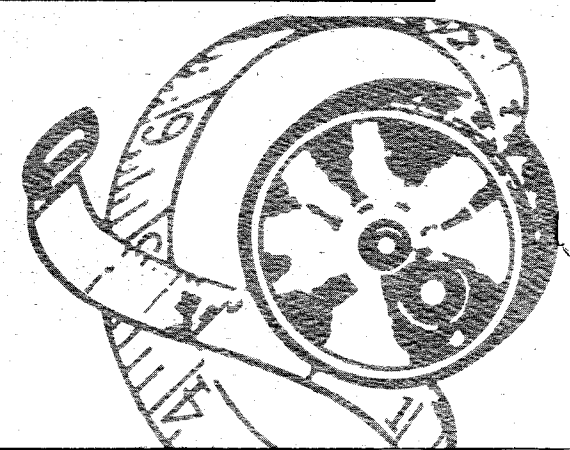


Understanding Your Assessment

*Are you concerned about
rising property taxes?*

To express your concern
effectively, you must
understand the two parts of
the property tax system:

TAXATION
and
VALUATION





TAXATION

Taxing authorities such as school districts, park districts, and city councils

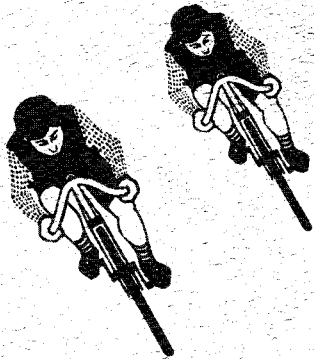
set tax rates and levy TAXES

Taxpayers DEMAND SERVICES

Taxing authorities REQUIRE MONEY to provide those services.

If you are concerned about rising taxes

- Attend budget hearings
- Call or write the taxing authorities
- Decide whether you are willing to do without services to keep taxes low
- Work for efficiency in government



VALUATION

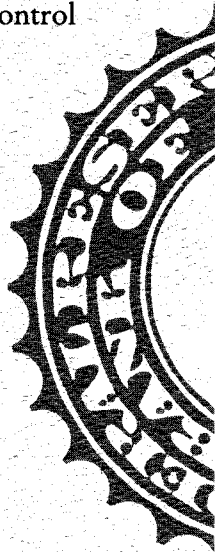
Buyers and sellers in the market

CREATE VALUE

The assessor's office studies the market and collects information about properties to

ESTIMATE VALUE

The assessor's office has no control over tax rates.

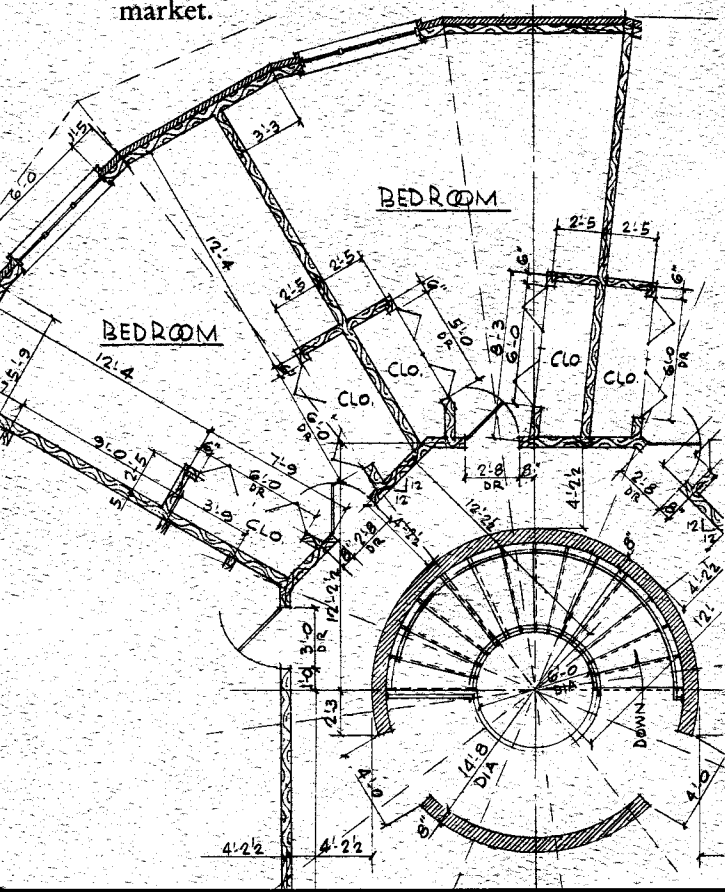


**W**

HAT CAUSES PROPERTY VALUES TO CHANGE?

