

# Cook County Assessor's Office Practitioners Meeting 2023

March 14, 2023

Cook County Assessor Fritz Kaegi



# 2023 Appeal Rules – Key Changes

## Presenters:

Christina Lynch, Director of Legal

Gina Matthiesen, Legal Counsel

Michael Piper, Chief Valuations Officer

## Moderators:

Angelina Romero, Chief Communications Officer

Tatia Gibbons, Chief Legal Officer

Tia Giacalone, Chief of Staff of Valuations

# Today's Presentation

## **Post Questions in the Chat Box**

Relevant links and other information will be posted in the chat.

## **New Rules for 2023**

Major Changes to the 2023 Appeal Rules; New Class Change Rule.

## **New for 2023: Guidelines for Filing Appeals**

Guidelines for filing Appeals and Certificates of Error.

## **Slides and Follow Up Information**

All attendees will receive the slides, which will also be posted online.

# 2023 Appeal Rules - General

- The CCAO incorporated several clarifications regarding evidence to support successful appeal and certificate of error filing.
- The 2023 CCAO rules also include additional information on how to report factual errors in CCAO data.
- Main Rule Addition: Class Change requests.
- The Appeal Rules are designed to provide clarity, fairness, and to promote accurate assessments, not to create stumbling blocks for taxpayers or their representatives.

# 2023 Appeal Rules – Rule 4

- As appeals should generally be filed through SmartFile, Rule 4 provides additional contact information and suggestions for those taxpayers who may not have reliable internet access.
  - The CCAO has new self-help stations available during peak times, such as 2<sup>nd</sup> installment.
- Please note: Rule 4 also provides that it is unacceptable to email an appeal to any individual CCAO employee in lieu of using SmartFile.
  - The purpose of this rule is to promote fairness for all filers.

# 2023 Appeal Rules – Rule 18

- Rule 18 notes that all appraisals submitted to the CCAO in support of an appeal or certificate of error must comply with USPAP standards.
- USPAP Standard Rule 1-1: appraisals must be credible.
- Appraisals should provide a well-supported estimate of value, rather than simply being a vehicle to request a lower assessed value of the subject property.
- Appraisals should be dated within the triennial period being appealed.

## ETHICS RULE

<b>An appraiser must promote and preserve the public trust inherent in appraisal practice by observing the highest standards of professional ethics.</b>	174 175
<b>An appraiser must comply with USPAP when obligated by law or regulation, or by agreement with the client or intended users. In addition to these requirements, an individual should comply any time that individual represents that he or she is performing the service as an appraiser.</b>	176 177 178
<u>Comment:</u> This Rule specifies the personal obligations and responsibilities of the individual appraiser. An individual appraiser employed by a group or organization that conducts itself in a manner that does not conform to USPAP should take steps that are appropriate under the circumstances to ensure compliance with USPAP.	179 180 181
This ETHICS RULE is divided into three sections: <b>Conduct</b> , <b>Management</b> , and <b>Confidentiality</b> , which apply to all appraisal practice.	182 183
<b>CONDUCT:</b>	184
<b>An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests.</b>	185 186
<b>An appraiser:</b>	187
<ul style="list-style-type: none"> <li>• <b>must not perform an assignment with bias;</b></li> <li>• <b>must not advocate the cause or interest of any party or issue;</b></li> <li>• <b>must not agree to perform an assignment that includes the reporting of predetermined opinions and conclusions;</b></li> <li>• <b>must not misrepresent his or her role when providing valuation services that are outside of appraisal practice;<sup>13</sup></b></li> <li>• <b>must not communicate assignment results with the intent to mislead or to defraud;</b></li> <li>• <b>must not use or communicate a report or assignment results known by the appraiser to be misleading or fraudulent;</b></li> <li>• <b>must not knowingly permit an employee or other person to communicate a report or assignment results that are misleading or fraudulent;</b></li> <li>• <b>must not use or rely on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value;</b></li> <li>• <b>must not engage in criminal conduct;</b></li> <li>• <b>must not willfully or knowingly violate the requirements of the RECORD KEEPING RULE; and</b></li> <li>• <b>must not perform an assignment in a grossly negligent manner.</b></li> </ul>	188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203
<u>Comment:</u> Development standards (1-1, 3-1, 5-1, 7-1 and 9-1) address the requirement that “an appraiser must not render appraisal services in a careless or negligent manner.” The above requirement deals with an appraiser being grossly negligent in performing an assignment which would be a violation of the <u>Conduct</u> section of the ETHICS RULE.	204 205 206 207

