



2009 Taxpayer Workshop Information

Assessor's Office

2009 Update

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CIAO



Any Relief in Sight for Property Taxes?

Many residents of our township have contacted my 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 are at an "all time high". Many of us agree: **"Our property assessments do not reflect what our house is worth in today's market!"**

So it seems that the assessor should react immediately to the situation and provide relief by lowering the assessments.

DID YOU KNOW? About: Finished Basements

In 2007, when I was appointed to the position of Blackberry Township Assessor, I removed the policy of "Assuming basements are finished". I firmly believe that no one should be assessed for something without proof. Unfortunately, our website is very rudimentary and does not show all the information that is compiled into assessments. This is one of the things that I will change for 2009. Taxpayers deserve to see the detail of their assessments. They should be able to compare their assessments with others in their neighborhood. **No one should be over assessed!**




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Beware of Promises to Lower your Assessments!

Unfortunately, many of us think that lowering assessments across the board (the economy is bad for all of us) will automatically lower their tax payment. This is far from the truth and can be better explained in a small, simple example:

Case	Assessments	Levy	Formula	Tax-rate	Tax-Payment
1. 	\$2,000	\$100	Levy x 100 ----- = tax-rate	5%	(5% of 2,000) You pay \$100
2. 	\$1,800	\$100	Assessments	5.55%	(5.55% of 1,800) You pay \$100
3. 	\$1,800	\$150	Levy is the amount of money that we allow to be spent for our local services	8.33%	(8.33% of 1,800) You pay \$150

Case 1. Your property is assessed at \$2,000. You agreed to spend a total of \$100 for community services (Levy). **You will have to pay \$100 to satisfy the levy.**

Case 2. The assessment was lowered by your assessor (by 10%, because of lower sales, the economy – You get the idea) to \$1,800. The levy did not change. The formula raises the tax-rate to satisfy the levy. **You pay the same, although the assessment was lowered!**

Case 3. The assessment is still at \$1,800, but the levy increased (because we added a referendum). Again, the formula raises the tax-rate to satisfy the levy. **The assessment was lowered, but the levy increased and your tax payment increased!**

The same mechanics apply to increases in assessments. If Case 2 would be a prior year and Case 1 the current year, you see an increase in the assessment. However, since the levy did not change you pay the same tax-payment as in the prior year. If the levy would decrease the tax payment would be less!

DID YOU KNOW? About: Assessments & Levy

- 1. The Levy is the major driver of the Tax Payment, not the Assessment !**
- 3. Higher Assessments do not automatically equate to Increases in Tax Payments !**
- 4. Lower Assessments do not automatically equate to Decreases in Tax Payments !**
- 2. You need to lower the Levy to lower your Tax Payment !**

Can you explain the Property Tax Cycle?

Our property tax cycle is complex and at times can be quite confusing. However, it should not be a “black box” for you, considering that for most of us it is the largest annual expense. To calculate your tax amount we need two components: your assessment and the levy. 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. It derives from how similar properties have re-sold during the last three years. The other component, the levy, is the amount of money that we, as taxpayers, allow to be spent for our local services. These monies go towards schools, libraries, forest preserve, local government, police, fire, etc. within the county, but not to State or Federal agencies. Every year the budgets for these local services are voted on and we have the opportunity to voice our opinion. This can be done to our respective

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elected board members or at publicly held budget hearings. Once the budgets have been voted on and approved they, together with any passed referendum, become the total amount of money that will need to be collected – the levy. The County Tax Extension office will determine the tax rates to be used and the County Treasurer will send out the tax bills.

How are Assessments determined?

The procedures are out-lined in the Property Tax Code enacted by the Illinois State General Assembly. Statute requires me to assess all properties at 1/3 of its fair market value.

New Construction: In a new neighborhood or subdivision I establish a median based on new construction sales, since it reflects best the value that a seller and buyer have agreed upon.

Older Properties: The property tax code requires for properties to be re-assessed at least every four years. The foundation for re-assessments is a sales analysis. This analysis requires me to determine groups of similar properties and then to identify the median based on re-sale information for each group. New assessments are then based on these medians. Statute prohibits me to take in consideration what the market is doing in the current year. Assessments are always based on the value as of January 1st of the assessment year. I am required to use the prior three full years (2006, 2007, and 2008 for the 2009 tax year) for the sales analysis.

