

May 13, 2009

PRESS RELEASE

THE OTHER SIDE OF THE PROPERTY TAX STORY

PART II

How Does The Assessment Affect The Taxes?

The assessments do not determine the amount of tax revenue levied or collected by a tax district. Assessments merely determine how those dollars are apportioned amongst the property owners.

2008 Assessment Taxes Payable 2009

The assessment does affect the amount of property taxes paid by individual property owners. Property owners need to keep in mind at this point that there are Illinois State Statutes that control what can and can not be done concerning assessments. Assessments can be appealed and will be changed if there is evidence to support a value change.

The Illinois Property Tax Code (Illinois State Statutes) mandates that the assessment be at one-third of market value based on a three-year average of sales. The assessments on the taxes being issued for 2008 payable in 2009 are as of January 1, 2008. The assessments are based on arm's length sales for the years of 2005, 2006 and 2007 with an appraisal date of January 1, 2008.

The assessment is seventeen months behind the market. The 3-year average stabilizes the assessed value for both property owners and the tax districts. When the property values were increasing at an outrageous rate, the assessments raised at a more reasonable rate protecting the property owners from the huge increases.

Now the values are going the other way and the system will work the same in the opposite direction. Assessed values will decline as the market declines, but based on the three-year average of "arm's length sales". What is an "arm's length sale"? This is a sale of property between a willing buyer and willing seller, and a sale not under duress. This is defined by the Illinois Property Tax Code.

Property owners should keep in mind that if the assessment was not appealed to the Boone County Board of Review for 2008, the assessed value in most cases can not be changed. This again is according to the Illinois Property Tax Code. If a property was appealed, property owners know the recourse they have.

Even as the assessed values decline due to the declining market value, the tax districts listed on the tax bills have to be funded. The functions of the tax districts will need to continue. The functions have to be paid for. The property tax system pays for those functions. If and when the assessment drops, the tax districts will still incur those costs. In most cases as the assessment changes so do the rates. As the assessments have risen, the rates went down. If the assessments go down due to the market value, the rates will go up as the law allows.

2009 Assessment Taxes Payable 2010

The 2009 assessments will be based on one-third market value of the “arm’s length” sales from 2006, 2007 and 2008. The assessment will be reduced as dictated by the statistical analysis completed by the Boone County Assessment Office and more importantly the Illinois Department of Revenue.

The Boone County Township Assessors are currently working on the 2009 assessment. If the assessment changes on a property by the township assessor, the assessment will be published and a notice will be sent to the property owner. If the assessment changes by factoring completed by the Boone County Assessment Office, the factor for each jurisdiction will be published and a notice will be sent to the property owner. If the assessment does not change, no notice will be sent.

Property owners can contact their township assessors anytime prior to them completing their work on August 15, 2009 to discuss the assessment. Once assessments are published, there are thirty (30) days for property owners to appeal the assessment to the Boone County Board of Review. At the completion of that 30 days, the appeal process ends and assessments can not be changed.

If there are any questions or concerns on the assessments, please contact the Boone County Assessment Office at 815-544-2958 or the Boone County Township Assessors as listed on the county website at www.boonecountyil.org or the county office.