**FAQ** See also  
**FAQ 10-33**

# 2023 Appeal Rules – Rule 19

- Rule 19 provides more clarification regarding evidence submitted supporting valuation arguments based on income.
- Rule 19 also adds a redaction requirement for NPPI.
  - NPPI is “non-public personal information”
  - NPPI to be redacted includes social security numbers, employer identification numbers, driver’s license numbers, financial account numbers, and credit and debit card numbers.
  - The purpose of this rule is to protect taxpayer NPPI .



# 2023 Appeal Rules – Rule 20

- Rule 20 provides the types of evidence to support a vacancy argument.
- Specifically, provide clear color photographs, dated during the assessment year under appeal, of both the interior and exterior of the building.
  - Lead our Valuations analyst through the property.
  - Remember, the CCAO Attestation Form introduced last year can be used to provide the date photographs were taken.
- Our vacancy policy, originally published in May 2020 and updated May 2021, is still in effect.
  - There is a link to the Vacancy Policy in Rule 20.
  - Key: Vacancy is limited to no more than 24 months due to any individual event.

# 2023 Appeal Rules – Rule 23

- Arguments that a property should be assessed as Common Area per Section 10-35 must be supported by evidence, provided by the filer.
  - Declaration and/or Amendment designating the property as common area; and
  - Deed to the Association.
  - Affidavit of Use may also be submitted as they are helpful.
- Other documents, such as plats, dedications, or other agreements may be needed in more complex situations.

# NOTE ON LAND – Square Footage

- The CCAO does not independently validate land square footage for any PIN.
- Rather, the CCAO verifies the land square footage for each PIN with the Cook County Clerk's Office records, which should be identical to those found on all County resources.
- Therefore, the CCAO can only grant an appeal based on changes in land square footage when we find that our data does not match the data held by the Clerk's Office.
- To determine whether there is a discrepancy between a tax parcel and ownership, the legal description on the deed should be compared to the tax map/tax parcel legal description. This may be done in the Clerk's Map Department. Please be prepared with a copy of the deed of the property. This may also be emailed to [Clerk.Maps@cookcountyil.gov](mailto:Clerk.Maps@cookcountyil.gov)
- Requests for changes in land classification or valuation, such as for farmland, excess land, common area, or class changes from 5-90 to 2-41 or 1-00, are handled by the CCAO.
- As usual, support any argument based on land classification or valuation with supporting evidence.

# 2023 Appeal Rules – Rule 26

- The CCAO is still not accepting Re-Reviews of Valuation Decisions.
- If you have a difference of opinion regarding the valuation given by the CCAO post-appeal, you may file a further appeal with the Cook County Board of Review.
- However, taxpayers or their representatives are strongly encouraged to reach out to the CCAO for the correction of factual errors in an assessment.
  - Examples: Classification, Proration, SF, Key punch Errors, Missing Incentive, Extra Zeroes in an AV, Building assessed on a Vacant Lot
- Rule 26 provides methods to contact the CCAO regarding the correction of factual errors in an assessment.

