,417	\$72,417
TOTAL	\$5,203,258	\$5,203,258
Tax Cap Max	\$5,207,354	\$5,207,354
Bonds	\$1,960,495	\$1,960,495
Life Safe Lim Bonds	\$27,488	\$27,488
GRAND TOTAL	\$7,191,241	\$7,191,241

	Current	New	% Change
Assess Base	\$157,774,743	\$172,268,660	9.2%
Extension	\$7,191,556	\$7,191,556	0%
Tax Rate	0.045581	0.0417462	(8.4%)
Loss	\$—	\$—	

*R/L = Rate Limited

Chart HOFTIF 2

1996 Cook County: No Change in Ord. Levels, But With Assessor's Full Value for Class 2 Only Adjusted for IDOR Assessment/Sales Ratios (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$14,722,524	\$31,678,455	\$—	13.16%	\$23,815,848	\$36,671,642	\$—	16.56%	\$2,599,608	\$3,009,360	16%
3	0.2352	0.33	1.4031	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.3064	0.38	1.2402	\$94,905,196	\$204,207,510	\$—	84.84%	\$117,702,267	\$181,237,950	\$—	81.85%	\$15,674,968	\$13,911,825	-11%
5b Ind	0.3539	0.36	1.0172	\$2,240,841	\$4,821,618	\$—	2.00%	\$2,279,465	\$3,509,921	\$—	1.59%	\$382,318	\$278,311	-27%
TOTAL				\$111,868,561	\$240,707,583	\$—	100.00%	\$143,797,579	\$221,419,513	\$—	100.00%	\$18,656,895	\$17,199,496	-8%

<u>New Multiplier</u>	1.6838	(From Cook Co. Chart)
<u>Old Multiplier</u>	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would *fall*. Therefore, the "new tax" figure (Col. 14) is *moderately overstated* and the percentage decreases in Col. 15 are correspondingly *understated*.

Chart BTIF 2

1996 Burbank TIF District: No Change in Ord. Levels, But Full Values for Class 2 Only Adjusted to IDOR Assessment/Sales Ratio (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$56,033	\$120,566	\$—	0.39%	\$90,642	\$152,623	\$—	0.50%	\$11,102	\$14,054	16%
3	0.2352	0.33	1.4031	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.3064	0.38	1.2402	\$14,428,666	\$31,046,161	\$—	99.61%	\$17,894,560	\$30,130,860	\$—	99.50%	\$2,858,730	\$2,774,450	-11%
5b Ind	0.3539	0.36	1.0172	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$14,484,699	\$31,166,727	\$—	100.00%	\$17,985,201	\$30,283,483	\$—	100.00%	\$2,869,832	\$2,788,503	-11%

New Multiplier	1.6838	(From Cook Co. Chart)
Old Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would **fall**. Therefore, the "new tax" figure (Col. 14) is **moderately overstated** and the percentage decreases in Col. 15 are correspondingly **understated**.

Chart OPSD 3

1996 SD 97 (Oak Park): No Change in Ord. Levels, But Full Values for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$228,035	\$490,663	\$490,663	0.07%	\$368,880	\$568,002	\$568,002	0.08%	\$23,120	\$24,561	6%
2	0.1004	0.16	1.5936	\$239,096,450	\$514,463,831	\$454,624,431	69.49%	\$381,030,199	\$586,710,301	\$526,870,901	73.90%	\$21,422,173	\$22,782,644	6%
3	0.2352	0.33	1.4031	\$54,458,136	\$117,177,571	\$117,177,571	17.91%	\$76,408,099	\$117,653,191	\$117,653,191	16.50%	\$5,521,477	\$5,087,491	-8%
4	0.3	0.3	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.3064	0.38	1.2402	\$52,093,316	\$112,089,188	\$76,464,368	11.69%	\$64,606,593	\$99,481,232	\$63,856,412	8.96%	\$3,603,046	\$2,761,242	-23%
5b Ind	0.3539	0.36	1.0172	\$2,558,680	\$5,505,512	\$5,505,512	0.84%	\$2,602,783	\$4,007,765	\$4,007,765	0.56%	\$259,423	\$173,301	-33%
6	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$525,016,554	\$808,420,490	\$712,956,270	100.00%	\$30,829,239	\$30,829,239	0%
Railroad					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$525,016,554	\$808,420,490	\$712,956,270	100.00%	\$30,829,239	\$30,829,239	0%

Exempt.	\$59,839,400		
TIF Incr.	\$35,624,820		
2	\$—		
5a Com	\$35,624,820		
5b Ind	\$—		
	Current	New	% Change
Assess Base	\$654,262,545	\$712,956,270	9.0%
Extension	\$30,829,239	\$30,829,239	0%
Tax Rate	0.047121	0.042219	(10.4%)
Loss	\$—	\$—	

New Multiplier	1.5398 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$592,250	\$592,250
Soc Sec	\$592,250	\$592,250
Liab Ins	\$2,294,221	\$2,294,221
Trans (R/L)*	\$712,818	\$712,818
Education (R/L)	\$20,790,511	\$20,790,511
Bldg (R/L)	\$2,079,051	\$2,079,051
Work Cash (R/L)	\$297,007	\$297,007
Life Safety (R/L)	\$297,007	\$297,007
Spec Ed (R/L)	\$118,803	\$118,803
TOTAL	\$27,773,918	\$27,773,918
Tax Cap Max	\$27,427,007	\$27,427,007
Bonds	\$3,400,024	\$3,400,024
GRAND TOTAL	\$30,827,031	\$30,827,031