A property's value can change for many reasons. The most obvious is that the property changes. A bedroom, garage, or swimming pool is added, or part of the property is destroyed by flood or fire.

The most frequent cause of a change in value is a change in the market.



If a town's major industry leaves, property values can collapse. As decaying neighborhoods with good housing stock are discovered by young homebuyers, prices gradually rise, and then may soar as the neighborhood becomes fashionable. A shortage of detached houses in a desirable city neighborhood can send prices to ridiculous levels. In a recession, larger homes may stay on the market for a long time, but more affordable homes are in demand, so their prices rise.

In a stable neighborhood, with no extraordinary pressure from the market, inflation may increase property value.



I

**F ASSESSED VALUE
RISES, DO TAXES
HAVE TO RISE?**

NO

**IF ASSESSED VALUE FALLS,
DO TAXES HAVE TO FALL?**

NO

Taxing authorities decide how much money the property tax has to raise each year, say \$1 million.

Assessors estimate the total assessed value of all taxable property, say \$100 million.

A tax rate is calculated by dividing the amount of tax to be raised by the total assessed value:

$$\frac{\$ 1 \text{ million}}{\$100 \text{ million}} = 1 \text{ percent}$$

If your home's assessed value is \$100,000, your tax bill will be

$$.01 \times \$100,000 = \$1,000$$

If total assessed value doubles to \$200 million, and the amount to be raised stays the same, the tax rate will be

$$\frac{\$ 1 \text{ million}}{\$200 \text{ million}} = 1/2 \text{ percent}$$

Your taxes, if your home doubles in value, will still be \$1,000:

$$.005 \times \$200,000 = \$1,000$$

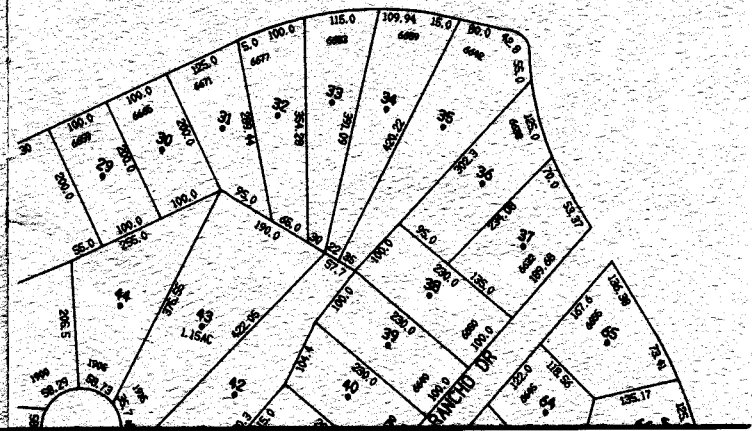
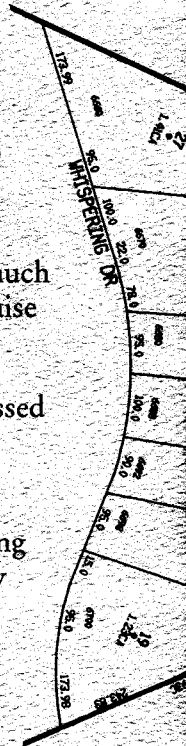
If assessed value increases, and the tax rate remains the same, taxes will rise. The taxing authorities are demanding more money, even though they have not changed the rate.

$$.01 \times \$200,000 = \$2,000$$

If you believe the estimated value of your property is incorrect, you will want to know

- How the assessor values property
- How to gather information about your property and similar properties
- How the appeals process works and what the deadlines are

You also have a responsibility to furnish good information about your property to the assessor.





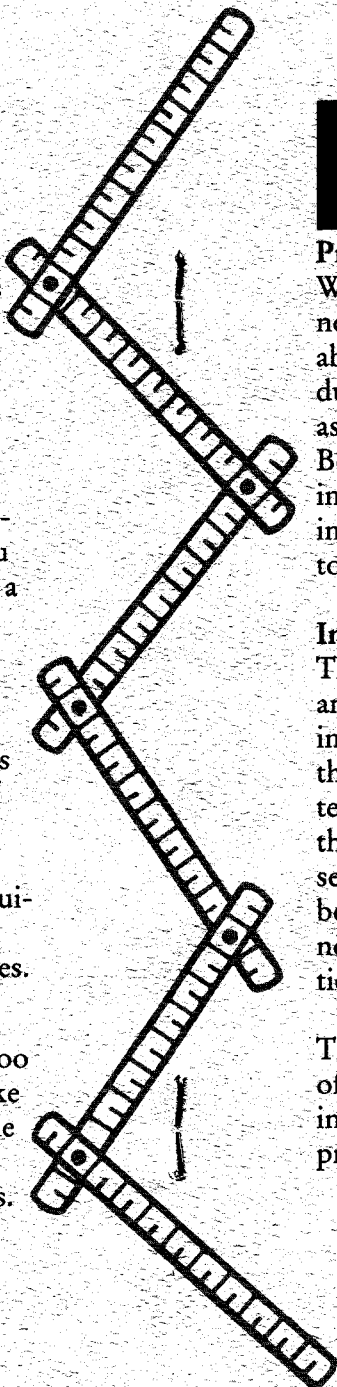
WHAT ARE THE GROUNDS FOR AN APPEAL?