# 2023 Appeal Rules – Rule 28

- Taxpayers may file applications for Certificates of Error for prior years either within or outside of the current year appeals process.
- Certificate of Error applications should include evidence sufficient to support the corrections requested. Please see the 2023 Appeal Rules 13-25 for guidelines.
- Please note: Rule 28 also provides that it is unacceptable to email a C of E to any individual CCAO employee in lieu of using SmartFile when the C of E is accompanying an appeal, emailing [assessor.onlineappeals@cookcounty.gov](mailto:assessor.onlineappeals@cookcounty.gov) for standalone C of Es, or a paper filing (for pro se filers only).
  - The purpose of this rule is to promote fairness for all filers.

# THE BIG ONE – Rule 25 Class Change Requests

- The purpose of this rule is to clarify the types of evidence to provide for appeals and certificates of error based on class changes.
- If you are requesting a class change, please specifically state so in your appeal materials.
- This rule also provides additional information regarding class change requests from Class 5 to either Class 3-18 or Class 2-12.
- Other class changes, including incentive classes, are also addressed by Rule 25.

# Class Change Requests – Class 2

- For class change requests within Class 2:
  - Provide clear color photographs, dated during the assessment year under appeal, of both the interior and exterior of the building.
  - Floor plans, surveys, appraisals, or other similar documentation showing an accurate description of the building, its square footage, and current usage.
  - Provide the total number of rooms, breaking down the number of bedrooms, bathrooms, and half baths.
- For class change requests to Class 2-11:
  - Provide evidence that each unit is actually used for residential purposes, has a separate entrance, and has separate utility meters.
  - Copies of leases and detailed rent rolls, if any, are also recommended.

# Class Change Requests – Class 5 to Class 2-12

- Class 2-12 is a building put to both residential and commercial use, of six units or less, where the building measures less than 20,000 SF of above grade space, any age.
- To qualify for Class 2-12:
  - The non-residential portion must be commercial and not industrial;
  - The residential portion of the building must actually be used for residential purposes; and
  - The residential unit(s) are zoned for residential use - either legally conforming or legally non-conforming.



# Class Change Requests – Class 5 to Class 2-12

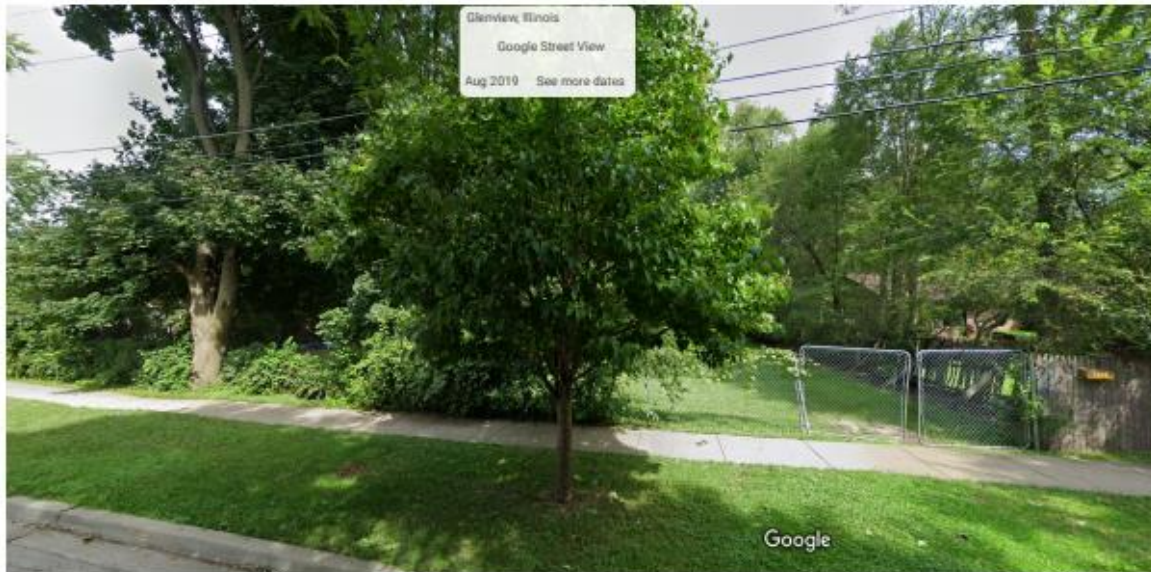
- Supporting evidence includes, but is not limited to:
  - Clear color photographs, dated during the assessment year under appeal, of both the interior and exterior of the building.
  - Floor plans, surveys, appraisals, or other similar documentation showing an accurate description of the building, its square footage, and current usage, broken down by commercial and residential.
  - Evidence that each residential unit is actually used for residential purposes, has a separate entrance, and has separate utility meters.
  - Copies of leases and detailed rent rolls; if the residential portion of the building is vacant, provide evidence that it has been used for residential purposes previously, and also current rental listings for the vacant residential unit(s).
  - Evidence that the residential units are zoned for residential use: either legally conforming or legally non-conforming.

