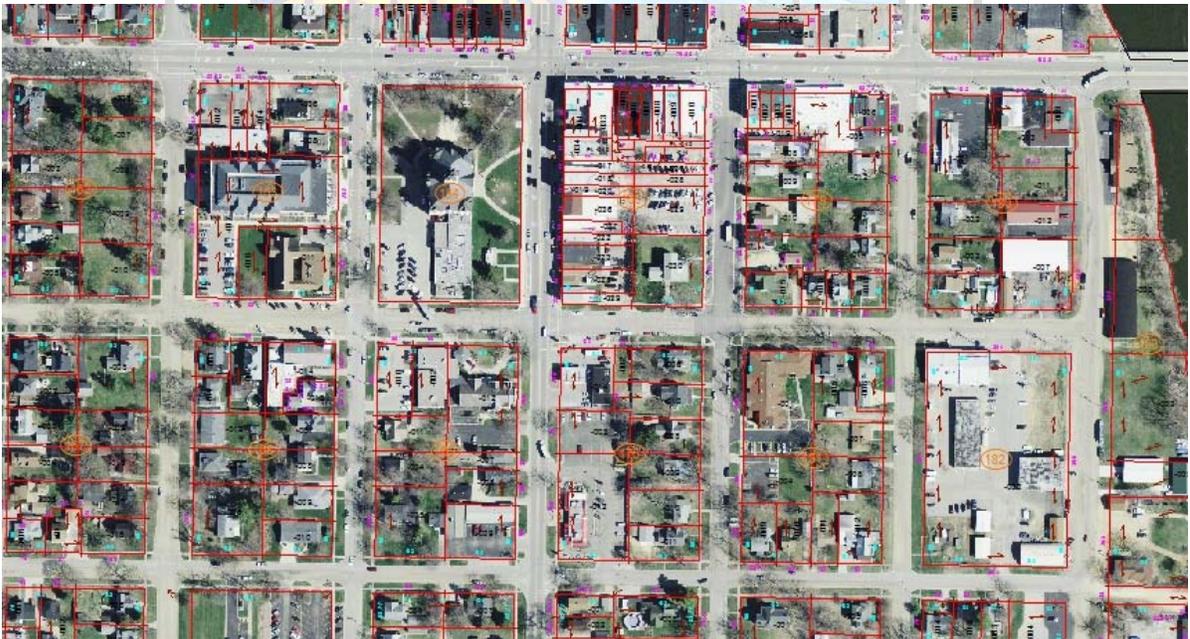
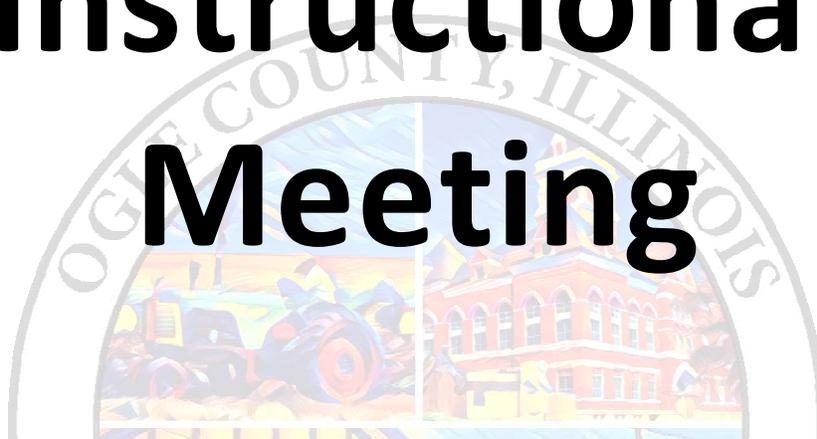


# 2020 Annual Assessor Instructional Meeting



## Assessment Year 2020 Non-Quadrennial Assessment Year

### Introduction

This is a “non-quad” assessment year, which are essentially for new construction, demolition, and sort of maintenance and repair. A “quadrennial assessment year”, on the other hand, means that *all* property assessments in your jurisdiction should be revisited, examined, and modified if necessary.

