



COOK COUNTY BOARD OF REVIEW

Commissioner Larry R. Rogers, Jr.

Commissioner Dan Patlak

Commissioner Michael M. Cabonargi

CHALLENGES

— AND —

ACHIEVEMENTS

ANNUAL REPORT

ASSESSMENT YEAR 2017 • FISCAL YEAR 2018

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Why does it matter

to Cook County Residents if the tax bills go out on time? When the tax bills are delayed, schools, libraries and other essential district services are forced into budget gaps. To fill those gaps, reserves may be tapped, which means that money is not earning interest, or, money is borrowed, and loan costs and interest fees are incurred. The cost to local government can be in the **MILLIONS OF DOLLARS.**

COOK COUNTY BOARD OF REVIEW RESPONSIBILITIES

The Cook County Board of Review (formerly the Board of Tax Appeals) was created by the 89th General Assembly in 1998 under statutory changes that established a three member Board of Commissioners elected from three electoral districts.

The Cook County Board of Review (hereinafter “BOR”) is vested with quasi-judicial power to adjudicate taxpayer complaints and recommend exempt status of real property, which includes: residential, commercial, industrial, condominium property, and vacant land. Responsibilities of the BOR include the following:

1. Order the Assessor to revise and correct the assessed value of property;
2. Review Certificates of Error;
3. Correct factual mistakes;
4. Recommend property for tax exempt status; and
5. Defend assessment decisions for properties appealed at the Illinois Property Tax Appeal Board (PTAB).

The BOR deals only with assessed valuations before equalization, not with the tax rate or the amount of the tax bill.

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2017 ASSESSMENT YEAR ANNUAL REPORT LETTER FROM COMMISSIONERS

The 2017 assessment appeal session was one of challenges and achievements. The session started in August 2017 with indications that we would experience a new record in appeal filings and concerns county-wide of a budget deficit that would need to be addressed.

Over the next several months leading up to the new fiscal year beginning on December 1, we commissioners worked tirelessly to alert county officials that a significant reduction in our budget would have a negative impact on every governmental body in Cook County and put the tax bills at risk.

As anticipated, the BOR did adjudicate another record number of appeals: 228,380. In recognition of the budget concerns of the County Board, the BOR agreed to reduce its already underfunded annual \$12 million budget by \$600,000. But the County Board cut a further \$1.2 million for a net reduction of \$1.8 million which forced the elimination of 19 FTE positions from 130 approved positions to 111. Also, the County froze replacement of departing staff leaving unfilled positions created by another 6 analyst resignations/retirements, bringing the total staff reductions to 25, a 19% drop.

In 2012, we anticipated that appeal numbers would continue to increase exponentially and determined that technology was the only answer in an economic environment unlikely to allow for an increase in personnel. The BOR's technological solution was the Digital Appeals Processing System (DAPS) which was nationally recognized for its innovation and enhancing services for taxpayers. With the support of the Cook County Bureau of Technology, DAPS was launched for the 2015 reassessment of the City of Chicago where the BOR saw yet another record number of assessment appeals. After six consecutive years of the 2nd installment bill being mailed out on time due to the BOR completing its work in April, this 2017 session the BOR finalized the assessment appeals process nearly a

month later than it did in 2016. With the County budget cuts forcing the loss of 19 BOR positions via layoffs and the elimination of vacant positions, a related hiring freeze and yet another record number of assessment appeals, the BOR finalized its 2017 session in May 2018.

This outcome was forecasted repeatedly by the Board of Review—both in writing and verbally—during budget discussions leading up to the final 2018 County budget. Despite difficulties brought on by an historic number of appeals and a record low personnel count, our employees performed at the highest level - which still allowed the July mailing of the 2nd installment bill.

With increased appeals at the Board of Review come increased appeals at the Property Tax Appeal Board (see PTAB stats on page 5). Total potential liability for PTAB appeals (in terms of what could potentially be refunded to appellants by taxing districts) is \$430 million not counting 2017 appeals which are expected to be at record levels. The BOR is required to defend those appeals on behalf of Cook County and every other governmental entity in Cook County despite never having received funding to do so.