# Pop Quiz

3/10/23, 4:32 PM

1778 Jefferson Ave - Google Maps

Google Maps 1778 Jefferson Ave



← 1778 Jefferson Ave

All

Street View & 360°

PHOTO 1



PHOTO 2



PHOTO 3

# Class Change Requests – Class 5 to Class 3-18

- Class 3-18 is a building measuring between 20,000-99,999 SF, used primarily for residential purposes, totaling seven units or more with residential apartments and commercial area.
- To qualify for Class 3-18: the commercial component of the property should consist of no more than 35% of the total rentable square footage.
- For those buildings where the commercial portion exceeds 35%, or the building exceeds 99,999 SF, the building will instead be subject to a split class of commercial (Class 5) and residential (Class 2 or 3).

# Class Change Requests – Class 5 to Class 3-18

- Supporting evidence includes, but is not limited to:
  - Clear color photographs, dated during the assessment year under appeal, of both the interior and exterior of the building.
  - Floor plans, surveys, appraisals, or other similar documentation showing an accurate description of the building, its square footage, and current usage, broken down by commercial and residential.
  - Evidence that each residential unit is actually used for residential purposes, has a separate entrance, and has separate utility meters.
  - Copies of leases and detailed rent rolls; if the residential portion of the building is vacant, provide evidence that it has been used for residential purposes previously, and also current rental listings for the vacant residential unit(s).
  - Income evidence as specified in Rule 19.
  - Evidence that the residential units are zoned for residential use: either legally conforming or legally non-conforming.

# Class Change Requests – Other & Incentive

- Other class changes not involving incentives classes:
  - Clear color photographs, dated during the assessment year under appeal, of both the interior and exterior of the building.
  - Floor plans, surveys, appraisals, or other similar documentation showing an accurate description of the building, its square footage, and current usage.
  - Other documentation supporting the specific request, such as Nursing Home licenses.
- Class changes to incentive classes:
  - Please see the CCAO's website for specific information regarding each incentive class: [www.cookcountyassessor.com/incentives-special-properties](http://www.cookcountyassessor.com/incentives-special-properties).

# NEW! Guidelines for Filing Appeals and C of Es

- The CCAO is providing Guidelines for Filing Appeals and Certificates of Error to assist filers in submitting high quality requests for changes in assessed valuation.
- The intention is that both pro se and attorney/tax representative filers use this document to ensure that their filings are clear, concise, and supported by appropriate evidence and arguments.
- This document also provides additional information regarding Certificate of Error processing that will be useful to filers, including both pro se and attorney/tax representatives.

# General Guidelines – Please read the Appeal Rules


- Read the Appeal Rules prior to filing.
  - This ensures that filer understands and provides the types of supporting documentation requested.
  - When filing via SmartFile, filer must certify that they have reviewed the Appeal Rules.

