

Under Assessment Complaints: Public and Governmental Oversight of Blips in the Assessment Fabric

Patrick Hynes

Lyons Township Assessor, Cook County, Illinois & Former Senior Residential Field Inspector, Cook County Assessor's Office

Andrea Raila

Senior Tax Analyst & Former Deputy Member, Commercial & Multi-Family Housing Case Reviewer, Cook County Board of Review

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Commercial Property Tax Analyst & Public Policy Researcher

IAAO ANNUAL
LEGAL 
SEMINAR
NAVIGATING CHANGE



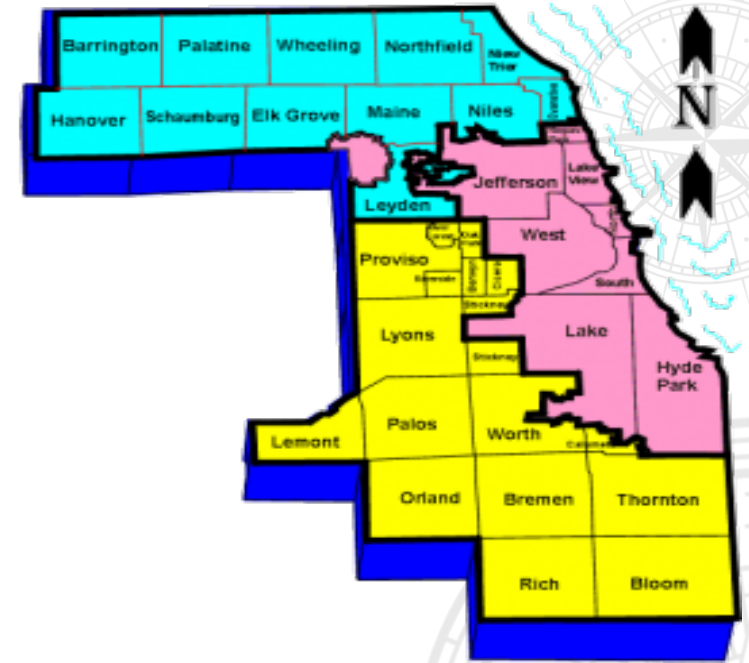
Background

- ❖ The “ad valorem” property tax is the foundation of local government funding in Illinois. Cook County Illinois, the second largest property tax assessment district in the United States with 1.8 million parcels collects \$18.3 billion dollars annually.
- ❖ It is critical that the administration of this tax be equitable.
- ❖ An underassessment of one property, or an entire class of property, will result in a higher tax burden to be shared by the remaining taxpayers.

FAIR+EQUITABLE

Cook County, Illinois

- ❖ The Cook County Assessor is tasked with producing an assessed value for the 1.8 million parcels in the county on a triennial cycle.
- ❖ The Assessors office must revalue one third of the County every year and add new construction property to the tax rolls.
- ❖ In 1998, the Cook County Assessors Office had over 500 employees, by 2021 that number had dwindled to 237.



In 2019, the IAAO performed an audit of the Cook County Assessors office and made some recommendations.

IAAO recommended Cook County quadruple the number of staff overall and made note of the critical need to increase the number of field inspectors.

PRACTICES AND PROCEDURES AUDIT of the Cook County, Illinois Assessor's Office

May 2019

Property Type	Number of Parcels	Number to be Inspected Annually	Current Number of Staff	Current Number of Parcels per Year per Appraiser	Minimum Number of Staff to Meet IAAO Standards
Residential	1,580,286	263,381	11	51,700	56
Commercial	119,890	19,982	9	21,150	9

Staffing Shortage Leads to Missed Assessments

- ❖ Despite the recommendation that the number of field inspectors increase from 11 to 56, the county lost field inspectors subsequent to the IAAO audit.
- ❖ Cook County reached a nadir of 8 active residential field inspectors for over 1.5 million residential properties.



Lyons Township, Cook County, Illinois

- ❖ In 2022, the Lyons Township Assessor's Office conducted a field audit of the 45,000 parcels assessed by the Cook County Assessor's Office.
- ❖ The audit revealed hundreds of misclassified properties and missing additions, as well as several new construction properties never added to the tax rolls despite notice to the County Assessor that new construction was taking place. Assessment inquiries were filed with the County Assessor requesting corrections to erroneous property record cards in the district.

<p>PROUDLY SERVING</p> <p>The Communities of Argo-Summit, Bedford Park, Bridgeview, Brookfield, Burbank, Countryside, Forest View, Hodgkins, Indian Head Park, Justice, LaGrange Highlands, Lyons, McCook, Stickney and Willow Springs</p>	<p>DESPLAINES VALLEY NEWS</p> <p>A HOUSEHOLD NAME IN THE SOUTHWEST SUBURBS SINCE 1913</p>	<p>IT'S FOOTBALL SEASON!</p> <p>High School Football Preview Special Section Inside</p>
<p>VOLUME 108, NO. 27</p>	<p>THURSDAY, AUGUST 25, 2022</p>	<p>STILL ONLY 35 CENTS</p>

Assessor promises to fix errors for Lyons Township taxpayers

New Property Not Assessed : Lyons Twp 2022

- ❖ Unfortunately, the County Assessor was unable to correct the property record card for all the Lyons township properties identified.
- ❖ Many newly-constructed properties were still assessed as vacant land.



Illinois Property Tax Code

❖ (35 ILCS 200/9-180)

(35ILCS200/9-180)

Sec. 9-180. Pro-rata valuations; improvements or removal of improvements. The owner of property on January 1 also shall be liable, on a proportionate basis, for the increased taxes occasioned by the construction of new or added buildings, structures or other improvements on the property from the date when the occupancy permit was issued or from the date the new or added improvement was inhabitable and fit for occupancy or for intended customary use to December 31 of that year.

New property is assessable from the date an occupancy permit is issued or from the date the property is inhabitable through the end of the tax year.



Fair & Equitable?

Two identical townhouses in LaGrange Illinois.

New construction completed and each townhouse sold within one week of the other at similar prices.

One townhouse was added to the tax rolls while one was not and taxed as vacant land.

This repeated several times throughout the development.

429 Filson St

427 Filson St



Annual Tax Bill:

\$10,880.76

\$214.07

Next-door Neighbors: Fair & Equitable?



5204 S Woodland Ave
Western Springs IL
65-year-old home sold \$699,000

Annual Property Tax Bill: \$10,277.36



5200 S Woodland Ave
Western Springs IL
New construction home
Sold \$1,900,000 taxed as vacant land

Annual Property Tax Bill \$2425.63



Next-door Neighbors: Fair & Equitable?