This past year we improved our operations using the recently launched PTAB defense unit created with existing personnel from each commissioner's staff. The County partially recognized the liability by authorizing 5 out of 12 BOR requested new positions, and \$150,000 for appraisals designated to be used in the defense of assessments at this appellate level. However, due to spending

and hiring freezes the positions could not be filled, the funding for appraisals was eliminated, and then positions were eliminated for FY18.

Sincerely,

Commissioner Larry R. Rogers, Jr.
Commissioner Dan Patlak
Commissioner Michael Cabonargi



LARRY R. ROGERS, JR.
COMMISSIONER



DAN PATLAK
COMMISSIONER



MICHAEL M. CABONARGI
COMMISSIONER

DIGITAL APPEALS SYSTEM CHANGES

The addition of the Digital Assessment Processing System (DAPS) as a new tool for analysts to use in the appeal process brought about significant changes that benefited analysts and appellants alike.

In 2017, the base program was upgraded to a newer version providing a better and faster operating platform, an improved digital Property Record Card (PRC) was implemented that is more integrated with the County, and Hearing process improvements were made to better manage the scheduling of hearings and shorten waiting times.

Hearings

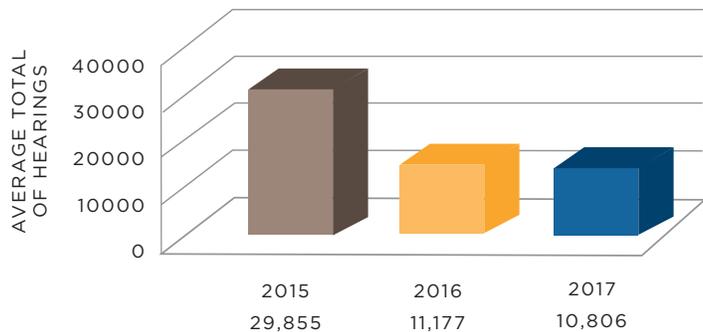
Residential

With increased analyst stations in place, wait times for property owners that had requested a hearing were reduced even further. Using the DAPS system, the analyst is able to view the property owner's property and other pertinent information.

Commercial

With the addition of DAPS tool for use in commercial hearings, the commercial analyst was able to prepare for a case in advance of the hearing as commercial analysts now know which cases they will be overseeing ahead of time. This advanced preparedness improved the hearing experience for all.

Number of Requested Hearings



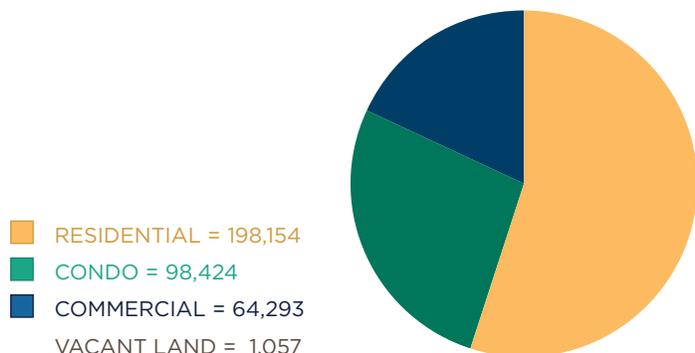
The drop in requested hearings between 2015 and 2016 is a continued result of having the new DAPS program in place that allows for evidence uploading online. Previously for 2015, requesting a hearing by attorneys was done during the application process and the attorneys would request hearings on all cases and then filter out afterwards. In 2016, that task was moved to the end of the process and hearings are now requested after all evidence is submitted and the complaint is finalized.

Transparency

Whether commercial or residential, the new system provides greater transparency for the property owner. All analyst information - notes, evidence and decisions - are now available online if an account is created by the appellant. An online account allows the appellant to login and see the final decision rendered and any notes by the analysts.

