



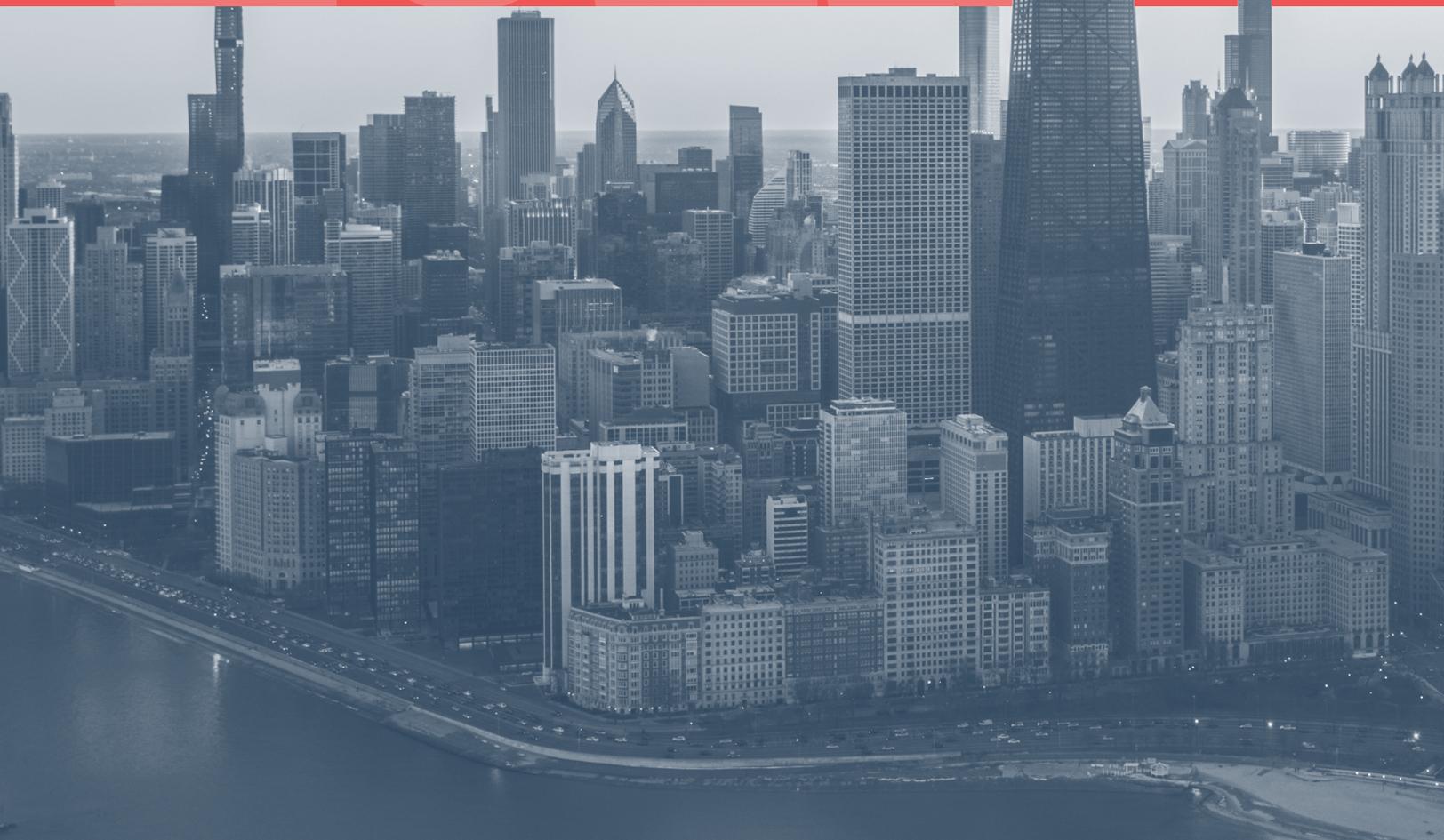
**COOK COUNTY  
BOARD OF REVIEW**

Commissioner Larry R. Rogers, Jr.  
Commissioner Tammy Wendt  
Commissioner Michael M. Cabonargi

**ANNUAL REPORT**

ASSESSMENT YEAR 2021  
FISCAL YEAR 2022

2022



AN INDEPENDENT OFFICE  
**PROVIDING FAIRNESS**  
FOR  
**COOK COUNTY PROPERTY TAXPAYERS**



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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 at the cost of the taxpayer. 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.

## OFFICE

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# 2021 ASSESSMENT YEAR ANNUAL REPORT LETTER FROM COMMISSIONERS

## Your Cook County Board of Review Continues to Rise to the Challenge

The 2021 Assessment appeal year was one of the most challenging in the history of the Board of Review. The Board of Review received the first re-assessed townships in February 2022, seven months late, from the Cook County Assessor's Office. To mitigate the detrimental impact this delay would have on taxpayers, our office maximized efficiency and our staff worked 22,974 overtime hours to allow tax bills to be payable before the year end. This "all hands-on deck" approach is demonstrative of the Board of Review's commitment to ensuring that taxpayers have an opportunity to have their appeals heard so that the Assessor's errors can be corrected. This ensures that taxpayers pay no more than their fair share of property taxes and allows taxpayers to avail themselves of mortgage interest deduction tax advantages.

We continued to support that mission by conducting over 150 community outreach seminars countywide. At these outreach seminars the Board of Review brought its services directly into communities to educate property owners on the property tax system and how to ensure when taxpayers appealed, Assessor errors could be corrected before tax bills were issued. Also, while our analysts were working overtime on Board of Review appeals, the Property Tax Appeal Board (PTAB) appeals continued to send prior year files for the Board of Review to defend before its agency. Fortunately, under the leadership of the Commissioners, the Board's PTAB Defense Unit – created in 2017 – continued to defend the budgets of school districts and other local taxing bodies from unnecessary refunds. This PTAB Defense Unit consists of dedicated staff assigned to prepare evidence and represent the county at PTAB hearings where taxpayers who overpaid property taxes based upon Assessor errors in their assessments, seek refunds from the county and other taxing districts. With a half billion dollars of refunds requested through appeals at PTAB, preparing evidence and representing the taxing districts at PTAB for those cases is a major responsibility of the Board of Review. Eliminating or mitigating exposure through reduced refunds at PTAB has a large impact on the budgets of all the taxing districts in Cook County, including the County's budget itself. The taxpayers of every school district, city, and the whole County benefit from these savings and the Board's PTAB defense work.

The Commissioners are pleased to report the Board of Review finished adjudicating 248,899 appeals. Once again, in anticipation that our appeal volume would rise due to increased assessments across the County, we opened the Board on July 6, 2021. Opening the Board earlier allows us the additional time needed to do our part to get tax bills out on time. Unfortunately, because the Assessor's Office was late certifying townships and transferring them to our office, the Board was not able to begin its work until February 2022 due to data integrity issues from the Assessor's December 2021 township transmittal. Most significantly, the Board received 71% of its work from March 24, 2022, to April 23, 2022. The Assessor's delay in the transmission of townships to the Board coupled with the Board receiving 71% of the volume between March and April 2022 placed immense pressure on the Board of Review and other property tax stakeholders. However, the Board fulfilled its commitment to use all resources to complete its work and successfully finished its session at the beginning of October. It is important to note the dedication of the staff at the Board of Review. To achieve the October completion, many staff members were working seven days/ fifty-sixty hours a week to ensure the Board was successful and tax bill were payable in 2022. We cannot thank the staff enough for the dedication, professionalism, and sacrifice they showed to get the job done in the most challenging circumstances.

