



COOK COUNTY BOARD OF REVIEW

Commissioner Larry R. Rogers, Jr.

Commissioner Dan Patlak

Commissioner Michael M. Cabonargi

AN INDEPENDENT OFFICE

PROVIDING FAIRNESS

— *for* —

COOK COUNTY PROPERTY TAXPAYERS

ANNUAL REPORT

ASSESSMENT YEAR 2018 • FISCAL YEAR 2019

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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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2018 ASSESSMENT YEAR ANNUAL REPORT LETTER FROM COMMISSIONERS

Once again, property tax bills were mailed on time due to the hard work and personal sacrifice of the Board of Review's staff and management team. However, appeal volume has continued to grow exponentially year-over-year with no end in sight. The most recent 2018 City of Chicago triennial reassessment appeal volume was up 33% compared to the previous 2015 reassessment year as measured by complaints (245,000) and up 13% as measured by Property Index Numbers (540,000).

While the Board did receive additional employees for the 2019 budget year, the need for more analysts remains critical because the new staff merely replaced staff lost during the previous year's budget crunch. We also expect a continuing and later than normal flood of appeals in the coming session that threatens to overwhelm our office due to significant angst from property owners in the northern suburbs over the triennial reassessment increases. Therefore, this year, to account for the expectation of increased appeals, the Board has opened on July 1st, a month earlier than in past years.

The Digital Appeals Processing System (DAPS), which was launched in 2015, has continued to perform to expectations allowing the Board to manage the upward trend in appeal volume. However, although we have improved DAPS each year, we have maximized efficiency through content management and workflow and have reached DAPS capacity in helping the Board to finish in a timely manner due to the volume of appeals.

The ever-increasing number of appeals at the Board of Review leads to increasing appeals at the Property Tax Appeal Board (PTAB). Currently, total liability for

PTAB appeals that taxing districts may have to refund to appellants is \$416 million; however, this does not include the 2018 tax year appeals which we also expect to be at record levels. The Board of Review is required

to defend those PTAB appeals on behalf of all taxing districts in Cook County, including the County itself. After defending PTAB appeals for years without funding from the County, the County Board allowed the funding of 5 positions to assist in the defending of PTAB appeals.

The Commissioners have structured the Board of Review with designated staff to review PTAB appeals, prepare evidence, attend hearings, and negotiate settlements with appellants. This is paying off for the County as well as the other taxing districts directly by reducing the losses at PTAB and the resulting refunds that must be paid, with interest, to appellants. The Board's efforts at PTAB also pay off by working to reduce the backlog of PTAB cases and the risk of paying refunds in the future from those backlogged cases.

In summary, the 2018 assessment session was a challenge due to the high volume of appeals and lack of adequate staff. Looking ahead, with an expected historic number of complaints to be filed at the Board of Review in 2019, while there are several solid operational pieces in place, additional staff

will be key in tackling the high number of complaints and finishing on time.

Sincerely,

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



LARRY R. ROGERS, JR.
COMMISSIONER



DAN PATLAK
COMMISSIONER



MICHAEL M. CABONARGI
COMMISSIONER

CITY TRI YIELDS RECORD NUMBERS

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.