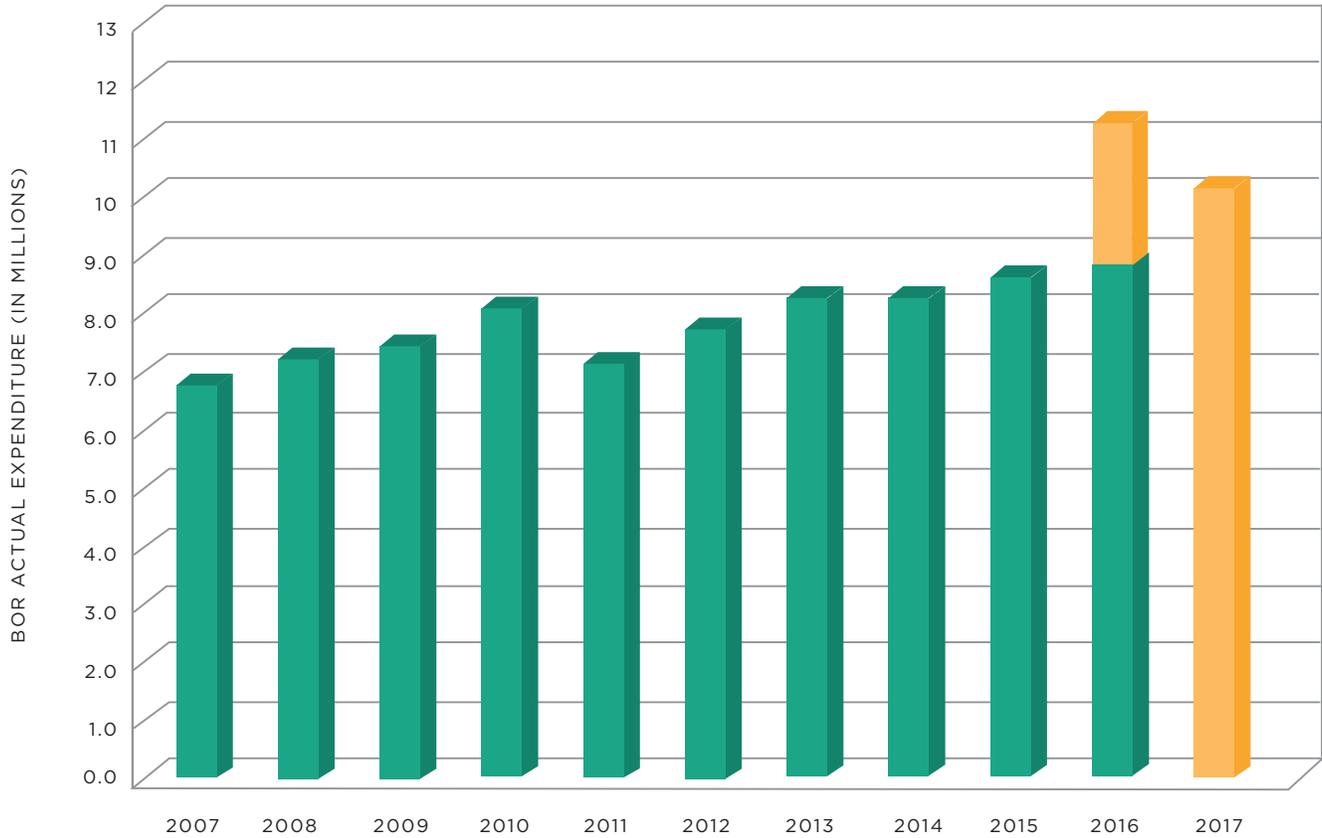
** This chart does not include vacant land or tax exempt properties.*

Number of PINS Appealed by Property Type*



BUDGET HIGHLIGHTS

BOR Actual Expenditure



FISCAL YEAR	ACTUAL EXPENDITURE (\$ MILLION)	NEW COOK COUNTY ACCOUNTING
2007	6.8	
2008	7.3	
2009	7.5	
2010	8.1	
2011	7.0	
2012	7.8	
2013	8.3	
2014	8.3	
2015	8.5	
2016	8.8	11.4*
2017		10.2