## Summary

Every session brings different challenges. However, despite these challenges, the Board was able to complete its session by late April for the prior decade to ensure tax bills were payable by August 1st. However, under this Assessor, this 2021 session brought unique challenges due to the Cook County Assessor's failure to timely transmit townships to the Board of Review and the unsupported exponential increases in values of residential and commercial properties. By receiving the initial townships five months late and then having data integrity delays, the Board of Review began this session under the most challenging circumstances. In spite of the Assessor's failure to timely complete his assessments of Cook County properties and transmit townships those assessments to the Board of Review, the Commissioners and staff were committed to complete our work and ensure that the property tax bill delay caused by the Assessor did not ultimately impact taxpayers beyond their property tax liability. We achieved our goal and successfully completed the session while defending PTAB and executing our other duties.



**LARRY ROGERS JR.**  
COMMISSIONER



**TAMMY WENDT**  
COMMISSIONER



**MICHAEL CABONARGI**  
COMMISSIONER

# THE COOK COUNTY ASSESSOR'S IMPLEMENTATION OF THE TYLER PROJECT DELAYED THE 2021 TAX YEAR 2ND INSTALLMENT TAX BILLS

The Cook County Board of Review opened the 2021 tax year Appeal session on July 6, 2021. Unfortunately, because the Assessor had not completed and transmitted his assessment of any Cook County properties until December 2021 and the 1st City of Chicago township until February 2022, there was an unprecedented delay which drastically affected the schedule for all property tax stakeholders. The Assessor's delay resulted in the Cook County Board of Review not finalizing its work until 466 days later on or about October 9, 2022. During the 2021 Session, the Cook County Board of Review adjudicated 248,899 complaints that comprised 537,618 parcels ("PINs"), all of which alleged errors in the assessment of their properties. The 2021 tax year session included a 12% increase in Commercial complaints when compared to the last reassessment of the City of Chicago for the 2018 tax year. The unsupported substantial increases in Commercial/Industrial assessments by the Assessor, (particularly, during a global pandemic) that ranged from 33% in Hyde Park township to 115% in West Chicago township this significant increase and nearly 9,000 hearing requests for reassessed City of Chicago properties. However, the fact that the 2021 session spanned 466 days can be traced back to the Assessor's decision not to implement its Tyler application pursuant to the 2015 IPTS contract, recommendation of the Bureau of Technology, and industry "best practices." 2021 implementation of its Tyler application caused significant data integration and integrity issues for the Board due to its dependency on Assessor assessment roll data. Despite the Board's July 6, 2021, opening, it did not receive the first townships from the Assessor until December 2021 and due to the aforementioned data integrity issue, analytical work did not commence until February of 2022. The first hearings began March 21, 2022. In addition, from March 24th to April 23rd, the Assessor transmitted 1,323,581 of the total 1,863,980 parcels situated in Cook County or 71% of the Board's total workload. Thus, backloading the Board's schedule with the highest number of parcels, as well as, presenting the Board with the City reassessment and its complex valuation issues.

It is important to note that the delayed finalization of the Board's 2021 tax year session, caused by the Assessor's failure to timely transmit townships to the Board, also delayed the timely distribution of over \$16 billion in real estate tax revenue to Cook County cities, towns, villages as well as fire, police, library and school districts. Another impact of the Assessor's delay was that some taxing bodies were forced to seek "tax anticipation notes." In addition, a number of taxing bodies have bond payments due December 2022; therefore, without distribution in December, the noted payments would potentially be "late." Also, this "timeliness" issue presented a critical potential federal income tax issue for all Cook County residents. Specifically, if the 2021 tax bills are not paid in the 2022 calendar year, taxpayers could forfeit taking a deduction for their federal income tax filings for "settled" state and local taxes, costing residents thousands of dollars in deductions.

## Causes for and the Impact of the Delayed 2021 2nd Installment Tax Bill

- The Assessor failed to implement its "future state" Tyler modules in "parallel" with the fully functioning "legacy" Cook County Property Tax mainframe as required by the 2015 Tyler contract<sup>1</sup>, recommended by Cook County Bureau of Technology<sup>2</sup> and contrary to industry "best practices."
- The Cook County Assessor failed to initially transmit "Building Permit" assessment data for 20 of the 38 townships after certifying and transmitting the data to the Cook County Board of Review. This failure to transmit the building permit data directly impacted key characteristics of properties, such as the age and size of many residential improvements situated in Cook County.
- The Cook County Assessor changed "detail" data of parcels after it no longer possessed jurisdiction over parcels and had already certified and transmitted the townships to the Cook County Board of Review. The changes made to the data by the Cook County Assessor after it no longer possesses jurisdiction, included "occupancy" factors, "building permit" data and related characteristics data. Per statute, if the Cook County Assessor discovers a "mistake" or "error" other than a "mistake or error of judgment post certification and transmission of the assessment roll data to the Cook County Board of Review, the only remedy available to the Cook County Assessor is the "Certificate of Correction." See 35 ILCS 200/14-10 (2022). In addition, "an internal Cook County Assessor policy document described the justification for a "Certificate of Correction" as to correct "an error due to keypunch, or factual error, and the B/R is still open for that specific town, a Certificate of Correction can be used to correct the problem even if an appeal has not been filed at the Board."<sup>3</sup>
- The noted "detail data" issues plagued the entire Cook County Board of Review 2021 tax session due to the obvious uncertainty and lack of confidence in the accuracy of the Cook County Assessor data which directly impacted the Cook County Board of Review's valuation processes. Also, on occasion, the data would change in between the first and second reviews of the file causing the entire file to need to be reset to achieve consistent data for all analysts to use on any given property.

<sup>1</sup> 2015 Cook County Bureau of Technology and Tyler Technologies, inc. (Contract No. 1490-13787)(4.11 "Go-Live and Rollout Support.")

<sup>2</sup> Finance and Technology and Innovation Committees Joint Meeting, April 25, 2022.

<sup>3</sup> Office of the Independent Inspector General, Quarterly Report, 3rd Quarter 2022 (October 14, 2022).

