

## **What can be done to control Real Estate Taxes? Assessments**

### **Changes to Assessed Value**

An increase in assessment does not automatically increase taxes. Nor does a decrease in assessment equal a decrease taxes. In today's market, if all values decrease equally then the relationship of an individual assessed value to the total tax base remains unchanged. A revaluation is necessary to equitably distribute and redistribute the share of taxes. This type of change to assessed value will result in a more direct change in taxes. Increases to tax base can affect taxes. A new development can increase the tax base and can decrease your slice of tax pie. Commercial and industrial developments can have a significant impact by increasing the tax base to reduce the tax burden of the residential portion.

### **What can be done to control assessed values?**

The assessed value is an estimate of value used to equitably distribute the tax burden. The assessor's duty is to fairly appraise every property in the Township. The best control is fair and equitable assessments so that everyone pays their fair share. Part of the Assessor's job is to compare the assessed value to the recent comparable sales. If sales in an area indicate property values are increasing then assessed values should increase. In a decreasing market, assessed values should decrease. Some areas values increase or decrease faster than others. Consequently assessed values change at different rates in different areas.

### **7% Solution**

The "7% Solution" is not the solution. This proposal was only enacted by Cook County where it limited assessment increases to 7% per year. Unfortunately, the result was some parcels were being under-assessed in comparison to the market and therefore those parcels were not paying their fair share of taxes. When one parcel is not paying their fair share of taxes then the other parcels must pick up that tax burden. The end result is the tax burden is not being fairly distributed to all parties.

### **Altering the Assessment Process**

Assessors follow State Law and guidelines to appraise property. Any changes to assessment process must be done in the legislature at the State level. Many candidates running for local office promise to control property assessments. However, the best and sometimes the only thing they can do is control spending at their level. Contact your local representative

### **Suggested Changes**

As assessors, we are always seeking ways to improve the system. There are several recommendations we have put forward. We have made improvements to the assessment notice so it is easier to read and understand. We have recommended the fractional assessed of 33-1/3% be removed and replaced with 100% of value. This will alleviate the confusion between assessed and market value.