

PROPERTY TAX RELIEF TASK FORCE
Subcommittee: Assessments & Exemptions

Meeting Minutes
Friday, November 22, 2019
2:00pm

James R. Thompson Center
100 West Randolph Street
IDOR 7th Floor Media Room
Chicago, Illinois

MEETING START

Meeting Scheduled to Start: 2:00pm.

AGENDA

I. Welcome/Roll Call

- a. Representative Davis called the meeting to order.
- b. Roll Call was taken. Quorum was not met.

Name	Present
Representative Davis – Chair	Yes
Representative Didech	No
Representative Ford	No
Representative Greenwood	No
Representative Mayfield	No
Representative Mazzochi	Yes
Representative Meyers-Martin	Yes
Representative Ramirez	No
Representative Yingling	Yes
Senator Belt	No
Senator Ellman	No
Senator Martwick	No
Senator Righter	No
Senator Tracy	No

II. Approve previous Meeting Minutes

- a. October 4th, October 11th, October 25th, November 1st, November 15th, 2019. Quorum was not met so no vote was taken to approve minutes.

III. Setting Future Meeting Dates

- a. The next Assessment meeting will be held December 6, 2019, Friday from 2-4.

IV. Presentations

- a. Mauro Glorioso, Executive Director, Property Tax Appeal Board (PTAB). PTAB employees are in two different locations, Springfield and Des Plaines. They are a small Agency with only 35 full-time employees. PTAB was established in 1967 under the

property tax code which was created to allow taxpayers who didn't get the relief they wanted at their local level to further appeal it to the PTAB. Essentially, PTAB operates as a the third level of appeal. This applies to all the State counties except for Cook County, which did not participate until 1996. The Board consists of five members appointed by the Governor. No more than three members can be from the same political party. Key Personnel is appointed by the board which includes:

1. Executive Director – Mauro Glorioso
2. Hearing Officer Staff which is run by Steve Waggoner
3. Clerical Staff
4. IT Staff
5. Personnel
6. Fiscal

The board's role is to determine the correct assessment of property - they do not deal with property tax bills, exemptions, tax rates etc. If someone believes their assessment is not correct, they can then appeal to the PTAB, provided that they first go to their local Board of Review (BOR). They have 30 days of getting a decision at their local BOR to send an appeal to PTAB. PTAB is a *de novo* body which means they look at everything anew. They take in all evidence and let the county know there is an appeal on hand and they have an opportunity to present evidence as well. If the assessment amount is over \$100,000, the notice has to be sent to every intervener in that county (generally schools, which they also have the opportunity to present their evidence). After evidence is gathered a notice is sent out. A hearing officer will typically conduct the hearing. Representing the tax payers are generally attorneys or a team of attorneys. Counties are represented by the States Attorney. Hearing rules are usually informal. The PTAB is not limited to the evidence presented to the county BOR; a party is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county BOR. The hearing officer will go back to the board and ask for a written decision which is then reviewed by other hearing officers in the agency. If they agree with the decision it is put on the agenda for the board to approve. The PTAB Board approves the final decision. Generally, they clear 2,000 decisions a month. The current backlog is around 66,000, so they are not making progress on the backlog. Once the decision is issued, it is then up to the taxpayer or his representative to go to the local treasurers' office to get the refund. Often times that party will appeal if the amount is big enough. If the requested change in assessment is less than \$300,000, it goes to Circuit Court in the county where the property is located. If it is more than \$300,000 it goes to the Appellate Court. Most cases are residential cases.

- b. Steven Waggoner, Chief Administrative Law Judge, Property Tax Appeal Board.
The decisions are made by which side produced the best evidence. They can't do their own research. Mauro said the best avenue for the relief is make sure the assessment throughout the county are all uniform – which is the assessor job. PTAB can lower the assessment if evidence is good and timely - usually 1/3 of the cases get reductions. If a case is resolved in settlement, 73% of the time property. Representative Yingling asked for clarification that they were referring only to cases that were settled. Mauro said parties are encouraged to stipulate/settle, it gets the taxpayer a result much quicker. It may not be the exact number the taxpayer wants, but it cuts through the process faster. Yingling asked if 70% of property owners were getting a reduction, did that not suggest something was wrong at the local level either the local assessment process or the BOR is not being done correctly. Mauro said it could be a variety of reasons - could be evidence was presented to PTAB and not to the county, or maybe they had a new appraisal or better representation. Yingling asked if there was evidence that is presented to PTAB that is not accepted by BOR? Waggoner said the opposite – PTAB is more constrained.