- The PTAB and Circuit Court refund exposure will directly increase due to the delayed distribution of over \$16 billion in real estate tax revenue, the additional staffing resources demanded of all members of the Cook County Property Tax Group (Cook County Assessor, Cook County Board of Review, Clerk and Treasurer) and Cook County Bureau of Technology which also includes overtime compensation, the probable increased Cook County Board of Review "error rate" due to the expedited and compressed 2021 schedule and combined with the substantial 2021 Cook County Assessor.
- For City of Chicago condominium properties, the Cook County Assessor failed to comply with the Illinois Condominium Property Act which requires the Cook County Assessor to assess condominiums while applying the "owner's corresponding percentage of ownership in the common elements as a tract, and not upon the property as a whole." (765 ILCS 605/10a)(2022). The Cook County Assessor's failure to comply with the Illinois Condominium Property Act directly resulted in inconsistent underlying market values or "reproduction cost" values when, per the "Condo Act," there should be one ("1") underlying market for the entire building with each individual unit prorated or assessed per its ownership interest.
  - » In some instances, it appears that the percentage of interest (POI) values, as established in the subject's Condo Declaration, were not used to allocate the fair market value (FMV) when condominiums were re-assessed.
  - » The reproduction cost issue presented significant valuation issues at the Cook County Board of Review which included forcing condo analysts to manually enter reproduction costs line by line for multiple PIN condo complaints which can range from 6 to over 1,000 lines. This additional manual work directly impacted Condo analysis workflow.
  - » The Cook County Board of Review addressed the reproduction cost issue by continuing to apply its historical valuation methodology for residential condominiums based on recent sales and their corresponding POI in the building when establishing the overall FMV.
  - » In addition, in the interest of equity and to ensure the accurate allocation of the FMV for the subject, the Cook County Board of Review also continued its practice of using the POI for each unit as established by the subject's Condo Declaration.
  - » Due to the occasional varying Reproduction Costs found in the same building, the Cook County Board of Review's methodology of relying on the POI when allocating the FMV may have resulted in assessment decreases for some units and assessment increases for other units within the subject building while maintaining the underlying FMV.
  - » To ensure the equitable allocation of the FMV, and not compound the Reproduction Cost errors caused by the Cook County Assessor, the Cook County Board of Review may have issued increases, when deemed appropriate, to accurately allocate the FMV throughout the building based on the per unit POI as established in the Condo Declaration.
    - › This enabled the Cook County Board of Review to reach its two primary goals when valuing condominiums;
    - › Established an accurate overall FMV with a singular reproduction cost for the entire condominium building; and
    - › Equitably allocated that FMV for the subject based on individual unit's percentage of interest as established in the Condo Declaration.
  - » Cook County Board of Review Reproduction Cost "Repro" Condo Tool
    - › In addition, the Cook County Board of Review committed considerable IT, Administrative, and Analytical resources to develop, test, and implement a valuation application to assist the Cook County Board of Review to fairly and accurately value Condo properties based on the sales evidence and more importantly, pursuant to the Condo Act.
    - › This Excel based application considers a "Target Market" value determined by the analyst based on the sales approach. The "Target Market Value," determines whether the individual "reproduction costs" are either a "decrease" or "increase."
- Backloading of the Cook County Board of Review Schedule

» **The Cook County Assessor transmitted 71% of the parcel volume to the Cook County Board of Review from March 24th to April 23rd 2022. See Cook County Assessor 2021 Tax Year Publication Dates Townships (18) and related Parcel volume (1,323,581) (71% of all Cook County parcels) (1,863,980)**

› In sum, in a 30-day time span, the Cook County Board of Review assumed jurisdiction over 71% of all parcels situated in Cook County.

» **The Re-assessment of the City of Chicago represented over 52% of the 1.8M plus parcels located in Cook County.**

› **Seven (7) City Triennial Townships represented 858,884 total parcels.**

2021 CCAO Filing Volume versus 2021 CCBOR Filing Volume	
Group 1	5,868 vs 8,541 (+46%)
Group 2	2,437 vs 4,423 (+81%)
Group 3	11,592 vs 18,787 (+62%)
Group 4	23,273 vs 26,977 (+16%)
Group 5	9,490 vs 16,480 (+71%)
Group 6	6,510 vs 10,937 (+67.5%)
Group 7	18,683 vs 27,170 (+45%)
Group 8	26,967 vs 40,175 (+49%)
Group 9	24,123 vs 39,772 (+64%)
Group 10	40,512 vs 55,147 (+36%)
<b>TOTAL</b>	<b>169,455 vs 248,899 (+47%)</b>

# THE COOK COUNTY BOARD OF REVIEW'S ROLE IN THE IPTS PROJECT

## Background

The 2015 assessment appeal year (2015-16) marked the culmination of four (4) years of preparation a re-engineering of the Cook County Board of Review's (hereinafter "Board") operations from a 100% paper-based process to a 100% digital workflow. Against the background of significant increases in appeals volume, the 2015 session marked a monumental advance in efficiency at the Board, leading the way in County government with the launch its "enterprise content management" ("ECM") application, Digital Appeals Processing System (hereinafter "DAPS") which leverages OnBase software. It should be noted that the Board went live with DAPS during the reassessment of the City of Chicago which, at that time, yielded a historical number of complaints filed at the Board.

DAPS provided the Board an unprecedented ability to track and process complaints; achieve greater transparency; enhance the access and ease of use for taxpayers; improve overall management; and save over two million pieces of paper.

In addition, DAPS allowed taxpayers to electronically to submit evidence via its portal instead of in person or via the mail. The complaints and related valuation evidence is accessible by the taxpayer via the DAPS portal.

This historic change in the appeals processing system was a blueprint that captures how to make significant changes in a cost-effective manner in a relatively short period of time. With the streamlined system in place, the Board adjudicated a then record number of complaints without increasing staff and timely finalizing its session which allowed a July mailing of the 2nd Installment tax bill. The July mailing of the 2nd Installment tax bill assures an uninterrupted revenue stream for local education, police and fire protection and multiple other local services and projects.

## The Cook County Board of Review's analytical workflow is NOT a mainframe process

The Cook County Board of Review's analytical workflow has never been a mainframe-based process, however, it does solely depend upon mainframe assessment roll data created and transmitted by the Assessor. More importantly, the frequent inquiries regarding "when is the Board of Review transitioning off the mainframe" are grossly misplaced. Particularly, when the Cook County Board of Review modernized its analytical processes in 2015 which the Assessor has yet to achieve at this time.

## No Cook County Board of Review specific software modules in the 2015 IPTS contract

Due the Cook County Board of Review's successful implementation of its future state application, the Digital Appeals Processing System ("DAPS"), Tyler was not contracted to develop and implement any software modules exclusively for the Cook County Board of Review. Specifically, Tyler was contracted to provide the following modules<sup>4</sup>:

### Tyler Solution and Specific Software Fuctionality Required by Cook County

Tyler shall provide, install, configure and customize the Tyler Solution (software) as necessary to meet the County's Property Tax needs. Tyler shall provide at least the following software modules to meed the County's requirements:

1. CAMA;
2. Exemptions;
3. Tax Billing and Collection;
4. Inquiry and Appeals;
5. Field Mobile;
6. E-file;
7. Public Access;
8. Cashiering;
9. Content Management;
10. Analyze;
11. Activity Center;

It is important to note that in the 2015 IPTS contract Tyler acknowledged that the Cook County Board of Review and Assessor appeals processes are separate and distinct, stating the following:<sup>5</sup>

- The Board of Review (Cook County Board of Review) appeals process is currently being automated via Hyland OnBase Software. This is not the same as the Assessor's Appeals process or 2nd pass. Tyler shall automate the Assessor's Appeals process, or 2nd pass. Tyler shall build the appropriate interfaces to the Cook County Board of Review OnBase implementation.

<sup>4</sup> 2015 Cook County Bureau of Technology and Tyler Technologies, inc. (Contract No. 1490-13787 (3.3 "Tyler Solution and Specific Software Functionality Required by Cook County.")

<sup>5</sup> Id. at L.

In sum, there are no Cook County Board of Review specific software modules outlined in the subject contract. with the Cook County Board of Review singular but vital role of having the ability to "PULL" and "PUSH" assessment data from the proposed "future state" application. The Tyler solution "IASWorld" as it had from the "legacy" "mainframe" which is a data source shared by all members of the Cook County Property Tax Group which includes the Cook County Assessor, Cook County Board of Review, CC Clerk and CC Treasurer.

**Tyler was contracted to develop interfaces with the Cook County Board of Review’s DAPS application**

However, due to the gross mischaracterization of the Cook County Board of Review’s role/involvement in the IPTS, and more importantly, the impact on the 2021 2nd Installment Tax Bill, it must be noted that the "2015 IPTS Contract" explicitly states that "THE BOARD OF REVIEW IS CURRENTLY AUTOMATING ITS PROCESSES VIA ONBASE SOFTWARE, THUS TYLER SHALL IDENTIFY AND BUILD ALL COOK COUNTY BOARD OF REVIEW INTERFACES WITH ONBASE AND DOCUMENT SAID INTERFACES IN THE INTERGRATION PLAN."<sup>6</sup>

In addition, Tyler stated that the Cook County Board of Review’s OnBase solution was compatible with iasWorld application.<sup>7</sup>

**System Requirements**

Tyler shall provide all functionality in-scope. The functionality listed below corresponds to the requirements identified by business process owners in the Uses Case, which Tyler shall validate.