*R/L = Rate Limited

Chart MARK 3

1996 SD 144 (Markham): No Change in Ord. Levels, But Full Values for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$2,695,785	\$5,800,521	\$5,800,521	3.68%	\$4,360,829	\$6,714,804	\$6,714,804	4.05%	\$264,394	\$291,444	10%
2	0.1004	0.16	1.5936	\$55,014,248	\$118,374,157	\$91,611,795	58.06%	\$87,672,108	\$134,997,512	\$108,235,150	65.32%	\$4,175,772	\$4,697,753	13%
3	0.2352	0.33	1.4031	\$1,491,771	\$3,209,844	\$3,209,844	2.03%	\$2,093,046	\$3,222,872	\$3,222,872	1.95%	\$146,308	\$139,883	-4%
4	0.3	0.3	1.0000	\$44,233	\$95,176	\$95,176	0.06%	\$44,233	\$68,110	\$68,110	0.04%	\$4,338	\$2,956	-32%
5a Cm	0.3064	0.38	1.2402	\$18,577,325	\$39,972,830	\$38,286,538	24.27%	\$23,039,763	\$35,476,628	\$33,790,336	20.39%	\$1,745,145	\$1,466,609	-16%
5b Ind	0.3539	0.36	1.0172	\$8,580,003	\$18,461,592	\$18,461,592	11.70%	\$8,727,892	\$13,439,209	\$13,439,209	8.11%	\$841,501	\$583,305	-31%
6	0.16	0.16	1.0000	\$143,736	\$309,277	\$309,277	0.20%	\$143,736	\$221,325	\$221,325	0.13%	\$14,097	\$9,606	-32%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$126,081,608	\$194,140,460	\$165,691,806	100.00%	\$7,191,556	\$7,191,556	0%
Railroad				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$126,081,608	\$194,140,460	\$165,691,806	100.00%	\$7,191,556	\$7,191,556	0%

Exempt.	\$26,762,362		
TIF Incr.	\$1,686,292		
2	\$—		
5a Com	\$1,686,292		
5b Ind	\$—		
	Current	New	% Change
Assess Base	\$157,774,743	\$165,691,806	5.0%
Extension	\$7,191,556	\$7,191,556	0%
Tax Rate	0.045581	0.043403	(4.3%)
Loss	\$—	\$—	

New Multiplier 1.5398 (From Cook Co. Chart)

Current Multiplier 2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$217,268	\$217,268
Soc Sec	\$209,020	\$209,020
Liab Ins	\$439,194	\$439,194
Trans (R/L)*	\$173,801	\$173,801
Education (R/L)	\$3,555,672	\$3,555,672
Bldg (R/L)	\$362,085	\$362,085
Work Cash (R/L)	\$72,417	\$72,417
Life Safety (R/L)	\$72,417	\$72,417
Spec Ed (R/L)	\$28,967	\$28,967
Lease Ed Fac (R/L)	\$72,417	\$72,417
TOTAL	\$5,203,258	\$5,203,258
Tax Cap Max	\$5,207,354	\$5,207,354
Bonds	\$1,960,495	\$1,960,495
Life Safe Lim Bonds	\$27,488	\$27,488
GRAND TOTAL	\$7,191,241	\$7,191,241

*R/L = Rate Limited

Chart HOFTIF 3

1996 Hoffman Estates TIF District: No Change in Ord. Levels, But With Assessor's Full Values for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$14,722,524	\$31,678,455	\$—	13.16%	\$14,722,524	\$24,789,786	\$—	13.16%	\$2,599,608	\$2,034,308	-22%
3	0.33	0.33	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.38	1.0000	\$94,905,196	\$204,207,510	\$—	84.84%	\$94,905,196	\$159,801,369	\$—	84.84%	\$15,674,968	\$12,266,353	-22%
5b Ind	0.36	0.36	1.0000	\$2,240,841	\$4,821,618	\$—	2.00%	\$2,240,841	\$3,773,128	\$—	2.00%	\$382,318	\$299,181	-22%
TOTAL				\$111,868,561	\$240,707,583	\$—	100.00%	\$111,868,561	\$188,364,283	\$—	100.00%	\$18,656,895	\$14,599,842	-22%

New Multiplier	1.5398	(From Cook Co. Chart)
Old Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would **fall**. Therefore, the "new tax" figure (Col. 14) is **moderately overstated** and the percentage decreases in Col. 15 are correspondingly **understated**.