An assessment appeal is not a complaint about higher taxes. It is an attempt to prove that your property's estimated market value is either inaccurate or unfair.

You may appeal when you can prove at least one of three things:

1. Items that affect value are incorrect on your property record. You have one bath, not two. You have a carport, not a garage. Your home has 1,600, not 2,000 square feet.
2. The estimated market value is too high. You have evidence that similar properties have sold for less than the estimated market value of your property.
3. The estimated market value of your property is accurate but inequitable because it is higher than the estimated value of similar properties.

NOTE: You will not win an appeal because you think your taxes are too high. This is an issue you must take up with the officials who determine budgets. However, you may be eligible for tax relief or exemptions. The assessor's office can give you information about exemptions.



THE APPEALS PROCESS—STEP-BY-STEP

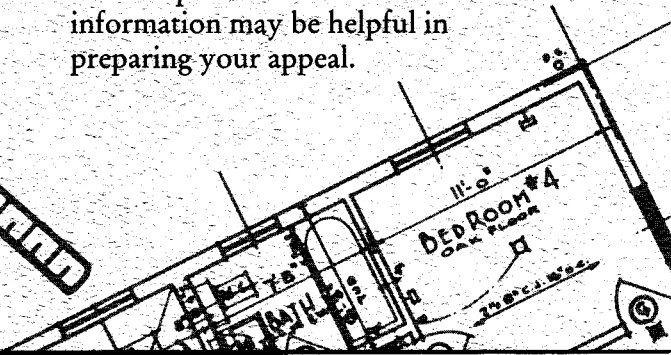
Procedures and Deadlines

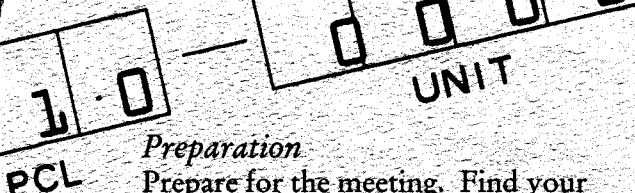
When you receive your assessment notice, read it for instructions about deadlines and filing procedures. If they are not clear, call the assessor's office for information. Be sure you understand and follow instructions. A missed deadline or incorrect filing can cause an appeal to be dismissed.

Informal Review

The first step in an appeal is usually an informal meeting with someone in the assessor's office. (Sometimes this informal review is handled by telephone or mail.) Information on the mechanics and deadlines for setting up an appointment should be included with your assessment notice, along with similar information for the entire appeals process.

The information in the assessor's office is public in most states. This information may be helpful in preparing your appeal.





Preparation

Prepare for the meeting. Find your property identification number on your assessment notice. Use this number to view or obtain a copy of your property record from the assessor's office.

Review the facts on the property record. Is the architectural style correctly stated? If not, a recent photo of your home will help correct the information. Check the living area of your home, the size of your lot, the number of bathrooms and bedrooms, the presence or absence of a garage or finished basement, the construction materials, the condition, and so on.