No.	Requirements	Module or Solution Name	In-scope?
5.011	Systems can capture credit card and e-check payments through the receipt of an interface file from external source (i.e. banks, credit card processors)	iasWorld	Yes
5.012	Systems can access Board of Review (BOR) review process finalized results from Onbase software.	iasWolrd	Yes
5.013	System can interface with OnBase to present all relevant BOR PIN information for an analysist to make a decision.	iasWorld	Yes
5.014	System can associate (link) location of document in OnBase to a PIN.	iasWorld	Yes
5.015	System inferfaces with the BOR OnBase system to pull the PTAB data and update the refunds values.	iasWorld	Yes

Concerning the "integration" of the Cook County Board of Review’s DAPS application, the 2015 contract clearly states the following<sup>8</sup>:

**Integration**

Upon completing its initial assessment of the County’s Technology environment, Tyler shall document a plan that at minimum documents the required interfaces with sufficient detail to understand the data that will be pushed and/or pulled from each date source, including comprehensive diagrams. This plan should also outline the approach and timeline to build, test and accept interfaces. Tyler shall also discuss with the County the recommended interfacing approach such as web services, batch file processing, direct database integration via APIs, and/or the County’s Enterprise Service Bus (ESB) prior to finalizing any decisions or making any assumptions. The County shall review and approve the Integration Plan.

Tyler shall at minimum provide:

1. An Integration;
2. An updated integrations/interface model/diagram;
3. Planned interfacing methods (real-time/batch, etc.);
4. Estimated phased timeline for interfaces to go live;
5. Approach to build and test each of the interfaces/integration;
6. For each identified interface, Tyler shall alert the County to work with its vendors to estimate **indirect** level of effort by resources other than Tyler’s resources.
7. Tyler shall at minimum build interfaces to the following existing technologies:

**OnBase Software.**

OnBase is used in various Property Tax Offices including the BOR, Treasurer’s Office and Assessor’s Office. Tyler shall validate OnBase data feeds with all Offices.

<sup>6</sup> Id. at 3.3.1.8

<sup>7</sup> Id. at 3.3.2

<sup>8</sup> Id. at 3.7

Therefore, pursuant to the "2015 IPTS Contract," the vendor, Tyler, shall document an integration plan that, at a minimum, that documents the REQUIRED INTERFACES with sufficient detail to understand the data that will be PUSHED and/or PULLED from each data source which specifically includes NOT excludes OnBase. To date, such a plan does not exist nor contractually is it the responsibility of the Cook County Board of Review to create such a plan. See Section 3.6. However, the Cook County Board of Review has proactively secured capital project approval and funding to build an interface between the Cook County Assessor's Office and the Cook County Board of Review. This capital project will complement Tyler's efforts to establish this interface. Due to the well-known data dependencies of all members of the Cook County Property Tax Group, but particularly the numerous exchanges between the Cook County Assessor and Cook County Board of Review, the Cook County Board of Review's ability to "PUSH" and "PULL" data to and from the future state application, "IASWorld" is critical to not only the entire Cook County Property Tax Group, but ultimately to all Cook County residents.

It should be noted that the Cook County Board of Review has actively participated in the IPTS efforts, producing "file layouts," "process maps," and "workflow maps" dating back to, at least February 2016, clearly pre-dating the current Cook County Assessor administration, however, this data has been saved and shared on the "Integrated Property Project Team" site.

It should be noted that the Cook County Assessor informed the Cook County Board of Review in late June of 2021 of its inability transmits assessment data via its future state application, "iasWorld" despite having launched Phase 1 of assessment "Go Live." Nonetheless, Cook County Assessor, Cook County Board of Review, Bureau of Technology and Tyler all collaborated on a solution that relied on the mainframe for the 2021 tax year. Presently, for the 2022 tax year, until an interface between the Cook County Board of Review's OnBase application and "iasWorld" as contracted for is developed and tested, the Cook County Property Tax Group will again rely on the mainframe "workaround" solution. This "interface" issue was identified and addressed in the "2015 IPTS Contract," therefore, it is far from a "newly discovered" issue.

## THE ASSESSOR'S INTENTIONAL SHIFT OF THE TAX BURDEN BASED ON FLAWED ASSESSMENT METHODOLOGY

### Majority View

In considering the income and expenses of a property, a decision must be made on how to treat the property taxes. When property is valued for ad valorem tax purposes, taxes should not be considered an expense item. Because any deduction from gross income directly affects the indicated property value through the income approach, only typical and reasonable expenses can be used.

When property is valued for ad valorem tax purposes, therefore, property taxes cannot be shown as an operating expense because the actual taxes are not known as of the assessment date. Indeed, the appraisal is often done to estimate the amount of tax. The problem can be resolved by developing an effective tax rate and including it in the capitalization rate for the subject property.

To avoid circularity, however, property taxes are accounted for in valuations for assessment purposes by adjusting the capitalization rate. Otherwise, the amount of tax affects the estimate of value used to calculate the tax.

## THE ASSESSOR'S "SHIFT" UNLOADED CAP RATE METHODOLOGY

### Unloaded Cap Rate

The Assessor does not use a loaded cap rate because the tax rate, and levy, vary from year to year, depending on the municipality and other local taxing bodies. As such, taxes cannot be predicted down to a precise dollar amount prior to the millage rate being announced after assessments are certified.

The Assessor uses an unloaded cap rate because it reflects the way transactions and investments are viewed in the open marketplace. The typical tax appeal appraiser will conclude for an unloaded cap rate and then add the tax load to that number and explain that the rates should equal that same valuation when unwound. Instead of convoluting the cap rate by loading it, we utilize the unloaded rate to compare apples to apples in a clear and transparent way.

# ILLUSTRATION OF CAPITALIZATION RATE VS. LOADED CAPITALIZATION RATE CALCULATION

CCAO Mass Income Approach					
	No Tax Load Applied		Tax Load Applied		
Square Feet	94,134		94,134	\$310,642.00	
Rent PSF (PGI)	\$3.30	\$310,642.00	\$3.30	\$292,003	
V/C (EGI)	6%	\$292,003	6%	\$248,203	
Exp (NOI)	15%	\$248,203	15%		
Cap Rate	8.50%		8.50%		2021 Tax Load: 5.59%
Cap Rate + Tax Load			14.09%		
Market Value	\$2,920,037		\$1,761,555		
Assessed Value	\$730,009		\$440,389		

Note: 66% over tax load calculation

2018 Tri TMV	2021 CCAO TMV	2021 CCBOR Relief TMV	2021 Appr.
\$841,276	\$2,920,028 (+247% over 2018 TMV)	\$1,764,753 (+110% over 2018 TMV)	\$840,000
2020 RET	2021 CCAO RET	Actual 2021 RET	
\$47,007	\$147,280 (+213% over 2020)	\$89,010 (+89% over 2020)	
2021 PTAB Refund Liability			
	\$104,912	\$46,643	

# EXAMPLE OF THE IMPACT OF THE ASSESSOR'S MISDIRECTED "SHIFT" METHODOLOGY

**Subject: "Family Dollar " located at 2274 N. Milwaukee Avenue, Chicago, Illinois**

	2018 CCBOR Relief	2018 Appr.	2020 RET	2021 CCAO	2021 RET.	2021 Appr.
Family Dollar 2274 N Milwaukee	\$1,064,804 (BOR NC)	N/C	\$59,515	\$1,725,620-+62% (BOR NC)	\$87,035-+46%	\$830,000

