

Questions about Tax Bills and the 2017 Reassessment

By Ali ElSaffar, Oak Park Township Assessor

While most Americans were celebrating Independence Day, a less festive event was taking place in Oak Park: tax bills reflecting last year's reassessment of local properties arrived. For local residents who have experienced a large run-up in taxes over the last two years, the latest bills present very mixed results. Tax bills fell for about one-third of Oak Park property owners. At the same time, however, about one-quarter of Oak Park property owners saw double-digit tax increases. To understand these results, a metaphor may be helpful.

Every year, local governments bake a 'tax pie.' This pie is not as tasty as the one made with apples, however, because its filling consists of the tax levies of all local governments. After the pie comes out of the oven, it is cut into pieces, with each slice representing an individual property tax bill. Higher-valued properties have to swallow large helpings of the tax pie, while lower-valued properties get just a sliver.

This year, many Oak Park residents have seen significant changes in the 'piece of the pie' for their properties, and this is due to two main factors: changes in the community's tax levies that modestly increased the size of the tax pie; and changes in the size of individual slices caused by reassessment.

In non-reassessment years, the overall pie and its individual wedges typically grow at the same rate. In the two years before the reassessment, for example, the tax levies of Oak Park local governments increased by about 20%, and the tax bills of most Oak Park residents also increased by 20%.

This year, however, the size of the community tax pie grew by 1.4%, but relatively few tax bills have increased by that amount. The wide variety of tax changes Oak Park property owners have seen is primarily due to the reassessment.

How is a property's 'piece of the pie' determined? The size of each pie slice is derived by comparing an individual property's value to the value of all properties in the community. If a property's value equals 1% of the community's overall property value, it pays 1% of the community's taxes. Since property values change over time, Cook County reassesses property values every three years to keep up with the changes.

Why do reassessments have such unequal effects on the taxes people pay? Not all property values change at the same rate. In the City of Chicago, for example, properties in 'hot' neighborhoods appreciate in value by more than properties in other neighborhoods. After reassessment, properties in neighborhoods with rapidly appreciating values get thicker pieces of the Chicago Tax Pie, while properties in neighborhoods with lower rates of appreciation get thinner slices.

Oak Park neighborhoods do not vary in value as dramatically as city neighborhoods, but there are varying rates of change in Oak Park property values based on the type of property, whether

appeals have been filed, and other factors. These varying rates of change lead to varying tax bills.

For example, taxes were higher for Oak Park properties with assessment increases of 18% or more. But if a property's assessed value grew by less than 11%, its taxes fell. For properties with valuation increases between 11% and 18%, taxes rose or fell modestly, with the precise results depending of the property's value and whether it had a homeowner exemption.

Oak Park's 1.4% levy increase is less than inflation. How did this happen? Last year, Oak Park tax levies grew by more than 10%, primarily because of a successful tax referendum for School District 97. Part of the reason for this large increase is that the district mistakenly levied more than it promised during the referendum campaign. This year, the school board reduced its levy by \$3.1 million this year in an effort to make up for last year's mistake.

At the high school, tax levies were nearly flat, registering an increase of less than 1%. Oak Park's other taxing districts reported levy increases ranging from 3.0% to 5.6%, and the local share of levies from county and regional taxing districts increased by 10% or more due to the reassessment. The net result of all these changes is a 1.4% increase in Oak Park tax levies.

Can I do anything to reduce my current tax bill? If you are eligible for a homeowner, senior citizen or other exemption but did not receive one, the Township Assessor's office can assist you in obtaining a revised bill for a smaller amount. Senior citizens should pay special attention to tax exemptions this year, as changes in state law have increased the value of the Senior Exemption, and have also expanded eligibility for the Senior Freeze. If you have received all exemptions for which you are eligible, however, you likely will not be able to do anything about your current bill.

Can I do anything to reduce future tax bills? The Cook County Board of Review will soon be accepting assessment appeals from Oak Park residents for taxes to be paid in 2019. When appeal dates are announced, residents can call the Township Assessor's office to set up a time to get help in preparing evidence to support their appeals.

Those who win their appeals should see a smaller piece of Oak Park's tax pie around Independence Day next year. If the appeal brings meaningful tax relief, they should celebrate with a Fourth of July treat—a savory slice of American apple pie.