Mauro and Waggoner explained that an assessor can accept vacancy while PTAB cannot. PTAB also cannot use income and expense models. They did say that considering the number of properties out there, it is a small number of people who really feel that they have been unfairly addressed. Mauro said the BOR handles 400,000 appeals a year, while PTAB only gets 30,000. While the BOR just has a one-line review, PTAB has to do a full written decision. This could be several hundred pages. If the decision is appealed from PTAB, it goes to court and there has to be a record of evidence, appraisals, motions, exhibits in order for the record to be preserved.

- c. Representative Yingling asked about the backlog at PTAB. He noted there were 66,000 appeals on file, he estimated approximately 50,000 of which were from previous years. Regarding the backlog, members have heard that taxing bodies are increasing their tax levies and holding money back in anticipation that PTAB will release changes and generate refunds that these taxing districts will then have to pay out. Yingling noted that some taxing bodies have to write a quarter million dollar check sometimes. Mauro said there was a statutory 5% interest rate that goes on top of the refund. He added that he's recently proposed budgets which would allow him to hire more staff. They are doing 5 times the work they did in 2002. In order to eliminate the backlog, in one year, they will need to double the hearing officers. He further noted that even though they do not have a board chairman, the lack of staff was the main deterrent to reducing the backlog.
- d. Representative Mazzochi asked what are the steps that could be done to make the process more objective in assessing property values? Waggoner said the best evidence is comp sales as the market determines the value. Waggoner stressed that they did not side with either the taxpayer or the taxing body. Mazzochi asked what types of property classes have you encountered, where there are some of the largest dollar drops in assessed value? Mauro said mostly large industrial and commercial properties. They are the hardest to value without comparable sales. In order to get a fair assessment, the appraiser will show up at the hearing as an expert witness and will be cross examined. Mazzochi added that those will not have many comparable sales. Mauro said in those cases, the parties bring in expert appraisers, but even then, the disparity between the appraised values are great. He said in the case of conflicting appraisals Mauro said that will come out at a hearing where the appraiser appears as an expert witness. Through questioning they determine the value. Mazzochi asked if there asked if there was data breakdown between the different classification systems on appeals, value changes, etc. Waggoner said they produce annual reporters but would look in other data. Waggoner said a majority large industrial and commercial appeals occur within Cook County.
- e. Representative Meyers-Martin asked if there was a difference in appeals between residential and commercial and industrial properties. Waggoner said the process is similar in that an appeal has to be done in 30 days, and the party needs either to get an appraisal or other comparable data points. Meyers-Martin asked if requiring the PTAB board to meet more often would reduce the backlog. Waggoner said no, since that would not result in more staff preparation work.
- f. Davis asked Waggoner for more data especially about the backlog. Waggoner said residential properties were 70% of the appeals they hear.
- g. Davis asked if they had insights on the commercial part of the appeal process, speaking as a Representative who's area had a hard time holding onto businesses. Waggoner said they do see school districts, especially in DuPage County, challenge commercial property valuations. Davis asked if they used the same data the Board of Review used. Waggoner said they were confined to using only the data presented so may or may not include what was presented at the Board of Review. Davis asked if they would comment on information brought before other parts of the appeal process to make the entire process work better. Waggoner said more information could not hurt.

- h. Davis asked about recommendations as to how to lower property taxes overall. Davis and Mauro talked about how Illinois property taxes were derived at often by taxing to achieve a desired levy. Waggoner said a lot of calls they get are confusion about the assessment value really means. He said other states assess at 100% of the market value which is much easier to understand. Yingling asked how the state got to 33 1/3%. Waggoner said township assessors would not assess values at 100%. Many talked that it might be for optics reasons. Mauro said Cook County's classification system showed that to be true.
- i. Davis asked if they saw more appeals during the housing bubble and crash. Waggoner said he did not remember but he remembered how market foreclosures made valuations very difficult. Yingling and Waggoner talked about the state law that allowed valuations to take into account foreclosures on area valuations.
- j. Meyers-Martin asked if they believed Cook County valued property values like everyone it would bring more equality to the process. Waggoner said non-Cook counties seem to give their township assessors more authority.
- k. Yingling asked about pooling industrial or commercial value and equally spread it out in a county. Yingling said the southlands showed that there was not commercial activity, but were working commercial-heavy areas and thus contributing to their economic prosperity. Waggoner and Mauro did not want to comment on a policy decision but said mechanically it could be done. Davis said it might decrease disparities within a county. Yingling said in Lake County, bedroom communities are working in industrial areas, and those people that lived around industrial areas had lower property taxes. Yingling said he thought it might be done legislatively, and the school funding reform bill could help balance out property shifts.

- V. New Business – There was no new business.
- VI. Public Comment – There was no public comment.
- VII. **Adjournment.** Meeting ended at 3:40pm.