Chart BTIF 3

1996 Burbank TIF District: No Change in Ord. Levels, But Full Values for Classes 1,2,3, and 5 Adjusted for IDOR Assessment/Sales Ratios (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.136	0.22	1.6176	\$56,033	\$120,566	\$—	0.39%	\$90,642	\$139,571	\$—	0.50%	\$11,102	\$12,852	16%
3	0.2352	0.33	1.4031	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.3064	0.38	1.2402	\$14,428,666	\$31,046,161	\$—	99.61%	\$17,894,560	\$27,554,043	\$—	99.50%	\$2,858,730	\$2,537,176	-11%
5b Ind	0.3539	0.36	1.0172	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$14,484,699	\$31,166,727	\$—	100.00%	\$17,985,201	\$27,693,614	\$—	100.00%	\$2,869,832	\$2,550,028	-11%

New Multiplier	1.5398	(From Cook Co. Charts)
Old Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would *fall*. Therefore, the "new tax" figure (Col. 14) is *moderately overstated* and the percentage decreases in Col. 15 are correspondingly *understated*.

Chart OPSD 4

1996 SD 97 (Oak Park): Ord. Levels to 33.3%, But With Full Value of Class 2 Only Adjusted to IDOR Assessment/Sales Ratio

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$228,035	\$490,663	\$490,663	0.07%	\$345,162	\$361,868	\$361,868	0.04%	\$23,120	\$13,214	-43%
2	0.1004	0.333	3.3167	\$239,096,450	\$514,463,831	\$454,624,431	69.49%	\$793,019,102	\$831,401,227	\$771,561,827	91.39%	\$21,422,173	\$28,174,812	32%
3	0.33	0.333	1.0091	\$54,458,136	\$117,177,571	\$117,177,571	17.91%	\$54,953,210	\$57,612,945	\$57,612,945	6.82%	\$5,521,477	\$2,103,829	-62%
4	0.3	0.333	1.1100	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.333	0.8763	\$52,093,316	\$112,089,188	\$76,464,368	11.69%	\$45,650,195	\$47,859,665	\$12,234,845	1.45%	\$3,603,046	\$446,775	-88%
5b Ind	0.36	0.333	0.9250	\$2,558,680	\$5,505,512	\$5,505,512	0.84%	\$2,366,779	\$2,481,331	\$2,481,331	0.29%	\$259,423	\$90,610	-65%
6	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$896,334,448	\$939,717,036	\$844,252,816	100.00%	\$30,829,239	\$30,829,239	0%
Railroad					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$896,334,448	\$939,717,036	\$844,252,816	100.00%	\$30,829,239	\$30,829,239	0%

Exempt.	\$59,839,400
TIF Incr.	\$35,624,820
2	\$—
5a Com	\$35,624,820
5b Ind	\$—

New Multiplier	1.0484 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$592,250	\$592,250
Soc Sec	\$592,250	\$592,250
Liab Ins	\$2,294,221	\$2,294,221
Trans (R/L)*	\$712,818	\$712,818
Education (R/L)	\$20,790,511	\$20,790,511
Bldg (R/L)	\$2,079,051	\$2,079,051
Work Cash (R/L)	\$297,007	\$297,007
Life Safety (R/L)	\$297,007	\$297,007
Spec Ed (R/L)	\$118,803	\$118,803
TOTAL	\$27,773,918	\$27,773,918
Tax Cap Max	\$27,427,007	\$27,427,007
Bonds	\$3,400,024	\$3,400,024
GRAND TOTAL	\$30,827,031	\$30,827,031

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$654,262,545	\$844,252,816	29%
Extension	\$30,829,239	\$30,829,239	0%
Tax Rate	0.047121	0.036517	(22.5%)
Loss	\$—	\$—	

Chart MARK 4

1996 SD 144 (Markham): Ord. Levels to 33.3%, But With Full Value of Class 2 Only Adjusted to IDOR Assessment/Sales Ratio

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.333	1.5136	\$2,695,785	\$5,800,521	\$5,800,521	3.68%	\$4,080,438	\$4,277,931	\$4,277,931	2.20%	\$264,394	\$158,207	-40%
2	0.1004	0.333	3.3167	\$55,014,248	\$118,374,157	\$91,611,795	58.06%	\$182,467,576	\$191,299,006	\$164,536,644	84.61%	\$4,175,772	\$6,084,933	46%
3	0.33	0.333	1.0091	\$1,491,771	\$3,209,844	\$3,209,844	2.03%	\$1,505,333	\$1,578,191	\$1,578,191	0.81%	\$146,308	\$58,365	-60%
4	0.3	0.333	1.1100	\$44,233	\$95,176	\$95,176	0.06%	\$49,099	\$51,475	\$51,475	0.03%	\$4,338	\$1,904	-56%
5a Cm	0.38	0.333	0.8763	\$18,577,325	\$39,972,830	\$38,286,538	24.27%	\$16,279,603	\$17,067,536	\$15,381,244	7.91%	\$1,745,145	\$568,833	-67%
5b Ind	0.36	0.333	0.9250	\$8,580,003	\$18,461,592	\$18,461,592	11.70%	\$7,936,503	\$8,320,630	\$8,320,630	4.28%	\$841,501	\$307,715	-63%
6	0.16	0.333	2.0813	\$143,736	\$309,277	\$309,277	0.20%	\$299,151	\$313,629	\$313,629	0.16%	\$14,097	\$11,599	-18%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$212,617,701	\$222,908,398	\$194,459,744	100.00%	\$7,191,556	\$7,191,556	0%
Railroad				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$212,617,701	\$222,908,398	\$194,459,744	100.00%	\$7,191,556	\$7,191,556	0%

