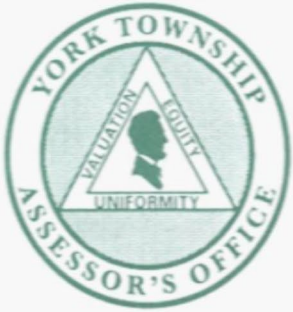




Presents

Understanding the Assessment Process: Assessing Commercial Real Estate Taxes



YORK TOWNSHIP ASSESSOR

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A map of York Township, Illinois, showing various streets and landmarks. A star marks the location of Knolls Park. The map includes labels for roads such as E Central Ave, E Edward St, E Roosevelt Rd, W Roosevelt Rd, E Roosevelt, and W 22nd St. It also shows landmarks like Knolls Park and York Center. A scale bar at the top right indicates 0, 400 m, and 1200 ft. The map is credited to MapQuest Inc. and NAVTEQ.

Deanna Wilkins York Township Assessor

Presented by:
Jerald Rudman, CIAO/M
Fred Beno, CIAO/M



Assessment Process

- Assessment - Mass Appraisal Methodology
 - Date of valuation is ALWAYS January 1st
 - Fee simple valuation – NOT leased-fee
 - Buildings are valued by size, use, condition, and location
 - Land is valued by size, use, utility, and location
 - Determine a median level of assessment based on market value
 - 3-year sales-ratio study
 - In a **declining market**, assessments may be higher than sales until the ratio study “catches up” with the current market
 - In an **increasing market**, assessments may be lower than sales until the ratio study “catches up” with the current market
 - Primarily residentially driven
 - Inspect, measure, and value all new construction
 - Continuously monitor, analyze, and quantify market trends for each area and each property type

Assessment Process

- General Reassessment Year (2019)
 - Performed once every 4 years
 - Defined by “**all**” –
 - Real Estate
 - Publishing
 - Mailing
 - 30-day period to file assessment appeals begins with the publication date
- Normal Assessment Year (2020, 2021, 2022)
 - Performed in non-General Assessment years
 - Defined by “**only**” –
 - Real Estate
 - Publishing
 - Mailing
 - 30-day period to file assessment appeals begins with the publication date

Taxes

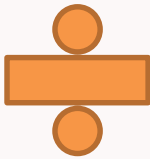
- **Assessment Facts**
- **Overview of Tax Billing Process**
- **Tax Rate Comparison Scenario**
- **Allocation of Tax Dollars**
- **Appeal Facts & Timeline**
- **Ways to Potentially Reduce Your Tax Burden**

Assessment Facts

- The Assessor doesn't TAX anyone. Our office is ONLY responsible for the accurate valuation of the real estate within the jurisdiction.
- The taxing bodies listed on the property tax bill (of which the township is one), determine their funding needs and budgets and submit their requests to the County Clerk.
- The County Clerk determines tax rates by dividing the sum total of revenue requests by the sum total of assessed values.
- While taxes are based, in part, on the assessed value of your property, the actual tax dollars you pay are calculated by multiplying the Net Taxable Value (Equalized Assessed Value less Exemptions) by the Tax Rate.

TAX LEVY

This is the total dollar amount requested by each taxing body



TOTAL ASSESSED VALUE

This is the total dollar amount of ALL the real estate in the township



Tax Rate



Your Assessment
x Your Local Tax Rate
= Your Tax Bill

Overview of the Tax Billing Process

This is why the “rate” matters:

Tax Rate Comparison Scenario

- Potential property taxes of a multi-tenant office building, valued at \$15,000,000, and located in:

