

Property Assessments and Cook County's Property Tax System

Fritz Kaegi
Cook County Assessor



Assessor's Legal Obligation

(35 ILCS 200/9-155)

Sec. 9-155. Valuation in general assessment years. On or before June 1 in each general assessment year in all counties with less than 3,000,000 inhabitants, and as soon as he or she reasonably can in each general assessment year in counties with 3,000,000 or more inhabitants, or if any such county is divided into assessment districts as provided in Sections 9-215 through 9-225, as soon as he or she reasonably can in each general assessment year in those districts,

the assessor, in person or by deputy, shall actually view and determine as near as practicable the value of each property listed for taxation as of January 1 of that year, or as provided in Section 9-180, and assess the property at 33 1/3% of its fair cash value, or in accordance with Sections 10-110 through 10-140 and 10-170 through 10-200, or in accordance with a county ordinance adopted under Section 4 of Article IX of the Constitution

of Illinois. The assessor or deputy shall set down, in the books furnished for that purpose the assessed valuation of properties in one column, the assessed value of improvements in another, and the total valuation in a separate column.

(Source: P.A. 86-1481; 87-1189; 88-455.)

“...the assessor, in person or by deputy, shall... determine as near as practicable... its fair cash value ”

What is “Fair Cash Value”?

(35 ILCS 200/1-50)

Sec. 1-50. **Fair cash value.** The amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller.

→ what all of us mean by “market value”

Our duty: Fair, uniform assessments.

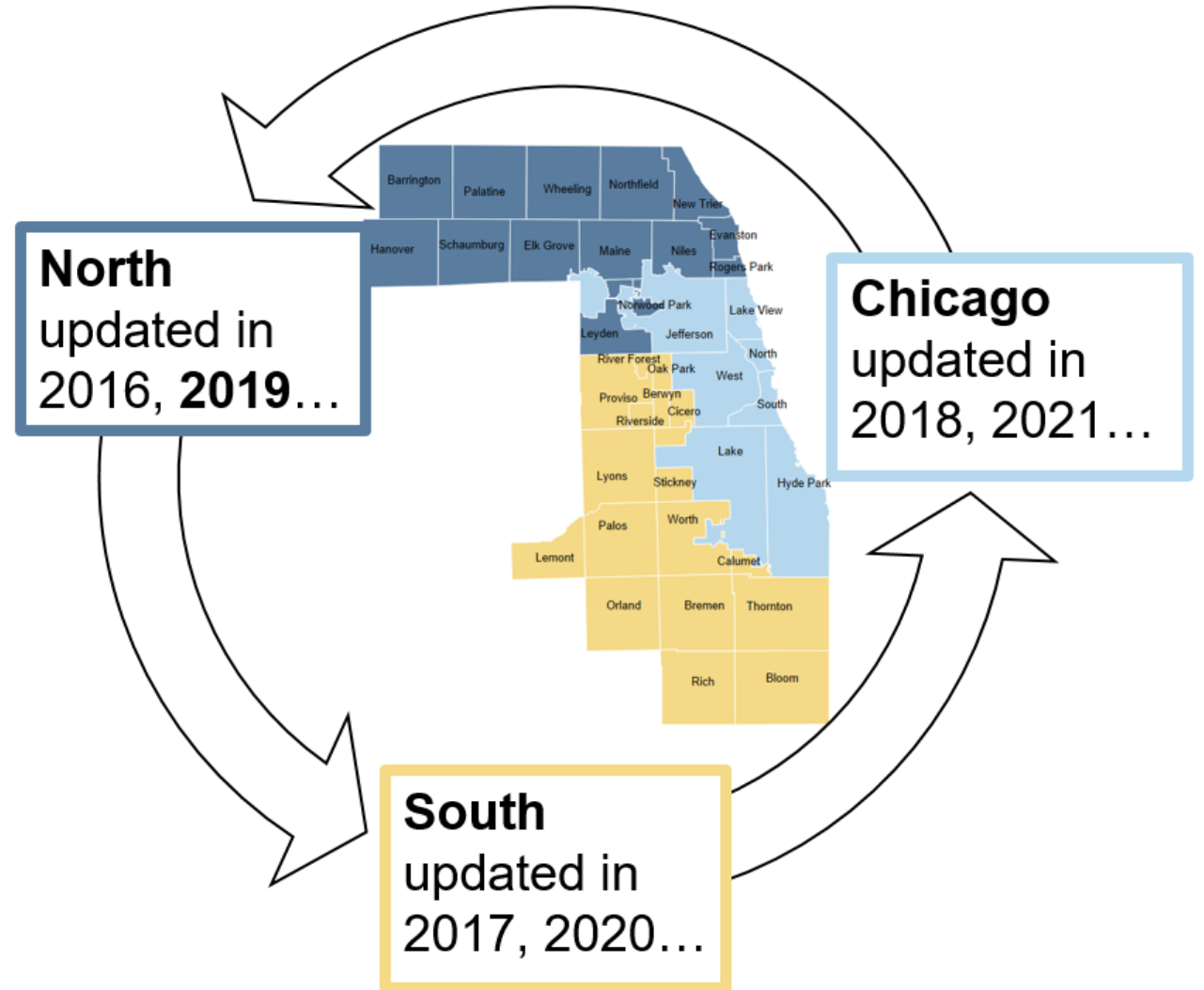
- Sale values of commercial parcels are affected by the incomes, expenses, and vacancies of the buildings that operate there.
- In **mass appraisal**, CCAO analysts use market data about the income, expenses, and vacancies of business types to produce fair cash values for commercial properties based on their business type.
- Don Meyer will speak more about this later.