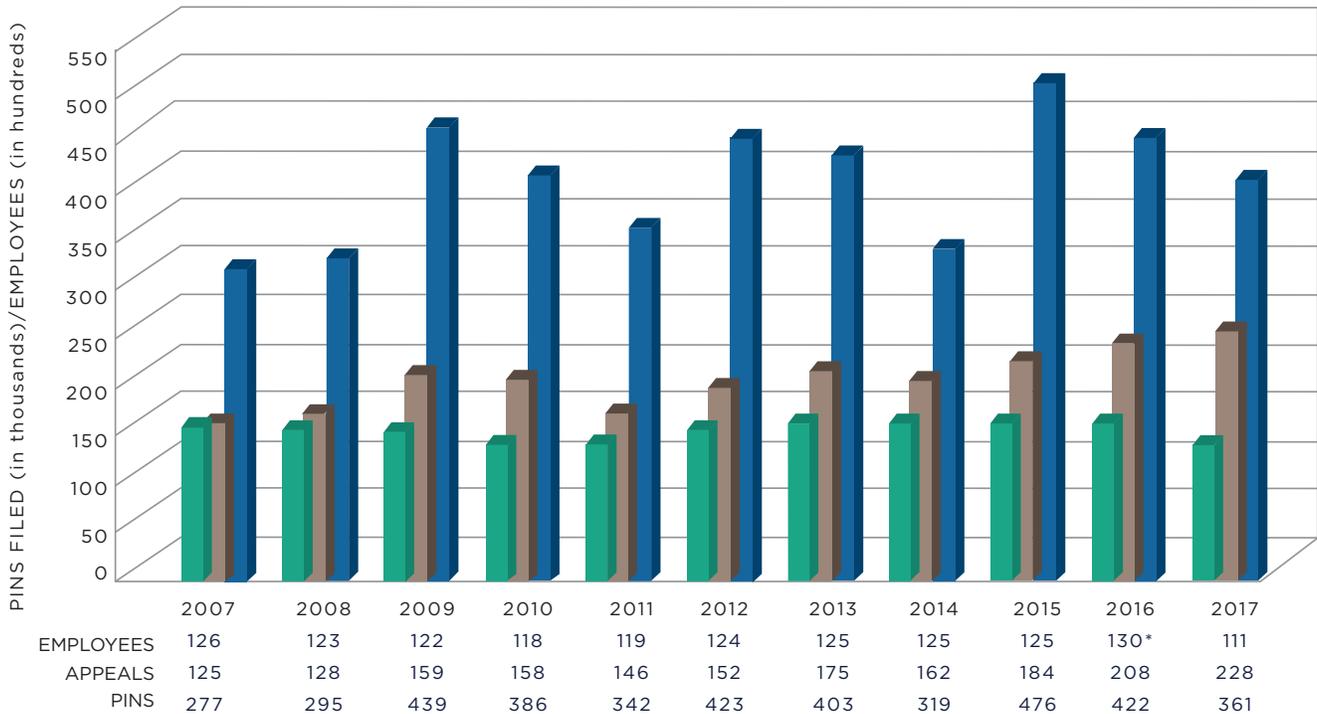
This year, mandated budget cuts impacted our ability to complete review of appeals on time. The Cook County Board cut \$1.2 M from our budget forcing a reduction in staff which extended the 2017 session almost a month later than the previous 6 years.

Note: The 2017 assessment year corresponds to the later part of the 2017 fiscal year and the beginning portion of the 2018 fiscal year. The BOR fiscal year runs from Dec 01 thru Nov 30.