Oak Brook (2)
Downers Grove

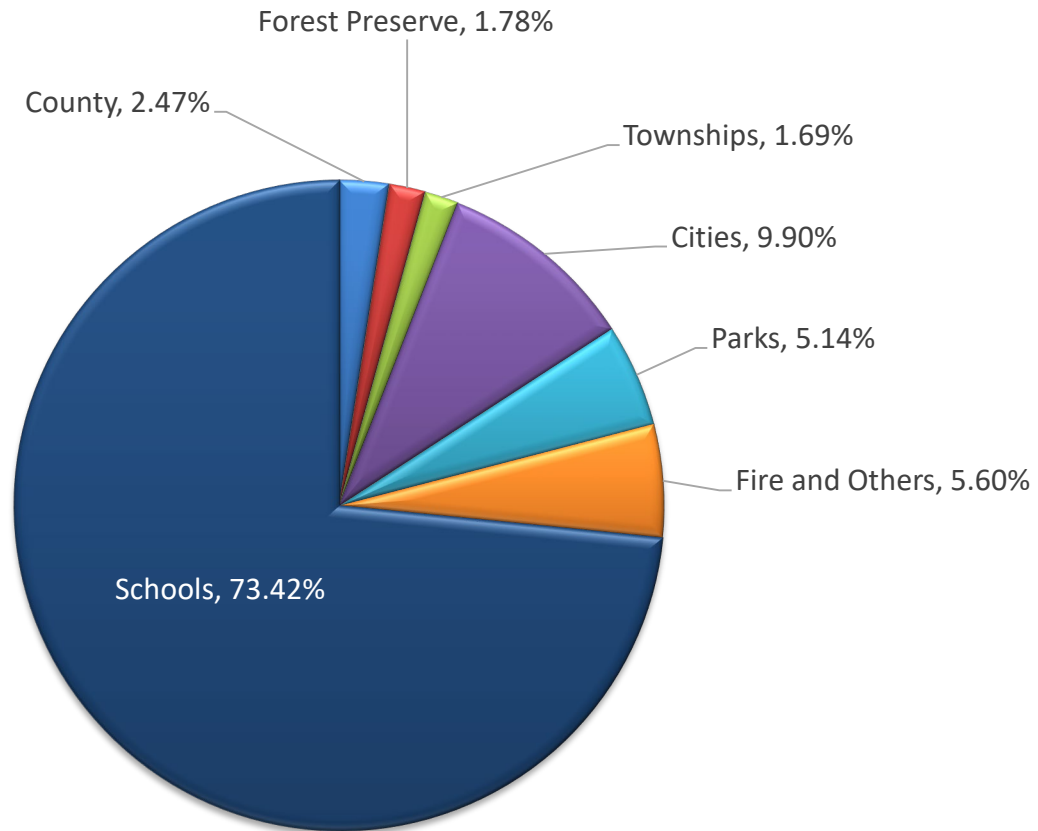
Elmhurst
Lombard



Summary of Property Tax Bills

Property Type	Location	Market Value	Assessed Value	Local Tax Rate	Property Tax Amount
Multi – Tenant Office Building	Oak Brook	\$15,000,000	\$5,000,000	3.4555	\$172,775.00
	Oak Brook	\$15,000,000	\$5,000,000	5.4886	\$274,430.00
	Downers Grove	\$15,000,000	\$5,000,000	5.7692	\$288,460.00
	Elmhurst	\$15,000,000	\$5,000,000	6.3715	\$318,575.00
	Lombard	\$15,000,000	\$5,000,000	8.4932	\$424,660.00

Distribution of 2017 DuPage County Real Estate Taxes to Local Taxing Bodies



Source:
DuPage County Clerk's Office

IF YOU DISAGREE WITH THE ASSESSOR'S
VALUATION OF YOUR PROPERTY

You have the right to
appeal!