# General Guidelines – Legible & Complete

- All documents submitted must be legible.
  - The CCAO analysts cannot reasonably review a document which is illegible. If you can't read it, neither can we.
  - Photocopies of photocopies of photocopies are generally illegible.
  - Particularly photographs, which should be clear, in color, and dated.
  - Particularly closing documents. Legible copies can be obtained from the closing title company or the real estate broker.
- All documents submitted must be complete.
  - The CCAO analysts cannot reasonably evaluate a document which is incomplete.
  - Particularly closing documents. Complete copies can be obtained from the closing title company or the real estate broker.
  - Particularly recorded documents. Complete copies can be obtained from the Clerk's Office.



# Pop Quiz



**COOK COUNTY CLERK'S OFFICE**  
Karen A. Yarbrough, Cook County Clerk  
69 W. Washington, Chicago, IL 60602  
Phone: 312.603.5640 Website: www.cookcountyclerk.com


April 29, 2022

PIN Legal

PIN: 02-16-215-159-0000

Section	Township	Range	Lot	Unit/Apt (Condo Only):	Sub Block	Outlot
16	42	10				

**Legal Text**  
UNNUMBERED LOT AND COMMON AREAS (EXCEPT THAT PART LYING NORTHEASTERLY AND ADJOINING TO THE PERIPHERY OF LOTS 18 AND 28) IN CORNELL LAKES APARTMENTS UNIT 2, BEING A SUBDIVISION OF PARTS OF ARTHUR T. MCINTOSH AND COMPANY'S PALATINE FARMS IN THE NORTHEAST 1/4 OF



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Page 1

# General Guidelines - Redaction

- Documents submitted to the CCAO should be redacted for NPPI.
  - Filers should not risk exposing themselves or their clients to the possibility of identity theft by carelessly handling NPPI.
- These are the types of NPPI to be redacted: SSN, FEIN, driver's license numbers, financial account numbers, credit and debit card numbers.
  - The CCAO will not redact documents for filers – documents are saved into our system “as is”.
- The general norm is to redact all digits except the last four; however, the entire number can also be redacted.

# General Guidelines – Double Dockets

- Generally, “double dockets” occur with either condominium filings, or by errors in entering equity comps into SmartFile.
- If you represent an individual condominium owner, please check to see if the Association is filing an appeal as a whole.
- If you represent an Association, please make sure that all unit owners are participating in the appeal.
- Please take care when entering equity comps into SmartFile so that you do not inadvertently create a new filing for each property submitted as a comp.

# General Guidelines – Content is Key

- The better the argument for a change in valuation is presented, the higher the likelihood of success.
  - Make sure you are filing on behalf of the correct party.
  - Arguments should be clear, complete, and succinct.
  - Create a “map” of your argument with clearly labeled headings.
  - Tell us what you want – do not make an analyst guess.
  - If your argument turns on a small portion of a large document, highlight the relevant portion in your brief.
  - Exclamation points, statements concerning the unfairness of property taxes, or letters of protest regarding CCAO Appeal Rules are no substitute for complete, well-organized arguments with supporting documentation.

# General Guidelines – FMV, Cap Rates, Income

- For all valuation appeals and certificates of error, filer should state their opinion of the FMV of the property, which should be based on a realistic valuation analysis.
  - Filer should double check the accuracy of all math.
  - Filer should show the math in an organized fashion.
  - For valuation arguments based on income analysis, use reasonable market derived cap rates, expense ratios, and vacancy & collection percentages.
  - It is unacceptable to inflate expense ratios and/or cap rates.
  - Do not “double dip” by effectively including property taxes in the expenses and then load the cap rate too.

# General Guidelines – Vacancy Filings

- Make sure your vacancy filings are organized, complete, and accurate. Also, consult the CCAO's Vacancy Policy prior to filing.
  - Submit actual photographs of the subject property, rather than a Google photo depicting the property next door. (Yes, this occurs often.)
  - Rent rolls should be complete, with rental amounts, tenant names, and unit numbers.
  - If a property is being actively marketed for lease or sale, provide legible copies of the marketing agreements or sale/lease advertisements.
  - If vacancy was due to a casualty event (fire, flood, natural disaster), provide details (such as date) and documents (such as inspection reports) as supporting evidence.
  - Please take note of the CCAO's Vacancy Policy – generally only 24 months of vacancy reductions will be granted for any one qualifying event.

