



UNDERSTANDING PROPERTY TAXES

By Richard Skillings

The Assessment (Part 3 of a 4-part Series)

This article describes how the Illinois property tax system decides what your property is worth.

Of the two components to any property tax bill, the one that the owner controls is the **assessment**. One goal of the assessment process is to ensure that, regardless of the location, the assessed value of every property is the same as every other comparable property. In that way, no one owner, or group of owners, will pay more than their fair share of taxes to any taxing district. The overall goal of the process is to have the average of all assessments in a taxing area within two percent of 1/3 of the average selling price, that is, between 31 1/3% and 35 1/3% of proven Fair Market Value (FMV), with the ideal at 33 1/3%. If the assessors get their area within that target, the State actually rewards the assessor's office with bonus money.

Example:

*House in area A is assessed @ \$100,000
House in area B is assessed @ \$125,000
If they are both in the same school district, then the owner of B will pay 25% more tax dollars to the district than A.
If the selling price for a comparable property was \$110,000, the ideal process would adjust each property's assessment to that value and both owners would pay the same tax for the district's levy.*

continued on page 2, see Taxes

INSIDE THIS ISSUE

- 1 Understanding Property Taxes - Assessment
- 1 FAQ
- 3 Calendar of Events
- 3 OURTAXMONEY joins as an ally
- 3 STOP158 Pushes IDOT on Budget
- 4 Volunteer
- 4 Who is Stop 158 Citizens for Smart Growth?

FREQUENTLY ASKED QUESTIONS

Why should I write to my elected officials and tell them I'm against the Gateway Connector? One person doesn't make a difference.

Yes! One person can make a substantial difference. (See the quote from Margaret Mead on page 3.) It is important for constituents to express themselves about issues facing our region so the elected officials can act accordingly. You must tell your elected officials what you want. They are public servants and should listen and be willing to have open dialogue on topics of your choosing. If they are not willing to do so, then we, as voting citizens, have an obligation to ourselves, our families, and our communities to put someone in office that will carry out our wishes.



How does Stop158 get things accomplished?

The Board members for Stop158 each head a committee made up of other volunteers. Through these groups signs get painted, letters get written, this newsletter gets produced, petitions get signed, politicians and IDOT get contacted, the website gets updated, donations get collected, among other activities.

We have recently been blessed with an intern, Matt Matheny, who lives in Collinsville and attends SIUE majoring in Social Work. Matt comes to us with experience. He has worked on two other highway projects; one in Chicago and with the 47+ Coalition in northwestern Illinois. Matt will be assisting us with research, distribution, website revisions, collecting donations and much more. He can be reached via email at mmatheny@siue.edu.

We will always need and welcome volunteers to write letters, collect signatures on petitions, call contacts in an effort to obtain email addresses, and assist with network marketing. If you can help, please contact us at smartgrowth@stop158.org.

The assessment process is 3-steps, starting with the township/county assessor's office. During each of the steps, the owner has the legal right to protest the result. In fact, there are no less than five protests that can be filed during any single tax year.

STEP 1 Each property's FMV is, theoretically, what a buyer and homeowner would agree as a price if the property was sold. Yet, that value is impossible to know without an actual sale, so the property's FMV is estimated using both objective and subjective methods, with only a passing regard for actual sales.



On file at each assessor's office is a detailed description of each property. The assessor also frequently has both overhead and curbside visual pictures of the property and the plat. Features entering the calculation include the square footage of the house; the year built; the number of floors, bathrooms, fireplaces, chimneys, and fixtures dispensing water (toilet, sink, etc.); the presence of air conditioning, a deck, pool, or driveway; the kind of basement and its size; the type of construction and percent masonry veneer if it's a frame house; and the sizes of the garage, outbuildings and lot. The state/county has math tables dictating how much to value each item. The numbers are entered into the valuation software and an objective number results. If owner suspects any of the data used in the calculation is incorrect, the owner has the right to bring the corrected data to the assessor before any final program output is published.

Once an objective fair market value is computed, the assessor has the ability to adjust it. The most significant way is to judge the neighborhood and assign a "quality of construction" rating factor to the property. If the rating is C, then the factor is 1.00, meaning no upward/downward adjustment; however, ratings can be C +/- .05 (i.e. add/deduct 5% to the calculated value), C + .10 (10% upward adjustment), or B (which equals a 22% upward correction).

Example:

Assessor rating C + 10

1,800 sq ft home on 1/3 acre

Objective value @ \$135,000

\$135,000 plus 10% = \$148,500

Assessed value = 1/3 = \$49,500

STEP 2 One of the duties of the county is to ensure that assessments across the county are balanced and equitable. If an imbalance or inequity occurs, then property owners in over-assessed areas

will pay a disproportionately high percentage of the taxes to their taxing districts. The goal is to evaluate local assessments against local sales to make certain the county's average assessment falls into the 33 1/3% +/- 2% range.

It seems counties in the Metro East skip this step. If no protest is forthcoming, county boards normally rubber stamp the assessor's value and await the state's equalization action.