Exempt.	\$26,762,362		
TIF Incr.	\$1,686,292		
2	\$—		
5a Com	\$1,686,292		
5b Ind	\$—		
	Current	New	% Change
Assess Base	\$157,774,743	\$194,459,744	23.3%
Extension	\$7,191,556	\$7,191,556	0%
Tax Rate	0.045581	0.0369822	(18.9%)
Loss	\$—	\$—	

New Multiplier	1.0484	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$217,268	\$217,268
Soc Sec	\$209,020	\$209,020
Liab Ins	\$439,194	\$439,194
Trans (R/L)*	\$173,801	\$173,801
Education (R/L)	\$3,555,672	\$3,555,672
Bldg (R/L)	\$362,085	\$362,085
Work Cash (R/L)	\$72,417	\$72,417
Life Safety (R/L)	\$72,417	\$72,417
Spec Ed (R/L)	\$28,967	\$28,967
Lease Ed Fac (R/L)	\$72,417	\$72,417
TOTAL	\$5,203,258	\$5,203,258
Tax Cap Max	\$5,207,354	\$5,207,354
Bonds	\$1,960,495	\$1,960,495
Life Safe Lim Bonds	\$27,488	\$27,488
GRAND TOTAL	\$7,191,241	\$7,191,241

*R/L = Rate Limited

Chart HOFTIF 4

1996 Hoffman Estates TIF District: Ord. Levels to 33.3%, But With Assessor's Full Value for Class 2 Only Adjusted to IDOR Assessment/Sales Ratio (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.33	1.5000	\$14,722,524	\$31,678,455	\$—	13.2%	\$22,083,786	\$23,152,641	\$—	20.7%	\$2,599,608	\$1,899,960	-27%
3	0.33	0.33	1.0000	\$—	\$—	\$—	0.0%	\$—	\$—	\$—	0.0%	\$—	\$—	0%
5a Cm	0.38	0.33	0.8684	\$94,905,196	\$204,207,510	\$—	84.8%	\$82,417,670	\$86,406,685	\$—	77.3%	\$15,674,968	\$6,632,577	-58%
5b Ind	0.36	0.33	0.9167	\$2,240,841	\$4,821,618	\$—	2.0%	\$2,054,104	\$2,153,523	\$—	1.9%	\$382,318	\$170,758	-55%
TOTAL				\$111,868,561	\$240,707,583	\$—	100.0%	\$106,555,560	\$111,712,850	\$—	100.0%	\$18,656,895	\$8,703,295	-53%

<u>New Multiplier</u>	1.0484	(From Cook Co. Chart)
<u>Old Multiplier</u>	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would *fall*. Therefore, the "new tax" figure (Col. 14) is *moderately overstated* and the percentage decreases in Col. 15 are correspondingly *understated*.

Chart BTIF 4

1996 Burbank TIF District: Ord. Levels to 33.3%, But With Full Value of Class 2 Only Adjusted to IDOR Assessment/Sales Ratio (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$56,033	\$120,566	\$—	0.39%	\$137,198	\$143,839	\$—	0.87%	\$11,102	\$12,545	13%
3	0.2352	0.333	1.4158	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.3064	0.333	1.0868	\$14,428,666	\$31,046,161	\$—	99.61%	\$15,681,285	\$16,440,259	\$—	99.13%	\$2,858,730	\$1,433,825	-50%
5b Ind	0.3539	0.333	0.9409	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$14,484,699	\$31,166,727	\$—	100.00%	\$15,818,484	\$16,584,098	\$—	100.00%	\$2,869,832	\$1,446,370	-50%

<u>New Multiplier</u>	1.0484	(From Cook Co. Chart)
<u>Old Multiplier</u>	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would **fall**. Therefore, the "new tax" figure (Col. 14) is **moderately overstated** and the percentage decreases in Col. 15 are correspondingly **understated**.

Chart OPSD 5

1996 SD 97 (Oak Park): Ord. Levels to 33.3%, But With Full Value of Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$228,035	\$490,663	\$490,663	0.07%	\$558,350	\$554,442	\$554,442	0.07%	\$23,120	\$20,650	-11%
2	0.1004	0.333	3.3167	\$239,096,450	\$514,463,831	\$454,624,431	69.49%	\$793,019,102	\$787,467,968	\$727,628,568	87.91%	\$21,422,173	\$27,100,863	27%
3	0.2352	0.333	1.4158	\$54,458,136	\$117,177,571	\$117,177,571	17.91%	\$77,102,718	\$76,562,999	\$76,562,999	9.25%	\$5,521,477	\$2,851,624	-48%
4	0.3	0.333	1.1100	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Com	0.3064	0.333	1.0868	\$52,093,316	\$112,089,188	\$76,464,368	11.69%	\$56,615,778	\$56,219,467	\$20,594,647	2.49%	\$3,603,046	\$767,057	-79%
5b Ind	0.3539	0.333	0.9409	\$2,558,680	\$5,505,512	\$5,505,512	0.84%	\$2,407,574	\$2,390,721	\$2,390,721	0.29%	\$259,423	\$89,044	-66%
6	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$929,703,522	\$923,195,597	\$827,731,377	100.00%	\$30,829,239	\$30,829,239	0%
Railroad					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$929,703,522	\$923,195,597	\$827,731,377	100.00%	\$30,829,239	\$30,829,239	0%