Appeal Facts

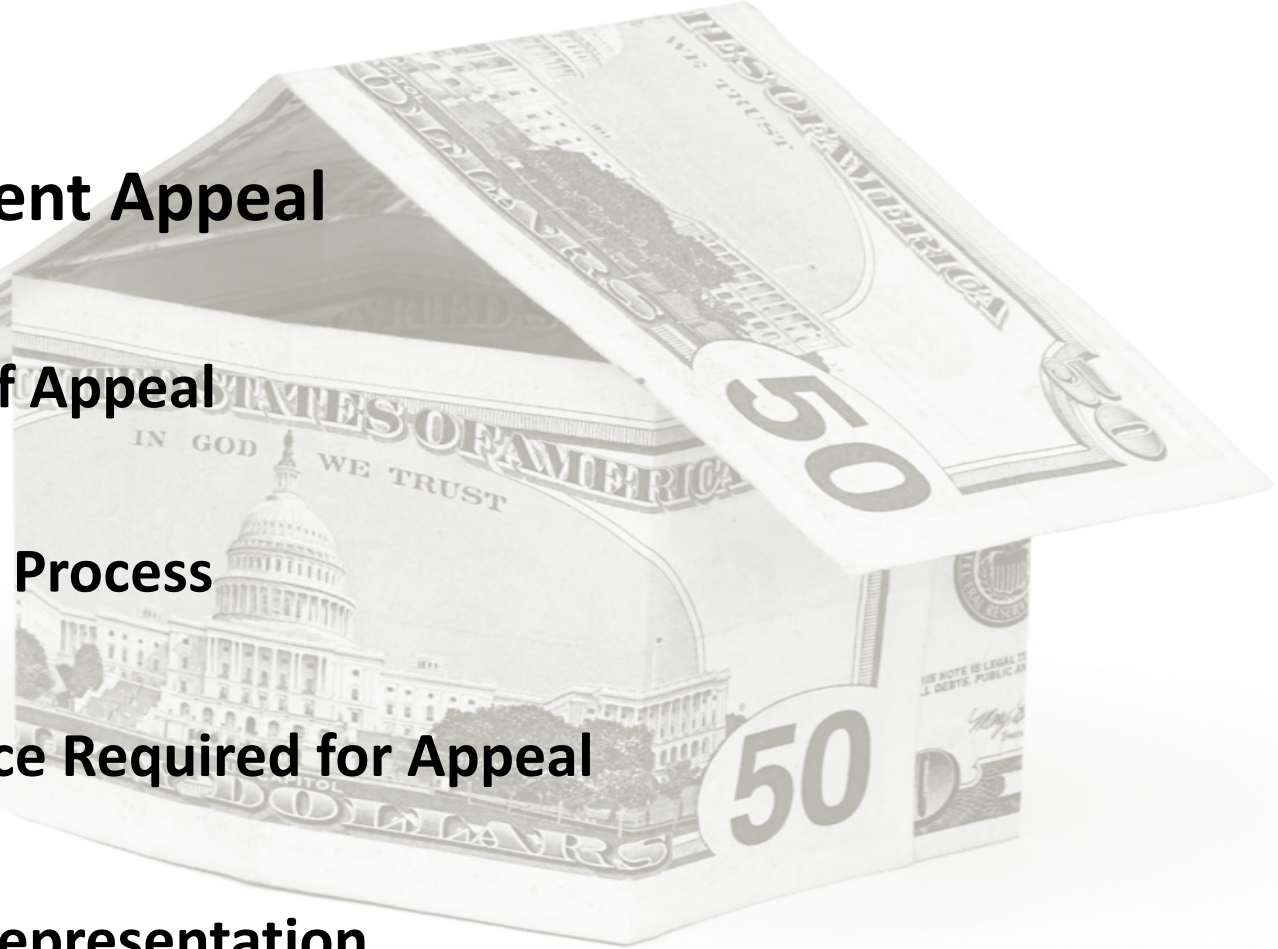
- Strictly speaking, appealing the assessment is NOT the same as appealing your taxes.
- A lower assessment MAY NOT mean a lower tax bill.
- TAX RATES and the assessment determine your tax bill.
- Once the tax bill is issued, your options are VERY limited!