Our 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

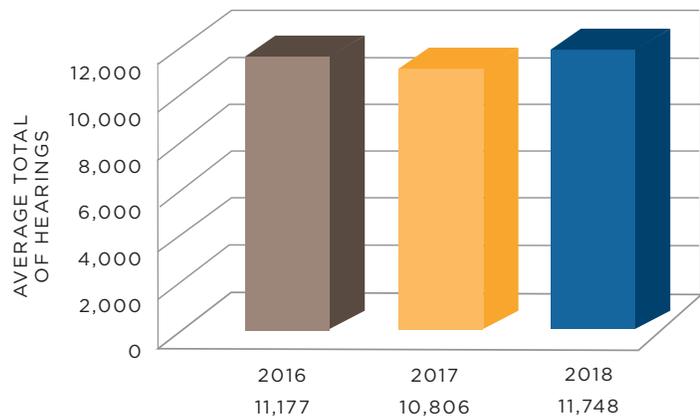
Residential

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

Commercial

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

Number of Requested Hearings

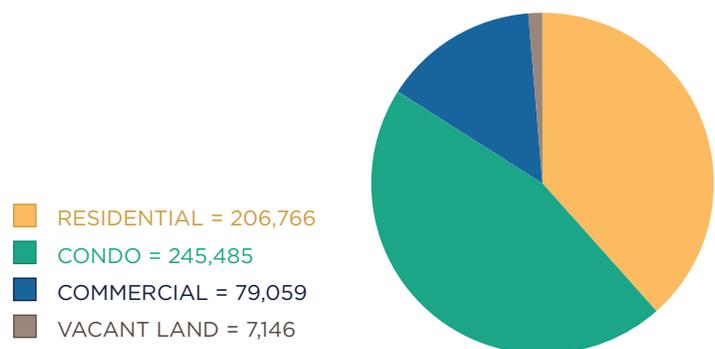


Transparency

Whether commercial or residential, our DAPS system provides 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.

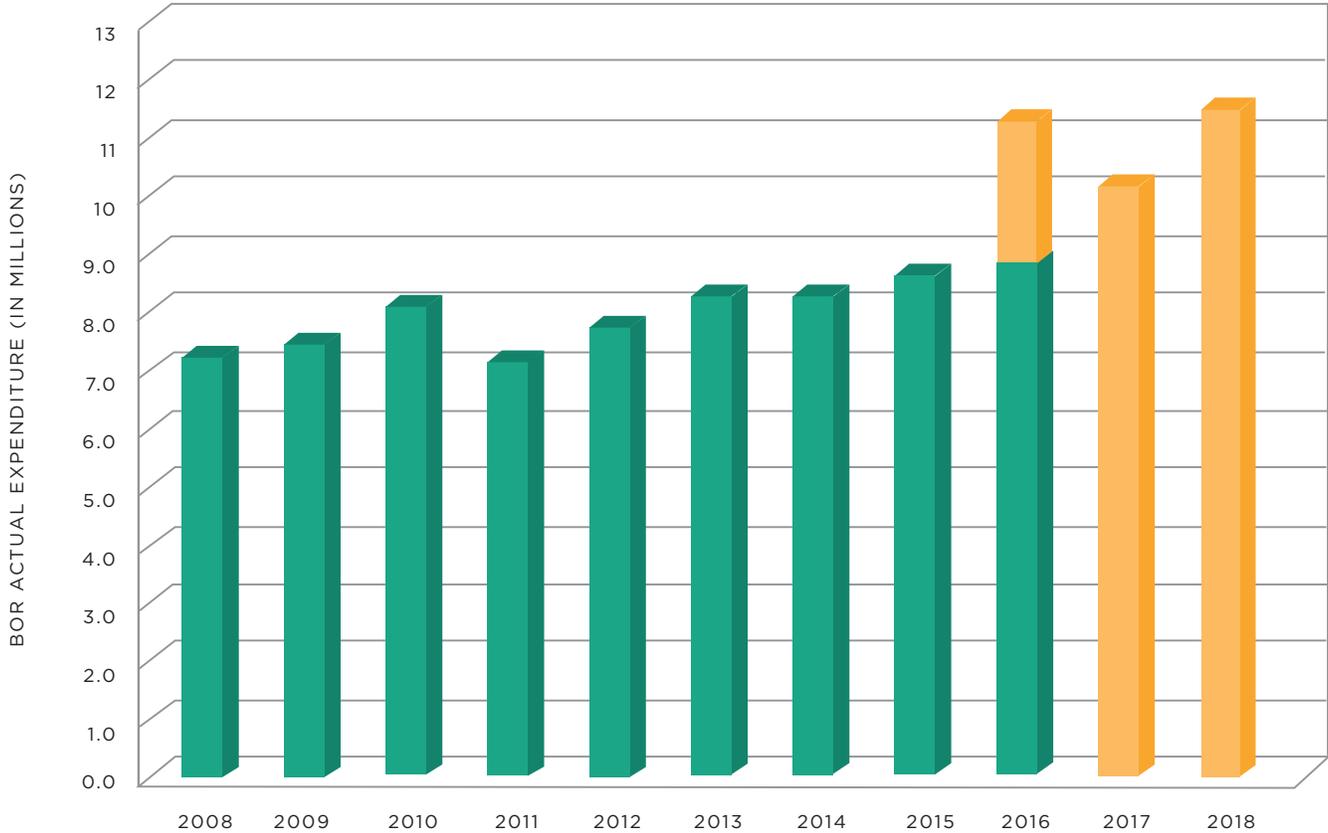
** This chart does not include tax exempt properties.*