Freestanding Retail - Northwest City Submarket Chicago, IL 60647	10,000 SF GLA	0.63 AC Lot	1956 Built	Single Tenancy
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**Subject: "Save a Lot" Grocery Store located at 420 S. Pulaski Road, Chicago, Illinois**

	2018 CCBOR Relief	2018 Appr.	2020 RET	2021 CCAO	2021 RET.	2021 Appr.
Save A Lot 420 S Pulaski	\$1,191,960	\$875,000	\$66,604	\$2,540,908 +113%-No BOR Action	\$151,746+127%	N/A

Supermarket - Northwest Cit Submarket Chicago, IL 60624	11,440 SF GLA	1.15 AC Lot	1968/2008 Built/Renov
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# HEARINGS

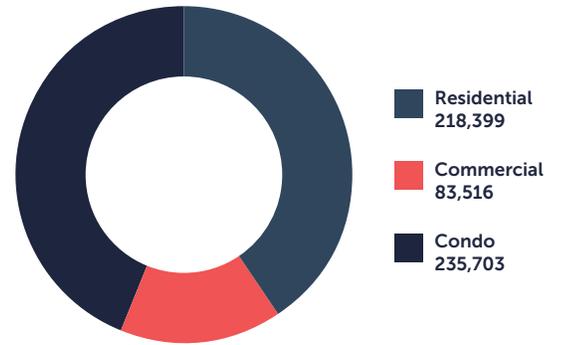
## Residential

The pandemic prompted the Board to be nimble in its operations. The Board, therefore, undertook a triage system of pro se hearings, having members of our Clerk’s staff do pre- screening phone calls with taxpayers to see if they wished to proceed to hearing or simply had questions about the process. The Board is happy to report that taxpayers and our hearing officers found this created efficiencies and provided better service to taxpayers.

## Commercial

Similarly, Cook County Board of Review commercial hearing officers reported efficiencies in the hearing process having all hearings conducted via video conference while maintaining full transparency to the public.

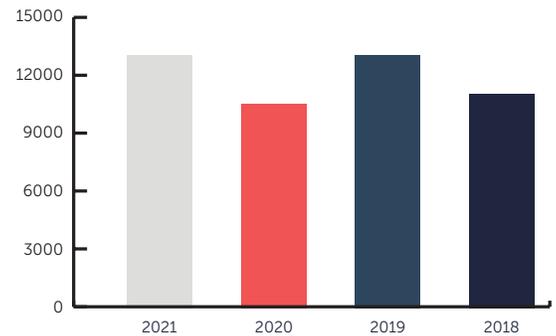
Number of PINS Appealed by Property Type



# TRANSPARENCY

All information – notes, evidence, and decisions – have been available online for seven years. Taxpayers may view final decision rendered and any notes by the analysts. The Board is also proud that it frequently is quicker than the statutory deadline to respond to FOIA requests.

Number of Requested Hearings



# BUDGET HIGHLIGHTS

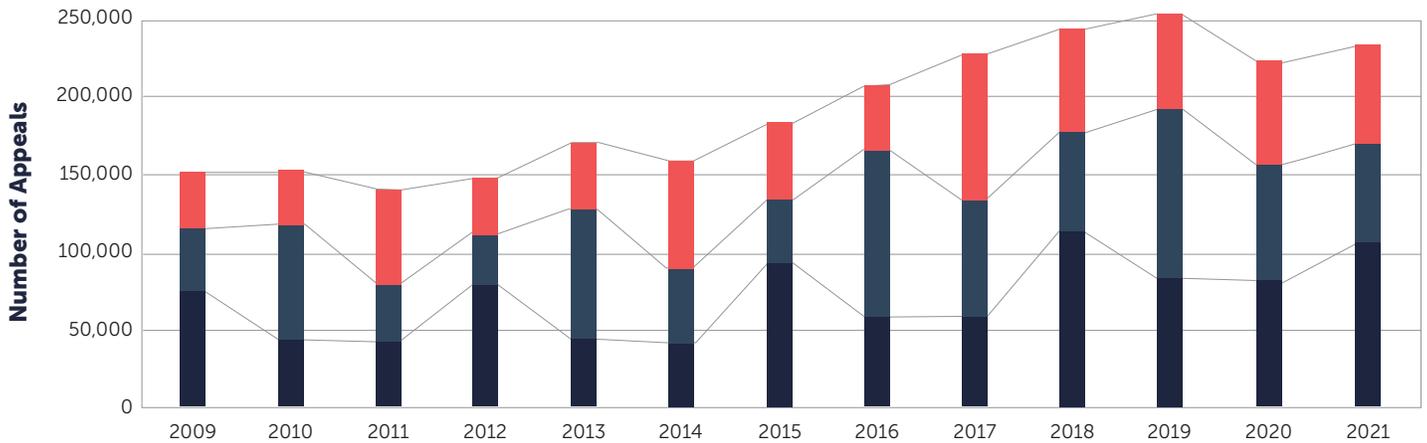
- The Board continues to maintain a lean operation despite the explosion of cases appealed
- The Board has leveraged technological efficiencies to keep up with the massive increase in cases filed and has realized a modest increase in head count to help maintain its successes
- Moreover, the Board continues to maintain a budget that is overwhelmingly focused on personnel to continue service to the taxpayers
- The Board operates on the tax year; the information below is per the fiscal year
- Improve time to process appeals
- Improved public data access and transparency
- Severance the reliability on the mainframe
- Improved intergovernmental property tax agency data interaction and processes
- Intuitive portal enhancements for a better public user experience

Appropriations (\$ thousands)				
Fund Category	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted
Corporate Fund	13,473	14,073	14,924	17,834
Special Purpose Funds	0	0	1,084	0
<b>Total Funds</b>	<b>13,473</b>	<b>14,073</b>	<b>16,008</b>	<b>17,834</b>
Expenditures by Type				
Personnel	12,820	13,466	15,162	16,699
Non Personnel	653	607	846	1,135
<b>Total Funds</b>	<b>13,473</b>	<b>14,073</b>	<b>16,008</b>	<b>17,834</b>
FTE Positions	142.0	142.0	151.0	156.0

# EMPLOYEES AND APPEALS

Appeals have held relatively consistent from 2009 to 2015, at which point they have been steadily rising year over year. In the decade from 2009-2021, the BOR has seen a 59% increase in the volume of appeals. While we cannot say with certainty why appeals are increasing, we attribute it to a combination of our office’s increased community outreach efforts to inform and assist property owners with the appeals process, as well as to changes in assessment practices by the Cook County Assessor.