Triennial cycle

Taxes are billed every year.
But the reassessment cycle
(updating property values)
is every **3** years.

Chicago:

Reassessments in 2018
affected the 2018 Tax Year
(billed in 2019).




Assessment Notice from the Assessor:

Property Description
Assessed Property Value
Homeowner Exemptions

RESIDENTIAL ASSESSMENT NOTICE

Property Location:
690 LONGWOOD, GLENCOE



Mail To: 02017 TP 21*****AUTO**5-DIGIT 60022
HOWARD J TREMBLE
OR CURRENT OWNER
690 LONGWOOD AVE
GLENCOE, IL 60022-1761

Property Information	PIN 05-07-209-017-0000	Current Class 2-09 : Two or more story residence, any age, 5,000 square feet and over
	Township New Trier	
	Neighborhood Code 170	Sq. Footage: Land 27,472
	Partial Assessment No	Sq. Footage: Building 5,475
	Exterior Construction Masonry	Property Age 100 years

Year	Class	Estimated Fair Market Value	Level of Assessment	Total Assessed Value
2019	2-09	\$3,254,620	10%	325,462
2018	2-09	\$2,916,220	10%	291,622
2017	2-09	\$2,916,220		291,622

Property Tax History

The appeal deadline for your township is: **Monday, April 29, 2019** 1718

Every 3 years (for most properties)

2nd Installment Tax Bill from the Treasurer:

Your Local Tax Rate
Your Tax Bill
What Your Taxes Fund

TOTAL PAYMENT DUE
\$0.00

2017 Second Installment Property Tax Bill

By 04/01/19

IF PAYING LATE, PLEASE PAY: 04/02/19-05/01/19 \$0.00, 05/02/19-06/01/19 \$0.00, 06/02/19-07/01/19 \$0.00. LATE INTEREST IS 1.5% PER MONTH, BY STATE LAW.

Taxing District	2017 Tax	2017 Rate	2017 %	Pension	2016 Tax
MISCELLANEOUS TAXES					
Metro Water Reclamation Dist of Chicago	0.00	0.402	0.005		2.53
DePaul University/Agar on Bond	0.00	0.000	0.000		0.00
Chicago Park District	0.00	0.350	0.005		2.14
Miscellaneous Taxes Total	0.00	0.752	0.005		4.72
SCHOOL TAXES					
Board of Education Chicago	0.00	3.890	0.005		32.37
Chicago Community College District	0.00	0.164	0.005		1.47
School Taxes Total	0.00	4.054	0.005		33.84
MUNICIPALITY/TOWNSHIP TAXES					
TP-Chicago 63rd/Ash and Chicago School Bus & Imp Fund	0.00	1.114	0.005		1.11
Chicago Library Fund	0.00	0.118	0.005		1.08
City of Chicago	0.00	1.652	0.005		14.16
Municipality/Township Taxes Total	0.00	2.884	0.005		26.35
COOK COUNTY TAXES					
Cook County Forest Preserve District	0.00	0.062	0.005		0.54
County of Cook	0.00	0.327	0.005		2.76
Cook County Public Safety	0.00	0.100	0.005		0.87
Cook County Health Facilities	0.00	0.080	0.005		0.70
Cook County Taxes Total	0.00	0.550	0.005		4.74
(Do not pay these totals)	0.00	7.266	100.005		66.67

IMPORTANT MESSAGES

PAYMENT DUE \$0.00

IMPORTANT PAYMENT MESSAGES

COOK COUNTY TREASURER
PO BOX 50548
CHICAGO IL 60680-4118

CHICAGO IL 60680-2923

Every year



Property Tax Levies



are budgeted and filed to fund over 1400 public municipalities like schools.

