TO: Dr. Ushma Shah, Superintendent
             Board of Education

FROM: Patrick King, Senior Director of Finance

RE: Public Act 102-0519 – Recapture Levy Abatement

DATE: February 7, 2023

The Illinois General Assembly passed Public Act 102-0519 in August 2021, which allows taxing bodies to recapture lost revenues paid for certain property tax appeals paid from district tax collections over the past 12 months. For Oak Park District 97, that figure is **$981,650** in Tax Year 2022.

Without any action taken by the Board, the County will automatically extend these additional taxes to all the taxpayers of the district above the 5.0% tax levy increase that was approved by the Board in December 2022. If the Board elects to abate (eliminate) this additional tax levy, then it will need to approve an abatement resolution and file such resolution with Cook County by April 1, 2023. To provide some historical perspective, the Board of Education abated (eliminated) the 2021 Tax Year Recapture Levy in the amount of $614,688.

Administration is again recommending that the 2022 Tax Year Recapture Levy be abated for the following reasons:

1. This revenue source is not included in our budget or long-term financial projections
2. This abatement of the tax levy will generate a one-time reduction on the District's revenue stream and will not have a perpetual impact.
3. The additional extension will impose an additional new tax of approximately $58 (assuming $400,000 market value home) on local taxpayers as the recapture extends amounts already paid in over the tax base a second time.
4. It is also likely that the process will cause a tax shift to the residential tax base as the largest refunds are typically paid to commercial and industrial taxpayers.

I look forward to discussing the matter further with the Board at the February 7, 2023 Board meeting. Please do not hesitate to reach out with any questions in the meantime.