**Historic BOR APPEAL Data**



**SOUTH TRI** S  
**NORTH TRI** N  
**CITY TRI** C

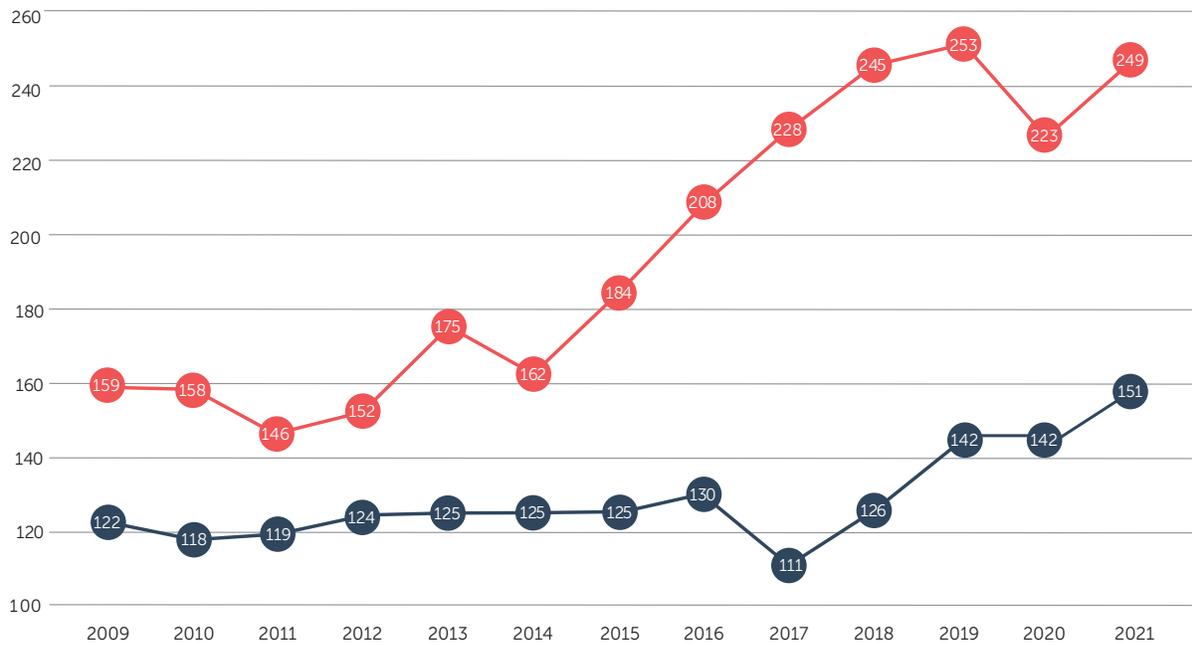
2009 Appeal Session Volume . . . . .	159,000 dockets
2015 Appeal Session Volume (DAPS) . . . . .	184,088 dockets
2017 Appeal Session Volume (May 10) . . . . .	228,389 dockets
2019 Appeal Session Volume . . . . .	253,425 dockets
2020 Appeal Session Volume . . . . .	223,276 dockets
2021 Appeal Session Volume . . . . .	248,899 dockets

While the volume of appeals has more than doubled, BOR staff (measured in Full Time Equivalent employees, or FTEs) has barely kept pace. Nevertheless, we have increased the number of appeals reviewed exponentially by modernizing and professionalizing the office with our digital appeals system. The Board also increased outreach capabilities to match the need and access given the ongoing pandemic to ensure residents are still reached when in person outreaches have been paused. Also, an increased measure of analysts available to help residents over video conferencing and walk them through each step on how to file an appeal with the Board. In addition to increasing access to resources available in other languages than English to reach more communities

In 2015, the BOR moved from an arcane paper-based system to an award-winning digital system that also made the Board’s functions more transparent and more easily accessed by the public. Over twelve years, the number of BOR appeals has risen by 103%, but the investment in the technology allowed the BOR to do its job much more efficiently: eliminating the cumbersome paper-based system, making it easier for management to find and clear chokepoints in the process, and making the data transfer between offices (the Board, the Assessor, the Treasurer, etc.) much more seamless and faster. These efficiencies have saved weeks in each session and created efficiencies in downstream offices.

# EMPLOYEES AND APPEALS CONTINUED

**2009-2021 FTEs vs Appeal Volume**



● Sum of Number of FTEs  
● Sum of Appeals Reviewed (in Thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sum of Number of FTEs	122	118	119	124	125	125	125	130	111	126	142	142	151
Sum of Appeals Reviewed (in Thousands)	159	158	146	152	175	162	184	208	228	245	253	223	249

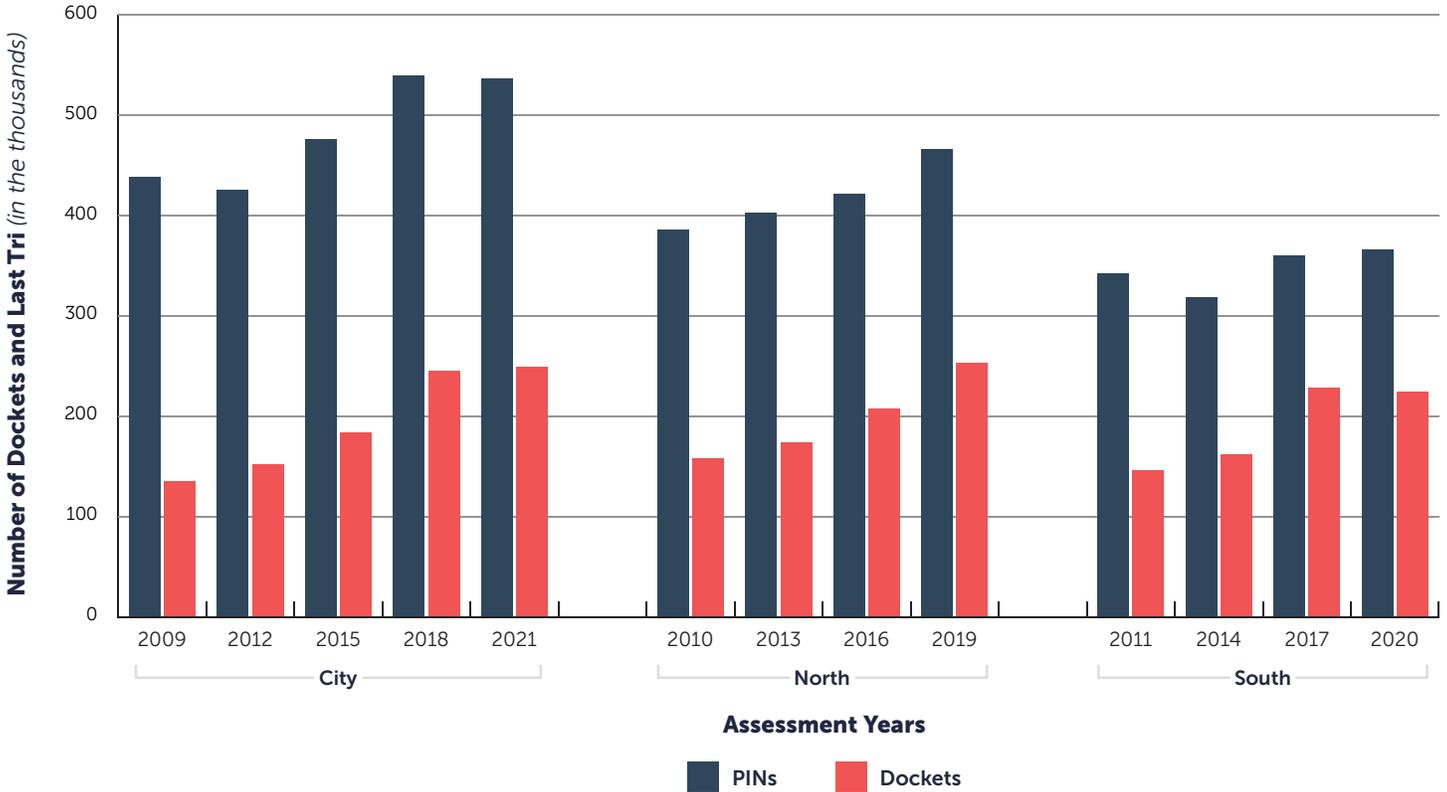
	Employees	Appeals*	Pins* Filed
2009	122	159	439
2010	118	158	386
2011	119	146	342
2012	124	152	423
2013	125	175	403
2014	125	162	319
2015	125	184	476
2016	130	208	422
2017	111	228	361
2018	126	245	540
2019	142	253	466
2020	142	223	387
2021	151	249	537

\*in thousands

# OPERATIONAL HIGHLIGHTS

## Total PINs and Appeals Filed

Although the Board continues to see a large increase in the volume of appeals year over year, the 2021 assessment was a nominal increase over the 2018 assessment, however, there was a notable 12% increase in Commercial/Industrial filings due to the significant Assessor increases.