4027 Lawn Ave
Western Springs, IL
113-year-old Sold \$750,000

Annual Property Tax Bill: \$14,268.59

4031 Lawn Ave
Western Springs, IL
New home : Sold \$1,200,000

Annual Property Tax Bill: \$1650.36



Next-door Neighbors: Fair & Equitable?



5543 Barton Ln
Hinsdale, IL
New construction : Sold \$1,398,000

Annual Tax Bill : \$1,688.22

5549 Barton Ln
Hinsdale, IL
New Construction : Sold \$1,256,000

Annual Tax Bill : \$27,355.16



Cook County, Illinois

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Chicago Tribune

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69°F ☀️

Monday, September 30th 2024

eNewspaper

Investigations

Business Dining Entertainment Immigration Opinion Politics Sports Sports Betting Suburbs Obituaries

Luxury home or vacant lot? Cook County assessor misclassifies hundreds of properties, missing \$444M in one year alone



By **ALEX NITKIN** | Illinois Answers Project, **A.D. QUIG** | aquig@chicagotribune.com | Chicago Tribune and **CAM RODRIGUEZ** | Illinois Answers Project

UPDATED: August 16, 2024 at 4:42 p.m.

- ❖ What happens when the County Assessor does not produce an equitable assessment?
- ❖ What rights should an individual taxpayer have to ensure their property is not disproportionately taxed?



Cook County Board of Review

- The Illinois property tax code provides for an independent board to review assessments and hear taxpayer objections to the County Assessor's assessment.

(35 ILCS 200/16-95)

Sec. 16-95. Powers and duties of board of appeals or review; complaints. In counties with 3,000,000 or more inhabitants, until the first Monday in December 1998, the board of appeals in any year shall, on complaint that any property is overassessed or underassessed, or is exempt, review and order the assessment corrected.

Although it is exceedingly rare, the Cook County Board of Review is authorized to consider underassessment complaints as well as the more common overassessment complaint.

Following the Rules

Board Of Review Official Rules

The Cook County Board of Review (CCBOR) hereby establishes the following reasonable rules for the guidance of persons doing business with this Board and for the orderly dispatch of business. See 35 ILCS 200/9-5.

20 _____ **REAL ESTATE UNDER ASSESSED VALUATION COMPLAINT**
THE BOARD OF REVIEW OF COOK COUNTY, ILLINOIS

TYPE OR PRINT ALL INFORMATION. PLEASE COMPLY WITH THE OFFICIAL RULES FOR UNDERVALUATION (UNDERASSESSMENT) COMPLAINTS.
THREE COPIES MUST BE FILED.

Name of Taxpayer-Complainant/Taxing Body _____

Address of Taxpayer-Complainant/Taxing Body _____

City _____ Tel. No. _____ Fax No. _____

Email: _____

Who has standing?



Inspect and Assess Properties



All missing property was inspected, photographed, and valued.



Notice to the Taxpayer

PATRICK HYNES, C.I.A.O.,
ASSESSOR



Township of Lyons
OFFICE OF THE ASSESSOR
6404 Joliet Road
Countryside, Illinois 60525-4644

(708) 482-8300 option 1
(708) 482-1056 Fax
phynes@lyonsts.com

After filing at the Board,
all taxpayers were given
notice of our intent to file.

The Board asked us to do
our best to reach out to
our taxpayers and attempt
to reach a settlement with
the affected taxpayers
before the hearing dates.

Mary Durkin
5904 Timber Trails Blvd
Western Springs, IL 60558

February 6, 2024

NOTICE OF INTENT TO FILE
UNDER ASSESSED VALUATION COMPLAINT

This letter shall serve as formal notice of our office's intent to file a 2023 under
assessed valuation complaint with the Cook County Board of Review, for the following
property.

5904 Timber Trails Blvd
Western Springs, IL 60558
PIN# 18-18-408-003-0000

Educate the Taxpayer and Offer a Settlement

PATRICK HYNES, C.I.A.O.
ASSESSOR



(708) 482-8300 option 1
(708) 482-1056 Fax
phynes@lyonsts.com

Township of Lyons
OFFICE OF THE ASSESSOR
6404 Joliet Road
Countryside, Illinois 60525-4644

The majority of our 31 taxpayers subject to an undervalue complaint met with us and agreed to negotiate an assessment acceptable to both sides.

Cook County Board of Review
118 N. Clark St #601
Chicago, IL 60558

April 9, 2024

Re: Bryan Durkin
5904 Timber Trails Blvd
Western Springs, IL 60558

PIN# 18-18-408-003-0000

UNDER ASSESSED VALUATION COMPLAINT

SETTLEMENT AGREEMENT

This letter shall serve to memorialize the agreed upon assessed value in the under assessed valuation complaint pending at the Cook County Board of Review for the above referenced property. The complainant, Lyons Township Assessor Patrick Hynes, agrees to a building assessment at the median price per square foot for similar property in the neighborhood. The resulting assessment is as follows:

2022 Undervalue Results

- ❖ The Board of Review added all eighteen missing properties back to the tax rolls. Neighboring taxpayers avoided a \$343,000 shift in property tax burden.



2023 Undervalue Results

- ❖ Thirteen additional new construction properties were omitted the following year.
- ❖ Thirteen additional Board of Review undervalue complaints added all thirteen missing properties back to the tax rolls.
- ❖ Neighboring taxpayers avoided an additional \$265,000 shift in property tax burden. \$607,000 over two years.
- ❖ Restored to the tax rolls: The largest home and highest residential tax bill in Western Springs IL.



**COOK COUNTY
BOARD OF REVIEW**
118 NORTH CLARK STREET
ROOM 601 COUNTY BUILDING
CHICAGO, ILLINOIS 60602
TEL: (312) 603-5542
FAX: (312) 603-3479