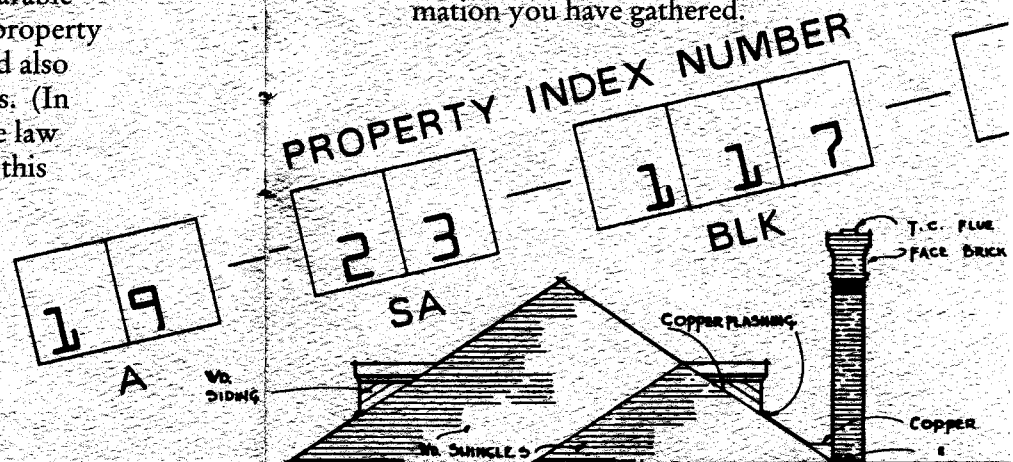
Gather as much information as you can on similar properties in your neighborhood. Ask the assessor's office or a real estate broker for sales prices on these properties. Use the addresses of comparable properties to review their property record forms, which should also show their appraised values. (In some states, it is against the law for the assessor to provide this information.)

Compare the features of these properties to the features of yours. If there are differences, the values of the properties may be different.

The Meeting

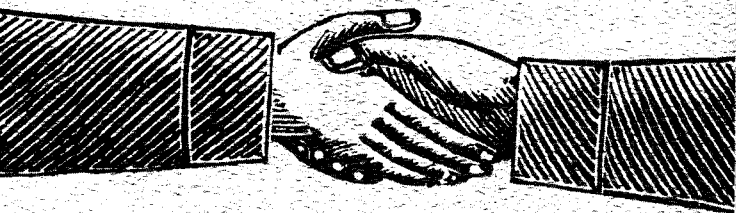
The purpose of the informal review—which is not yet an appeal—should be (1) to verify the information on your property record form, (2) to make sure you understand how your value was estimated, (3) to discover if the value is fair compared with the values of similar properties in your neighborhood, (4) to find out if you qualify for any exemptions, and (5) to be sure you understand how to file a formal appeal, if you still want to appeal.

The person conducting the meeting will probably review your property record form with you and give you information about comparable properties. Present any information you have gathered.



The person conducting the meeting may not commit to a change in value at this meeting, even though you may have uncovered an error or the assessment appears to be inequitable. The decision about a value change may have to be made by someone else and communicated to you in writing. If this is so, find out when you may expect to hear from the office.

View the assessor's office as an ally, not an adversary. Employees of the office should have been trained to be calm, polite, and helpful, but they are only human. If you can be calm and polite, they are likely to be more helpful and can concentrate on giving you the information you need for an appeal.



Formal Appeal

Residential appeals are often settled at the local level. If you are not satisfied with the results of your informal review, you have several more opportunities. The first level of formal appeal is usually to a local board. Your appeal is more likely to be successful if you present evidence that comparable properties in the same neighborhood are assessed for less than yours. Copies of property record forms on your comparables, with records of their estimated market values or sales prices are your best defense. Note any differences between your property and the comparables and point out these differences. A recent appraisal of your own property may be good evidence of its value. The appeal board will be interested only in the fairness and accuracy of the value placed on your property, not in whether you can afford to pay your taxes or whether taxes are too high.

If you disagree with the local board's decision, additional administrative or legal remedies are available. Information about these is available from your assessor's office.

POS: 4	FR: 1	PR: 8TH	LOC: 2	TYPE: R	PRICE: \$169,000
CITY: CHGO	ZIP: 60687	AREA: 183	DATE: 912869		
LOT: 21X124	UTIL: TYP				
NE: 8	NEAT: 0000	ZONING:			
ST: WENCH	SEC: 3.0	AGENTS: 0024	COUNTY: C		
TITLE	OFFICER: 2100	POS: CLOSING			
	PR: 288-2007	ISMT: FULL			
	AGIST: W	TRM: CONVENTIONAL			

Property Description & Analysis		UNIFORM RESIDENTIAL APPRAISAL REPORT		File No.
Property Address	County	Census Tract	LENDER DISCRETIONARY USE	
City	State	Zip Code	Sale Price	\$
Legal Description			Date	\$
Owner/Occupant		Map Reference	Mortgage Amount	\$
Sale Price \$	Date of Sale			
Loan charges/concessions to be paid by Lender/Client	Per \$			
R.E. Taxes \$	Tax Year			

NOTES

The International Association of Assessing Officers is a nonprofit, educational association committed to improving assessment practices, educating assessors, and promoting justice and equity in the distribution of the property tax burden.

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