Property Values



are calculated with market data by the **Cook County Assessor's Office** and adjusted with appeals. Many **exemptions** are also filed here.



The **Cook County Board of Review** adjusts and finalizes assessed values.



The State Equalization Factor is calculated by the **Illinois Department of Revenue**. This produces **Equalized Assessed Values**.

Your Local Tax Rate

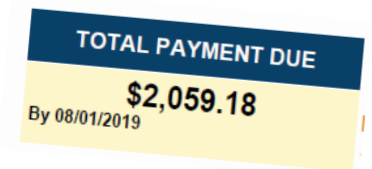


is calculated by the **Cook County Clerk** with local levies and **Equalized Assessed Values**.

Your Property Taxes



are collected by the **Cook County Treasurer** and distributed to taxing districts to fund services.



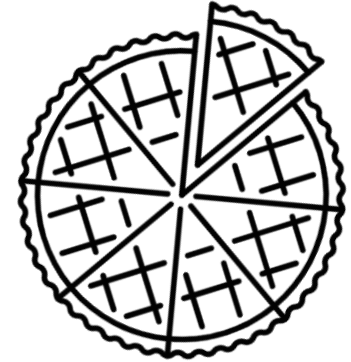
Local Tax Rate

In Cook County's property tax system, we are all connected.

Each local tax rate (calculated by the Cook County Clerk) depends on two things.

Local Levy

Budgeted property tax dollars that fund over 1400 public municipalities like schools. By law, the levy must be collected.



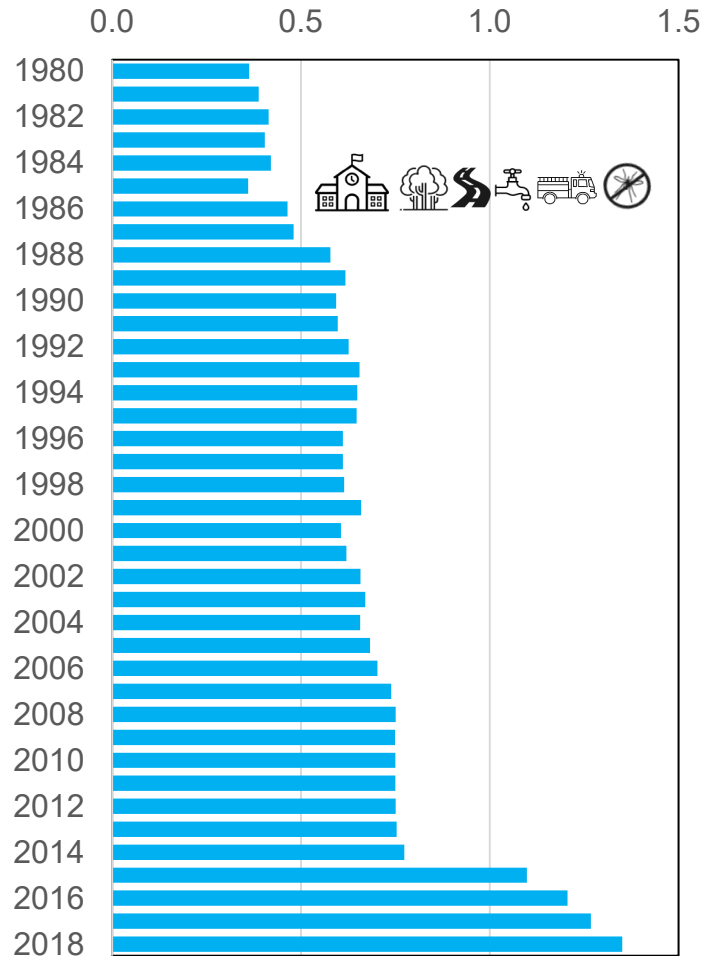
Local Base

The total Equalized Assessed Value of residential and commercial properties. (Note: includes homeowner exemptions).