Number of PINS Appealed by Property Type*



BUDGET HIGHLIGHTS

BOR Actual Expenditure



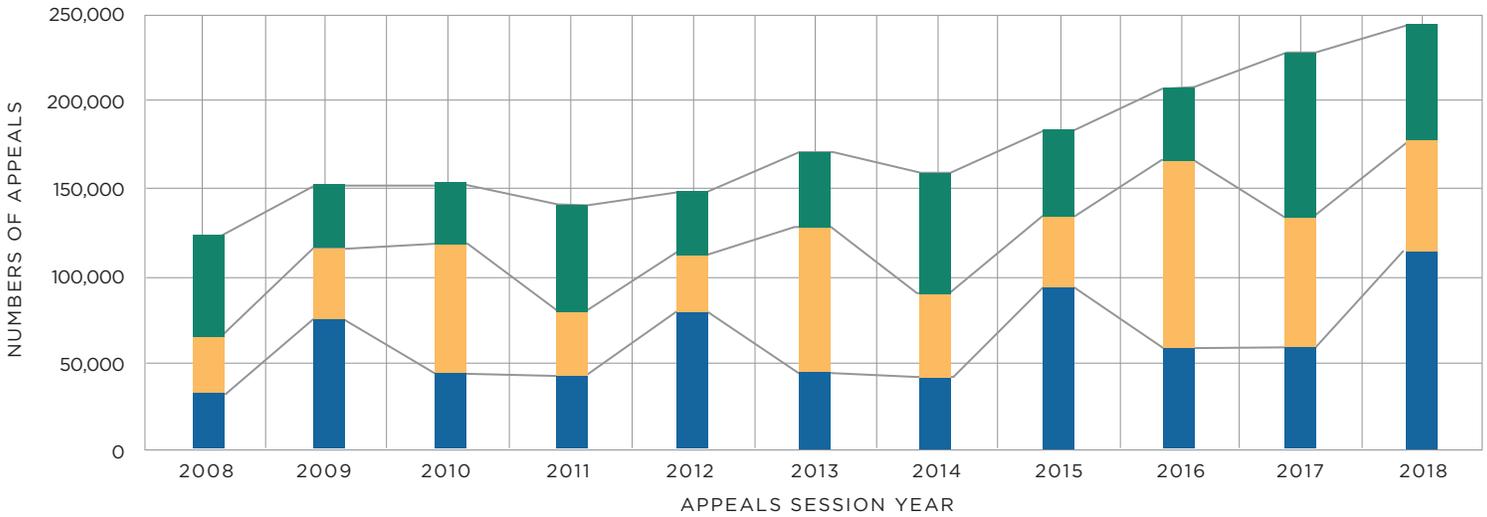
FISCAL YEAR	ACTUAL EXPENDITURE (\$ MILLION)	NEW COOK COUNTY ACCOUNTING*
2008	7.3	
2009	7.5	
2010	8.1	
2011	7.0	
2012	7.8	
2013	8.3	
2014	8.3	
2015	8.5	
2016	8.8	11.4
2017		10.2
2018		11.5

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

Note: The 2018 assessment year corresponds to the later part of the 2018 fiscal year and the beginning portion of the 2019 fiscal year. The BOR fiscal year runs from Dec 01 thru Nov 30.

