

Assessed Valuations for Oak Park Homeowners Decline by 10%

By Ali EISaffar, Oak Park Township Assessor

On May 24, the Cook County Assessor's office mailed reassessment notices to all Oak Park property owners. Reflecting continued weakness in the housing market, the assessed value for Oak Park homeowners declined by an average of 10%. It would be easy to conclude that the declining assessed value will correspond to a decline in property tax bills, but as explained below, this is not the case.

Can I appeal my new assessed value?

Yes. The Cook County Assessor's office will be accepting appeals from Oak Park property owners through June 24, 2011. Homeowners needing help filing appeals can call the Oak Park Township Assessor's office at (708) 383-8005 for an appeal appointment, and can also find appeal information online at www.cookcountyassessor.com.

When will the new assessed values appear on my property tax bill?

Because property tax bills in Cook County are paid a year late, tax bill changes resulting from the 2011 reassessment will not appear on property tax bills until the fall of 2012.

For how long will the new assessed values be in place?

Unless an appeal is filed, the new assessed values should be in effect until the next reassessment in 2014.

If my assessed valuation falls by 10%, will my taxes also fall by 10%?

No. In fact, tax bills will be increasing for most properties. To understand this counterintuitive result, it is helpful to look at each of the two main factors influencing tax bills.

1. Total tax burden for Oak Park. Your property taxes fund the annual tax levies set by Oak Park schools and local governments, which totaled about \$153 million last year. Even though assessed values are falling, annual tax levies are rising. Indeed, in light of the successful school district referendum that recently passed, the total tax levy this year is estimated to be about \$163 million, and it will increase by about the rate of inflation in subsequent years. Because of these tax levy increases, property taxes will be rising for most properties, notwithstanding the decline in property values.

2. Your property's share of the total tax burden. Every Oak Park property pays a small share of Oak Park's \$163 million tax burden. A property's share of the burden is determined by comparing its assessed value to Oak Park's overall assessed value. Thus, a property that comprises 1% of the total assessed value of Oak Park pays 1% of Oak Park's total tax burden.

Because real estate values change over time, reassessments adjust each property's market value to reflect current values. In the process, a property's share of the tax burden can change. For example, a property that comprises 1% of Oak Park's assessed value before reassessment may comprise 1.5% after reassessment. Such a property would pay more as a result of reassessment.

Combining the moving parts. Your tax bill will be influenced by both of the factors outlined above. Spending increases will raise the community's overall tax burden, and changes in your property's share of the burden will determine whether it pays a larger or smaller portion of the increased community-wide tax burden.

How can I determine if my property's share of the tax burden has changed?

In general, the key to determining whether there has been a change in your property's share of the tax burden lies in comparing the assessment decline for your property to the community-wide decline of 10%. If an individual property's assessment declines by 10%, it keeps pace with the community average, and experiences no change in its share of the tax burden.

A property's share of the tax burden will usually fall if its assessed value declines by more than the average decline in Oak Park property values. Conversely, a property's share of the burden will rise if its assessed value increases, or if its decline is less than the 10% decline in the community's assessed values.

Are there any programs available to help homeowners after reassessment?

In the halcyon days of rapidly increasing property values, the state legislature approved a program that was designed to limit tax increases as a result of reassessment that was called the '7% assessment cap.' The program created a variable homeowner exemption that sought to shield assessment increases of more than 7% from taxation.

But the era of rapidly increasing property values is long gone, as is the original rationale for the 7% cap. Accordingly, the 7% program is being phased out. The phase out, however, is being accomplished very slowly, which means that the 7% cap will continue to influence property tax bills in Oak Park for at least another four years.

In light of the declining market, the easiest way to explain the 7% cap today is that it provides large money-saving homeowner exemptions to some owner-occupied homes. The amount of the exemptions vary, and the reason for the variations can be difficult to explain. But in the fall of 2012, when the tax bills resulting from current reassessment arrive, the range of savings under the homeowner exemption should be between \$500 and \$2,000. Those with questions about the 7% cap's impact on their property should feel free to call the Township Assessor's office.

What are the grounds for an assessment appeal?

A successful assessment appeal will reduce an individual property owner's share of the local tax burden, resulting in a lower tax bill. There are two main types of appeals:

1. Lack of uniformity. The basic rule of property assessment is that similar properties should be assessed similarly. If there is a lack of uniformity, an appeal is appropriate. To substantiate such an appeal, it is necessary to find properties comparable to yours that have lower assessed valuations. The Township Assessor can help you find comparable properties quickly and easily.

2. Errors in property characteristics. Every residential property has a set of characteristics which determine the property's assessed valuation. A copy of the characteristics file will be mailed with the notice of reassessment and can also be viewed on the Cook County Assessor's web site. If there are mistakes in the characteristics file, an appeal to correct the mistake and possibly reduce your assessed valuation is appropriate.

A wide range of characteristics can influence your assessed valuation, including a property's interior square footage, state of repair, and proximity to undesirable conditions. Not all mistakes in the characteristics file will lead to reductions in your assessed valuation, but it can be worthwhile to check the file for accuracy.