### Procedures

Determining property values is the primary task for assessors. At the same time, the concepts of *uniformity* and *equity* must be fully considered when making assessments. **Do not “chase” sales of property as a method of re-assessment.** A property assessment is, in fact, the way a person’s share of the tax burden in the community is determined. It is important that any and all property owners are apportioned their fair share of the property tax burden.

Probably the best way to achieve fairness and equity in your assessments is to begin with a common procedure for valuing all properties in your jurisdiction. Some assessors are using the PamsPro software. Those that are not using that should use the Illinois Department of Revenue’s Real Property Appraisal Manual. Whatever you are using, it is important that it be used in the same manner for *all* properties in your jurisdiction. Problems can (and will) develop if the method you are using is only used on some properties. The underlying concept of any tax policy should be that it is administered fairly. Similar properties should carry similar assessments. All properties having a market value of, say, \$100,000, should have assessments that are the same, or very close.

Whether one uses a computer to assist in making assessments or not, the basic information needed still must be collected the old fashioned way. You still need to physically view the property, inspect the improvements, and describe the improvements. At a minimum, the following information is needed: square footage (size) of the building(s), and estimate of the age, type of construction, and a photograph of each building. This information should be recorded on a property record card. At this point, the information can either be transferred to a software program (such as PAMS), or the values can be figured manually using the Illinois appraisal manual. Whenever a new record card is completed, you should submit a copy of it to the supervisor of assessments office. Those that are doing assessments with PamsPro should bring in their data. Our GIS director is trying to get the data

on our server here so it is accessible to county staff. Also, websites such as realtor.com, zillow.com, and the like may be a good resource for seeing what is happening in the local market. I am *not* saying take a listing price and dividing by three, but those listings can provide information you may not have.

Not only is this basic information essential for producing an assessment, it is also very helpful if an assessment question or complaint arises. A property owner's question or complaint may often be resolved by showing him/her the property record card and its calculations. More often than not, complaints of assessment are based on an owner's perception that he/she is not being treated fairly, in comparison with neighboring properties. Assessments based on a good record system can show the owner that all properties are being treated alike.

Since the 2019 Board of Review has not completed its hearings, your 2020 assessor books have not been printed. **The assessor books will be printed to PDF documents.** Those that don't have computers can request a paper copy be printed. The Board of Review should complete the 2019 work by the first part of February. If you need a workbook now, please let one of us know and we will print one or send you a PDF copy.

### **Level of Assessments**

Illinois statute prescribes that a legal assessment of real estate is 33 1/3% of market value. However, the statute also prescribes that the *median level of assessment for the jurisdiction* be used when making an assessment. The median level for any township is the level determined by the sales ratio studies conducted by the Illinois Department of Revenue.

Equalization factors, or township multipliers, are amounts we add to (or subtract from) a township's assessments in order to reach the required 33 1/3% of market value level. In previous years, we added positive multipliers in response to an increasing real estate market, and negative multipliers in response to a declining real estate market. That negative trend seems to have bottomed out in most townships, and we are now generally looking at positive factors. **I am providing each of you a three year sales ratio study for your township(s).** State statute requires we look at three year average of sale-to-assessment ratios to determine a township (or county) level of assessments. A typical township, may have a three year average sales ratio of, for example, 34 ½%. In that case, the "negative" factor would be .9661, and we would apply that factor to all non-farm assessments in the township. If the three year average is, say, 32.5%, then a "positive" factor of 1.026 would apply. The equalization factor is always determined by dividing 33.33% by the actual township 3 year average.

Legislation (Public Act 96-1083 in late 2010) addressed the issue of “compulsory sales” (short sales, foreclosures, etc). “The Department shall include compulsory sales occurring on or after January 2011 in its sales ratio studies”. What that means is that such sales are considered “arm’s length” now, at least for sales ratio purposes, and that a purchaser is entitled to be assessed at no more than 33.33% of the sale price.

## **Other Procedures**

New or changed assessments should be entered on a “Change of Assessment” form and turned into the Supervisor of Assessment Office. Please note briefly why the assessment is being changed. We utilize ‘reason for change’ codes that appear on the owner’s assessment notice. This tells the owner why the assessment is being changed. If you are unsure which code to use, just write a note in on the form describing the change. Any new construction or demolition values should also be noted. If there is any new construction and re-assessment, please note how much for each. We have to report new construction and demolition values separately to the state. Also – if there is an addition or other new construction on an owner-occupied property, please be specific about the amount of increase that will be subject to the home improvement exemption.

