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Slow refund checks for Water Tower residents—including the county treasurer—lead to proposed fee

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A new \$30 fee proposed by Pappas' office would serve as a "deterrent," her spokesman said, for agents, firms and property managers. It won approval from the county's Finance Committee and faces a full board vote tomorrow.

Under the ordinance, third parties that fail to cash refund checks before a 90-day expiration date on the check would have to pay \$30 for each new check requested.

"I regret that this occurred in the building where I live," Pappas said, later adding that she received a late check. "I go home at night, get in the elevator and have people ask me where their checks are."

After a fellow Water Tower resident asked about the status of their property tax refund checks, Pappas said, her office found that some refund recovery agents were submitting a high number of requests for cancellation or reissuance of refund checks that were never cashed or deposited.

Between 2017 and 2019, the office says, more than 19,000 refund checks issued to third parties remained uncashed after 90 days. Nearly 5,000 checks remain uncashed to this day, the office says.

Pappas says her office mailed close to 1,000 refund checks in January 2018 for condos at Water Tower Place at 180 E. Pearson St., where Pappas lives. The checks, totaling \$444,500, were for appeals for tax years 2010-13. That adds up to an average of about \$500 per check.

The treasurer's office said the law firm that handled the building's appeals—Gordon & Pikarski—didn't deliver refund checks to the building's property management company, Lieberman Condominium & Property Management Services, until that August. In turn, the management company didn't distribute those refund checks to condo owners until December 2018, roughly a year later.

Calls to Lieberman and the law firm were not immediately returned.

"It adds a lot of confusion with taxpayers in general saying, 'Hey, I thought my check was mailed,'" Bill Kouruklis, Pappas' chief of staff, told commissioners.

"The belief is we'll train people, with the \$30 fee, to cash these checks when it's first issued," said Commissioner Larry Suffredin, D-Evanston, instead of tossing checks "in a drawer."

Terry Nader, a property tax lawyer with Schoenberg Finkel Newman & Rosenberg, said it would be uncommon for his office to hold on to refund checks for any reason. "The powerful motivation is that's how we get paid. It's in our own interest to see that the money is distributed promptly, both for the benefit of the taxpayer and so we are compensated for our work."

The only times he would ask the treasurer to reissue a check is when one might've been lost in the mail or if a mistake was made, but those are rare. "Out of probably several hundred that we receive per year, I could count them on one hand," he said, describing the new fee as a poor deterrent. He says his firm usually gets refunds to clients within a month.

Commissioners also gave initial approval to a \$1 increase to processing fees at the treasurer for mortgage lenders. The new rate would be \$2 per PIN and would help the treasurer's office pay for upgrades to its online property tax portal.

The committee also gave the green light to a new property tax abatement for families of police, fire, and soldiers who die in the line of duty.

A similar ordinance is working its way through the Chicago City Council—if both pass through the Cook County Board and City Council, qualifying families would be exempt from taxes levied by Cook County and the city.

Joe Ahern, CEO of the 100 Club, which supports sworn federal, state, county and local first responders stationed in Cook, Lake and McHenry counties, said his organization has worked with close to 250 families in Cook County that might qualify.

"Oftentimes the hero who was lost was the sole breadwinner," Ahern said, adding that the abatement "could be incredibly helpful" to families.

The fiscal impact would be minimal, county officials say.

The state already offers a total property tax exemption for surviving spouses of veterans killed in the line of duty Jan. 1, 2015, or after.

Inline Play

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