EMPLOYEES AND APPEALS

Historic BOR APPEAL Data



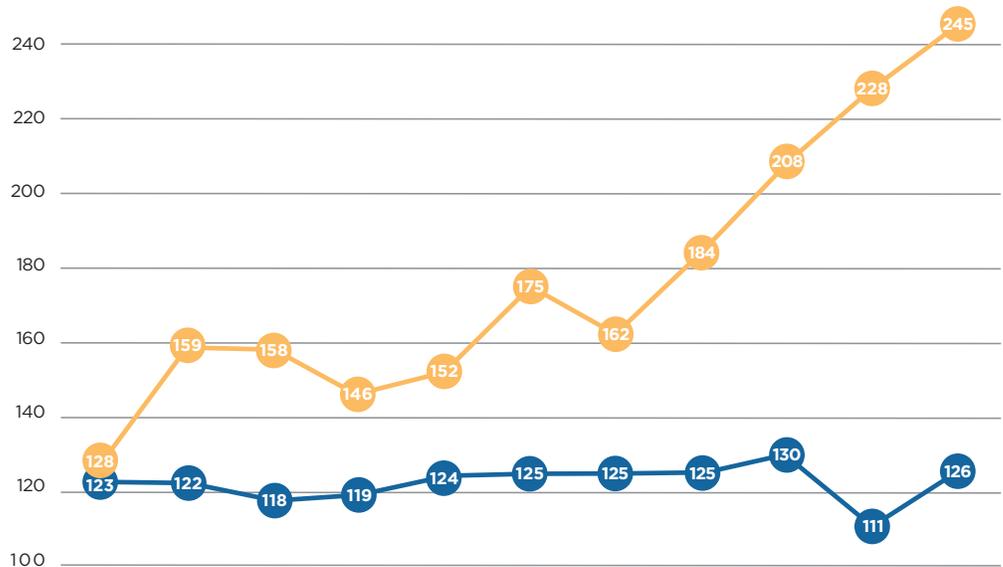
SOUTH TRI ■ S
 NORTH TRI ■ N
 CITY TRI ■ C

2008 Appeal Session Volume 122,655 dockets
 2015 Appeal Session Volume (DAPS) 184,088 dockets
 2017 Appeal Session Volume (May 10) 228,389 dockets
 2018 Appeal Session Volume 245,747 dockets

	EMPLOYEES	APPEALS*	PINS* FILED
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
2018	126	245	540

**in thousands*

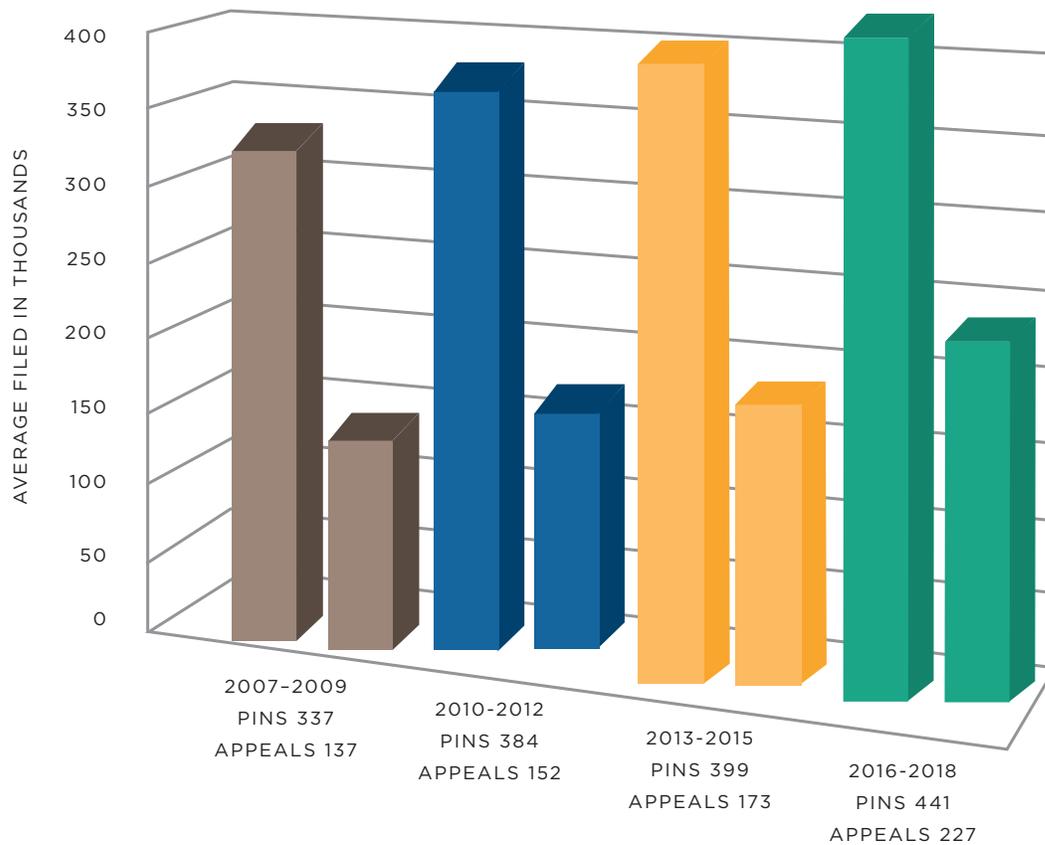
2008-2018 FTEs vs. Appeal Volume



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sum of Number of FTEs	123	122	118	119	124	125	125	125	130	111	126
Sum of Appeals Reviewed (in Thousands)	128	159	158	146	152	175	162	184	208	228	245

