

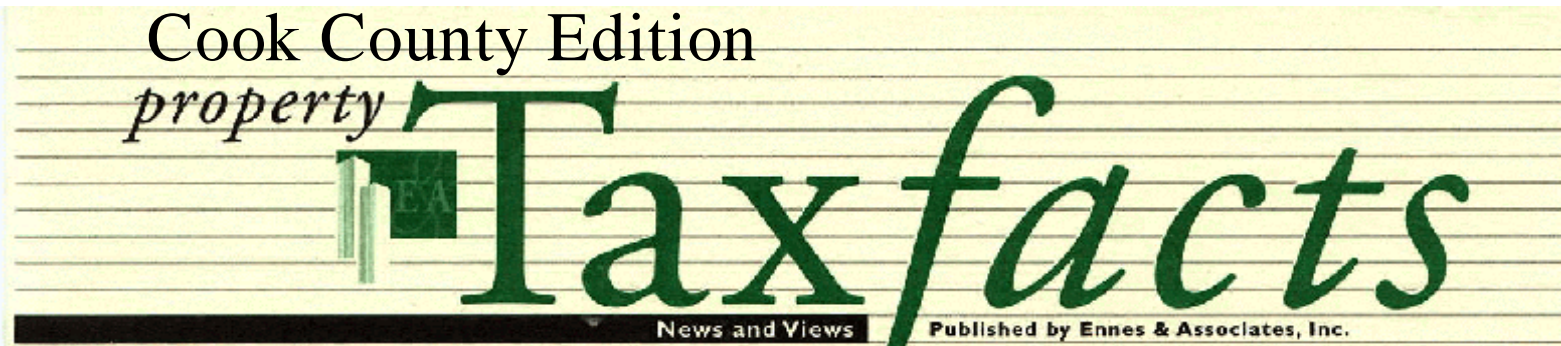
Tax Bills Cometh!

Second Installment 2010 property tax bills will most likely be sent out early in October with a due date the first week in November. The official due date will be determined after property values and tax rates are finalized by the Cook County Assessor and County Clerk.

Once you receive your tax bill you can pay online at cookcountytreasurer.com, by mail, in person at the Treasurer's Office or at any Chase Bank.



September, 2011



Speaker of Our House



Terry Ennes, President of Ennes & Associates, Inc. was a recent speaker on Assessment and Appeal Issues for the Building Owners and Management Association (BOMA). On the panel with Terry were Joseph Barrios, Cook County Assessor, Martin Paulson, Chief County Assessment Officer of Lake County and Carl Peterson, DuPage County Board of Review.

The audience had many questions about the difficulties of appealing assessments in this economy, the effects of the economy on a property's assessment and how to make the most of rent give backs and vacancy in the current market.

Of particular interest was the recent turn of events regarding the prospect of many Illinois nonprofit hospitals losing their property tax exemptions. More on that issue on our back page.

Beware the Tax Rate!

Be prepared to be frightened!! The Cook County Clerk's office released the list of tax rates on Thursday and virtually all of them are up...some by double digits. What's to be afraid of you ask....well, these rates, along with the equalization factor and your property assessment determine the size of your second installment property tax bill. And while many property values decreased, on average, between 2.6 and 11 percent the combined tax rate and equalization factor will mean higher tax bills.

Even if your assessment dropped you should not expect a lower tax bill. The North/Northwest townships were reassessed in 2010. This was the first reassessment for this area to reflect post real estate bubble property values. So, many assessments went down. In addition, assessment appeals numbered 380,000, the second highest in history. No matter says the Clerk's office. Even if assessments are reduced that is no guarantee a tax bill will also be reduced. And why is that?

Cook County Treasurer, Maria Pappas says County debt is at \$108 billion. That breaks down, on average, to \$63,000 per city household and \$32,000 per suburban household. If you want to read more about this and how it affects your property taxes here is the link:

<http://www.cookcountytreasurer.com/newsdetail.aspx?ntopicid=434>

Tax levies are the reason. Local taxing bodies like school districts, counties and cities (there can be as many as 14 different government agencies) levy a specific dollar amount they require to pay their bills and taxpayers are collectively required to cover that cost. So, once all the levies are made the Clerk's office divides what those taxing bodies need by the pool of assessments and voila...your tax rate is the result. So, even with values down, unless the taxing bodies ask for less money than they did last year you generally won't see a lower tax bill.

Does that mean it doesn't help to appeal your assessment? Certainly not. Remember, the only portion of that formula you have direct control over is the assessment. The lower that starting point, the better. In fact, if you don't appeal and neighboring businesses receive reductions your bill will go up even higher. So, it pays to be proactive.

Defining Non Profit

The Illinois Department of Revenue put some plans for nonprofit hospitals on life support recently when they denied exemptions for three nonprofit healthcare providers. Rulings on 15 more hospital groups will be coming in the next few months. These rulings will affect hundreds of parcels.

Illinois is facing record deficits and has a pile of unpaid bills. This is causing them to take a hard look at all the exemptions they offer. Although no clear statutory guidelines on the nonprofit hospital exemption appear to exist there is the State Constitution and recent Supreme Court decisions prompting this latest action.

The Illinois Constitution states exemptions can be granted when property is used "exclusively...for charitable purposes". The Illinois Supreme Court in 2010 ruled against Provena Covenant Medical Center which had challenged the state's denial of the hospital's tax-exempt status saying the hospital "failed to meet its burden" of being used "exclusively for charitable purposes" when the Court found that "a mere 302" of the hospital's 110,000 patients received free care in 2002.

The Chicago-based Center for Tax and Budget Accountability reports that about 75 percent of the hospitals in Illinois are

nonprofits and those in the Chicago area received \$489.5 million in tax exemptions and delivered charity care valued at \$175.7 million.

Hospitals point to the fact that they are one of the few industries in Illinois still hiring. The state, with an unemployment rate above the national average, can hardly afford to antagonize them. They also argue that charity care is only one of the nonprofit benefits they provide to their local communities.

As of this writing Illinois Governor Quinn ordered state officials not to issue any new rulings that could deny tax-exempt status to nonprofit hospitals. The Governor hopes this will give all parties time to work towards new legislation that would clearly define what hospitals must do to earn tax-exempt status.

Go Bears!!



Savings Ticker....Savings Ticker.....Savings Ticker.....Savings Ticker.....Savings Ticker.....Savings Ticker.....Savings Ticker..
Here is a small sample of the savings we've been able to secure , in the last quarter, for our clients
\$272,197 two year savings for a warehouse
\$207,605 three year savings for a shopping mall
\$60,582 three year saving for a industrial plant
\$25,465 three year savings for a restaurant