GEORGE A. CARDENAS
COMMISSIONER

SAMANTHA STEELE
CHAIRWOMAN

LARRY R. ROGERS, JR.
COMMISSIONER

04/29/2024

BOR COMPLAINT TYPE: A

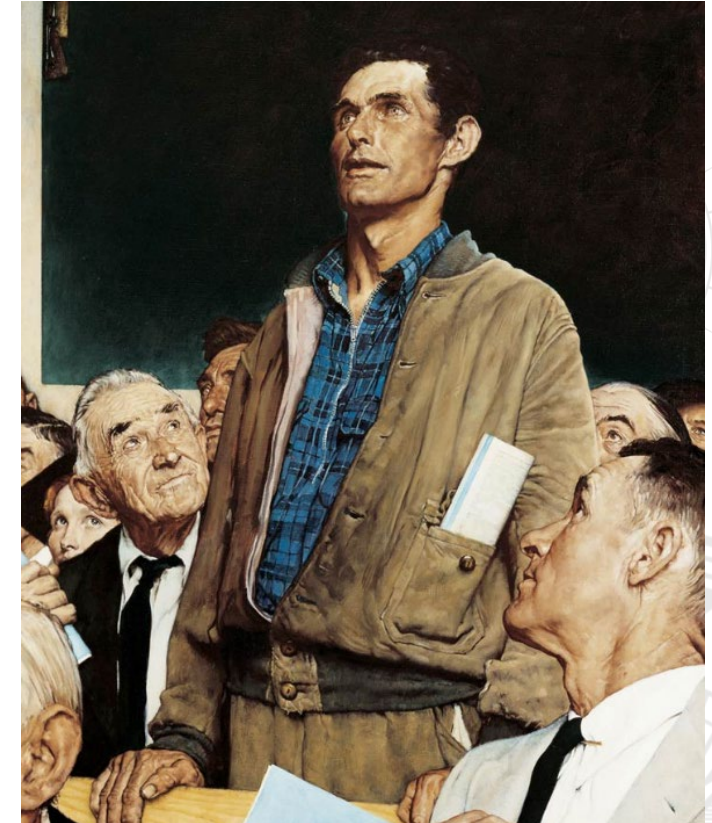
We are pleased to inform you that as a result of the review of your complaint and consideration of any evidence and facts pursuant to our powers and authority under the Illinois Property Tax Code, we have directed the Assessor to reduce the assessed value of your property shown below:

2023 Assessed Valuations

Property Number	Board Complaint	Assessor Original	Board of Review Final	Change
18-06-217-037-0000	2121883-001	19,092	245,000	-225,908

Undervalue Complaints: An Important Tool

- ❖ If an individual taxpayer is assessed correctly but must pay more than their fair share of the property tax burden due to the underassessment or omitted assessment of neighboring property, they are a victim of an unjust assessment and should have a forum to plead for relief.
- ❖ It is unlikely individual taxpayers will undertake the daunting task of researching and filing undervalue appeals. It may be up to property tax professionals who comb through assessment data regularly to object to major errors or omissions in the assessment.
- ❖ Third-party taxpayer challenges should be protected. Taxpayers should have the right to examine assessments of other property on the same tax roll and object to errors that produce an inequitable distribution of the property tax burden.



Background – Plaintiff Taxpayer

- ❖ Assessors in recent decades have faced unprecedented market challenges from natural disasters, made more severe by climate change, to real estate market crashes and valuation explosions.
- ❖ Assessors across the globe rely on Computer-Assisted Mass Appraisal (CAMA) systems to analyze data points. Software enhancements for CAMA systems consistently improve valuations with better statistical models, algorithms, and advanced technologies for modular assessment tools. Cook County uses iasWorld – an integrated appraisal and tax administration software.
- ❖ Assessment tools help identify property in real time. Geographic Information Systems (GIS) like CookViewer, with digital measuring tools and oblique aerial views showing different angles and years; assessment appeals; permits; sales transfers; occupancy certificates; and field inspections build a more accurate assessment database.

FAIR+EQUITABLE

Undervaluation Complaint History

Almost 50 years ago, in 1977, a review of real estate assessments in Cook County found undervalue complaints were almost non-existent:

34. *Id.* § 598. The use of underassessment complaints by taxpayers appears to be non-existent. No information is available as to the number of underassessment complaints filed with the Board of Appeals or as to the number of assessments increased as the result of an under assessment complaint. Letter from Donald Erskine, Chief Deputy of the Board of Appeals, to Alan S. Ganz (Nov. 19, 1976).

Undervaluation Complaint History

Former Cook County Board Commissioner files underassessment complaint against the Sears Tower:

READER

Chicago's alternative nonprofit newsroom

NEWS & POLITICS

1989 A taxing question: How much is the Sears Tower worth?

by Ben Joravsky

June 8, 1989



From the start, it was a Chicago version of David versus Goliath: a middle-class taxpayer, represented by one rather disheveled public-interest attorney, up against a giant corporation, with its money, clout, and legions of lawyers.



Ben Joravsky, "A Taxing Question: How Much Is the Sears Tower Worth?," Chicago Reader, August 20, 2021.

Undervaluation Complaint History

Daley was 1st mayor to review Loop office building tax appeals in order to file against claims that a building was overvalued. The Mayor's legal department used evidence to file underassessment appeals:

2003

ILLINOIS
REAL ESTATE JOURNAL
REjournals.com
VOLUME 6, NUMBER 2 ©2003 Law Bulletin Publishing Co. January 27, 2003

CHICAGO ASSERTS NEW ROLE IN TAX APPEALS PROCESS

Breaking through the impenetrable veil

by Andrea Raila and Paul L. Pusateri

Chicago area property taxes are refunded and reduced by tens of millions of dollars each year by three governmental and one judicial body at the county, state, and circuit court levels. Sounds great for big and small investors who assert their rights to appeal, but when does this drain of revenues threaten municipalities' finances?

Guest Columnist

A flood of taxpayers now takes their grievances to the Cook County Assessor's Office and the Cook County Board of Review each year. During a typical reassessment cycle, the Assessor increases assessments an average of 30 percent — which is often knocked down by two-thirds



Andrea Raila

in the appeals process.

Taxpayers don't stop there because additional opportunities exist for obtaining

property tax refunds. The Assessor's Office has the authority to grant property tax refunds for three prior years. Many large corporations routinely and successfully also achieve tax refunds through a process called "specific objections" brought through the Cook County circuit court system. Tagging along with large corporations, homeowners and small businesses pursue property tax refunds from yet another source, the State Property Tax Appeal Board (PTAB).

In this complex process, homeowners and small investors are a sizable proportion of appeal winners by one means or another. But it should surprise no one to learn that the greatest aggregate savings from appeals accrue to the benefit of big corporations and real estate interests seeking huge tax breaks. Well-placed attorneys, compensated and motivated largely by commissions on tax savings, represent the biggest property owners.

Although there is nothing new in this situation, the Daley Administration is taking a hard look at how to protect the City's interests in the tax appeals process. Recent headlines in Chicago's news have drum-

beat warnings like: *Daley hopes to quash unfair taxation breaks; Daley to contest tax appeals by biggest property owners; Daley wants (property) tax review; Mayor wins on tax review role over business.*

Is this just political mischief? No. Mayor Daley appears to be dead serious about protecting public revenues. "Making budget" has become a lot harder on the heels of a recession and new post-September 11th obligations. The City is now attempting to stem the tide of lost tax revenues in two ways, by setting up a "Property Tax Fairness Board" and by actively intervening in the work of tax appeal agencies.

