



# Why Assessors Need an Appraiser

2021 ICAP Seminar

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# Topics



- **Duties of Township & County Assessors**
- **Similarities & Differences – Assessors & Appraisers**
- **Need for Independent Appraiser Assistance (CCAO, BOR, & TA)**
- **Requirements to Consider**
- **Who does the Hiring**
- **Testimony**

# Duties of Township & County Assessors

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- Value property as of 01-01-Assessment year
- Value based upon market value (FCV – Tax Codes) and it must also be equitable and uniformly with other similar properties
- 35 ILCS 200/1-50 Fair cash value. The amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller. (Source: P.A. 88-455.)

# Duties of Township & County Assessors

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- Cook County vs. 101 other counties
- Chief County Assessment Officer (CCAO) vs. Supervisor of Assessments (SA)
- 17 Commission Counties in Illinois
  - Supervisor of Assessment has primary assessment responsibility
- 2 non-Commission Counties in Illinois
  - Cook & St. Clair

# Duties of Township & County Assessors

- Assessment performed by County vs. Twp. Assessor
  - In typical County the township assessor has the primary responsibility to value
  - Multi-township Assessors – less than 1,000 inhabitants
  - Some township assessors act as inspectors while the county assesses
  - Jurisdiction size – Some townships are larger than counties
  - The SA &/or BOR has review and equalization authority
- Property is Assessed at 33 1/3 of Fair Cash Value – 101 counties
- Cook County assessed based upon class (IL Constitution)
  - Residential 10%
  - Commercial 25%



# Similarities & Differences

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## Appraisers & Assessors



# Similarities & Difference Single vs. Mass Appraisal

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- Appraisals & Assessments are both opinions of value
  - Based upon the quality of the data and the professional's experience
  - *Testimony can be deciding factor on single property valuations*

# Similarities & Difference Single vs. Mass Appraisal

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- Single Property Appraisal based upon quality of data & the conclusions
- Mass Appraisal based upon statistical testing
  - Sales Ratio Studies
    - **Uniformity**
- Time Necessary
- Inspections
  - Interior
  - Exterior



# Similarities & Difference Illinois State Statue

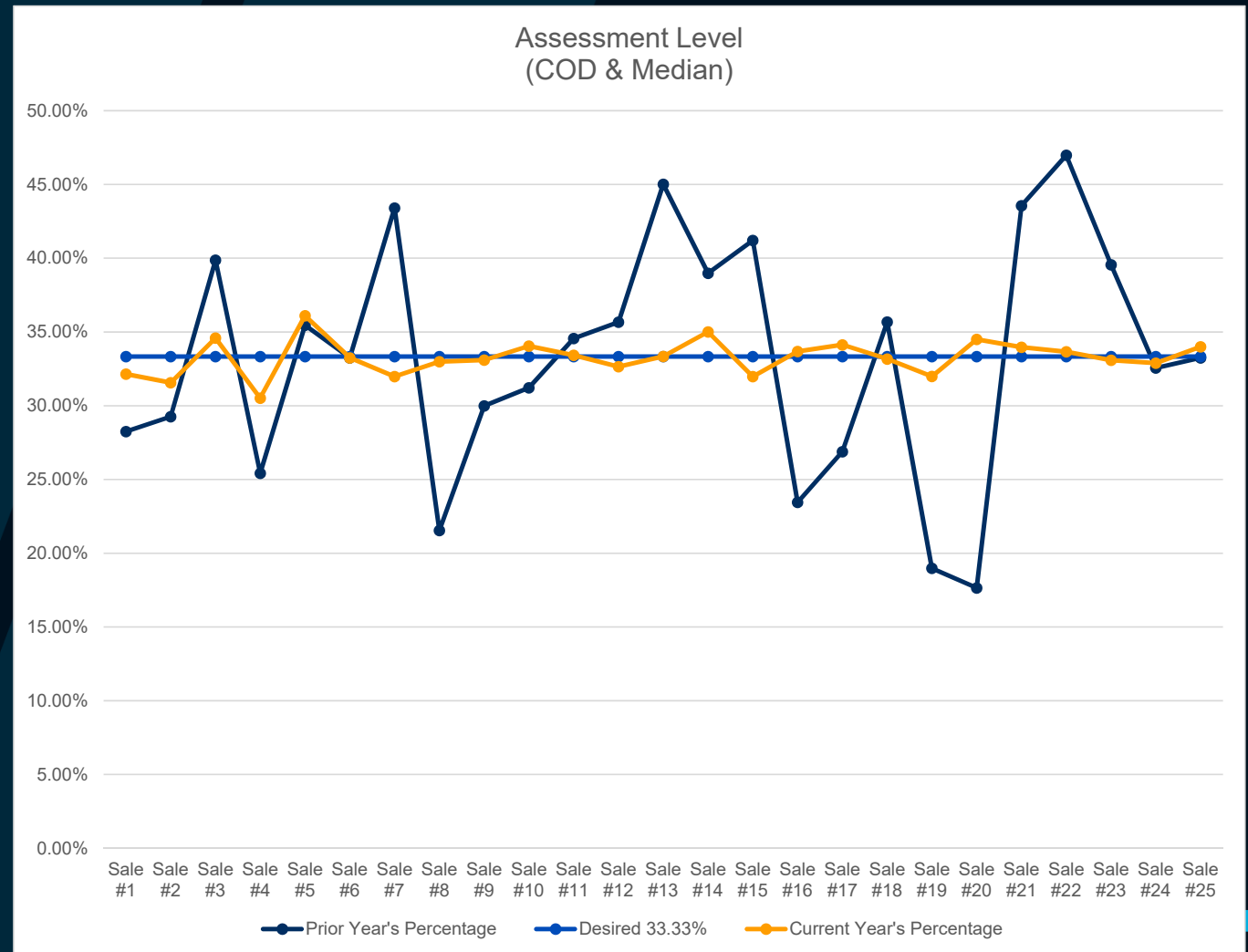
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- Statues .... Fair Cash Value
- Statues mandate that sales ratio studies are performed to determine assessment levels (3-yr average/factor)
  - Supervisor of Assessment
  - Board of Review
  - Illinois Department of Revenue
  - Township Assessor – not required
- The Sales Ratio Study is the assessor's performance tool