Appeal Timeline

- The Assessor's Office typically completes their annual assessment work between late summer and fall. The statutory completion date for assessments in DuPage County is no later than November 15th of the current assessment year.
- Upon completion of the assessments, the “books” are turned over to the DuPage County Supervisor of Assessments for final review.
- Once the review by the Supervisor of Assessments has been completed, assessment notices are mailed to taxpayers for ONLY those valuations that have been changed by the Township Assessor's Office. These changes are also published in your local newspaper. The time-frame to file an appeal is 30 days from the date of publication.

TO POTENTIALLY REDUCE YOUR PROPERTY TAX BURDEN:

- **Assessment Appeal**
 - **Basis of Appeal**
 - **Appeal Process**
 - **Evidence Required for Appeal**
 - **Legal Representation**



FIRST STEP: SEE YOUR TOWNSHIP ASSESSOR

❖ Informal Appeal

- Speak with staff regarding your assessment (at the local office)
- Reason for Appeal – Recent sale?
 - Closing statements (within last year)
 - Sales disclosures
- Reason for Appeal - Recent appraisal?
 - Completed within last year
 - Appraisal cost can be substantial and is usually based on property complexity
- Reason for Appeal - Equity/Uniformity Argument?
 - Your property is not assessed equitably when compared to like properties (usually most difficult to substantiate)
 - Statistical uniformity of assessments – not numeric/mathematic

FIRST STEP:

SEE YOUR TOWNSHIP ASSESSOR

❖ Informal Appeal – cont'd.

- Reason for Appeal – Income Based?
 - 3 years income & expense statements are REQUIRED
 - 3 years rent rolls are REQUIRED
 - Leases/Lease Abstracts – prior 2 years
 - Tax returns are allowed - but not suggested
- Notes
 - In DuPage County, an attorney is NOT REQUIRED during the informal appeal process
 - Data submitted during the informal appeal is considered part of the public record and cannot be considered confidential
 - Assessor, upon review of data submitted may, or may not, revise the assessment
 - **Assessment offices use MARKET RENTALS & VACANCY DATA to develop the assessment**
 - Submission of property-specific income data will not necessarily generate assessment relief (fee simple vs. leased-fee)

YOU CAN ALSO APPEAL TO THE DUPAGE BOARD OF REVIEW

❖ Formal Appeal

- Present evidence to Board of Review (at DuPage County).
 - “Quasi-judicial” proceedings allows oral testimony and written evidence.
 - The same evidence presented to the local Assessor can also be presented at the Board of Review, including income data.
 - **Consideration of MARKET RENTALS & VACANCY DATA to develop the assessment (fee simple vs. leased-fee).**
 - Recent sales contract or Settlement statement can be used as evidence of market value for this hearing.
 - Instructions and forms available on the web at:
<http://www.dupageco.org/SOA/>
 - No attorney is required when appealing to the Board of Review

BOARD OF REVIEW COMMERCIAL/ INDUSTRIAL APPEAL FORM

_____(ONE Parcel Per Form) APPEAL NO. _____
PERMANENT PARCEL NUMBER PENDING PTAB DOCKET NO. _____
(if applicable)

FILING THIS APPEAL IS NOT A PROTEST OF TAXES. THIS APPEAL ASSURES YOU OF A HEARING RELATIVE TO THE ASSESSMENT OF YOUR PROPERTY AS PLACED BY THE TOWNSHIP ASSESSOR AND/OR SUPERVISOR OF ASSESSMENTS.

FAILURE TO PROPERLY COMPLETE THIS FORM MAY RESULT IN DISMISSAL OF YOUR APPEAL

SUBJECT PROPERTY STREET ADDRESS _____

CITY/VILLAGE/POSTAL SERVICE PROVIDER _____

NAME (PROPERTY OWNER ONLY) _____

(ATTY INFO-FILL IN AT BOTTOM)

DATE _____

ADDRESS _____

PHONE _____

CITY/VILLAGE, STATE & ZIP _____

BUSINESS PHONE _____

EMAIL ADDRESS _____

FAX # _____

The present Assessment is HIGHER ☐ / LOWER ☐ than the assessment of comparable properties.