Daley clearly has his finger on the pulse of public sentiment. A growing number of taxpayer groups have been calling for a similar kind of board, an elected "Taxpayer's Advocate Office." Like the watchdog group the Citizens Utility Board (CUB) does for utility reform, the Taxpayer's Advocate would defend taxpayers' property tax rights while contesting windfall tax reductions where they lack merit. Despite the apparent potential for aggressively scrutinizing appeals, the Taxpayer's Advo-

Tax Appeals continued on page 15

Undervaluation Complaint History

Errors in municipality permit reporting lead to information gaps and lost tax dollars:

Chicago Tribune

NEWS

Evanston fails to report 1,500 building permits to Cook County



By **JEFF LONG, JONATHAN BULLINGTON** | jbullington@chicagotribune.com | Chicago Tribune and **CHICAGO TRIBUNE**

UPDATED: August 23, 2021 at 3:10 a.m.



Listen to this article



More than 1,500 building permits weren't reported to Cook County over a three-year period, leaving Evanston officials trying to figure out how much tax revenue was lost as a result.

2010

Jeff Long and Jonathan Bullington, "Evanston Fails to Report 1,500 Building Permits to Cook County," Chicago Tribune, August 23, 2021, <https://www.chicagotribune.com/2010/05/19/evanston-fails-to-report-1500-building-permits-to-cook-county/>.

Undervaluation Complaint History

10 Taxpayers file a lawsuit against Springfield, MA for using “illegal” means to raise revenue by devaluing billboards and cell towers, thereby shifting greater taxes onto residents:

2019

LET'S SUE THE ASSESSOR FOR BEING TOO LOW...

85th ANNUAL IAAO CONFERENCE & EXPOSITION

John Valente
Real Estate Appraisal Consultant, Reassessment Monitor, Litigation Strategist

Paul Wright, ASA
SignValue – Billboard Valuation and Advisory Services

September 9, 2019

SEPTEMBER 8-11, 2019 / NIAGARA FALLS, ONTARIO, CANADA 🍁 Celebrating 60 Years of International Partnerships

John Valente and Paul Wright, “Let’s Sue the Assessor for Being Too Low...,” 85th Annual IAAO Conference & Exposition (lecture, Ontario, Canada, September 9, 2019).

Undervaluation Complaint History

Retired appraiser in Cowichan, BC filed undervalue complaints at the Property Assessment Review Panel:

COWICHAN VALLEY CITIZEN

News More Contests Shop Flyers E-Editions Classifieds Auto Jobs

Retired appraiser waging fight against 'underassessed' commercial, industrial properties

A retired senior appraiser from BC Assessment has launched a province-wide public awareness campaign to highlight the under-assessment of some commercial and industrial properties by BC Assessment



[Robert Barron](#)

Aug 8, 2024 11:45 AM



2024

Robert Barron, "Retired Appraiser Waging Fight against 'underassessed' Commercial, Industrial Properties," Lake Cowichan Gazette, August 8, 2024.

1st Example of a Board of Review Undervalue Form

20__

REAL ESTATE UNDER ASSESSED VALUATION COMPLAINT

THE BOARD OF REVIEW OF COOK COUNTY, ILLINOIS

COMPLAINT NO.

TYPE OR PRINT ALL INFORMATION. PLEASE COMPLY WITH THE OFFICIAL RULES FOR UNDERVALUATION (UNDERASSESSMENT) COMPLAINTS. THREE COPIES MUST BE FILED.

Name of Taxpayer-Complainant/Taxing Body _____

Address of Taxpayer-Complainant/Taxing Body _____

City _____ Tel. No. _____ Fax No. _____

Email: _____

Received & Checked by _____

LOCATION AND IDENTIFICATION OF REAL ESTATE IN COOK COUNTY FOR WHICH THE INDIVIDUAL TAXPAYER-COMPLAINANT PAYS REAL ESTATE TAXES FOR 20__ :

Address _____ City _____

VOLUME NUMBER _____ TOWNSHIP _____

PERMANENT INDEX NUMBER(S) _____

OWNERSHIP, LOCATION & IDENTIFICATION OF REAL ESTATE WHICH TAXPAYER-COMPLAINANT/TAXING BODY ALLEGES IS UNDER ASSESSED FOR THE YEAR 20__

Name of Owner of Record as shown in Records of Cook County Recorder of Deeds _____

Address of Owner of Record _____ City _____ State _____

Recorder's Document Number Showing Said Ownership _____

Name of Tax Assessee of Record for 20__ : _____

Address of Tax Assessee of Record for 20__ : _____

Name of Titleholder of Record for 20__ : _____

Address of Titleholder of Record for 20__ : _____ City _____ State _____

VOLUME NUMBER _____ TOWNSHIP _____

PERMANENT INDEX NUMBER(S) _____

The undersigned Taxpayer-Complainant/Taxing Body complains that the above described real estate is **UNDER ASSESSED** by the Assessor of Cook County for the year 20__ for the following reason(s): _____

Assessor's 20__ Assessment: Land _____ Improvement(s) _____ Total _____

Taxpayer-Complainant's/Taxing Body's Estimate of Fair Cash Value of Land and Improvement(s) Combined as of January 1, 20__ _____

Taxpayer-Complainant's/Taxing Body's Estimate of Correct Assessed Valuation of Land and Improvement(s) Combined as of January 1, 20__ _____

ATTORNEY'S APPEARANCE

I (We) hereby enter the appearance of the Taxpayer-Complainant/Taxing Body _____

And my (our) appearance as _____ attorney(s). Dated: _____

Attorney(s) for Taxpayer-Complainant/Taxing Body _____ Telephone _____ Address _____

Attorney Code: _____ User ID _____

The undersigned states that he/she has read the above complaint, has personal knowledge of the contents thereof and the same is true in substance and in fact

 Type or Print Name of Taxpayer-Complainant

 Signature of Taxpayer-Complainant



Current Board of Review Complaint Form

2023 REAL ESTATE ASSESSED VALUATION COMPLAINT

LARRY R. ROGERS, JR.
COMMISSIONER

SAMANTHA STEELE
COMMISSIONER

GEORGE A. CARDENAS
COMMISSIONER

THE BOARD OF REVIEW OF COOK COUNTY

TYPE OR PRINT ALL INFORMATION. COMPLY WITH BOARD RULES AND REGULATIONS IN FILLING OUT THIS FORM.

Permanent Index Number (PIN) - - - -

Name of Appellant _____

Address of Appellant _____

City _____ State _____ Zip _____

Phone No. _____ Fax No. _____

Email Address _____

LOCATION AND IDENTIFICATION OF REAL ESTATE

SAME AS ABOVE

Address _____ City _____ Township _____

Description of Property: RESIDENTIAL:

- Single Family
 6 Apt. or less
 Townhome

Condo/Coop

COMMERCIAL:

- Central Business District
 Over 6 Apt.
 Mixed Use

Industrial

Vacant Land

Other

If purchased on or after January 1, 2021 Year Purchased _____ Purchase Price \$ _____

STATUS OF APPELLANT

Owner Other Liable for Tax

Taxing Body or Taxpayer Alleging Underassessment

Beneficiary of Trust

Executor

Other (Explain) _____

The undersigned Appellant states that the above described real estate is OVER ASSESSED by the Assessor of Cook County for the year 2024.