New construction assessments placed in the assessor books should be those that were completed by January 1, 2020. The so-called “instant assessments”, those completed after January 1 and subject to pro-rated assessment, should be turned in to this office on a separate form, preferably the ‘recommendation for change’ form. Please note on this form the date of completion. The intent is to keep such instant assessments separate and not to confuse them with new construction that was completed by January 1, 2020. Assessments of lots in subdivisions sometimes create questions. Lots owned by the original developer are subject to preferential assessments, provided certain requirements are met. These preferential assessments are based on what the land was assessed at prior to its subdivision into lots. If a lot is developer-owned on January 1, that assessment remains in place for the entire year (according to the Department of Revenue), regardless of when it may be sold or built on.

*The assessment changes are due back in this office by June 15, according to Illinois statute. Please make every effort to get your assessments completed and turned in to this office in a timely manner. Late assessment changes/books cause late publications and mailings, later appeal periods, and generally drag out the tax cycle. If we haven’t received your assessment*

*changes by the time we are ready to run totals for publication, then we will publish assessments and mail notices without your changes.*

While I encourage you to resolve assessment appeals before they become written complaints to the Board of Review, an excessive number of assessment changes requested *after publication* could have the effect of lowering a township's level of assessments.

Theoretically, if we have applied the proper township multiplier to bring the level to 33.33%, and then we start reducing values below that, we could easily end up having a too-low assessment level. If so, the correction for that is to apply a factor.

We also ask for your assistance when parcels are 'split': we need to be able to assign the proper values to the new parcels. We send you the parcel 'split' information, and you should send us the values you recommend for the new parcel numbers.

## **Appeals**

Regarding assessment appeals filed with the Board of Review: we send you copies of the appeal and any appraisals or other information. We amended our rules a couple years ago to require the appellant to submit any evidence of value within 30 days of the appeal deadline. In return, we expect that you will provide the Board with *your* property information – property record cards with building information, comparables, etc. We must insist on receiving *your* value information within 30 days of the appeal deadline also. The Board of Review needs to have the property information before the hearing. If you need additional time, please advise our office. The more information the Board has, the better decision it can make.

The appeal deadline is always 30 days after the assessment changes are published in the local newspapers. We nearly always publish assessment changes prior to October 1, and thus the deadline to file an appeal will be prior to November 1. When people contact our office with concerns about their assessed value, we refer them to their township assessor for answers and possible resolution. If they cannot get their concern resolved with the township assessor, then their next step is to file an appeal. Please keep in mind when discussing assessment issues with constituents that they typically are not experts in real estate values.

## **Homestead Exemptions**

## **What Property Tax Exemptions Are Available?**

There are a variety of property tax exemptions available to homeowners to help reduce their tax bills. Most require that the property be residential, and be owned and occupied by the taxpayer.

There are additional exemptions for senior citizens, certain disabled individuals, certain disabled veterans, and veterans returning from active duty.

The dollar amount of these exemptions changes almost yearly. Some of these require a one-time application, others must be renewed every year. Further information about these exemptions is available from the Ogle County Supervisor of Assessments.

In addition to the above, there is a tax deferral program for seniors that is administered through the Ogle County Treasurer's office. Contact the Ogle County Treasurer's office for more information.

Shown below are the homestead exemptions administered by the Supervisor of Assessments office:

### **General Homestead Exemption ("owner occupied")**

This annual exemption is available for single-family residential property that is occupied as the principal dwelling place of the owner, or a lessee with a legal or equitable interest in the property and who is also liable for the payment of the property taxes on the leased property. The amount of exemption is the increase in the current year's equalized assessed value (EAV), above the 1977 EAV, up to a maximum of \$6,000.

### **Senior Citizens Homestead Exemption**

This annual exemption is available for single-family residential property that is occupied as the principal residence of a person, who is 65 years of age or older during the assessment year. The person must be the owner, or a lessee with an ownership interest in the property who is be liable for the payment of the property taxes. The amount of the exemption is a \$5,000 reduction in the EAV of the property.

