

Karen Irace, CRS, CDPE  
RE/MAX 1<sup>st</sup> Service, Broker  
Mainstreet Organization of Realtors –  
Immediate Past President  
[karenirace@gmail.com](mailto:karenirace@gmail.com)  
(708) 870-2406

# Experiences from Chicago: Missteps on Property Valuations

## Chicago (Cook County)

- Background of the tax billing system
- How were properties originally valued?
- How are they valued now?
- What happened to change that?
- Why is it a bad idea to use AVM?
  - Zillow – Zestimates – skewed algorithm
  - How does AVM work?

**TOTAL PAYMENT DUE**

**2017 Second Installment Property Tax Bill - Cook County Electronic Bill**

**\$0.00**

By 11/01/2018 Property Index Number (PIN) Volume Code Tax Year (Payable In) Township Classification  
 27-30-412-007-0000 147 28011 2017 (2018) ORLAND 2-95

IF PAYING LATE, PLEASE PAY 11/02/2018 - 12/01/2018 \$0.00 12/02/2018 - 01/01/2019 \$0.00 01/02/2019 - 02/01/2019 \$0.00 LATE INTEREST IS 1.5% PER MONTH, BY STATE LAW

**TAXING DISTRICT BREAKDOWN**

Taxing Districts	2017 Tax	2017 Rate	2017 %	Pension	2016 Tax
<b>MISCELLANEOUS TAXES</b>					
South Cook Mosquito Abatement Harvey	9.74	0.016	0.18%		8.57
Metro Water Reclamation Dist of Chicago	244.74	0.402	4.56%	29.83	204.68
Orland Fire Protection District	706.21	1.160	13.17%	111.41	651.36
<b>Miscellaneous Taxes Total</b>	<b>960.69</b>	<b>1.678</b>	<b>17.91%</b>		<b>864.61</b>
<b>SCHOOL TAXES</b>					
Moraine Valley College 524 Palos Hills	222.21	0.365	4.14%		204.68
Consolidated HS District 230 Orland Park	1,392.33	2.287	25.97%	29.83	1,400.53
Orland School District 135	1,813.62	2.979	33.83%	85.23	1,672.77
<b>School Taxes Total</b>	<b>3,428.16</b>	<b>6.631</b>	<b>63.94%</b>		<b>3,277.98</b>
<b>MUNICIPALITY/TOWNSHIP TAXES</b>					
Orland Park Library Fund	186.90	0.307	3.49%	11.56	173.93
Village of Orland Park	362.24	0.595	6.76%	183.24	342.32
Road & Bridge Orland	21.31	0.035	0.40%		19.66
General Assistance Orland	3.65	0.006	0.07%		3.02
Town of Orland	40.18	0.066	0.75%	1.82	36.30
<b>Municipality/Township Taxes Total</b>	<b>614.28</b>	<b>1.008</b>	<b>11.47%</b>		<b>676.23</b>
<b>COOK COUNTY TAXES</b>					
Cook County Forest Preserve District	37.75	0.062	0.70%	1.21	31.76
Consolidated Elections	18.87	0.031	0.35%		0.00
County of Cook	199.06	0.327	3.71%	66.96	159.33
Cook County Public Safety	66.36	0.109	1.24%		65.54
Cook County Health Facilities	36.53	0.060	0.68%		43.86
<b>Cook County Taxes Total</b>	<b>368.67</b>	<b>0.689</b>	<b>8.68%</b>		<b>300.48</b>
<i>(Do not pay these totals)</i>	<b>6,381.70</b>	<b>8.807</b>	<b>100.00%</b>		<b>6,018.31</b>

**TAX CALCULATOR**

2016 Assessed Value	26,482	2017 Total Tax Before Exemptions	8,242.40
2017 Property Value	238,240	Homeowner's Exemption	-880.70
2017 Assessment Level	X 10%	Senior Citizen Exemption	.00
2017 Assessed Value	23,824	Senior Freeze Exemption	.00
2017 State Equalizer	X 2.9827		
2017 Equalized Assessed Value (EAV)	70,880	2017 Total Tax After Exemptions	6,361.70
2017 Local Tax Rate	X 8.807%	First Installment	2,780.07
2017 Total Tax Before Exemptions	8,242.40	Second Installment +	2,801.83
		Total 2017 Tax (Payable in 2018)	6,381.70

**IMPORTANT MESSAGES**

**PROPERTY LOCATION**

17202 LAKEBROOK DR  
 ORLAND PARK IL 60467-6084

**MAILING ADDRESS**

RONALD IRACE  
 17202 LAKEBROOK DR  
 ORLAND PARK IL 60467-6084

\*\*\* Please see 2017 Second Installment Payment Coupon next page \*\*\*

## TAX CALCULATOR

<b>2016 Assessed Value</b>	<b>20,482</b>	<b>2017 Total Tax Before Exemptions</b>	
			<b>6,242.40</b>
<b>2017 Property Value</b>	<b>239,240</b>	<b>Homeowner's Exemption</b>	<b>-880.70</b>
<b>2017 Assessment Level</b>	<b>X 10%</b>	<b>Senior Citizen Exemption</b>	<b>.00</b>
<b>2017 Assessed Value</b>	<b>23,924</b>	<b>Senior Freeze Exemption</b>	<b>.00</b>
<b>2017 State Equalizer</b>	<b>X 2.9627</b>		
<b>2017 Equalized Assessed Value (EAV)</b>			
	<b>70,880</b>	<b>2017 Total Tax After Exemptions</b>	
<b>2017 Local Tax Rate</b>	<b>X 8.807%</b>		<b>5,361.70</b>
<b>2017 Total Tax Before Exemptions</b>		<b>First Installment</b>	<b>2,760.07</b>
	<b>6,242.40</b>	<b>Second Installment +</b>	<b>2,601.63</b>
		<b>Total 2017 Tax (Payable in 2018)</b>	
			<b>5,361.70</b>



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## Inaccurate Data Favors Expensive Homes

- Small Far South Suburb (Calumet City) pays as much as 9% - 11%+ of home's value
- Winnetka mansion pays less than ½% of value.







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## What Else is Wrong With The System?

- Using AVM to determine value vs. hand analysis
- Not using actual sales data
- County does not seek Realtor input when making these decisions about accurate valuations.
- Exemptions – the way they are awarded and policed is very sloppy. Easy to manipulate.

## APPEALS

- Overview – how often open; how long does it remain open; acceptable reasons for appeal; necessary documentation
- Homeowner can appeal or attorneys can appeal on the homeowner's behalf
- If successful, when and how is the new value applied?

- What can real estate professionals do to help the client?
  - Appeals Process – inform and assist. i.e. inform when their township is open; provide comparable data; explain the process in detail.
  - As an industry, stay involved at every level of government to continue to work toward a solution.