Do you plan to submit additional evidence? Yes No

I REQUEST A HEARING BEFORE THE COOK COUNTY BOARD OF REVIEW, 118 N. CLARK ST., CHICAGO check box if yes.

NOTICE TO APPELLANT: If you requested a hearing, you will be notified by mail of the time and place of your hearing. You must be prepared at that time to present any evidence you have in support of your claim. Please see the Rules of the Board which govern all appeals. If you do not request a hearing, your complaint will be adjudicated based on the written evidence submitted on your behalf and information available to the Board of Review.

The undersigned states that he/she has read the above complaint, has personal knowledge of the contents thereof, and the same is true in substance and in fact, and further so certifies under the penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure.

Signature of Appellant or Attorney _____

ATTORNEYS ONLY

ATTORNEY'S CERTIFICATION: I, _____

ATTORNEY'S NAME (PRINTED OR TYPED)

LAW FIRM

LAW FIRM ADDRESS _____ CITY _____ ZIP _____ PHONE _____, certify that I have obtained

from _____ APPELLANT TITLE OR POSITION _____ (1) explicit

authorization to file this 2024 assessment complaint and (2) the Appellant's assurance that I am the only attorney so authorized.

Attorney Fax No. _____

Signature of Attorney _____

Board Attorney Code No. _____

Attorney Email address _____

www.cookcountyboardofreview.com

B.R. Form R.E. No. 1

BOARD OF REVIEW ORIGINAL

COMPLAINT NO. _____

Received & Checked by: _____

List in ascending order all additional Permanent Index Numbers of related parcels of the property owned by Appellant.

DO NOT LIST COMPARABLES BELOW

1. _____
2. _____
3. _____
4. _____
5. _____

“Status of Appellant [as a] Taxing Body or Taxpayer Alleging Underassessment”

IMPORTANT NOTICE

The Cook County Board of Review is a quasi-judicial office. Only licensed attorneys and individual taxpayers representing themselves may practice before the Board. Board Rule 1. Non-attorneys may not complete complaint forms or present an appeal on a taxpayer's behalf before the Board because it is considered the unauthorized practice of law. *In Re Yamaguchi*, 118 Ill.2d 417(1987). Any complaint completed or presented by a non-attorney in the course of representation of a taxpayer may be denied or voided for lack of jurisdiction.



Case #1 – 2023 Plaintiff Taxpayer Appeal

Taxpayer Underassessment Complaint



Ambiance Condominium Association

30 Condos & 61 Parking Units

Luxury Condos less than 25 years old

Less than ½ mile from Lake Michigan

9% COVID Cut in 2020

66% Triennial Reassessment Cut in 2021

Refunded \$105,000

23% Average Residential Triennial Reassessment Increase in Township

Case #1 – 2023 Plaintiff Taxpayer Appeal

The Ambiance Condominium Association

30 Condos & 61 Parking Units

Notice with copy of complaint form sent to President of Condo Association, the agent, with a list of names of unit owners of record.

Association represented by attorney/agent

2017 Total Assessment Pre-Triennial:	1,877,000	Market Value: \$18,770,000	\$605,484 per Unit	
2018 Tri Total Assessment:	1,965,000	Market Value: \$19,650,000	\$655,000 per Unit	+5%
2019 Total Assessment:	1,956,000	Market Value: \$19,560,000	\$630,968 per Unit	-1%
2020 Total Assessment:	1,785,255	Market Value: \$17,852,550	\$575,889 per Unit	-9% COVID
2021 Tri Total Assessment:	599,001	Market Value: \$ 5,990,010	\$199,667 per Unit	-66%
2022-2023 Total Assessment:	598,997	Market Value: \$ 5,989,970	\$199,666 per Unit	
Petitioner Requested Total Assessment:	2,207,173	Market Value: \$22,071,725	\$735,724 per Unit	
Attorney Appearance – Agreed with Petitioner’s Requested		Market Value: \$22,071,725	\$735,724 per Unit	
Cook County Board of Review Decision:	2,207,173	Market Value: \$22,071,725	\$735,724 per Unit	
2024 Tri Total Assessment	2,371,886	Market Value: \$23,718,860	\$790,629 per Unit	
2021 Property Tax Loss:	\$332,000	2022 Property Tax Loss:	\$340,000	2023 Property Tax Loss: \$0
2021 Refund Amount:	\$105,000			Total Property Tax Loss: \$672,000

Case #2 – 2023 Plaintiff Taxpayer Appeal

Taxpayer Underassessment Complaint



Stratford Condominium Association

7 Condos & 7 Parking Units

Rehabbed less than 25 years ago

Less than ½ mile from Lake Michigan

9% COVID Cut in 2020

58% Triennial Reassessment Cut in 2021

23% Average Residential Triennial Reassessment Increase in Township

Case #2 – 2023 Plaintiff Taxpayer Appeal

Stratford Condominium Association

7 Condos & 7 Parking Units

Notice with copy of complaint form sent to President of Condo Association, the agent, with a list of names of unit owners of record.

Association represented by attorney/agent

2017 Total Assessment Pre-Triennial:	294,530	Market Value: \$2,945,300	\$420,757 per Unit	
2018 Tri / 2019 Tri Total Assessment:	304,581	Market Value: \$3,045,810	\$435,115 per Unit	+3%
2020 Total Assessment:	278,001	Market Value: \$2,780,010	\$397,144 per Unit	-9% COVID
2021 Tri Proposed Total Assessment:	116,000	Market Value: \$1,160,000	\$165,714 per Unit	-58%
2021 Attorney's Request:	104,400	Market Value: \$1,044,000	\$149,143 per Unit	-10%
2021 County Board of Review Analysis:	364,755	Market Value: \$3,647,545	\$521,078 per Unit	
2022-2023 Total Assessment:	116,000	Market Value: \$1,160,000	\$165,714 per Unit	
2023 Petitioner Requested Assessment:	338,166	Market Value: \$3,381,660	\$483,094 per Unit	

Attorney Appearance – Motion to Dismiss was Denied by County Board of Review

2023 County Board of Review Decision:	338,166	Market Value: \$3,381,660	\$483,094 per Unit	
2024 Tri Total Assessment:	344,638	Market Value: \$3,446,380	\$492,340 per Unit	