### **Senior Citizens Assessment Freeze Homestead Exemption**

This exemption allows senior citizens who have a total household maximum income of less than \$65,000, and meet certain other qualifications, to elect to 'freeze' the assessed value of their homes at the base year assessed value and prevent any increase in that value due to inflation. The amount of the exemption benefit is determined each year based on (1) the property's current assessed value minus the frozen base year value, and (2) the applicants total household maximum income limitation. Each year applicants must file Form PTAX-340, Senior Citizens Assessment Freeze Homestead Exemption Application and Affidavit, with the supervisor of assessment's office.

### **Homestead Improvement Exemption**

This exempts the increase in assessed value due to the improvement of the homeowner's property. The exemption continues for four years from the date the improvement is completed and occupied. The Homestead Improvement Exemption may be granted automatically or Form PTAX-323, Application for Homestead Improvement Exemption may be required by the supervisor of assessments office.

**Disabled Persons' Homestead Exemption**

This exemption is an annual \$2,000 reduction in EAV of the primary residence that is owned and occupied by a disabled person, who is liable for the payment of property taxes. Initial application Form PTAX-343 Application for Disabled Persons' Homestead Exemption along with the required proof of disability must be filed with the supervisor of assessment office. To renew the exemption, the Form PTAX-343-R, Annual Verification of Eligibility for Disabled Persons' Homestead Exemption must be filed each year with the supervisor of assessments office. For a single tax year, the property cannot receive this exemption and the Disabled Veterans' Homestead Exemption or Disabled Veterans' Standard Homestead Exemption.

**Disabled Veterans' Homestead Exemption**

This exemption may be up to \$70,000 of the assessed value for certain types of housing owned and used by a disabled veteran or his or her unmarried surviving spouse. The Illinois Department of Veterans' Affairs determines the eligibility for this exemption, which must be reestablished annually. This exemption is also available on a mobile home owned and used exclusively by a disabled veteran or their spouse. Note: the property cannot receive this exemption and the Disabled Persons' Homestead Exemption or Disabled Veterans' Standard Homestead Exemption simultaneously. Please contact the Illinois Department of Veterans' Affairs for filing this exemption.

**Disabled Veterans' Standard Homestead Exemption** – an additional reduction of \$2500 in EAV if you are a disabled veteran with a 30 to 49% service-related disability, or a reduction of \$5000 in EAV if you are a disabled veteran with a 50% to 69% service-related disability, or a total exemption if you are a disabled veteran with a 70% or greater service-related disability, as certified by the US Dept of Veterans' Affairs. There is a provision limiting this exemption to homes with an EAV less than \$250,000. The law also provides that accessibility modifications for disabled veterans will not increase a residential property's assessed value for 7 years after the improvements are completed.

Note: You can only receive one disabled person's homestead exemption, disabled veterans' homestead exemption, or disabled veterans' standard homestead exemption for each tax year on your primary

**Returning Veterans' Homestead Exemption**

This exemption is a one-time \$5,000 reduction in EAV on the principal residence of a veteran upon returning from active duty in an armed conflict involving the armed forces of the United States. Although the exemption is only for a single year, a qualifying veteran can receive the exemption for another tax year in which he or she returns from active duty. Applicants must file Form PTAX-341, Application for Returning Veterans' Homestead Exemption, with the supervisor of assessments office.

**Senior Citizens Real Estate Tax Deferral Program**

This program allows persons 65 years of age and older, who have a total household income of less than \$50,000 and meet certain other qualifications, to defer all or part of the real estate taxes and special assessments on their principal residences. The deferral is similar to a loan against the property's market value. A lien is filed on the property in order to ensure repayment of the deferral. The state pays the property taxes and then

recovers the money, plus 6 percent annual interest, when the property is sold or transferred. The deferral must be repaid within one year of the taxpayer's death or 90 days after the property ceases to qualify for this program. The maximum amount that can be deferred, including interest and lien fees, is 80 percent of the taxpayer's equity interest in the property. To apply for real estate tax deferrals, Forms PTAX-1017-TD, Application for Deferral of Real Estate Taxes, and PTAX-1018-TD, Real Estate Tax Deferral and Recovery Agreement, must be completed. To apply for special assessment deferrals, Forms PTAX-1017-SA, Application for Deferral of Special Assessments, and PTAX-1018-SA, Special Assessments Deferral and Recovery Agreement, must be completed. Contact the Ogle County Treasurer's office to receive the necessary forms, or further information on the program.

