Assessors Annual Meeting
December 10, 2015
Agenda
9AM – Assembly Room

1. Pledge of Allegiance
2. Circulate Sign-In Sheet
3. Opening Comments
4. Bonus Applications – Due January 4, 2016 in Springfield
5. Office 365 Migration
6. County Website Migration
7. Tyler Technologies Project
8. Mapping Software Conversion and Assessor Access
9. Mapping Status
10. Tentative State Multiplier
11. 2014 Sales Ratio Results
12. 2015 Tentative Township Multipliers and Levels of Assessment
13. Web based homestead exemption – example draft
14. Information sheet on SB 1488 HAM 2
15. Direct Capitalization Clarification
16. Best practices for posting of land lines for Open Space and Stewardship (
17. 2016 Assessment Year – a non-general assessment year
18. Instructions for Assessing Property in Lake County 2015
19. Adjournment

INSTRUCTIONS FOR ASSESSING PROPERTY IN LAKE COUNTY

FOR THE 2016 NON-GENERAL ASSESSMENT YEAR

1. All property shall be valued at 33.33% of the fair cash value, except certain exempt properties and those qualifying as 35 ILCS, 200/:

9-145	Dedicated Nature Preserve under the "Illinois Natural Area Preservation Act" ($1.00 Assessment)
10-5 and 10-10	Solar Heating or Cooling - Alternate Valuation
10-110 thru 10-125	Farmland
10-150	Approved Forestry Management Plan (ten year management plans)
10-35	Common Areas ($1.00 Assessment)
10-30	Certain Subdivision Land
10-90	Airports
10-500 thru 10-515	Woodland Assessments
10-400 thru 10-440	Conservation Stewardship Program

2. Estimates of fair cash value for real property should be as of January 1, 2016.

3. Begin your fieldwork for the following year as soon as you finish the 2015 assessment year.

4. All value changes are to be entered into the county appraisal system (ProVal) according to prescribed procedures.

5. Farmland valuations will be updated with new land productivity value information from the CCAO. The CCAO asks that you start your work on farm parcels early in 2016. The 2016 farm valuations will be calculated using the Sidwell Farms software tools. The spreadsheet information on your farmland parcels will be provided to you by approximately February 15, 2016. Townships will be provided a spreadsheet of the 2016 revised farmland values, along with the current farm building and farm homesite values; townships will provide value changes to the county for the homesite land, the farm dwelling and farm buildings if necessary. We ask that you communicate to the CCAO those farms that will be changed to market value assessments for 2016 using the spreadsheet we will provide and also use that same tool to provide us new farm PIN's and notations on deletions from farmland value for the 2016 year. We ask that you return the completed farmland data to the CCAO by May 31, 2016.

6. Partial Assessments - In order to require newly improved property to bear its proportionate share of the cost of local government services, assessment prorations should be done based on occupancy or readiness for the intended customary use. In many instances, occupancy permits for a property is an appropriate representation of a parcel's status. There are other instances where a property owner has not called for an inspection to receive the occupancy permit, yet the structure is ready for its intended customary use. In the latter instances, jurisdictions should be sure to monitor all recent construction to determine the readiness of the new improvement for its customary use, and if necessary assess the property for the current year.

Partial assessments will be allowed, after the initial submission of the assessment roll, through **October 15, 2016.** The Board of Review will not be conducting hearings on these increased assessments unless the taxpayer requests a hearing on the matter.

7. New Property - For PTELL purposes, values for new property must be accounted for in the county appraisal system. When new property has been keyed to a PIN and the new amenity qualifies as an HIE or new construction, you must select the appropriate reason for value change in order for the associated value to be set up for a tax bill exemption properly. If your jurisdiction has HIE's that are for a period of less than four years, the CCAO needs a list of these parcels and the years the exemptions will expire. Note that the year when the HIE expires, the previously exempted amount will then be considered new property.

   Please be diligent in capturing property value that qualifies as "property assessed for the first time" as your taxing districts are counting on this value component for their levy process. In doing so, be sure that the new property is truly ready for its intended or customary use.

8. Reclassification - If a property use changes from one major property class to another, the appropriate reason for change is required to capture the value change. Examples of reclassification are when a class change is from farm to residential or from commercial to residential. When you change a property class within one of the major classes (103 Vacant Residential to 104 Residential Improved); this is not a property class change, it is a change within class. Also, parcels being brought to market value from a preferential assessment (open space, model home) does not constitute a property class change.

9. Sales Ratio Analysis - Real Estate Transfer Declarations should be reviewed regularly. Please report appropriate circumstances surrounding particular sales to the Chief County Assessment Office for potential exclusion from Department of Revenue sales ratio studies. It is a best practice to perform a field visit to properties that have recently sold. In this visit, characteristics and general condition of the property should be verified.

10. For valuation purposes, if an assessor conducts a ratio study on a neighborhood or the entire township, at least the three (3) years of sales prior to the assessment date should be utilized in the study of a particular area. All townships using the county appraisal system for valuation should analyze sales ratio reports to determine local house type and neighborhood factors for their revaluation processes.