This appeal is based on:: (Please check appropriate box or boxes)

Property Type: ☐ Commercial ☐ Industrial ☐ Office ☐ Vacant Land

☐ Recent Sale ☐ Comparable Sales ☐ Income ☐ Assessment Equity ☐ Other No. of Bldgs _____

☐ Recent Construction ☐ Recent Appraisal ☐ Contention of Law ☐ Land Size _____ ☐ Bldg Size _____ No. of Floors _____

(PROPOSED ASSMT. MUST BE FILLED IN)

Appellant's proposed assessment of said property _____ Assessor's AV _____

Appellant's opinion of fair market value of the year in question _____ Assessor's MV _____

Purchase Date _____ ☐ Owner Occupied

Purchase Price _____ ☐ Leased - Provide & attach current rent roll, all leases & lessee's tax participation.

PLEASE NOTE: **ALL DOCUMENTATION MUST BE SUBMITTED IN DUPLICATE (2 COPIES) AT TIME OF FILING.**

PLEASE PROVIDE CERTIFIED COPIES OF DETAILED INCOME AND EXPENSE STATEMENTS FROM PRIOR 3 YEARS IN

DUPLICATE. OATH: I do solemnly confirm that the statement made and facts set forth in the foregoing complaint are true and correct.

IF REPRESENTED BY AN AGENT/ATTORNEY, OWNER'S SIGNATURE OR SEPARATE LETTER OF AUTHORIZATION IS REQUIRED TO FILE THIS APPEAL. 2 COPIES OF THE AUTHORIZATION MUST BE SUBMITTED WITH THIS FILING OR A HEARING WILL NOT BE SCHEDULED.

☐ AUTHORIZATION ATTACHED (PLEASE CHECK)

☐ EVIDENCE ATTACHED (PLEASE CHECK)

OWNER SIGN HERE

AGENT/ATTY NAME (Please Print)

AGENT/ATTY SIGNATURE

FIRM/COMPANY

AGENT/ATTY ADDRESS

CITY, STATE, ZIP

AG/ATTY PHONE/FAX

AGENT/ATTY E-MAIL ADDRESS

PRESENT ASSESSMENT

Please Fill In

LAND _____

BLDG _____

TOTAL _____

PRORATE _____

NEW

CONSTR _____

DESTRUCTION _____

☐ I WILL ATTEND HEARING

☐ I WILL NOT ATTEND BUT
PRESERVE RIGHT TO
APPEAL TO PTAB

2018 form 82-11-3

ACTION OF BOARD OF REVIEW

LAND _____

BLDG _____

TOTAL _____

PRORATE _____

NEW CONSTR _____

DESTRUCTION _____

BY: _____

MEMBER

MEMBER


MEMBER

WHAT IF I DON'T AGREE WITH THE BOARD OF REVIEW'S DECISION?

❖ Formal Appeal - continued

- Present evidence to the State of Illinois Property Tax Appeal Board (P.T.A.B. – Springfield)
 - Also “quasi-judicial” proceedings.
 - The same evidence presented at the local Board of Review.
 - **Consideration of MARKET RENTALS & VACANCY DATA to develop the assessment (fee simple vs. leased-fee).**
 - Appeal forms (5 pages) and rules (2 pages) are available on the web at: <http://www.ptab.illinois.gov/>
 - Attorney or property owner ONLY may file an appeal.

In closing...



Thank you for giving us the opportunity to talk about the Property Tax Assessment process with you. Please feel free to call us at any time with any questions.

The Assessor and staff are happy to assist you!!

**REMEMBER...THE ASSESSOR'S OFFICE
WORKS FOR YOU!!**

You can also visit our website:

www.yorkassessor.com





Thank You
BOMA Suburban
Chicago
for hosting this
event!