### Historical filing data before the Board from 2009-2021:

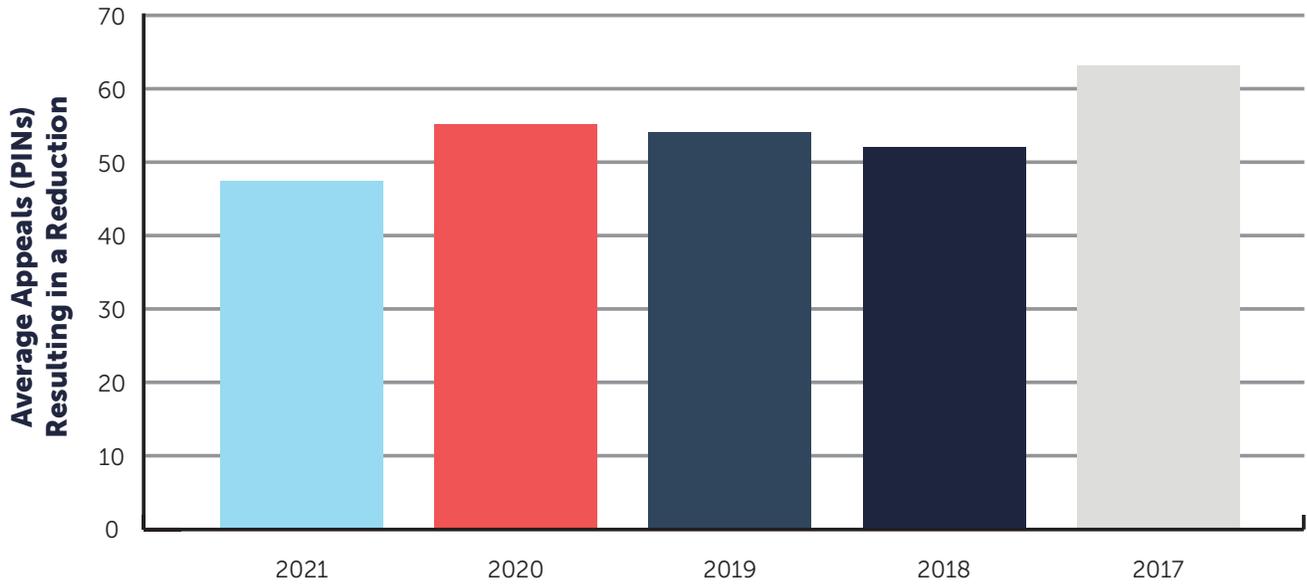
	Tri/Assessment Year	PINs (in thousands)	Dockets (in thousands)
City	2009	439	135
	2012	426	152
	2015	475	184
	2018	540	245
	2021	537	249
North	2010	386	158
	2013	403	174
	2016	422	208
	2019	466	253
South	2011	342	146
	2014	319	162
	2017	360	228
	2020	366	224

# APPEALS RESULTING IN A REDUCTION

## Assessment Years 2008–2021

Since 2017, the Board's total reductions of all property types have been well below 60%:

**Appeals Resulting in a Reduction Assessment Years**



Reductions by Property Type			
	Residential	Commercial	Tri
2021	44%	56%	City
2020	45%	57%	South
2019	57%	34%	North
2018	65%	47%	City

Year	Docket Resulting in Reductions
2009	77%
2010	67%
2011	62%
2012	64%
2013	62%
2014	59%
2015	64%
2016	64%
2017	63%
2018	52%
2019	54%
2020	55%
2021	47%

RESIDENTIAL NON-CONDO  
NUMBER OF APPEALS FILED

**190,318 vs 58,581**  
ATTORNEY VS PRO SE

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**41% vs 51%**  
ATTORNEY VS PRO SE CHANGE

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**44%** | **56%**  
RESIDENTIAL CHANGE | COMMERCIAL CHANGE

# PTAB APPEALS

The Illinois Property Tax Appeal Board (PTAB) is frequently the next level most taxpayers can choose to appeal the decision of the Cook County Board of Review. 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 Cook County Board of Review'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. This division is active year-round defending the dockets by preparing and providing evidence, arguing at 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. The current total refund liability is \$278 million. 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 2022, there was \$137 million of savings from the risk of refunds (plus savings on interest) for all taxing districts. Small investments in resources at the Board pay off in large amounts given the size of the refund liability. The Cook County Board of Review was able to utilize a digital process for our PTAB workflow for the first full year and improved efficiencies with this in place. Each year we improve this process, 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.

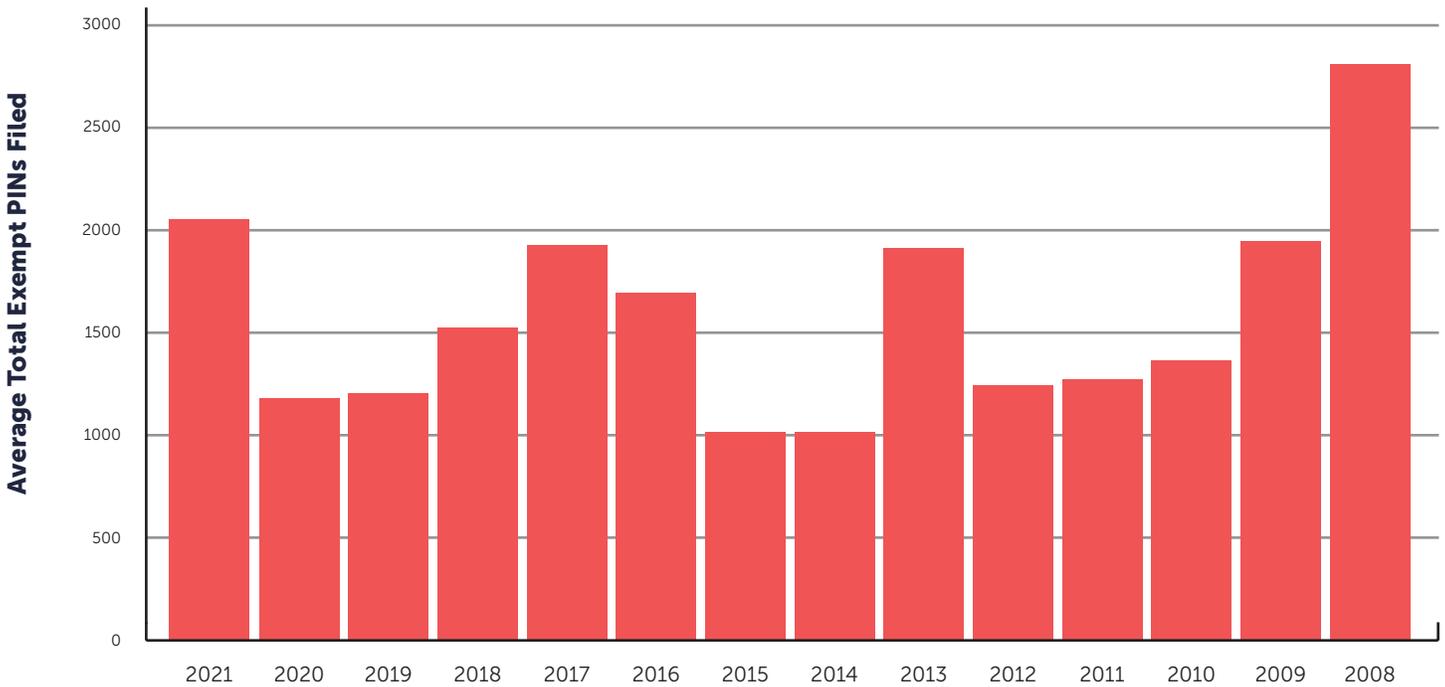


# EXEMPT PROPERTIES & THE COOK COUNTY BOARD OF REVIEW

The Cook County Board of Review 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 Cook County Board of Review 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 Cook County Board of Review 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 Cook County Board of Review makes a recommendation, only the State of Illinois can remove property from the property tax roll. In assessment year 2021, the Cook County Board of Review processed 1,182 exempt parcels requesting exempt status.

