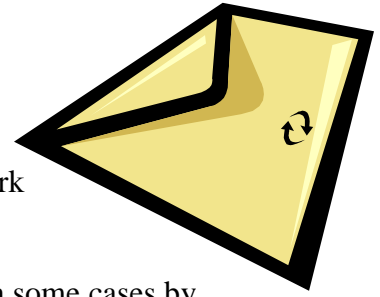


And the Envelope Please.....

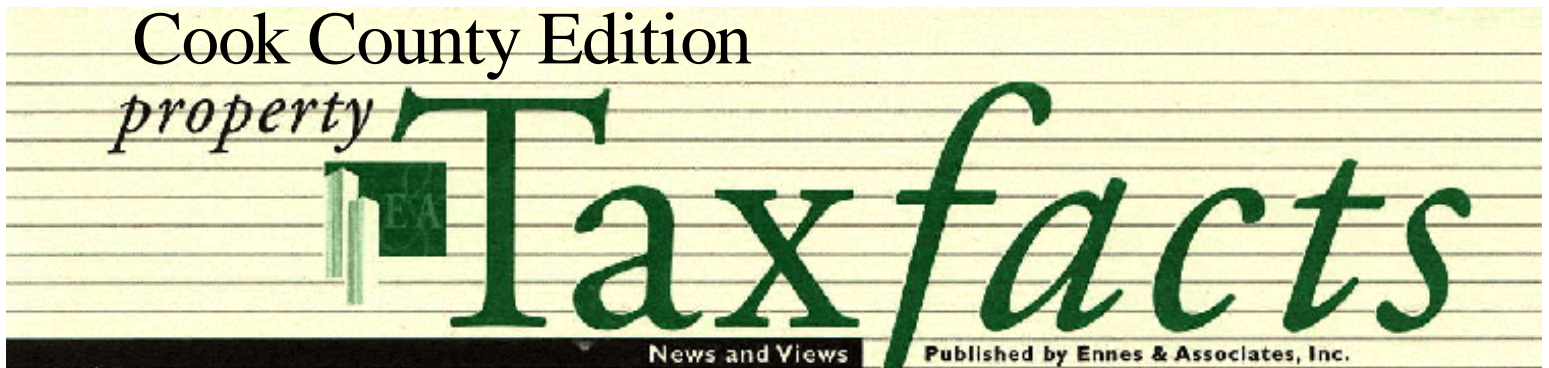
The City of Chicago “wins” the triennial reassessment lotto this year. The Townships of Jefferson Park, Lake View, West, North, South, Lake and Hyde Park should be seeing their assessment notices in the mail soon.



Reassessments this year are a two edged sword. They are projected to increase in some cases by 41%. This on one hand shows a substantial appreciation in the average property’s value. On the other had, it also indicates a substantial increase in that same property’s property tax burden.

The Cook County Assessor’s Office has called for renewal of the 7% tax cap to hold residential tax bills in check. The Chicagoland Chamber of Commerce, the Building Owners and Mangers Association and the Chicago Development Council call any extension of the cap “fiscally irresponsible”.

March, 2006



COUNTING THE DAYS



The Assessor’s Office giveth and they taketh away. While they were busy reassessing your property’s value and most likely increasing your property tax burden the assessor’s office was also decreasing the time you have to protest those increases. The new rule reduced the number of days you have to file an appeal from 45 to 30.

This change emphasizes the need for you to forward your assessment notices and property information to Ennes & Associates as quickly as possible. Those property owners in the townships mentioned above should be gathering documentation on items that have any affect on your property’s condition; such as capital improvements, deferred maintenance or vacancy, your property’s business: such as road construction, and your business’s marketability.

Don’t forget to mention E&A to any of your business associates or friends when they start complaining about their reassessment!!

You’re covered why shouldn’t they be?

Remember, once you get your tax bill it is too late. You have to act within that 30-day appeal cycle to get the full benefit of any tax savings.

A Major Shift?

The Institute for Government and Public Affairs recently published the results of their study examining the effect of the 7% assessment cap in Cook County. Their basic finding is that the result of the law in Cook County was a *shift in the tax burden* “A change in property tax policy that reduces the payments of one group will raise the payments of other groups, if local government spending remains constant” says the report

Some interesting findings of the report are worth sharing:

- ✓ Owners of parcels that were eligible for the Expanded Homestead Exemption Amount (EHEA) paid hundreds of dollars less property tax.
- ✓ Because tax rates increased to compensate for the fall in the tax base, roughly one-third of eligible properties actually paid more taxes. (This includes residential property)
- ✓ All properties that were not eligible for the EHEA paid more because of it. (The ineligible properties were a diverse group of commercial/industrial property owners, vacant land, rental housing, apartment buildings, some seniors and some homeowners).
- ✓ The benefits of the EHEA varied widely across the county. The same is true for the effect on ineligible properties
- ✓ Due to the EHEA the 2003 Chicago aggregate tax rate was 4.1% higher, 2004 North suburban rate was 6.6% higher and the projected 2005 rate in the South suburbs is 5.8% higher.
- ✓ In the first year of the cap, eligible properties in Chicago paid \$128 million less but ineligible residential, apartments, commercial property and others paid that much more. The same is true in the North (\$123 million) and South (\$72 million) suburbs.

Collar County Tax Bills

For those of you in Lake, McHenry, Will, DuPage and Kane counties the first installment of your property tax bill is scheduled to be mailed out the end of April. It is due June 1, 2006.

The second installment is due September 1. The property tax bill is divided evenly between the first and second installment.

Multi Family Rates Decreased

The Cook County Board recently approved a plan to phase-in an additional assessment level on multi-family rental buildings.

Currently assessed at 26% per year, the assessment level will decrease 2% per year to 20% by 2008. While the reduction benefits our multi-family rental clients, the change negatively impacts our other clients by shifting the tax burden to commercial, industrial and even single-family property owners.

Cook County maintains the position that the impact is “minimal” with “...a shift to other classes of property of 1.9%...”. Although they would like you to believe that 1.9% is a small shift, when applied to the \$720.5 million County budget for property tax revenues, it equals 13.7 million dollars!

- ✓ Timing of the benefits is such that property owners in the North and South suburbs paid more in 2003 to subsidize benefits for Chicago homeowners and property owners in the South suburbs paid more in 2004 to subsidize benefits for Chicago and North suburbs.
- ✓ The fall in tax base brought about by the EHEA required school districts to increase their tax rates an average of five percent to maintain spending. Tax rate limits prevented six school districts from increasing tax rates enough to compensate for the fall in tax base.

“The report confirms that Jim Houlihan has successfully shifted additional property taxes away from the residential taxpayers in Cook County and added those taxes to the backs of already overburdened non residential taxpayers. The 7% cap is clearly a move in the wrong direction. We need real reforms not just band aids,” says Terry Ennes, President of Ennes & Associates.

The assessment cap is due to expire over the next three years starting with Chicago in 2006. The Legislature is considering whether to extend it in its present form revise it or allow it to end.