# Sale Ratio Study - COD

Uniformity Measurements:

Mean, Median, COD, COV



# Similarities & Difference Illinois State Statue

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- Preferential Assessments
  - Several types of properties are not assessed necessarily on market value.
  - Examples: Farmland, farm building (non-dwelling), wind turbines, solar farms, open space, forestry, historic residences, airports, low-income housing, etc.
- Leaseholds - DCF
- State Assessed Properties
  - Railroads, Pollution Control Facilities
  - Farm Land (productivity Values – locally applied)

# Similarities & Difference Illinois State Statue

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- Personal Property
  - Gas station tanks
  - Transmission Towers – Commonwealth Edison
  - Casino boats
- May Vary by Jurisdiction – How was it assessed prior to 1978

# Similarities & Difference Illinois State Statue

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- Need to discuss the Scope of Work
  - Make sure you understand any special conditions
- The appraisal may require a Hypothetical Situation statement
- Personal Property
  - Assessor's don't always classify person property the same
  - Example: Gas station tanks, Cell Towers, Commonwealth Edison Transmission Towers
  - Leaseholds (TE property) – Value of the lease

# Why an assessor needs an independent appraiser's Assistance

## 1) Single Property Appraisals

- Appraisers typically have advantage in adjusting comparables on single property appraisals

## 2) Special Use Properties



# Need for Independent Appraiser Assistance

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Township Assessor



# Need for Independent Appraiser Assistance Township Assessor

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- Defend a value before the County Board of Review
- Value an new and/or unique type of use property in the jurisdiction
- May not necessarily be an appraisal (data only)

# Need for Independent Appraiser Assistance

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Chief County Assessment  
Officer

Note: Per Statutes the SA is also the clerk of the BOR

# Need for Independent Appraiser Assistance Chief County Assessment Officer

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- Defend a value before the County Board of Review
- Value an new and unique type of use property in the jurisdiction
- Assisting in finding comparables & range of value
  - Example: Commercial comps in neighboring counties

# Need for Independent Appraiser Assistance

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## Board of Review



# Need for Independent Appraiser Assistance Board of Review

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- Defend a value before the Property Tax Appeal Board
- Get an opinion of a type of use that has appealed
- Remember: The Board of Review has authority to revalue all properties but typically only concerned with those that appeal.
- Some counties has a certified general on staff to assist. Others have BOR members with appraisal licenses.



# Need for Independent Appraiser Assistance

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Requirements to Consider



# Need for Independent Appraiser Assistance Requirements to Consider

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- Jurisdictional Exception – State Statute
- Sales – Before & After Effective Date
- PTAB hearings are de novo “from the new”
- PTAB concerned about value 01-01-specific year
- PTAB not bound by same rules
  - No 3 year sales study mandate
  - Similar to appraisal

# Need for Independent Appraiser Assistance Requirements to Consider

- BOR Rules – Can vary slightly by jurisdiction
  - Each county BOR can establish their own rules
  - Testifying / conduct hearing
- PTAB Rules – Same for all of Illinois
- USPAP – Be sure to follow (unless jurisdictional exception) as assessors can have USPAP backgrounds
- Assessors are Human and can “fall in love” with their values
  - Be prepared to tell someone you can’t support their value.

# Need for Independent Appraiser Assistance Requirements to Consider

- Inspections PTAB Rule 1910.94
  - No taxpayer or property owner shall present for consideration, nor shall the Property Tax Appeal Board accept for consideration, any testimony, objection, motion, appraisal critique or other evidentiary material that is offered to refute, discredit or disprove evidence offered by an opposing party regarding the description, physical characteristics or condition of the subject property when the taxpayer or property owner denied a request made in writing by the board of review or a taxing body, during the time when the Board was accepting documentary evidence, to physically inspect and examine the property for valuation purposes.

# Need for Independent Appraiser Assistance

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Who hires the appraiser to  
defend the value?



# Need for Independent Appraiser Assistance Who Hires the Appraiser

- Township Assessor
- County Assessor – CCAO or SA
- Board of Review
- Taxing Body
  - Local taxing bodies notified when AV reduction of 100,000 or more is sought.
  - Typically intervene in only commercial or industrial appeals
  - Financially beneficial
    - BOR – Before tax rates are developed
    - PTAB - After tax rates are developed and bill mailed
      - Can take years before actually heard



# Need for Independent Appraiser Assistance

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Testimony



# Need for Independent Appraiser Assistance Testimony

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- The appraiser is an expert witness
  - Can't represent property owner & can't question opposing witnesses
  - Only attorney and BOR can question at PTAB
- May be in front of Board of Review, Property Tax Appeal Board, or Appellant Court.
- Be careful when preparing the appraisal
  - Confidential material - PTAB has subpoena power 35 ILCS 200/16-175
  - Decision based on weight of evidence

# Get your name out there

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- Assessors
- Chief County Assessment Officers or SA
- Board of Review (SA is secretary)
- Taxing Bodies



# Questions & Thoughts

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