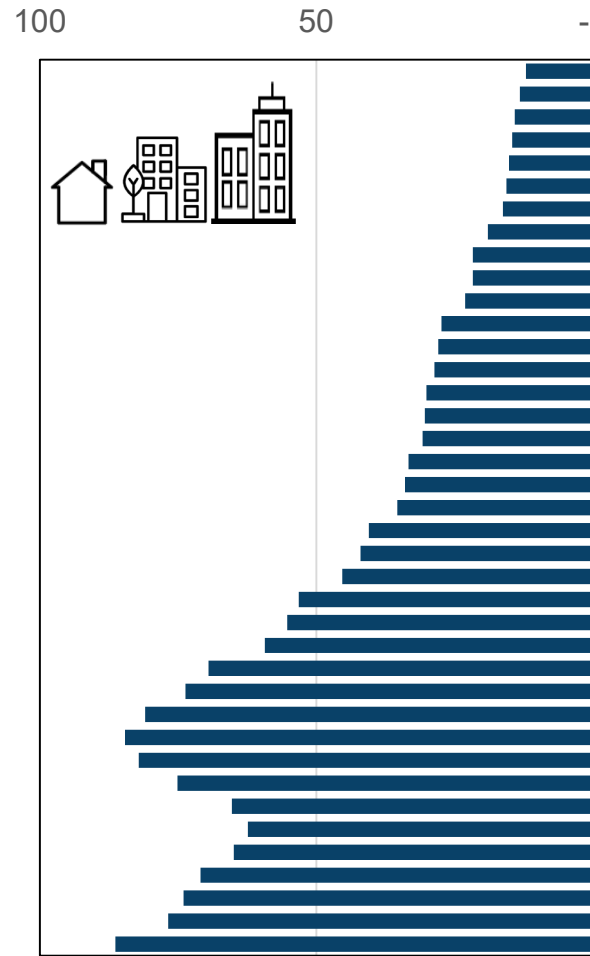


Property Taxes: A System of Balance

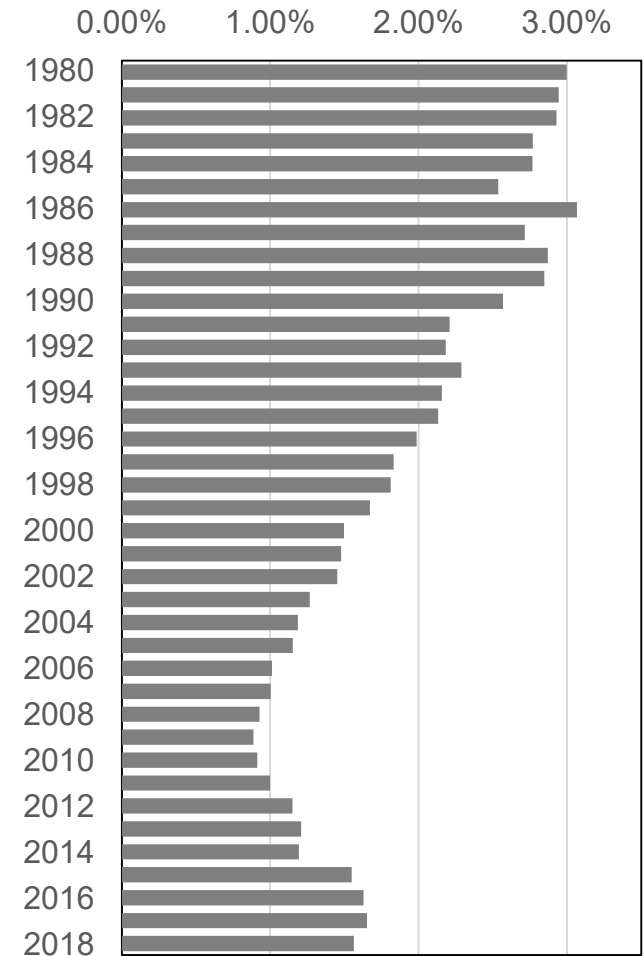
Tax Levy (\$b)
City of Chicago



Tax Base (EAV, \$b)
City of Chicago

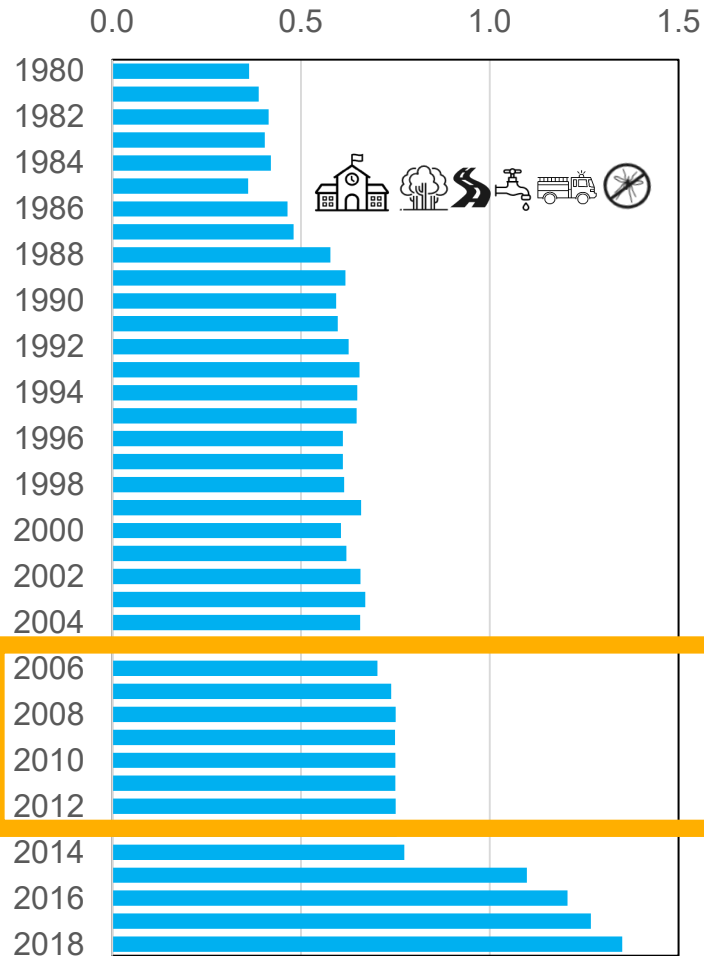


Tax Rate (%)
City of Chicago

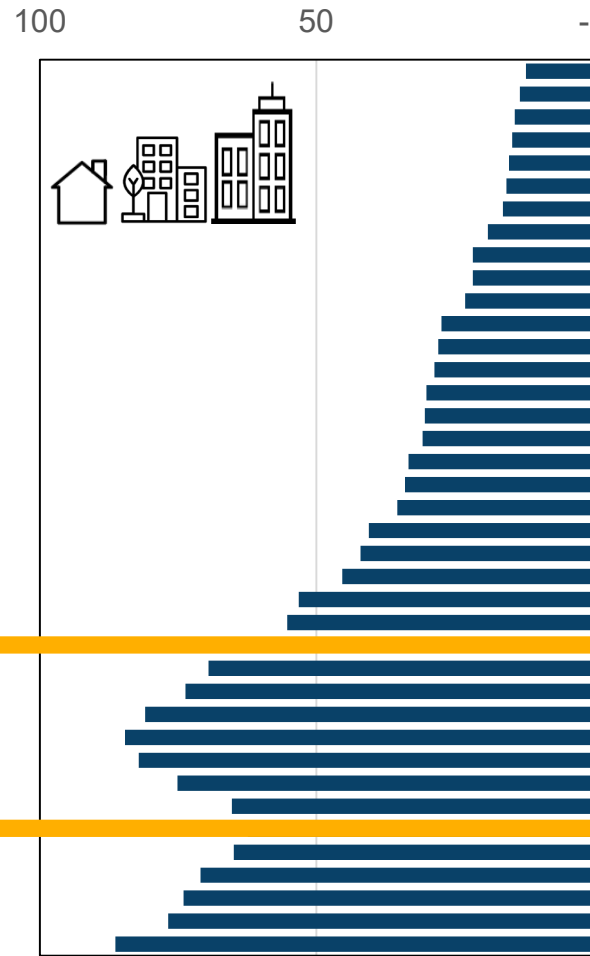


Property Taxes: A System of Balance

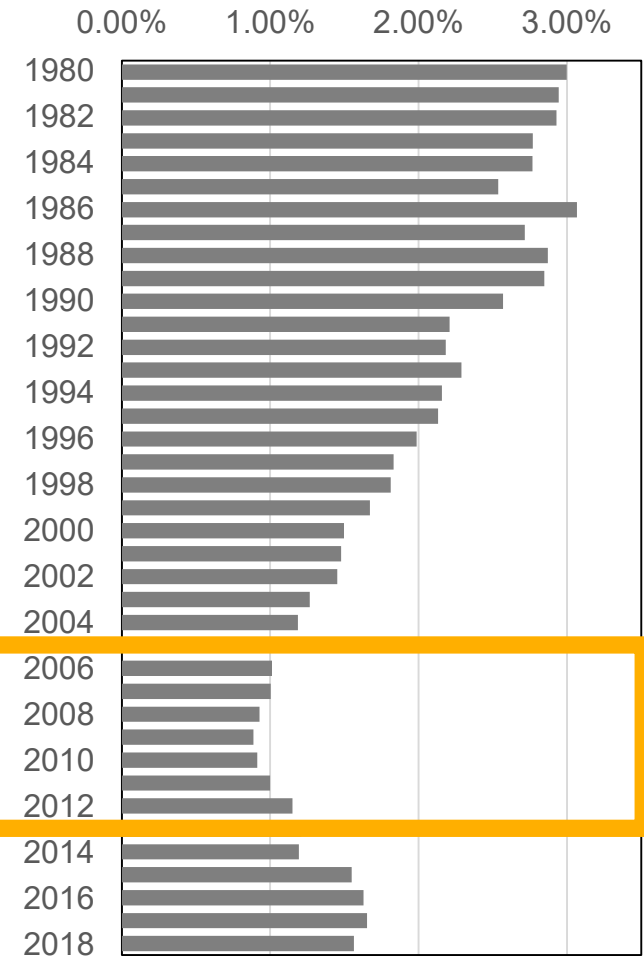
Tax Levy (\$b)