Exempt.	\$59,839,400
TIF Incr.	\$35,624,820
2	\$—
5a Com	\$35,624,820
5b Ind	\$—

New Multiplier	0.9930 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$592,250	\$592,250
Soc Sec	\$592,250	\$592,250
Liab Ins	\$2,294,221	\$2,294,221
Trans (R/L)*	\$712,818	\$712,818
Education (R/L)	\$20,790,511	\$20,790,511
Bldg (R/L)	\$2,079,051	\$2,079,051
Work Cash (R/L)	\$297,007	\$297,007
Life Safety (R/L)	\$297,007	\$297,007
Spec Ed (R/L)	\$118,803	\$118,803
TOTAL	\$27,773,918	\$27,773,918
Tax Cap Max	\$27,427,007	\$27,427,007
Bonds	\$3,400,024	\$3,400,024
GRAND TOTAL	\$30,827,031	\$30,827,031

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$654,262,545	\$827,731,377	26.5%
Extension	\$30,829,239	\$30,829,239	0%
Tax Rate	0.047121	0.037245	(21.0%)
Loss	\$—	\$—	

Chart MARK 5

1996 SD 144 (Markham): Ord. Levels to 33.3%, But With Full Value of Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$2,695,785	\$5,800,521	\$5,800,521	3.68%	\$6,600,709	\$6,554,504	\$6,554,504	3.45%	\$264,394	\$248,345	-6%
2	0.1004	0.333	3.3167	\$55,014,248	\$118,374,157	\$91,611,795	58.06%	\$182,467,576	\$181,190,303	\$154,427,941	81.36%	\$4,175,772	\$5,851,154	40%
3	0.2352	0.333	1.4158	\$1,491,771	\$3,209,844	\$3,209,844	2.03%	\$2,112,074	\$2,097,289	\$2,097,289	1.10%	\$146,308	\$79,465	-46%
4	0.3	0.333	1.1100	\$44,233	\$95,176	\$95,176	0.06%	\$49,099	\$48,755	\$48,755	0.03%	\$4,338	\$1,847	-57%
5a Com	0.3064	0.333	1.0868	\$18,577,325	\$39,972,830	\$38,286,538	24.27%	\$20,190,108	\$20,048,778	\$18,362,486	9.67%	\$1,745,145	\$695,740	-60%
5b Ind	0.3539	0.333	0.9409	\$8,580,003	\$18,461,592	\$18,461,592	11.70%	\$8,073,300	\$8,016,787	\$8,016,787	4.22%	\$841,501	\$303,750	-64%
6	0.16	0.333	2.0813	\$143,736	\$309,277	\$309,277	0.20%	\$299,151	\$297,056	\$297,056	0.16%	\$14,097	\$11,255	-20%
7	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.333	2.0813	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$219,792,016	\$218,253,472	\$189,804,818	100.00%	\$7,191,556	\$7,191,556	0%
Railroad				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$219,792,016	\$218,253,472	\$189,804,818	100.00%	\$7,191,556	\$7,191,556	0%

Exempt.	\$26,762,362
TIF Incr.	\$1,686,292
2	\$—
5a Com	\$1,686,292
5b Ind	\$—

New Multiplier	0.9930	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$217,268	\$217,268
Soc Sec	\$209,020	\$209,020
Liab Ins	\$439,194	\$439,194
Trans (R/L)*	\$173,801	\$173,801
Education (R/L)	\$3,555,672	\$3,555,672
Bldg (R/L)	\$362,085	\$362,085
Work Cash (R/L)	\$72,417	\$72,417
Life Safety (R/L)	\$72,417	\$72,417
Spec Ed (R/L)	\$28,967	\$28,967
Lease Ed Fac (R/L)	\$72,417	\$72,417
TOTAL	\$5,203,258	\$5,203,258
Tax Cap Max	\$5,207,354	\$5,207,354
Bonds	\$1,960,495	\$1,960,495
Life Safe Lim Bonds	\$27,488	\$27,488
GRAND TOTAL	\$7,191,241	\$7,191,241

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$157,774,743	\$189,804,818	20.3%
Extension	\$7,191,556	\$7,191,556	0%
Tax Rate	0.045581	0.0378892	(16.9%)
Loss	\$—	\$—	

Chart HOFTIF 5

1996 Hoffman Estates TIF District: Ord. Levels to 33.3%, But With Assessor's Full Value for Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$14,722,524	\$31,678,455	\$—	13.2%	\$36,048,533	\$35,741,081	\$—	25.5%	\$2,599,608	\$2,933,289	13%
3	0.2352	0.333	1.4158	\$—	\$—	\$—	0.0%	\$—	\$—	\$—	0.0%	\$—	\$—	0%
5a Com	0.3064	0.333	1.0868	\$94,905,196	\$204,207,510	\$—	84.8%	\$103,144,355	\$102,216,055	\$—	73.0%	\$15,674,968	\$7,846,104	-50%
5b Ind	0.3539	0.333	0.9409	\$2,240,841	\$4,821,618	\$—	2.0%	\$2,108,505	\$2,089,952	\$—	1.5%	\$382,318	\$165,727	-57%
TOTAL				\$111,868,561	\$240,707,583	\$—	100.0%	\$141,301,393	\$140,047,089	\$—	100.0%	\$18,656,895	\$10,945,120	-41%

<u>New Multiplier</u>	0.9930	(From Cook Co. Chart)
<u>Old Multiplier</u>	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would **fall**. Therefore, the "new tax" figure (Col. 14) is **moderately overstated** and the percentage decreases in Col. 15 are correspondingly **understated**.