**Cook County made a budget change in their accounting to have offices directly responsible for more budget items such as health benefits.*

EMPLOYEES AND APPEALS

Employee Numbers, Appeal Numbers and PINS



ASSESSMENT YEAR	EMPLOYEES	APPEALS IN THOUSANDS	PINS FILED IN THOUSANDS
2007	126	125	277
2008	123	128	295
2009	122	159	439
2010	118	158	386
2011	119	146	342
2012	124	152	423
2013	125	175	403
2014	125	162	319
2015	125	184	476
2016	130*	208	422
2017	111	228	361

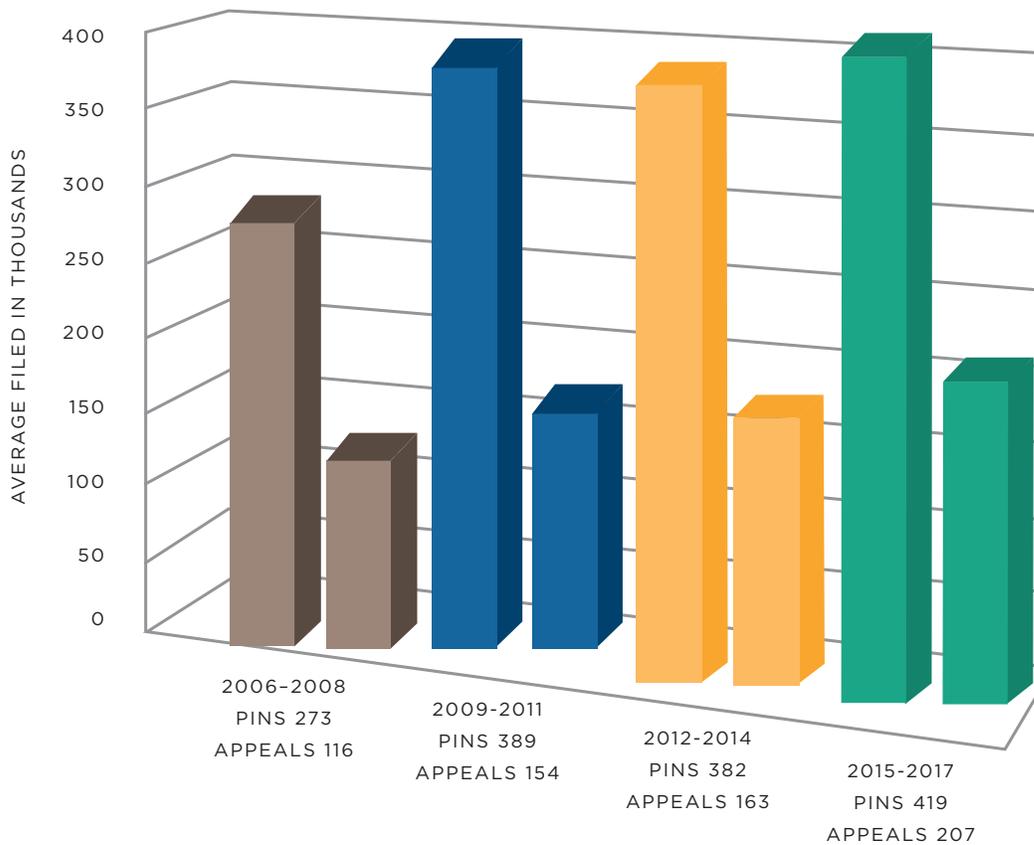
- EMPLOYEES
- APPEALS
- TOTAL PINS FILED

Despite a 19% staff reduction due to mandated budget cuts, the BOR successfully reviewed and adjudicated all 360,700 pins for assessment year 2017.

**BOR was budgeted to add 5 new positions for PTAB mid-year making a total of 130 employees, however, due to County budget constraints we were unable to hire the additional staff.*

OPERATIONAL HIGHLIGHTS

Total PINS and Appeals Filed Assessment Years 2006-2017*



ASSESSMENT YEAR	PINS FILED IN THOUSANDS	APPEALS FILED IN THOUSANDS	REASSESSMENT TRIENNIAL
2006	247	94	CITY
2007	277	125	NORTH SUBURBAN
2008	295	128	SOUTH SUBURBAN
2009	439	159	CITY
2010	386	158	NORTH SUBURBAN
2011	342	146	SOUTH SUBURBAN
2012	423	152	CITY
2013	403	174	NORTH SUBURBAN
2014	319	162	SOUTH SUBURBAN
2015	476	184	CITY
2016	422	208	NORTH SUBURBAN
2017	360	228	SOUTH SUBURBAN