# Guidelines – Certificates of Error

- Many Certificates of Error are filed based on a tax year previously appealed to either the CCAO, Board of Review, or PTAB.
  - While it is filer's choice as to the forum for appeal, there are implications for each choice.
  - Note: This discussion does not include C of Es for Homeowner Type Exemptions – the CCAO will review any timely filed C of E for such requests and apply the exemption if taxpayer is entitled to receive it.

# C of Es – Tax Year was appealed to the CCAO

- If the requested tax year was previously also appealed in front of the CCAO, either via current year appeal or prior Certificate of Error request, a new Certificate of Error request is less likely to be successful unless:
  - there is substantial information regarding an error provided (such as in square footage, building characteristics, PIN proration, classification, or keypunch or transcription error);
  - if the Certificate of Error request concerns the application of an incentive;  
or
  - if there is evidence provided showing that the property was substantially damaged by a casualty event (fire, flood, natural disaster) or was demolished.



# C of Es – Tax Year was appealed to the BOR

- If the requested tax year was previously also appealed in front of the BOR, a new Certificate of Error request is less likely to be successful unless:
  - there is substantial information regarding an error provided (such as in square footage, building characteristics, PIN proration, classification, or keypunch or transcription error);
  - if the Certificate of Error request concerns the application of an incentive; or
  - if there is evidence provided showing that the property was substantially damaged by a casualty event (fire, flood, natural disaster) or was demolished.
- Additionally, if the CCAO does grant a C of E for a tax year which was previously appealed to the BOR, the BOR must endorse the C of E prior to it being certified.
- Please note: Only the CCAO can send C of Es to the BOR for endorsement per Section 14-15 of the Property Tax Code, not by taxpayers or their representatives.

# C of Es – Tax Year was appealed to PTAB

- The general provisions of the Property Tax Code work to prohibit a dual remedy from both PTAB and a Certificate of Error for the same tax year.
  - If a taxpayer is dissatisfied with a PTAB decision, taxpayer should file a complaint for administrative review with either the Circuit Court or the Appellate Court per Section 16-195 of the Property Tax Code.
  - A Certificate of Error with the Assessor's Office is not the appropriate forum to alter or appeal PTAB decisions.
  - Therefore, barring extraordinary circumstances, the CCAO will deny any Certificate of Error request for a tax year which is currently pending at PTAB or which has already been decided by PTAB.
  - Again, this prohibition does not include C of Es filed for homeowner's type exemptions.
- The same applies to any decision rendered by the Circuit or Appellate Court.

# C of Es - \$100,000 or more in AV reduction

- Note regarding reductions in Assessed Value of \$100,000 or more via C of E:
  - If the Assessor's office recommends a reduction in assessed value of \$100,000, the Certificate of Error must be adjudicated in Circuit Court.
  - Please note that these Certificates of Error may only be sent for filing with the Circuit Court by the CCAO pursuant to Section 14-15 of the Property Tax Code, not by taxpayers or their representatives.

# Guidelines – C of Es Filing Deadlines

- Filing Deadlines for Certificates of Error. No, its not infinite. Nor is it simply the “last three years”. (Hint: it is based on the date of the annual tax sale).
- The time limit for filing all Certificates of Error (outside of those filed based on non-homestead property tax exempt status) are governed by the Property Tax Code at Section 14-15(c):

No certificate of error, other than a certificate to establish an exemption under Section 14-25, shall be executed for any tax year more than 3 years after the date on which the annual judgment and order of sale for that tax year was first entered...

# Q & A

Please post your questions in the chat box.

# We are here to help.

## **Cook County Assessor's Office**

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Chicago, Illinois 60602

Phone: 312-443-7550

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