Chart BTIF 5

1996 Burbank TIF District: Ord. Levels to 33.3%, But With Full Value of Classes 1,2,3, and 5 Adjusted to IDOR Assessment/Sales Ratios (Assessment Increases Only)

1	2	3	New Level ÷ Old Level	1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	cf. New Net EAV x Rate	New Tax with Old Tax
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.136	0.333	2.4485	\$56,033	\$120,566	\$—	0.39%	\$137,198	\$136,238	\$—	0.87%	\$11,102	\$12,545	13%
3	0.2352	0.333	1.4158	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Com	0.3064	0.333	1.0868	\$14,428,666	\$31,046,161	\$—	99.61%	\$15,681,285	\$15,571,516	\$—	99.13%	\$2,858,730	\$1,433,825	-50%
5b Ind	0.3539	0.333	0.9409	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$14,484,699	\$31,166,727	\$—	100.00%	\$15,818,484	\$15,707,754	\$—	100.00%	\$2,869,832	\$1,446,370	-50%

<u>New Multiplier</u>	0.9930	(From Cook Co. Chart)
<u>Old Multiplier</u>	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would **fall**. Therefore, the "new tax" figure (Col. 14) is **moderately overstated** and the percentage decreases in Col. 15 are correspondingly **understated**.

Chart OPSD 6

1996 SD 97 (Oak Park): Multiplier at 1.000

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$228,035	\$490,663	\$490,663	0.07%	\$228,035	\$228,035	\$228,035	0.09%	\$23,120	\$15,527	-33%
2	0.16	0.16	1.0000	\$239,096,450	\$514,463,831	\$454,624,431	69.49%	\$239,096,450	\$239,096,450	\$179,257,050	70.86%	\$21,422,173	\$12,205,952	-43%
3	0.33	0.33	1.0000	\$54,458,136	\$117,177,571	\$117,177,571	17.91%	\$54,458,136	\$54,458,136	\$54,458,136	21.53%	\$5,521,477	\$3,708,158	-33%
4	0.3	0.3	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Com	0.38	0.38	1.0000	\$52,093,316	\$112,089,188	\$76,464,368	11.69%	\$52,093,316	\$52,093,316	\$16,468,496	6.51%	\$3,603,046	\$1,121,371	-69%
5b Ind	0.36	0.36	1.0000	\$2,558,680	\$5,505,512	\$5,505,512	0.84%	\$2,558,680	\$2,558,680	\$2,558,680	1.01%	\$259,423	\$174,225	-33%
6	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$348,434,617	\$348,434,617	\$252,970,397	100.00%	\$30,829,239	\$17,225,233	-44%
Railroad					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution					\$—	\$—	0.00%		\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$348,434,617	\$749,726,765	\$654,262,545	100.00%	\$348,434,617	\$348,434,617	\$252,970,397	100.00%	\$30,829,239	\$17,225,233	-44%

Exempt.	\$59,839,400		
TIF Incr.	\$35,624,820		
2	\$—		
5a Com	\$35,624,820		
5b Ind	\$—		
	Current	New	% Change
Assess Base	\$654,262,545	\$252,970,397	(61.3%)
Extension	\$30,829,239	\$17,225,233	(44.1%)
Tax Rate	0.047121	0.068092	44.5%
Loss	\$—	\$13,604,006	

New Multiplier	1.0000	(From Cook Co. Chart)
Current Multiplier	2.1517	(From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$592,250	\$592,250
Soc Sec	\$592,250	\$592,250
Liab Ins	\$2,294,221	\$2,294,221
Trans (R/L)*	\$712,818	\$303,564
Education (R/L)	\$20,790,511	\$8,853,964
Bldg (R/L)	\$2,079,051	\$885,396
Work Cash (R/L)	\$297,007	\$126,485
Life Safety (R/L)	\$297,007	\$126,485
Spec Ed (R/L)	\$118,803	\$50,594
TOTAL	\$27,773,918	\$13,825,209
Tax Cap Max	\$27,427,007	\$27,427,007
Bonds	\$3,400,024	\$3,400,024
GRAND TOTAL	\$30,827,031	\$17,225,233