OPERATIONAL HIGHLIGHTS

Total PINS and Appeals Filed Assessment Years 2007-2018*



ASSESSMENT YEAR	PINS FILED IN THOUSANDS	APPEALS FILED IN THOUSANDS	REASSESSMENT TRIENNIAL
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
2018	540	245	CITY

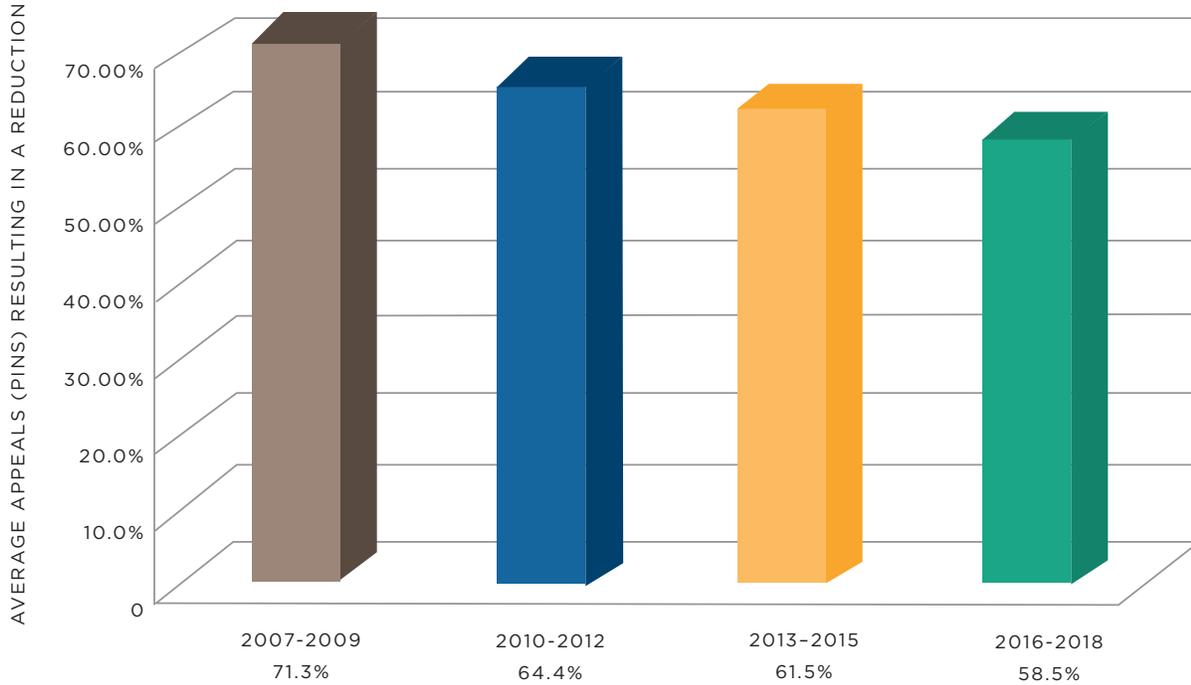
The BOR adjudicated 245,095 property complaints for tax year 2018.

**The Cook County Assessor's Office cycles reassessments between the City of Chicago, north suburbs and south suburbs. The bar chart reflects the triennial cycle starting with year 2007 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 2007-2018*