STEP 3 Absent county action, the State Department of Revenue will make sure that assessments are equal for all counties, so that taxing bodies which cover more than one county, such as a sewer district, are not injured by unequal assessments. They also look for inequities in the assessment process in each taxing area. Their method is to study the actual sales of homes and their actual assessed values over the most recent three-year period. If they find that assessments are not the same as selling prices, then they compute the difference and issue an equalization factor (or multiplier) for each township. For townships where assessments are below selling prices (which occurs when selling prices rise quickly), the multiplier increases the county's published assessment.



Because it's assumed that every property in the jurisdiction is equally under/over-assessed, the county applies the equalization factor (or multiplier) to the market value of every property across the unit's jurisdiction. Because of that, the equalization process cannot correct inequities that were not corrected by the county. Notice of the final, equalized assessed value (EAV) is sent to each property owner, who has another 30 days to protest it to the State's Property Tax Appeal Board. Once you get the tax bill, however, all avenues to protest are closed. You must now pay what you've been billed.

For additional information on how quadrennial assessments are conducted, TIFs are affected and statutory limits, go to www.STOP158.org to read the entire article on Understanding Property Taxes – The Assessment or read all four articles of the Tax series. ●

CALENDAR OF EVENTS

STOP 158 STEERING COMMITTEE MEETINGS

Place: 866 Old Enterprise Farms, Lebanon, IL 62254
Regular meetings of the steering committee generally occur twice monthly. Meetings are open to all interested parties. Please call to confirm meeting time: 618-632-3158.

JOIN US AUGUST 9, 2008 – 9:00 AM STOP158 will be painting signs. Join us to 1) help with painting signs and 2) post signs on properties. Visibility significantly helps our efforts. Can you post a sign on your property? If you would like a sign send your request to smartgrowth@stop158.org.

For the calendar of the **East-West Gateway Council of Governments** visit www.ewgateway.org

The **Sierra Club** has many interesting offerings. Go to: www.illinois.sierraclub.org ●



Get involved!

Stop158 is seeking a volunteer with video skills. Please let us know if you can help. Send your name and contact information to smartgrowth@stop158.org.

Contributions to support
and this newsletter can be mailed to:

STOP158
PO Box 330,
Troy, Illinois 62294

Or visit our secure web site www.stop158.org
and contribute. ●



Publisher: www.stop158.org:

Citizens for Smart Growth

Editor: Marty Ganz

Contributors include:

Manny Arzavala, Webmaster

Ken Aud, UCM Representative

Richard Ellerbrake, Spokesperson

Annette Haines, Letter writing

Jack Norman, Sierra Club Representative

Bob Ramsey, Network Marketing

Richard Skillings, Treasurer

Address: PO Box 330, Troy, IL 62294

Email: marty1115@earthlink.net

OURTAXMONEY Joins Stop158 as Ally

"Our Tax Money" is a citizen's action group committed to addressing the increasing burden of excessive property taxes on families and businesses in our community. The focus is on governments that tax the most and have the opportunity to provide the most immediate relief. The problem, as well as the solution, is multifaceted. Please visit the website www.ourtaxmoney.com for details. **Together we can lower property taxes!** ●

Stop158 Pushes IDOT to Realign Budget with Needs of the Region

Within Illinois' capital budget, there is \$23.7 million which IDOT has earmarked for a Location and Environmental (L & E) study for the Gateway Connector. Illinois can ill afford to waste the tax payer's hard-earned dollars on a study for a highway that the populace does not want or need.

Today write to your elected officials, particularly your county and state representatives and let them know that the Gateway Connector is based on out-dated information and is a bad idea. Tell IDOT you don't want your tax dollars spent on another study. They won't know what you want unless you tell them.

Find your elected officials on the website www.stop158.org. ●

"Never doubt that a small group of thoughtful committed citizens can change the world; indeed, it's the only thing that ever has."

- Margaret Mead

Help Wanted:



— Volunteer to preserve the quality of life in Southwestern Illinois.
Join our letter writing campaign today!
www.Stop158.org
“All politics is local” (Tip O’Neill)

Who is “STOP158: Citizens for Smart Growth”?

By Richard Ellerbrake

Stop158: Citizens for Smart Growth is a movement of citizens who share a positive vision for their communities and actively promote that vision. Stop158 works to strengthen the quality of our common life, while promoting smart growth and metro-equity.

For many reasons, which you can read about on the website www.stop158.org, we oppose an outer-belt, interstate-type highway from Troy to the JB Bridge, which Illinois Department of Transportation (IDOT) calls the “Gateway Connector.” ●

Allies united to oppose to the Gateway Connector include: American Bottom Conservancy
Citizen’s Against the Sprawlway
EcoHawk Foundation
OurTaxMoney
Sierra Clubs, Illinois Chapter
United Congregations of Metro East
47 Plus Coalition ●

Would you like to receive this newsletter via email? Let us know by sending an email to smartgrowth@stop158.org.

Stop158 ***Citizens for Smart Growth***
PO Box 330
Troy, IL 62294

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