*R/L = Rate Limited

Chart MARK 6

1996 SD 144 (Markham): Multiplier at 1.000

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV	% of Total	New AV	New Gross EAV	New Net EAV	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$2,695,785	\$5,800,521	\$5,800,521	3.68%	\$2,695,785	\$2,695,785	\$2,695,785	4.64%	\$264,394	\$213,140	-19%
2	0.16	0.16	1.0000	\$55,014,248	\$118,374,157	\$91,611,795	58.06%	\$55,014,248	\$55,014,248	\$28,251,886	48.63%	\$4,175,772	\$2,233,716	-47%
3	0.33	0.33	1.0000	\$1,491,771	\$3,209,844	\$3,209,844	2.03%	\$1,491,771	\$1,491,771	\$1,491,771	2.57%	\$146,308	\$117,946	-19%
4	0.3	0.3	1.0000	\$44,233	\$95,176	\$95,176	0.06%	\$44,233	\$44,233	\$44,233	0.08%	\$4,338	\$3,497	-19%
5a Cm	0.38	0.38	1.0000	\$18,577,325	\$39,972,830	\$38,286,538	24.27%	\$18,577,325	\$18,577,325	\$16,891,033	29.07%	\$1,745,145	\$1,335,478	-23%
5b Ind	0.36	0.36	1.0000	\$8,580,003	\$18,461,592	\$18,461,592	11.70%	\$8,580,003	\$8,580,003	\$8,580,003	14.77%	\$841,501	\$678,372	-19%
6	0.16	0.16	1.0000	\$143,736	\$309,277	\$309,277	0.20%	\$143,736	\$143,736	\$143,736	0.25%	\$14,097	\$11,364	-19%
7	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
8	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
9	0.16	0.16	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Subtotal				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$86,547,101	\$86,547,101	\$58,098,447	100.00%	\$7,191,556	\$4,593,513	-36%
Railroad				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
Air Pollution				\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$86,547,101	\$186,223,397	\$157,774,743	100.00%	\$86,547,101	\$86,547,101	\$58,098,447	100.00%	\$7,191,556	\$4,593,513	-36%

Exempt.	\$26,762,362
TIF Incr.	\$1,686,292
2	\$—
5a Com	\$1,686,292
5b Ind	\$—

New Multiplier	1.0000 (From Cook Co. Chart)
Current Multiplier	2.1517 (From IDOR)

FUNDS	Current w/ Old EAV	With New EAV
IMRF (Pension)	\$217,268	\$217,268
Soc Sec	\$209,020	\$209,020
Liab Ins	\$439,194	\$439,194
Trans (R/L)*	\$173,801	\$69,718
Education (R/L)	\$3,555,672	\$1,426,317
Bldg (R/L)	\$362,085	\$145,246
Work Cash (R/L)	\$72,417	\$29,049
Safety (R/L)	\$72,417	\$29,049
Spec Ed (R/L)	\$28,967	\$11,620
Lease Ed Fac (R/L)	\$72,417	\$29,049
TOTAL	\$5,203,258	\$2,605,530
Tax Cap Max	\$5,207,354	\$5,207,354
Bonds	\$1,960,495	\$1,960,495
Life Safe Lim Bonds	\$27,488	\$27,488
GRAND TOTAL	\$7,191,241	\$4,593,513

*R/L = Rate Limited

	Current	New	% Change
Assess Base	\$157,774,743	\$58,098,447	(63.2%)
Extension	\$7,191,556	\$4,593,513	(36.1%)
Tax Rate	0.045581	0.0790643	73.5%
Loss	\$—	\$2,598,043	

Chart HOFTIF 6

1996 Hoffman Estates TIF District: Multiplier at 1.000 (Assessment Increases Only)

	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$14,722,524	\$31,678,455	\$—	13.16%	\$14,722,524	\$14,722,524	\$—	13.16%	\$2,916,952	\$1,355,650	-54%
3	0.33	0.33	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.38	1.0000	\$94,905,196	\$204,207,510	\$—	84.84%	\$94,905,196	\$94,905,196	\$—	84.84%	\$18,803,428	\$8,738,870	-54%
5b Ind	0.36	0.36	1.0000	\$2,240,841	\$4,821,618	\$—	2.00%	\$2,240,841	\$2,240,841	\$—	2.00%	\$443,975	\$206,337	-54%
TOTAL				\$111,868,561	\$240,707,583	\$—	100.00%	\$111,868,561	\$111,868,561	\$—	100.00%	\$22,164,354	\$12,227,864	-45%

New Multiplier	1.0000	(From Cook Co. Chart)
Old Multiplier	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would *rise*. Therefore, the "new tax" figure (Col. 14) is *somewhat understated* and the percentage decreases in Col. 15 are correspondingly *overstated*.