ASSESSMENT YEAR APPEALS RESULTING IN A REDUCTION

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%
2018	52%

RESIDENTIAL NON-CONDO NUMBER OF APPEALS FILED

136,699 vs 54,091

ATTORNEY VS PRO SE

53% vs 65%

ATTORNEY VS PRO SE CHANGE

57%

RESIDENTIAL CHANGE

34%

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 2007 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 PTAB Defense Division here at the Board is to defend the County's assessment decisions from the appeals at PTAB. For this 2019 Fiscal Year, the Board was for the first time in its history granted 5 funded positions to hire for PTAB work. Given the size of the refund liability, this is a welcome, necessary and valuable resource. Each Commissioner now has dedicated PTAB staff working together and managing all the work necessary to defend all of the County's Taxing Districts as PTAB. Since PTAB does not have a yearly session, this division is active year-round defending the case dockets by preparing and providing evidence, attending hearings, and negotiating settlements from all the prior years appealed until they are closed. Successfully defending and closing appeals, and reducing the backlog of appeals, given the resources available at the Board is our task. A \$416 million tax refund liability is a very large number, and the Board has been very successful in defending the taxing districts. Funding the resources of the Board to defend at PTAB pays off for the County and all the taxing districts. In FY 2018, there was \$128 million of savings from the risk of refunds (and over \$4 million in accrued interest on those refunds saved) for all taxing districts, \$8 million of which was the County itself. Small investments in resources at the Board pay off in large amounts given the size of the refund liability.

The BOR started implementing a digital process for our PTAB workflow this year and improved efficiencies with this in place for most of the year. We look forward to a full year of using this process internally and working with PTAB and our respective technology teams to coordinate improved digital file processing and workflow.

Approximately 7-10% of BOR appeals go to PTAB annually. There have been over 22,000 dockets closed each of the last 3 years, and with the numbers of appeals rising each tax year, those numbers will be going up as those cases are decided.

Fiscal Year 2018:

**TAX DOLLARS SAVED
\$128 MILLION**

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

2018 PTAB Caseload

22,000 DOCKETS
CLOSED

7,656 DOCKETS FOR
HEARINGS

329 PTAB
HEARINGS

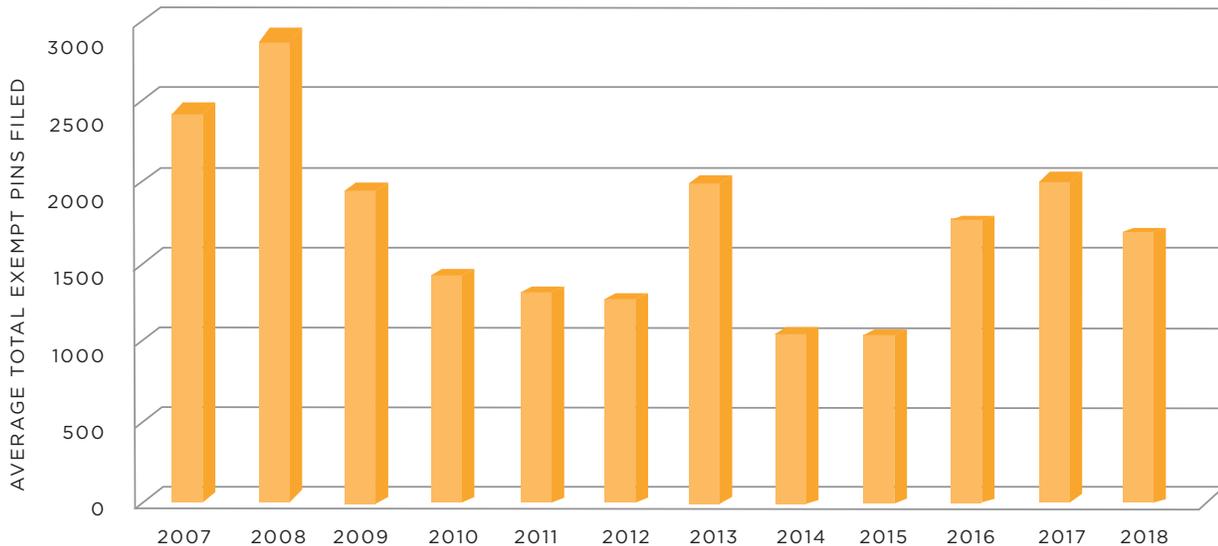
188 PTAB HEARING
DATES

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 2018, the BOR processed 1,527 exempt parcels requesting exempt status.

Exempt PINs Filed



FISCAL YEAR	TOTAL PINS
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
2018	1,527

2018 TOTAL APPEALS	
GOVERNMENTAL	460
RELIGIOUS/CHARITABLE	284
TOTAL	744

2018 TAX YEAR OUTREACH EFFORTS

Through the BOR's community outreach programs, we bring assessed valuation complaint services to the community. During the 2018 assessment year, our office conducted 131 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 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

540,310

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 chairman of the *BOR rotates among the three Commissioners* every year.

2018 marks the

EIGHTH CONSECUTIVE YEAR

under the current commissioners 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, 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

