



Assessor's Office

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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 years now, the media has bombarded us with news about the failing housing market and how foreclosures are at an "all time high". Many of us agree: **"Our property assessment does 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 became Blackberry Township Assessor, I removed the policy of "Assuming basements were finished". I firmly believe that no one should be assessed for something without proof. Unfortunately, our website was very rudimentary in the past and did not show all the information that was compiled into assessments. This has already changed for larger subdivisions, but we are still in the process of converting data. 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 assessed for something they don't have!

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*Our Township – **Blackberry** – Our Community*

Assuming that lowering Assessments will lower your tax bill!

Unfortunately, many of us think that lowering assessments across the board (the economy is bad for all of us) will automatically lower our tax payments. 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 collect the levy. **You pay the same, although the assessment was lowered – the tax rate went up!**

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 were a prior year and Case 1 the current year, you would 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 !**
- 2. Higher Assessments do not automatically equate to Increases in Tax Payments !**
- 3. Lower Assessments do not automatically equate to Decreases in Tax Payments !**
- 4. You need to lower the Levy to lower your Tax Payment !**

Can you explain the Property Tax Process?

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 preserves, local governments, 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 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 the assessor to assess all properties at 1/3 of its fair market value.

New Construction: In a new neighborhood or subdivision a median value based on new construction sales is established, since it reflects best what a sellers and buyers have agreed upon.

Older Properties: The property tax code requires for properties to be reassessed at least every four years. The foundation for reassessments is a sales analysis. This analysis requires determining a value within groups of similar properties and then to identify the median based on resale information for each group. New assessments are then based on these medians. Statute prohibits taking into consideration what the market is doing in the current assessment year. Assessments are always based on the value as of January 1st of the assessment year. This requires the use of sales from the prior three full years (for example: 2010, 2011, and 2012 for the 2013 tax year) for the sales analysis.

In 2006, Blackberry Township experienced the highest sales volume and total sales value compared to prior years. In 2007, the number of sales started to decline; 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. Subsequent years are not any better.

| Taxpayer Evidence |
|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|
| 2005 | 382 | \$345,000 | \$365,586 | \$139,654,010 | \$140,000 -- \$1,134,000 |
| 2006 | 429 | \$375,000 | \$386,437 | \$165,781,577 | \$125,000 -- \$1,250,000 |
| 2007 | 366 | \$378,271 | \$393,272 | \$143,937,639 | \$130,000 -- \$1,555,000 |
| 2008 | 196 | \$370,500 | \$391,555 | \$ 76,744,804 | \$168,000 -- \$1,110,500 |
| 2009 | 169 | \$336,000 | \$349,114 | \$ 59,000,329 | \$114,000 -- \$845,000 |
| 2010 | 249 | \$317,500 | \$317,617 | \$ 79,086,637 | \$130,000 -- \$825,000 |
| 2011 | 194 | \$287,500 | \$289,442 | \$ 56,151,793 | \$105,000 -- \$823,615 |
| 2012 | 258 | \$298,750 | \$288,327 | \$ 74,388,420 | \$ 45,000 -- \$650,000 |

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

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.

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 with similar homes in your neighborhood. Use similar homes when comparing to 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.	The majority 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.

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.

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