**Exempt PINs Filed**



Year	PINs
2021	2,058
2020	1,182
2019	1,208
2018	1,527
2017	1,928
2016	1,694
2015	1,017
2014	1,017
2013	1,911
2012	1,246
2011	1,276
2010	1,367
2009	1,946
2008	2,807

2021 Total Exemption Petitions	
Governmental	1,123/1,521
Religious/Charitable	256/537

# 2021 TAX YEAR OUTREACH EFFORTS

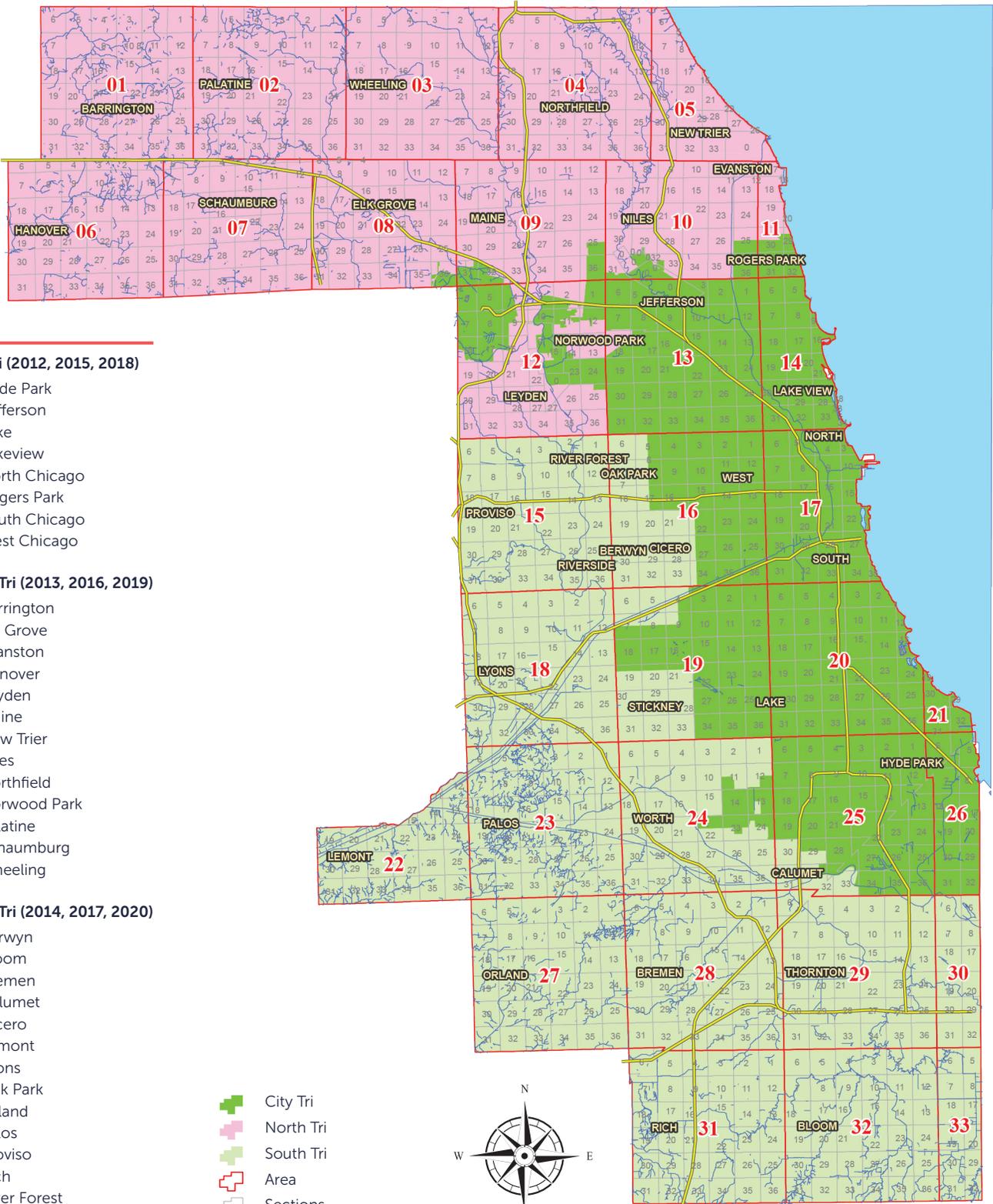
Through the Cook County Board of Review's community outreach programs, we bring assessed valuation complaint services to the community. During the 2021 assessment year, our office conducted over 150 outreach events (often virtual; some in person) and serviced thousands of taxpayers throughout Cook County. The main focus of the outreach programs are to educate and inform taxpayers of the Cook County Board of Review'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 Civic Consulting Alliance (CCA) report 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 Cook County Board of Review 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 and also bringing our services into the community.

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



# CCAO TRIENNIAL ASSESSMENT CYCLE



## City Tri (2012, 2015, 2018)

- 70 Hyde Park
- 71 Jefferson
- 72 Lake
- 73 Lakeview
- 74 North Chicago
- 75 Rogers Park
- 76 South Chicago
- 77 West Chicago

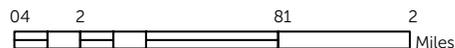
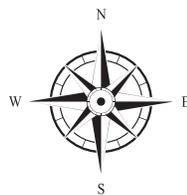
## North Tri (2013, 2016, 2019)

- 10 Barrington
- 16 Elk Grove
- 17 Evanston
- 18 Hanover
- 20 Leyden
- 22 Maine
- 23 New Trier
- 24 Niles
- 25 Northfield
- 26 Norwood Park
- 29 Palatine
- 35 Schaumburg
- 38 Wheeling

## South Tri (2014, 2017, 2020)

- 11 Berwyn
- 12 Bloom
- 13 Bremen
- 14 Calumet
- 15 Cicero
- 19 Lemont
- 21 Lyons
- 27 Oak Park
- 28 Orland
- 30 Palos
- 31 Proviso
- 32 Rich
- 33 River Forest
- 34 Riverside
- 36 Stickney
- 37 Thornton
- 39 Worth

- City Tri
- North Tri
- South Tri
- Area
- Sections
- ~ Hydroline
- ☪ Lake Michigan
- Interstate Highway



# **ANNUAL REPORT**

ASSESSMENT YEAR 2021

FISCAL YEAR 2022



## **COOK COUNTY BOARD OF REVIEW**

Commissioner Larry R. Rogers, Jr.  
Commissioner Tammy Wendt  
Commissioner Michael M. Cabonargi