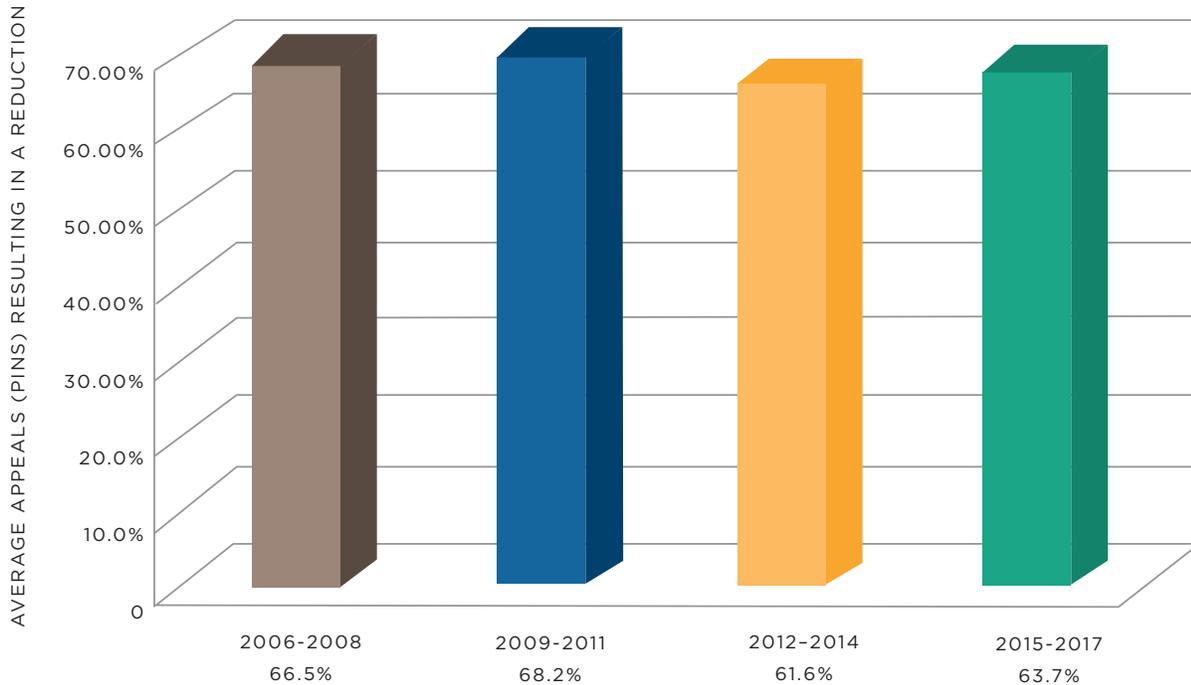
The BOR adjudicated 228,380 property complaints for tax year 2017.

**The Cook County Assessor's Office cycles reassessments between the north suburbs, City of Chicago, and south suburbs. This bar chart reflects the triennial cycle starting with year 2006 to better illustrate year-to-year trends.*

See CCAO Triennial Assessment Cycle Map page 14.

APPEALS RESULTING IN A REDUCTION

Appeals Resulting in a Reduction Assessment Years 2006-2017*



ASSESSMENT YEAR APPEALS RESULTING IN A REDUCTION

2006	61.1%
2007	72.6%
2008	65.8%
2009	75.6%
2010	67.3%
2011	61.7%
2012	64.4%
2013	61.8%
2014	58.6%
2015	64.1%
2016	64%
2017	63%

RESIDENTIAL NON-CONDO NUMBER OF APPEALS FILED

115,159 vs 56,999

ATTORNEY VS PRO SE

61% vs 71%

ATTORNEY VS PRO SE CHANGE

65%

RESIDENTIAL CHANGE

47%

COMMERCIAL CHANGE

* The Cook County Assessor's Office cycles reassessments between the City of Chicago, and the north and south suburbs. This bar chart reflects the triennial cycle starting with year 2006 to better illustrate year-to-year trends.

