



Client Alert

The Cook County Assessor's office will soon begin accepting complaints for the 2009 tax year. We expect notices to be mailed in stages beginning in May and continuing through November 2009. Although this is a reassessment year for the City of Chicago, appeals may be filed by any property owner in Cook County.

Please note that beginning in 2009 (for taxes payable in 2010), all property located in Cook County will be classified and assessed at the following percentages of market value as a result of Ordinance No. 08-O-51 being recently passed by the Cook County Board.

- Class 1: 10% (Vacant Land - formerly 22%)
- Class 2: 10% (Residential - formerly 16%)
- Class 3: 16% in tax year 2009, 13% in tax year 2010, 10% in tax year 2011, and subsequent years. (Apartment Buildings over 6 units - formerly 20% for 2008)
- Class 4: 25% (Non-Profit - formerly 30%)
- Class 5a: 25% (Industrial - formerly 36%)
- Class 5b: 25% (Commercial - formerly 38%)

- The Ordinance also reduces the assessment levels for properties that qualify for Incentive Classification.

- Class 6b: (Industrial) 10% for the first 10 years and for any subsequent 10-year renewal periods; if the incentive is not renewed, 15% in year 11, 20% in year 12 and 25% thereafter.
- Class 7a: (Commercial (under \$2 million of development costs)) 10% for first 10 years, 15% in year 11, 20% in year 12 and 25% thereafter.
- Class 7b: (Commercial (over \$2 million of development costs)) 10% for the first 10 years, 15% in year 11, 20% in year 12 and 25% thereafter.
- Class 8: (Commercial and Industrial Development in areas of severe economic stagnation) 10% for first 10 years and for any subsequent 10-

- year renewal periods; if the incentive is not renewed, 15% in year 11, 20% in year 12 and 25% thereafter.
- Class 9: (Low-income multifamily) 10% for an initial 10-year period, renewable upon application for additional 10-year periods.
 - Class C: (Contaminated Commercial and Industrial) 10% for 10 years, 15% in year 11, 20% in year 12 and 25% thereafter.
 - Class L: (Landmark Properties-Commercial and Industrial) 10% for first 10 years and for any subsequent 10-year renewal periods; if the incentive is not renewed, 15% in year 11, 20% in year 12 and 25% thereafter.
 - Class S: (Multifamily - Section 8 housing) 10% for the term of the Section 8 contract renewal under the mark-up-to-market option, as defined herein, and for any additional terms of renewal of the Section 8 contract under the mark-up-to-market option.

Although your assessment may decrease due to these changes, it is still critical to contest your assessment, as it is the largest of the three factors that determine your annual tax bill. The remaining two factors, the equalizer and tax rate can not be appealed and will most likely increase once all property assessment values are certified. Changes in assessment percentages will have an impact on assessments and, in turn, on property taxes. If the tax base falls in value as a result of reductions in assessment percentages, tax rates will rise so the taxing districts obtain the same “take”. An equal across the board reduction in assessment ratios will not cause taxes to fall.

In addition, it is not known whether and to what extent the Assessor might increase assessed market values when assessment ratios are reduced in 2009. Assessment practices could also impact property tax bills. In 2009, when assessment ratios are being decreased, will the Assessor make off-setting increases in assessed market values as he has done in the past? Or, will the Assessor leave underlying market values alone and allow assessments to fall? It is more important than ever to monitor your assessment and contest it when necessary.

For more information on contesting your assessment, please contact Joanne Elliott at 847-298-8300 x 26 or joanne@elliottlaw.com.

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