



ASSESSOR'S OFFICE

What is happening to Our Property Values?

Many residents of our township have recently contacted this office questioning the value of their assessment "in a steadily declining market" and what the assessor is going to do about it. For months now the media has bombarded us with news about the failing housing market and foreclosures at an "all time high". **But our property taxes are increasing!** So it seems that the assessor should react immediately to the situation and provide relief by lowering the assessments. It doesn't quite work that way and here is the reason why.

Our property tax cycle is complex and at times can be quite confusing. The amount of taxes you pay is based on two components: your assessment and the tax rate. Your assessment (provided by your assessor) is to be a reflection of an equal fair share of value (based on your property) among all other assessed properties. The other component, the tax rate is tied to the amount of money that we (you and I) allow to be spent for our local services. These monies go towards schools, libraries, forest preserve, government, police, fire, etc. within the county, but not to State or Federal agencies. Every year the budgets for those local services are voted on at public meetings and we (you and I) have the opportunity to voice our opinion. Once the levies have been voted on and approved, the County Tax Extension office determines the final tax rates to be levied against our assessed values and the County Treasurer sends out the tax bills.

Going back to the assessment: How are they being determined and are there any rules? As your assessor I set the assessments based on the size, age and value of an improvement. These include the square-feet of your residence, decks, patios, porches, garages, etc. The procedures are out-lined in the Property Tax Code for the State of Illinois. The process is well defined and uses the mass-appraisal system with standard methods and allowing for statistical testing. Statute requires me to assess all properties at 1/3 of its fair market value. In a new neighborhood/subdivision with no re-sale information available, I use the sale price to establish a median, since it reflects best the value that a seller and buyer have agreed upon.

The property tax cycle requires for properties to be re-assessed at least every four years. The foundation for re-assessments is a sales-ratio study. This study requires me to determine groups of similar properties and then to identify the median sale for each group. New assessments are then based on these medians. Statute prohibits me to take in consideration what the market is doing in 2008, since assessments are always based on the value as of January 1st of the tax year. I am required to use the prior three full years (2005, 2006, and 2007 for the 2008 tax year) for the sales-ratio study. In 2006 Blackberry Township experienced the highest sales volume and sales value compared to prior years. For 2007 the number of sales have changed dramatically; but not so much in the value of sales as in the amount of sales. Therefore, looking at the median for the 2008 assessments, it would place the median value closer toward 2006 (the better year) with higher sale values.

Assessment officials are not allowed to “Chase Sales”! This protects the tax-payer from assessments that are based on the highest sales. In an increasing, good economy, that would constantly raise the value of homes. In reverse, it also applies to a decreasing, worsening economy (like now). I am required to apply changes to entire neighborhoods and not re-assess a single residence because of a low sale.

Every sales-ratio study, run for a new tax year, will take the lower sales in consideration and new valuations are applied. This is always hard to understand when the economy is suffering, but re-valuations will always lag behind the current market. In return, when the market and property values pick up, I have to utilize the last three (and lower) years for my assessments. This is how the property tax system for the State of Illinois will even out.

So, why are our assessments still going up? Contrary to all the information you hear in the national news, Blackberry Township sales are still strong. The amount of sales has gone down. However, the median value is still increasing as the following chart shows.

Year	Number of Sales	Median Sale	Average Sale	Total Sales	Sales Range
2003	371	\$302,402	\$310,015	\$115,015,554	\$116,000 -- \$756,268
2004	464	\$320,000	\$335,537	\$155,689,121	\$136,000 -- \$832,000
2005	349	\$347,897	\$365,601	\$127,594,599	\$65,000 -- \$951,500
2006	408	\$376,500	\$387,276	\$158,008,792	\$125,000 -- \$1,250,000
2007	320	\$380,179	\$393,567	\$125,941,343	\$150,000 -- \$1,555,000

Going forward, I want to re-assess the entire township as a whole every year. This will take one or two tax cycles to achieve, but it will give every taxpayer the benefit of recalculating the new assessments based on the decline or increase in value. It will eliminate the issue of being assessed high and not being changed when the market goes down. In a value increasing situation it will eliminate the major abrupt step up to a higher assessment that we see when properties are only re-assessed every four years.

Why are Blackberry Township taxpayers among the highest paying tax payers in Kane County?