All but the General Homestead and Senior Homestead Exemption require annual renewal.

### **Farmland**

Farmland assessments are done in the supervisor of assessments office, and are based on soil type and land use, per Illinois statute. A copy of the 2020 PI values are included for your reference.

For 2020, farmland assessments are increasing in varying amounts. This is about the sixth year or so in a row for an increase. Farmland assessments are not based on sales prices of land, but are based on soil quality, interest rates, production costs, and other factors.

### **Mobile Homes**

The procedure for mobile homes is essentially the same. Mobile homes in a mobile home park are taxed, per statute, on a dollar (cents) per square foot basis that varies with the age of the home. Newer mobile homes are taxed at 15 cents per square foot, and older ones are taxed at decreasing amounts down to 7.5 cents per square foot. Mobile homes situated on a lot and attached to a permanent foundation are to be assessed as real estate; that is, based on their market value. The county has a fairly restrictive ordinance regarding permitting of mobile homes, thus any mobile home located outside a park is likely to be sited on a permanent foundation and assessed as real estate.

We still have difficulty with mobile home registrations, and some park owners can be less than cooperative. We may ask for your assistance from time to time.

### **Miscellaneous**

Please look at the county's geographic information system (GIS) website, and become familiar with its use. The address is <http://oglecounty.org/departments/gis-department>. The parcel map and many other layers of data are on this website. The GIS department is now drawing the parcel map and maintaining it, and generally any change will show up on the map within days of its document recording. The system will always be a work in progress, but some of the data layers now on the website are parcels, addresses, contours (elevation), soils, flood hazard areas, zoning, road centerlines, school districts. Many of the municipalities and fire districts in the county have become contributing members of the Ogle County GIS partnership. The aerial photography on the website was taken in the spring of 2014, and it is high resolution (6" pixels), color imagery. With this kind of resolution, you can make fairly accurate building measurements. We now have the Google Earth street view link on our Beacon website. With that, you can get a street level view of a property and zoom in. Some lesser traveled rural roads may not have the street view, but many do and most city streets do. There is also a measuring tool (among other things) and you can do a fair job of measuring buildings with it. Between the measuring tool and street view, you can get a pretty good idea of what is living area versus garages, porches, etc. We are having new color aerial photography taken in the spring of 2020. Until then, if you need to look at a newer image, log on to Google Earth – they are displaying high resolution aerial photography of Ogle County that was taken in spring of 2017.

An item discussed previously, but perhaps worth repeating, is the public official/public information aspect of being a township assessor. Being an elected official of township government, please remember you are accountable to your constituents and the public in general. The property records you create are public information, and we are obliged to make copies if requested. The real estate market in Ogle County is relatively active, and the request for real estate data and information continues. Most of you work out of your homes, and I highly recommend that you set up a dedicated telephone line for 'official use', and an email account. Combined with an answering machine and fax machine, this should make complying with requests for information very easy and more convenient for everyone. In 2009 there was legislation passed that put more "teeth" in the Freedom Of Information Act (FOIA). Essentially, nearly any record produced or kept by a public official is public information, and we are required to provide copies upon request. I've had complaints in the past (though not many) from individuals who cannot get information from a township assessor. The usual complaint is that messages left on the assessor's voice mail requesting information are never returned. Many of you have provided this office with the basic building information (square footage and year built), and we have posted that on <http://oglecounty.org/departments/gis-department>. That should help. Plus, it makes that information available at all times for the public.

The real estate market in Ogle County has been slowly recovering. For several years following “the crash”, the *number* of property transactions had been about half (or less) of the number that we had been accustomed to. In the ‘pre-crash’ days, we would see 150-180 transactions per month. In the “post-crash” period, the number had fallen to 60-80 per month. The last year or so has seen the volume of sales increase, to an average of about 90-100 per month. The 20-30% of the monthly transactions had been short sales, sheriff sales, and foreclosures immediately “post-crash”, has improved considerably. The sale volume is still not where it was during the mid-2000’s, but it is slowly improving.

