



TRAINING, RESEARCH, ADVOCACY, & EDUCATION NETWORK

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David Harris, Director, Illinois Department of Revenue
James R. Thompson Center – 7th Floor
100 West Randolph Street
Chicago, IL 60601-3274

Willard Ice Building
101 West Jefferson Street
Springfield, IL 62702

Dear Director Harris:

Enclosed is IDOR's report of the 2020 Final Equalization Factors (Table 3) setting a 2020 Final Assessment Factor of 3.2234 for Cook County.

We are very concerned that this year's Cook County's multiplier at 3.2234 increased by 10.54%: the 2nd highest increase in the last 48 years. Cook County's unique, nonstandard assessment practices have penalized both residential and commercial owners with higher property taxes because, unlike all other 101 Illinois counties, our Cook County Board of Review has no equalization powers nor are our Cook County Township elected Assessors allowed to use township equalization factors.

During 1973 -1990 the State equalizer ranged from 1.4 – 1.9, reflecting Cook County's assessment levels at 16% and 38% instead of the state mandated 33.3%. Currently assessment levels are 10% for residential properties and 25% for commercial. IDOR's imposed equalizer has become arbitrary, as it skews actual arm's length sales, and has ranged dramatically from 2 to 3.1 for the last 30 years.

Cook County is the only Illinois county that is awarded a state equalization factor typically known as the state multiplier. In 2020 all other 101 counties had final assessment factors between 0.8092 and 1.0734; Cook County's was 3.2234, a 10.54% increase that is the 2nd largest increase in the last 48 years.

A Cook County COVID Study published in 2020 determined that when he gave \$34 billion in residential market value reductions, based on COVID unemployment assumptions, to 76% of all Cook County residents, the Cook County Assessor shifted the tax burden of approximately \$1.2 billion onto commercial property owners. The massive commercial tax shift was reflected in the 10.54% increase in the 2020 state equalizer, the 2nd highest increase in 48 years.

This strategy was implemented only by the Cook County Assessor. None of the 101 Illinois county assessors nor any assessor from 48 other states applied "COVID" factors. The sole exception was the New Orleans Parish Assessor who gave automatic COVID reductions only to commercial properties. A legal complaint has been filed against the New Orleans Parish Assessor.

The Cook County Assessor prematurely projected that COVID unemployment rates would cause a massive reduction in residential real estate values. This assumption never played out; by mid-2020 and throughout 2021 the exact opposite occurred with residential market values soaring.

The classification of properties in Cook County is increasingly harmful to commercial property owners. All properties outside Cook County are assessed at 33.3%, but Cook County assesses homes at 10% and commercial properties at 25%. By state law aggregate county assessments are required to be at 33.3%. This is impossible with Cook County's classification scheme and requires IDOR to impose a significant property tax increase through the equalizer.

Perhaps we should consider 2 types of Cook County multipliers? A state imposed multiplier for the 3-year average of Cook County residential assessments now at 7.58%, well below 10%, would have an implied multiplier of 4.39% to bring assessments to 33.3%.

A state imposed multiplier for the 3-year average of Cook County commercial assessments now at 22.26%, well below 25%, and would have an implied multiplier of 1.50% to bring assessments to 33.3%. However, this would be politically unpalatable.

Would IDOR through your leadership be open to initiating a Property Tax Reform Commission to discuss the need to rethink why Cook County should function as such an outlier to more uniform patterns of assessment practice supported by the national practices?

Sincerely,

Andrea Raila
TRAEN Board Member

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Enclosures