There are three items that come straight to my mind. They are a) the growth that our township is undergoing, b) the monies that we (you and I) approve to be spent for the services that we receive and mainly c) our lack of commercial and industrial value in our tax base.

- a) Blackberry Township has been undergoing a tremendous growth spurt over the last few years. New and expanding subdivisions like Mill Creek in Geneva, Blackberry Creek in Elburn, Tanner Trails and the Remington’s in North Aurora require schools, libraries, police and fire protection, etc. Our neighboring townships to the East are mainly built up and have fully established services (i.e. schools, etc.). They also draw from more commercial value (i.e. Randall Road). Our neighbors to the West are rural, agricultural townships with very little growth.
- b) It costs money to run our systems. You want good schools, it costs money. You want good police and fire protection, it costs money. You want to live in a nice area, it keeps costing money. I strongly suggest for taxpayers to get involved in the budget and voting process for agencies. But just lowering the bottom line should not result in lowering the quality of services and therefore one has to choose wisely.

- c) The tax base in our township is made up of the residential, agricultural, industrial, and commercial property values. According to an urban development seminar, a well balanced and established community should have a 60% residential and a 40% industrial and commercial distribution. Recently released data for all of Kane County puts the distribution at 78% residential and 22% for all of the others. Blackberry Township has a value distribution of about 90% residential and roughly 10% agricultural, industrial, and commercial. Developing and adding to our industrial and commercial tax base would relieve the residential burden. Simple math would off-load 25-30% of residential tax payer monies. **How would your tax bill look then?**

What Can I Do to Lower my Assessment? Here is the list of items for you to research.

Did you apply for all applicable exemptions?	You can check with us about applicable exemptions at 630-365-6580. However, all exemptions are handled at Kane County and you will need to apply with the County Assessment Office at 630-208-3818.
Is all your property information in our database correct?	You can view most data on our website on the Assessor's Property Search page at www.blackberrytwp.com . If you require more detailed information please contact us at 630-365-6580 and Let us know if something is wrong!
Compare your home to similar homes in your neighborhood for uniformity	Your home should be assessed similar to other homes in your neighborhood. Use the same model when comparing your home. You can view most data on our website at www.blackberrytwp.com . Call your assessor at 630-365-6580 if you find large discrepancies or require more information.
Meet with your assessor to discuss your findings and view his data.	About 96% of all inquiries were resolved in our office. These resulted in changes made based on us having incorrect data or I demonstrated to the tax-payer that they were assessed equal to other tax payers.
Utilizing the Board of Review Process	If you and your assessor can not come to an agreement you can present your case to the Board of Review at the County level. The 3-member panel will listen to you and the assessor will provide the panel with his information. The panel will then decide if a reduction is warranted or not. This part of the appeal process is time sensitive! You only have 30 days to file for the appeal starting from the date that the assessments were published in the Elburn Herald .
Utilizing the Property Tax Appeal Board	If the Board of Review turns down your appeal you can present your case to the Property Tax Appeal Board at the State level. You and the Board of Review will be heard and the State will then decide if a reduction is warranted or not. This part of the appeal process is time sensitive! Please check http://www.state.il.us/agency/PTAB for up-to-date information on the process. This is the last step of the Property Appeal Process.

Ok, I see that I am equally assessed. But I still do not like the amount of my tax payment.

What else can I do?


If you and others feel the same you can work on changing the distribution of our tax base (See above: **Why are Blackberry Township taxpayers among the highest paying tax payers in Kane County?**). Many initiatives have started as grass-root movements and have grown into powerful arguments that politicians had to take in consideration. But then, maybe the majority of us are happy the way things are and are willing to pay for it. It is, after all, a Democracy that we are living in.


In closing I want to ensure every taxpayer of Blackberry Township that this office is monitoring the market constantly and I will respond to the ever-changing market to provide fair and equitable assessments. This office has an open-book and open-door policy for the assessment process and every one of our taxpayers is to be treated with respect, as we would like to be treated. Feel free to contact me with any suggestion or comment.

Uwe Rotter, CIAO

Blackberry Township Assessor

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Was this information helpful? Do you have other questions about the property tax process that you would like to have answered?

Please send us your feed-back and we will add items to our web-site and e-mailings.