2021 Property Tax Loss: **\$45,015**
2021 Refund Amount: **\$13,388**

2022 Property Tax Loss: **\$45,699**

2023 Property Tax Loss: **\$0**
Total Property Tax Loss: \$90,714

Case #2 – 2023 Plaintiff Taxpayer Appeal

Evidence for Undervaluation: Appraiser's Preliminary Market Value Analysis of 1 Stratford Condominium Association Unit

AUTHORIZATION AGREEMENT

Property: West Stratford Place Condominium Association

Pursuant to your request, **we have opened a file and have completed a preliminary analysis of the aforementioned property for the purpose of establishing an equitable ad valorem tax assessment.** Please be advised that upon completion of a preliminary analysis of comparable sales and other related market data, if asked to complete an appraisal report, **we are of the preliminary opinion that as of January 1st, 2023 the aforementioned property could have a value as indicated below, based on the reported gross building area, site area, and subject to all conditions and provisions to be**

2023 Assessor's Market Value: \$155,000

Preliminary opinion of market value: \$450,000 - \$500,000



Case #3 – 2023 Plaintiff Taxpayer Appeal

Taxpayer Underassessment Complaint



Commonwealth-Historic Homeowner's Association

17 Town Homes

2,500+ SF and less than 25 years old

Less than ½ mile from Lake Michigan

8% COVID Cut in 2020

24% Triennial Reassessment Cut in 2021

22% Average Residential Triennial Reassessment Increase in Township

Case #3 – 2023 Plaintiff Taxpayer Appeal

17 Underassessed Town Homes:

Average SF: 3,010 SF

2020 Total MV: **\$27,818,400**

2021 Total MV: **\$21,097,190**

Average Sale: **\$1,921,714**

Avg. 2021 Mkt Val: \$1,244,690

Avg. 2024 Mkt Val: \$1,489,861

18 Comparable Town Homes:

Average SF: 2,927 SF

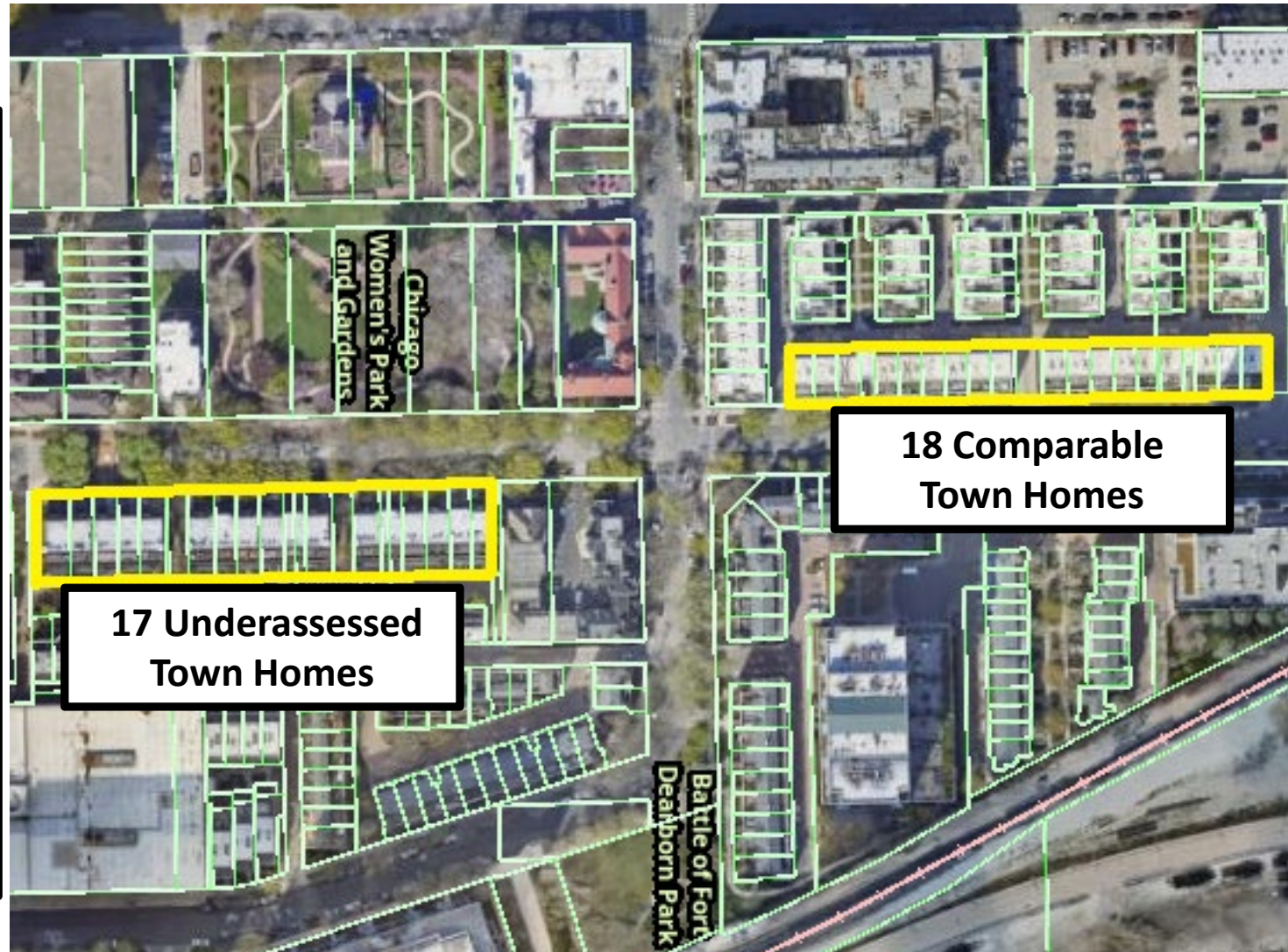
2020 Total MV: **\$18,491,820**

2021 Total MV: **\$21,718,000**

Average Sale: **\$1,228,400**

Avg. 2021 Mkt Val: \$1,206,555

Avg. 2024 Mkt Val: \$1,220,000



Case #3 – 2023 Plaintiff Taxpayer Appeal

Property	Bldg SF	2020 Market Value	2021 Market Value	% Dec	2024 Market Value	% Inc	Sale Year	Sale Amount	Sales Ratio
Subject 1	3,205	\$1,690,010	\$1,230,000	-27%	\$1,570,000	+28%			
Subject 2	2,574	\$1,491,440	\$1,170,000	-22%	\$1,200,000	+3%			
Subject 3	2,967	\$1,601,580	\$1,300,000	-19%	\$1,550,000	+19%			
Subject 4	3,079	\$1,637,270	\$1,310,000	-20%	\$1,640,000	+25%	2021	\$1,837,500	7%
Subject 5	2,604	\$1,522,680	\$1,060,380	-30%	\$1,259,380	+19%			
Subject 6	3,264	\$1,732,760	\$1,330,000	-23%	\$1,690,000	+27%			
Subject 7	3,310	\$1,750,220	\$1,320,000	-25%	\$1,680,000	+27%	2023	\$2,000,000	7%
Subject 8	2,827	\$1,560,500	\$1,269,340	-19%	\$1,318,250	+4%	2017	\$1,670,000	8%
Subject 9	3,218	\$1,701,450	\$1,200,000	-29%	\$1,460,000	+22%	2016	\$1,862,500	6%
Subject 10	2,999	\$1,614,150	\$1,300,000	-19%	\$1,540,000	+18%	2016	\$2,272,000	6%
Subject 11	2,604	\$1,522,830	\$1,050,000	-31%	\$1,220,000	+16%			
Subject 12	3,320	\$1,757,990	\$1,310,000	-25%	\$1,680,000	+28%			
Subject 13	3,235	\$1,722,430	\$1,340,000	-22%	\$1,650,000	+23%			
Subject 14	2,604	\$1,523,460	\$1,050,000	-31%	\$1,220,000	+16%	2023	\$1,860,000	6%
Subject 15	2,967	\$1,600,850	\$1,290,000	-19%	\$1,470,000	+14%	2017	\$1,950,000	7%
Subject 16	3,067	\$1,630,950	\$1,257,470	-19%	\$1,500,000	+19%			
Subject 17	3,320	\$1,757,830	\$1,310,000	-25%	\$1,680,000	+28%			
Total	--	\$27,818,400	\$21,097,190	-24%	\$25,327,630	+20%	--	--	7%

Underassessed

Case #3 – 2023 Plaintiff Taxpayer Appeal

Comparables

Property	Bldg SF	2020 Market Value	2021 Market Value	% Inc	2024 Market Value	% Inc	Sale Year	Sale Amount	Sales Ratio
Comp 1	2,927	\$1,043,300	\$1,210,000	+16%	\$1,220,000	+1%			
Comp 2	2,927	\$1,012,240	\$1,210,000	+20%	\$1,220,000	+1%			
Comp 3	2,927	\$1,042,770	\$1,210,000	+16%	\$1,220,000	+1%			
Comp 4	2,927	\$1,042,460	\$1,210,000	+16%	\$1,220,000	+1%	2018	\$1,155,000	10%
Comp 5	2,927	\$1,042,820	\$1,210,000	+16%	\$1,220,000	+1%	2021	\$1,225,000	10%