PTAB APPEALS



The BOR and Illinois Property Tax Appeal Board (PTAB) share a symbiotic relationship. The mandate of each entity is to provide taxpayers with an unbiased forum for appealing assessments at no cost to the property owner. PTAB is a forum to appeal the BOR's decision.

PTAB Defense Division

The purpose of the recently created PTAB Defense Division at the BOR is to defend the County's assessment decisions full-time. PTAB does not have a yearly session so the division is focused year round on defending final assessment decisions, tackling the volume of cases, and addressing the four year backlog which helped create this potential tax refund liability. The Board successfully defended cases saving \$156 million of refunds last year. The Board is building and expanding on this success to keep even more money for schools and government services.

We continue to digitize our PTAB process and documents. Last summer, the Illinois PTAB office launched a new scanning system in which they began electronically transmitting unindexed PDF files of appeal notices transitioning from mailing paper copies. Due to both the size and unorganized nature of the PTAB files, the BOR was tasked with integrating the PTAB documents into its existing Digital Appeals Processing System (DAPS). The BOR's IT team developed a custom solution which filtered and then properly indexed the PTAB dockets by class and property type and developed workflow to direct dockets to the Cook County Assessor's Office for Commercial valuation evidence preparation and BOR staff for Residential valuation evidence preparation. Upon completion of the evidence preparation, these documents are electronically transmitted to PTAB. The PTAB DAPS workflow allows management to monitor workflow as it relates to critical dates and deadlines.

Approximately 7-10% of BOR appeals go to PTAB annually. When a BOR decision is upheld, taxing bodies and Cook County residents save money.

Fiscal Year 2016:

**TAX DOLLARS SAVED
\$156 MILLION**

the difference between assessment reductions requested by appellants and reductions granted by PTAB.