City of Chicago



Tax Base (EAV, \$b)
City of Chicago



Tax Rate (%)
City of Chicago



Chicago's Tax Base is affected by

- Assessed values of existing properties
- Homeowner exemptions
- A property's classification
 - These determine the level of assessment (i.e., how much of a property value is assessed for taxation)
 - Incentive programs
- The total number of properties in Chicago

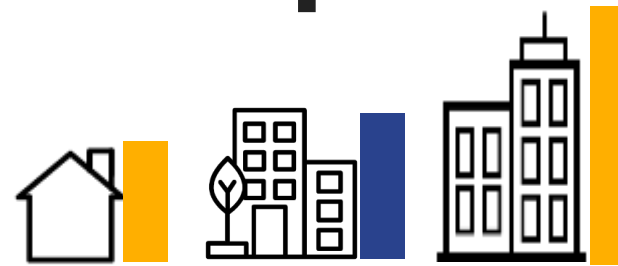


Property Tax Bill =


**Equalized
Assessed Value** X

Local Tax Rate

Levy



Base

(Sum of EAVs)

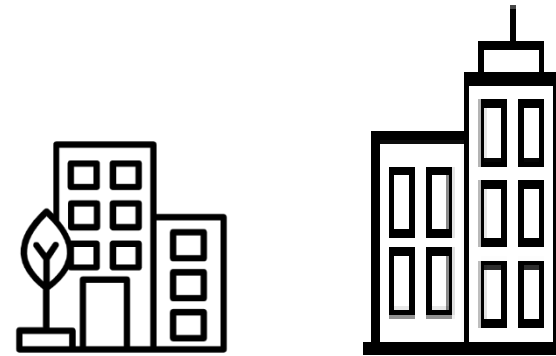
If a property's assessed value doubles, what happens to its property tax bill?

A simplified example.

Assume a \$100 levy...



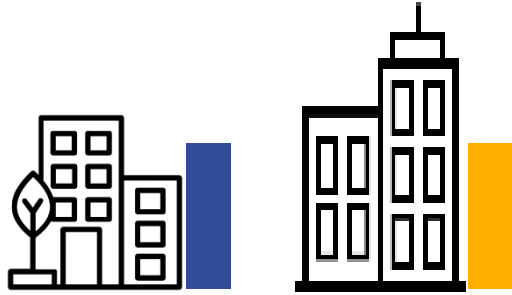
And the Base: 1 Apartment and 1 Office Building.