Comp 6	2,927	\$1,043,030	\$1,210,000	+16%	\$1,220,000	+1%			
Comp 7	2,927	\$1,043,130	\$1,120,000	+7%	\$1,220,000	+1%	2018	\$1,135,000	10%
Comp 8	2,927	\$1,042,430	\$1,210,000	+16%	\$1,220,000	+1%	2019	\$1,350,000	9%
Comp 9	2,927	\$1,043,280	\$1,210,000	+16%	\$1,220,000	+1%	2018	\$1,300,590	9%
Comp 10	2,927	\$1,042,500	\$1,210,000	+16%	\$1,220,000	+1%			
Comp 11	2,927	\$990,690	\$1,210,000	+22%	\$1,220,000	+1%	2021	\$1,220,000	10%
Comp 12	2,927	\$1,009,810	\$1,210,000	+20%	\$1,220,000	+1%			
Comp 13	2,927	\$1,043,200	\$1,210,000	+16%	\$1,220,000	+1%	2021	\$1,220,000	10%
Comp 14	2,927	\$990,430	\$1,210,000	+22%	\$1,220,000	+1%			
Comp 15	2,927	\$1,017,080	\$1,210,000	+19%	\$1,220,000	+1%			
Comp 16	2,927	\$1,042,570	\$1,238,000	+19%	\$1,220,000	-1%	2021	\$1,200,000	10%
Comp 17	2,927	\$1,003,950	\$1,210,000	+21%	\$1,220,000	+1%	2023	\$1,250,000	10%
Comp 18	2,927	\$996,130	\$1,210,000	+21%	\$1,220,000	+1%			
Total	--	\$18,491,820	\$21,718,000	+17%	\$21,950,000	+1%	--	--	10%

Case #3 – 2023 Plaintiff Taxpayer Appeal

The Commonwealth-Historic Homeowner's Association

17 Town Homes

Notice with copy of complaint form sent to President of Homeowner's Association, the agent, with a list of names of unit owners of record.

No attorney/agent or individual homeowner appearances

2017 Total Assessment Pre-Triennial:	2,612,965	Market Value: \$26,129,650	\$1,537,038 per Town Home	
2018 Tri / 2019 Total Assessment:	3,023,748	Market Value: \$30,237,480	\$1,778,675 per Town Home	+16%
2020 Total Assessment:	2,781,840	Market Value: \$27,818,400	\$1,636,376 per Town Home	-8% COVID
2021 Tri / 2022-2023 Total Assessment:	2,112,219	Market Value: \$21,122,190	\$1,241,011 per Town Home	-24%
Petitioner Requested Total Assessment:	3,224,600	Market Value: \$32,246,000	\$1,778,675 per Town Home	

No Attorney or Taxpayer Appearance – BOR *en banc* decision: No evidence of proper notice given to taxpayer, No Change

Cook County Board of Review Analysis:	3,393,765	Market Value: \$33,937,650	\$1,896,824 per Townhome	
2024 Tri Total Assessment	2,532,763	Market Value: \$25,327,630	\$1,489,861 per Townhome	

2021 Property Tax Loss: **\$237,000**
2021 Refund Amount: **\$0**

2022 Property Tax Loss: **\$242,000**

2023 Property Tax Loss: **\$242,000**
Total Property Tax Loss: \$721,000

Case #3 – 2023 Plaintiff Taxpayer Appeal

Notice to the Taxpayers: IL Statutory Requirement for Assessor's Revaluation Increases

(35 ILCS 200/12-55)

Sec. 12-55. Notice requirement if assessment is increased; counties of 3,000,000 or more.

(a) In counties with 3,000,000 or more inhabitants, a revision by the county assessor, except where such revision is made on complaint of the owner, shall not increase an assessment without notice to the person to whom the most recent tax bill was mailed and an opportunity to be heard before the assessment is verified. The county assessor shall continue to accept appeals from the taxpayer for a period of not less than 30 business days from the later of the date the assessment notice is mailed as provided in this subsection or is published on the assessor's website. When a notice is mailed by the county assessor to the address of a mortgagee, the mortgagee, within 7 business days after the mortgagee receives the notice, shall forward a copy of the notice to each mortgagor of the property referred to in the notice at the last known address of each mortgagor as shown on the records of the mortgagee. There shall be no liability for the failure of the mortgagee to forward the notice to each mortgagor. The assessor may provide for the filing of complaints and make revisions at times other than those dates published under Section 14-35. When the county assessor has completed the revision and correction and entered the changes and revision in the assessment books, an affidavit shall be attached to the assessment books in the form required by law, signed by the county assessor.



