

E&A Bucks the Trend!

The Kane County Board of Review heard appeals on 903 commercial and industrial properties in 2007. Of those, 37% received reductions. Ennes & Associates, on the other hand, received reductions on 100% of the appeals they filed to the Kane County Board.

You can be a part of this winning trend. Call us when you receive your 2008 Kane County assessment notice.

June, 2008

Cook County Edition

property

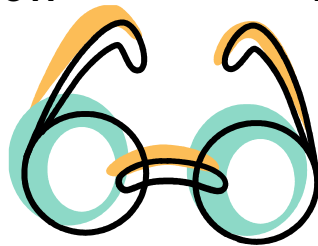
Taxfacts

News and Views

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Look Closely at Your New

The State of Indiana has recently undergone a major property tax overhaul. One part of this change was the elimination of Township Assessors in counties with less than 15,000 parcels. In these counties, a County Assessor will administer the assessments. In counties with more than 15,000 parcels, voters will have the opportunity to choose between retaining Township Assessors, or moving to a system where a County Assessor will take over.



Indiana Assessment!!

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This process involves the transfer of numerous records from Township offices to County offices. It also means different individuals will be working on your property which may lead to un-intentional errors. Taxpayers are responsible for examining their assessments and challenging any mistakes or values. Be sure to closely examine your new assessments.

Moving to a New Level?

It's tough to find someone in Cook County who thinks the property tax system doesn't need to be reformed. Assessor Houlihan, Mayor Daley, Township Assessors, and taxpayers all seem to agree the system is broken. The latest fix comes to us courtesy of Assessor Houlihan.

Cook County has a unique property tax classification system where properties are broken out into different groups by property type. All property in every other county in Illinois is assessed at 33% of market value. In Cook County, (there are a number of other classifications but we'll look at these 3 main ones), commercial properties are assessed at 38% of their fair market value. Industrial properties are assessed at 36%, and residential properties are assessed at 16%. At least, that's the level at which they are supposed to be assessed.

In reality, Assessor Houlihan doesn't even come close to assessing property at the levels mandated. The Illinois Department of Revenue tracks the actual levels of assessment throughout the State. The most recent data (from 2005) indicates that while Assessor Houlihan should have been assessing commercial property at 38%, the actual median level of assessment for commercial property in Cook County was 17.5%. Industrial property was assessed at 21.25%, and residential properties were assessed at only 8.15%.

So while Assessor Houlihan has been mandated to assess at a certain level, he has ignored this and set the assessments considerably lower. Why is this significant? Because Assessor Houlihan's new plan involves lowering the assessment mandates down to where they are currently assessed. For example, the new mandate for the level of assessment for commercial properties would be lowered from 38% to 25%.

School Funding

Five months ago, shortly after winning another term as Mayor of Chicago, Mayor Daley and Chicago's Alderman passed the largest property tax increase in Chicago history. Now it's the Chicago Public School's (CPS) turn.

The new budget approved by the Illinois General Assembly (which has not yet been signed by the Governor) set aside almost \$113 million for CPS in their 2008 budget, but that's still expected to leave CPS \$97 million short. CPS has a \$400 million reserve, but has received the OK from City Hall to raise property taxes by \$40 million, the maximum allowed by a state-imposed cap on property tax increases.

Mayor Daley has allowed the Chicago Public Schools to raise property taxes by the state-imposed maximum 11 times in the last 13 years. The City of Chicago addressed their budget shortfall with \$276.5 million in new revenue collected through property taxes, fees, and increased fines. Estimates of the effect of the \$40 million tax increase suggest homeowners should expect to pay an extra \$20 per \$247,000 of their home's value.

How will this plan help reform the property tax system? The simple answer is that it won't. First, the plan simply changes a mandate that was being ignored, and establishes a new mandate that reflects the actual assessment practices. Second, Assessor Houlihan has no problem ignoring the old assessment levels, and there is no guarantee he will actually follow these either. Should he decide to further lower the actual level of assessment, there will still be little impact. Tax rates will simply rise, as the amount levied by local government will remain constant. This effectively provides the Assessor cover, as he can blame the tax rates or the levy when angry taxpayers question their assessments. Unfortunately this is another example of supposed fix that will have little, if any, impact on reforming a broken system.

Enjoy your
summer!!