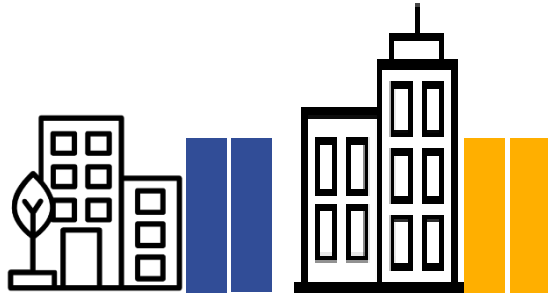
% of the Base

\$ Tax Bill

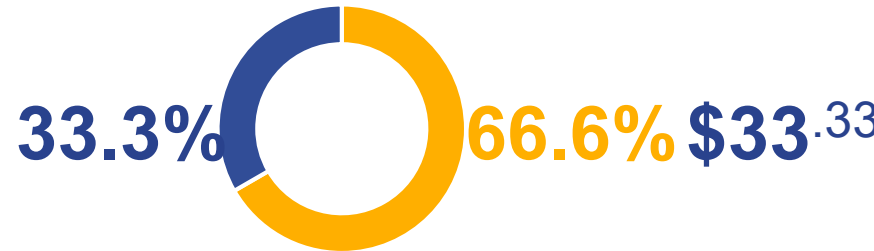
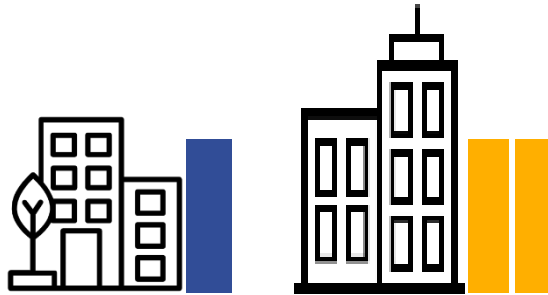
If they have the same assessed values...



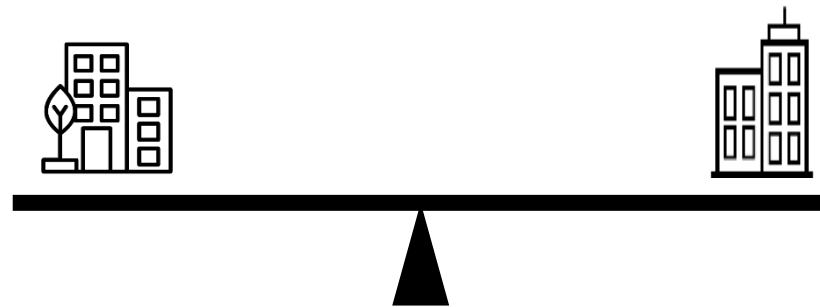
If **both** assessed values **double**....



If just **one** property doubles in value....

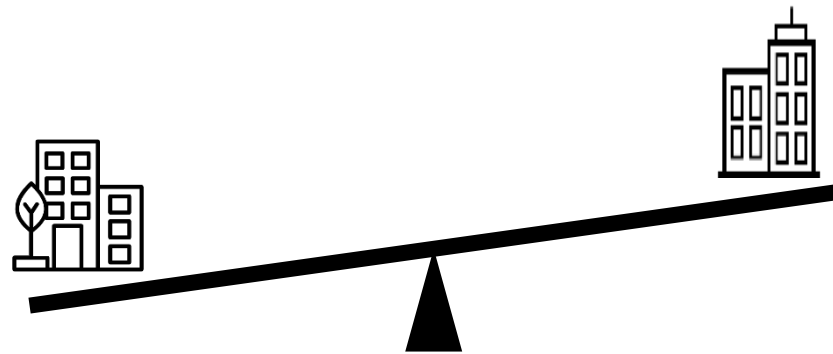


If everyone's property values are fair and accurate, then this part of the system is **balanced** and we all pay our **fair share**.



If everyone's property values are fair and accurate, then this part of the system is **balanced** and we all pay our **fair share**.

But if one person pays **too little**, everyone else pays **too much**.



Three numbers you need to know for Cook County's Property Tax system:



Levy



**(Equalized)
Assessed Value**



**Base
Sum of (E)AVs**

*excludes homeowner exemptions

A fair, predictable property tax system

depends on fair, predictable assessments and levies.

Challenge during your break: how closely can you guess a property's 2018 tax bill?

<http://tinyurl.com/ccaochi>

Please take this 7-question quiz on your phone during the break. We will give answers using CCAO data. We'll use averages of all answers in our demo of the Property Tax Rate Simulator. All answers are anonymous.