Case #3 – 2023 Plaintiff Taxpayer Appeal

Notice to the Taxpayers: IL Statutory Requirement for Underassessment Appeals

(35 ILCS 200/16-120)

Sec. 16-120. Decision on complaints. In counties with 3,000,000 or more inhabitants, at its meeting for the purpose of revising and correcting the assessments, the board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter), upon complaint filed by a taxpayer or taxing district as prescribed in this Code, may revise the entire assessment of any taxpayer, or any part thereof, and correct the same as shall appear to the board to be just. The assessment of the property of any taxpayer shall not be increased unless that taxpayer or his agent shall first have been notified in writing and been given an opportunity to be heard.

Case #3 – 2023 Plaintiff Taxpayer Appeal

Notice to the Taxpayers: IL Statutory Requirement for Underassessment Appeals

(35 ILCS 200/16-125)
Sec. 16-125. Hearings.

...

A hearing upon any complaint shall not be held until the taxpayer affected and the county assessor have each been notified and have been given an opportunity to be heard. All hearings shall be open to the public and the board shall sit together and hear the representations of the interested parties or their representatives. An order for a correction of any assessment shall not be made unless both commissioners of the board, or a majority of the members in the case of a board of review, concur therein, in which case, an order for correction shall be made in open session and entered in the records of the board. When an assessment is ordered corrected, the board shall transmit a computer printout of the results, or make and sign a brief written statement of the reason for the change and the manner in which the method used by the assessor in making the assessment was erroneous, and shall deliver a copy of the statement to the county assessor. Upon request the board shall hear any taxpayer in opposition to a proposed reduction in any assessment.

The board may destroy or otherwise dispose of complaints and records pertaining thereto after the lapse of 5 years from the date of filing.

(Source: P.A. 97-1054, eff. 1-1-13.)



Case #3 – 2023 Plaintiff Taxpayer Appeal



INTERVENOR VALUATION RULES

The Cook County Board of Review (CCBOR) hereby establishes the following reasonable rules for the guidance of persons doing business with this Board and for the orderly dispatch of business. See 35 ILCS 200/9-5.

Under the Property Tax Code, “any taxpayer or any taxing district that has an interest in the assessment that any property is over assessed, underassessed, or exempt” may invoke the jurisdiction of the Board of Review to “review the assessment and confirm, revise, correct, alter, or modify the assessment, as appears to be just[.]” 35 ILCS 200/16-95(1).

- ❖ The Cook County Board of Review’s Intervenor Valuation Rules were the only documented guidance to be found for plaintiff taxpayers to file an underassessment complaint.
- ❖ The Board’s staff were helpful, responsive, and accommodating to the plaintiff taxpayer at every step of the underassessment appeal process

<https://www.cookcountyboardofreview.com/sites/g/files/ywwepo261/files/document/file/2023-01/BOR-File-397.pdf>

Results for All Underassessment Appeal Cases

Total Property Tax Losses & Gains from Cook County Underassessments, 2021-2023:

	<u>Property Tax Losses</u>	<u>Years</u>
New Construction	\$265,000	2
30-Unit Condos	\$672,000	2
7-Unit Condos	\$90,714	2
17 Town Homes	\$721,000	3

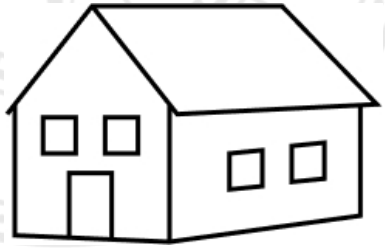
Total **\$1,748,714**

Taxes which should have been paid by owners whose homes, condos, and town houses were undervalued. Undervaluing shifts the tax burden onto other owners in the same assessment districts.

	<u>Property Taxes Recouped</u>	<u>Years</u>
New Construction	\$607,000	2
30-Unit Condos	\$347,000	1
7-Unit Condos	\$46,800	1
17 Town Homes	\$0	0

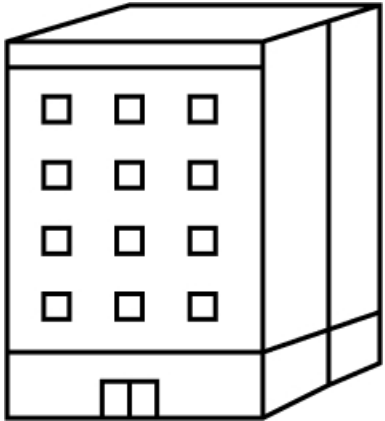
Total **\$1,000,800**

Taxes Recovered over 2 Years From Successful Underassessment Appeals



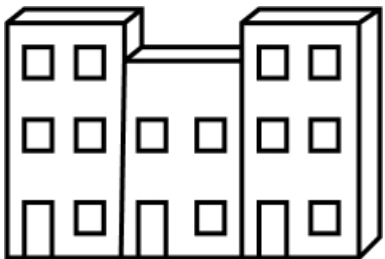
Lyons Township Homes – Permit Processing Error = Undervaluation

31 newly-constructed & occupied homes' improvement values were not placed on the land.



Condo Cases – Proration/Ownership Share Error = Undervaluation

30-unit & 7-unit condominium buildings were devalued during reassessment due to database errors in the proration and ownership shares used to calculate the new values.



Underassessed Townhomes – Sales Ratio Error = Undervaluation

17 Town Homes devalued with the application of wrong sales ratio.

Conclusion

Chicago and Cook County's overreliance on property taxes to fund public schools, infrastructure, and pensions has become a tremendous burden to low- and middle-class homeowners in Illinois; similar issues affect homeowners in other jurisdictions.

We must ensure a fair and equitable distribution of every property tax dollar. It is especially important for municipalities like Chicago, which faces a \$1 billion shortfall in its 2025 budget.

Strengthening existing ties among County Assessor's Offices, County Boards of Review, Township Assessors, and other governmental supervisors of assessment and collection systems, helps ensure that key information is not overlooked and that blips in the assessment fabric are smoothed out in a timely fashion.

Conclusion

Property taxpayers, taxing districts, township and county assessors, supervisors of assessments, and county boards of review should all be recognized as advocates in the discovery of undervaluations. Assessment professionals' expertise, reliability, high standards, and accountability improves the quality of ad valorem property tax systems.

Empowering such stakeholders to cooperate in underassessment issues allows for better checks and balances, greater transparency, and public engagement.



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Under Assessment Complaints: Public and Governmental Oversight of Blips in the Assessment Fabric

IAAO ANNUAL
LEGAL 
SEMINAR
NAVIGATING CHANGE



Questions & Answers

