

COOK COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2018

the FY 2018 taxes certified to the County Clerk in December 2018 and uncollected prior year taxes.

Property, on which property taxes are unpaid after the due date (see above), is eligible to be sold at a public sale. If property sold for taxes is not redeemed within two years, the tax buyer receives a deed to the property.

The Annual Appropriation Bill of the County contains a provision for an allowance for uncollectible taxes. It is the County's policy to review this provision annually and to make adjustments accordingly. The County currently reports property tax receivables and allowances for the Current Year Levy (2018 Levy) and the First Prior Year Levy (2017 Levy). Any remaining receivables and allowances of a levy year prior to the First Prior Year Levy is eliminated at fiscal year-end. The allowance is estimated based on historical collection data. Taxes receivable and the allowance are as follows for the year ended November 30, 2018:

	Governmental Activities and Governmental Funds	Business-type Activities and CCHHS Fund	Primary Government Total
Property taxes receivable	\$ 708,511,783	\$ 79,752,753	\$ 788,264,536
Allowance	(15,832,613)	(6,926,713)	(22,759,326)
Property taxes receivable, net	<u>\$ 692,679,170</u>	<u>\$ 72,826,040</u>	<u>\$ 765,505,210</u>

On July 29, 1981, State law requiring additional procedures in connection with the annual levying of property taxes, became effective. The law states that, if an aggregate annual levy, exclusive of election costs and debt service requirements, is estimated to exceed 105% of the levy of the preceding year, a public hearing shall be held on the proposed increase. If the final levy as adopted exceeds 105% of the prior year's levy and exceeds the proposed levy specified in the notice, or is more than 105% of such proposed levy and no notice was required, notice of the adoption of such levy must be published within 15 days of the adoption thereof. No amount in excess of 105% of the preceding year's levy may be extended unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the law is to require published disclosure of an intention to adopt a levy in excess of the specified levels. The County held public hearings on its 2018 budget, to comply with this law.

During 1995, the State extended the provisions of the Property Tax Extension Limitation Law (the "Limitation Law") to non-home rule taxing districts in the County. Subject to specific exceptions, the Limitation Law limits the annual growth in property tax extensions for the Taxing District to (i) 5% for taxes extended in 1995 and (ii) the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant levy year for taxes extended in years after 1995.

All personal property taxes in the State of Illinois were abolished, effective January 1, 1979. A personal property replacement tax (the "PPRT") was enacted, effective July 1, 1979.