In 2006, Blackberry Township experienced the highest sales volume and total sales value compared to prior years. For 2007, the number of sales had declined; but the median value of sales still increased. Therefore, looking at the median for the 2008 assessments, it placed the valuation closer toward 2006 (the better year) with higher sale values. The values for 2009 indicate a lower median over 2008 (see chart). We still have 2008 sales information outstanding.

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
2008*	196	\$370,500	\$389,568	\$ 76,744,804	\$168,000 -- \$1,110,500

*As of 02/01/09 – Not Final !

It can take up to 3 months for sales information to be processed before it reaches our office.

Every sales analysis, run for a new tax year, will take the lower sales in consideration and new valuations are applied. We all agree that the economy is suffering, but re-valuations will always lag behind the current market by 18-24 months. In return, when the market and property values pick up, I will have to utilize the last three prior and lower years for my assessments. This is how the property tax system was designed to balance upward and downward market trends.

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. 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 lowered 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.

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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 my office 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 taxpayer that they were assessed equally to other taxpayers.
Utilizing the Board of Review Process	If you and I cannot agree on the assessment you can present your case to the Board of Review at Kane County. The 3-member panel will listen to you and me. We both will provide the panel with our 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 are 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.

DID YOU KNOW? About: **Tax Payments**

If the annual levy (cost of all services) would be zero – What would be your tax payment? Correct, it would also be zero and you would not get a tax bill. In this case a fair and equal assessment of your property by your assessor would have no bearing. However, as each of our agencies funded through property taxes ask for monies, the levy grows - and with that grow our tax payments. Now, the assessments matter and aide in apportioning your fair share.

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What to expect for the 2009 Assessment Year

It will take 18-24 months before the declining economy will have a full impact on the assessments. The major downward trend started with the beginning of 2008 (2007 for the high-end-residential market). You can compare it to a ball that rolls up an incline. The higher it gets the more it loses speed. As soon as it goes over the top it will start to pick up speed – first slowly, but then faster and faster. The 2009 property tax year will be the “first slow year”.

While older neighborhoods are mostly stable in their re-sale values, newer subdivisions have shown drastic value changes in 2008 over 2007.

Subdivision	Sales Value
Blackberry Creek – Kennedy Homes	-7.8%
Blackberry Creek – Non Kennedy	-8.9%
Mill Creek	-2.6%
Tanner Trails	-8.5%
Remington Landing	-6.3%

However, when combined with sales of 2006 and 2007 to establish the median value over the last three years, these declines will diminish. At this time I do not have a final number, since we have not received all re-sale data for 2008. The subdivisions listed in the table above are slated for re-value this summer. The assessment will then show on the tax bills in 2010.

I do expect that newer sales will further decline in value, which should help to reduce assessment values – but keep in mind the information about Lower Assessments on page 2.


Some agencies funded from our property taxes are actively working on no-growth budgets or budget cuts. The total of their individual requests, the levy, will show if our tax payments increase, stay the same, or decrease.

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, Certified Illinois Assessing Officer

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 me your feed-back and I will add items to our web-site and e-mailings.

2008 Version: ‘What is happening to Our Property Values?’ at www.blackberrytwp.com/questions

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2009 Taxpayer Workshops

Uwe Rotter, CIAO

Blackberry Township Assessor

All 2009 Taxpayer Workshops will begin at 7pm, at the Blackberry Township building at 43w390 Main Street Road, Elburn, Illinois 60119

- Thursday, March 26
- Thursday, April 23
- Thursday, May 28
- Thursday, June 25
- Thursday, July 23
- Thursday, August 27
- Thursday, September 24
- Thursday, October 22
- *Thursday, November 19
- *Thursday, December 17

(* signifies a 3rd Thursday Evening)

Feel free to contact us about bringing the presentation to your own event

Questions? Please contact:
Uwe Rotter, CIAO
Blackberry Township Assessor
Phone: 630-365-6580

assessor@blackberrytwp.com

www.blackberrytwp.com

Start Early – Talk to Your Township Assessor ...

The Blackberry Township Assessor, Uwe Rotter, will hold monthly Taxpayer Workshops every 4th Thursday evening at 7pm. (3rd Thursday in November and December). These will be held at the Blackberry Township building, 43w390 Main Street Road, Elburn, Illinois.

At these meetings, taxpayers will be provided with information

- About the Property Tax Cycle
- How Assessments are being developed.
- About the Board of Review Appeal Process
- What the Future will bring

Taxpayers will have the opportunity to address specific questions concerning their property and discuss any other property tax related concerns.