2016 PTAB Caseload

20,311 DOCKETS
CLOSED

4,014 DOCKETS FOR
HEARINGS

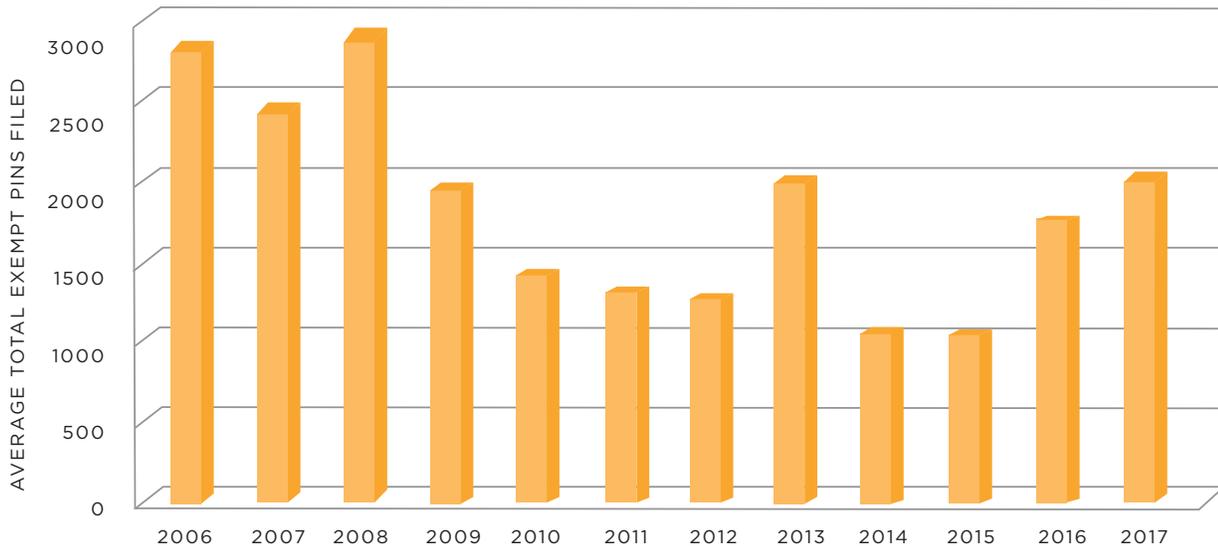
97 PTAB
HEARING DAYS

EXEMPT PROPERTIES & THE BOR

The BOR examines applications from governmental, charitable and religious organizations that believe they meet the qualifications for property tax exempt status. The requirements for property tax exempt status can vary. The BOR examines each case to determine whether the property is specifically exempt by statute and whether the property owner has met the required burden of proof. The BOR may hold a hearing in cases involving a question of law, an incomplete file, or when a taxing body objects to an application. In either case, petitioners are notified by mail of their hearing date. Following the hearing, a recommendation on exempt status is sent to the Illinois Department of Revenue.

While the BOR makes a recommendation, only the State of Illinois can remove property from the property tax roll. In assessment year 2017, the BOR processed 1,928 exempt parcels requesting exempt status.

Exempt PINs Filed*



FISCAL YEAR	TOTAL PINS
2006	2,654
2007	2,404
2008	2,807
2009	1,946
2010	1,367
2011	1,276
2012	1,246
2013	1,911
2014	1,017
2015	1,017
2016	1,694
2017	1,928

2017 TOTAL APPEALS	
GOVERNMENTAL	693
RELIGIOUS/CHARITABLE	380
TOTAL	1,073

2017 TAX YEAR OUTREACH EFFORTS

Through the BOR's community outreach programs, the BOR brings assessed valuation complaint services to the community. During the 2017 assessment year, our office conducted 134 outreach events and serviced thousands of taxpayers throughout Cook County. The main focus is to educate and inform taxpayers of the BOR's services and to explain the assessed valuation appeal process. Our outreach programs have proven to be a viable and effective way to provide the community with important information and to provide transparent access to this office.

The recent Civic Consulting Alliance (CCA) report dutifully noted the underserved communities as a whole are over assessed leading to regressivity in the Cook County Assessor's Office assessment model. Per the CCA report, owners of lower value homes contest their assessments at a lower rate than owners of higher value homes. As it has for many years, the BOR provides transparent access to the assessment appeal process via its Outreach programs. This has proven to be an invaluable vehicle in bridging the gap between the rich and poor homeowners.

The BOR is fortunate to have the continued support for our respective outreach initiatives from elected officials and community organizations throughout Cook County. The BOR has partnered with several elected officials and community organizations whose support has played an integral role in making the BOR more accessible to taxpayers.



DID YOU KNOW? BOARD OF REVIEW

360,700
PINS FILED

87%
PINS FILED ONLINE

91% OF WHICH CREATED
AN ONLINE ACCOUNT

The BOR is administered by
THREE COMMISSIONERS
who are *elected* from individual districts.
The chairmanship of the *BOR rotates among
the three Commissioners* every year.

2017 tax year marks the
SEVENTH TIME
since tax year 1977 that the
second installment tax bills have been
MAILED OUT ON TIME.

The BOR is especially well equipped
to assist taxpayers because of the
MULTILINGUAL STAFF
and documentation. We are currently able to assist taxpayers in
*Albanian, Mandarin, Cantonese, French, German, Greek, Hindi, Italian,
Romanian, Serbian, Spanish, Polish, Punjabi, and Yoruba.*

DID YOU KNOW? COOK COUNTY

1.8 M
PARCELS OF PROPERTY
IN COOK COUNTY

5.2 M
RESIDENTS IN
COOK COUNTY

1,635
SQUARE MILES

Cook County has the largest
WATER RECLAMATION FACILITY
in the world located in Stickney, IL.
The plant processes *1.2 billion gallons of wastewater* per day.

CCAO TRIENNIAL ASSESSMENT CYCLE