Chart BTIF 6

1996 Burbank TIF District: Multiplier at 1.000 (Assessment Increases Only)

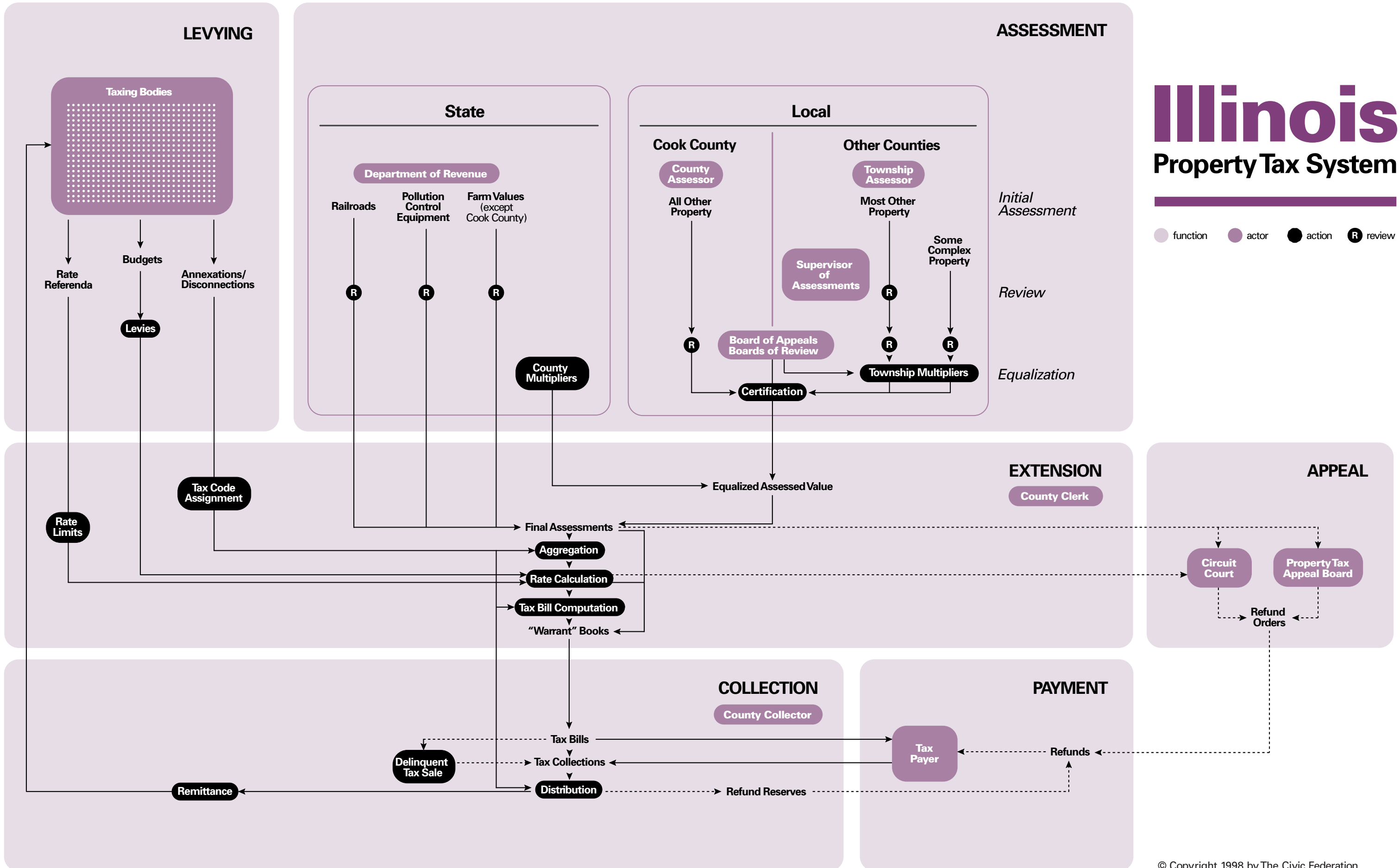
	New Level ÷ Old Level			1996 B/A Final	Current AV x Old Multiplier	Gross EAV Less Exemp - TIF incr.	Mix	Current AV x Factor	New AV x New Multiplier	New Gross EAV Less Exemp - TIF incr	New Mix	Net Current EAV x Rate	New Net EAV x Rate	cf. New Tax with Old Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Class	Old Level	New Level	Factor	Current AV	Gross Current EAV	Net Current EAV*	% of Total	New AV	New Gross EAV	New Net EAV*	% of Total	Old Tax	New Tax	% Change
1	0.22	0.22	1.0000	\$56,033	\$120,566	\$—	0.39%	\$56,033	\$56,033	\$—	0.39%	\$11,102	\$5,160	-54%
3	0.33	0.33	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
5a Cm	0.38	0.38	1.0000	\$14,428,666	\$31,046,161	\$—	99.61%	\$14,428,666	\$14,428,666	\$—	99.61%	\$2,858,730	\$1,328,592	-54%
5b Ind	0.36	0.36	1.0000	\$—	\$—	\$—	0.00%	\$—	\$—	\$—	0.00%	\$—	\$—	0%
TOTAL				\$14,484,699	\$31,166,727	\$—	100.00%	\$14,484,699	\$14,484,699	\$—	100.00%	\$2,869,832	\$1,333,751	-54%

<u>New Multiplier</u>	1.0000	(From Cook Co. Chart)
<u>Old Multiplier</u>	2.1517	(From IDOR)

* Since TIF charts represent only assessment increases, Columns 7 and 11 are not relevant to the computations. Since the revenue to the TIF District is based on the levies of all taxing bodies involved, a composite tax rate is used. The new composite tax rate was not recomputed. The rates of county-wide taxing districts would remain the same, but the local districts' rates would *rise*. Therefore, the "new tax" figure (Col. 14) is *somewhat understated* and the percentage decreases in Col. 15 are correspondingly *overstated*.

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