11. All Open Space, Historic Rehabilitation parcels (in years 9-12), Conservation Stewardship and Model Home parcel values must be valued by the at 33.33% of market value for these dual value properties. Please break up the land lines for these properties according to prescribed procedures (handout).

12. All parcels that are owned by exempt entities and have not received a non-homestead exemption must have taxable value until they have received IDOR approval of exempt status.

13. All leasehold assessments will be reviewed by the CCAO and have a revised assessed value calculated based upon the lease in place.

14. All Certificates of Error from 2015 assessments related to factual corrections that need to be carried forward for the 2016 year should be entered into the county appraisal system.

15. Vacancy – It is appropriate to contact property owners or representatives of commercial and industrial parcels concerning potential vacancy issues in advance of the 2016 assessment valuation being performed. Here again, property visits are in order to understand the status of the property.

16. Homestead Exemption Add and Delete Lists – With the return of the assessment roll changes, townships will submit their lists of properties that no longer qualify for homestead exemptions and provide the year the change is effective. At the same time townships should provide a list of properties that need a general homestead exemption added for 2016. Special attention in this area should be paid to the residential single family properties in your jurisdiction that are now rental properties.

17. Prior Year Assessment Appeal Decisions

Section 16-80 Properties

Section 16-80 of the Property Tax Code provides that an owner-occupied residential property that receives a reduction in assessed value, is to be ensured that the valuation stays in place (subject to township equalization) through the end of a four-year general assessment period. The only possible exception is in the event that the taxpayer, County Assessor or other interested party can show substantial cause that the decision not remain in effect or unless the decision of the Board of Review is reversed or modified upon review. The Chief County Assessment Office will be evaluating the assessment roll change submissions for compliance with Section 16-80. A township assessor will need to provide the CCAO the detailed substantial cause for those parcels where the Section 16-80 eligible valuations were not left in place for 2016 with the return of the assessment roll changes for 2016.

Section 16-185 Affected Properties – Prior Year PTAB decisions.

Excerpt from Sec. 16-185. If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel on which a residence occupied by the owner is situated, such reduced assessment, subject to equalization, <u>shall remain in effect</u> for the remainder of the general assessment period as provided in Sections 9-215 through 9-225, unless that parcel is subsequently sold in an arm's length transaction establishing a fair cash value for the parcel that is different from the fair cash value on which the Board's assessment is based, or unless the decision of the Property Tax Appeal Board is reversed or modified upon review.

Albee v. Soat

In this case the Appellate Court in the Second District has made it clear that in their minds an assessor can only <u>revise and correct</u> (Section 9-75) an assessment value for any type of property in a non-general assessment year. The Albee case tells us that it is unlawful for an assessor to select specific parcels or groups of parcels for re-assessment and thus treating those properties differently than the others in their jurisdiction in non-general assessment years. The decision in this case is not specific to just residential properties. The court tells us that the assessor does not have the authority to <u>revise or</u>

correct assessments in non-general assessment years. If that were to have been the case, the legislature would have provided that ability.

The purpose of the general assessment year is to provide that revaluation process every four years and in this year the assessor has the authority to re-establish equity amongst like properties in their jurisdiction through a full and complete revaluation process. The intent of the general assessment year is that this is the time when revaluation is to be done. Therefore, the practice of revaluing parts of a jurisdiction within the general assessment cycle versus performing the revaluation in the general assessment year (like not completing the general assessment in 2015 and wanting to complete that process in 2016) is not acceptable in the eyes of the court.

Finally, the case tells us that if the property was assessed correctly in the general assessment year, the legal authority to change an assessment is limited to equalization "between or within townships or between classes of property, or when deemed necessary to raise of lower assessments within a county or any part thereof to the level prescribed by law." (35ILCS 200/9-200). This is to avoid treating specific parcels or groups of parcels differently than the others in a jurisdiction.

18. Review of the Edit List of Value Changes/Report of Value Changes in Excess of $500,000 – It is very important that township offices perform a careful review of their assessment changes prior to conveying the assessment roll to the CCAO. The CCAO has three reports that are provided for the township to perform this final review: the Edit List of Value Changes, Report of Parcels Increased by $500,000 (market), Report of Parcels Decreased by $500,000 (market).

19. Non-General Assessment Year - With 2016 being a non-general assessment year, it is highly recommended that township assessors accept the township equalization factor as a mode to adjust the assessments for the upcoming year. Accepting the tentative township factor as the value change for the upcoming year can lead to an earlier submission of a township assessment roll and results in less publication expense for Lake County.

20. Return of Assessment Changes - For 2016, the due date for the return of the assessment rolls is July 15, 2016. Assessment publications for 2016 and taxpayer notification will take place starting in July and continue through mid-August.

Finally, remember that a completed assessment roll is one that has been edited with the help of the CCAO; this process usually takes a number of days. The completeness of the assessment roll is determined by the CCAO. Be sure to take into consideration the time needed to evaluate and edit your assessment roll prior to the roll being considered complete. In addition, please make sure your staff communicates with you throughout the editing process.

Martin P. Paulson M.B.A., M.S.
Chief County Assessment Officer