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Office

KANE

Kane Assessment News, Etc.

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From Mark's Desk . . .

Read Beyond the Headlines



The headline loomed ominously: *U.S. homes post steepest price drop in 16 years!*

Perhaps you saw it, too. On September 25, the Associated Press reported a story under this headline that began with this statement:

NEW YORK - The decline in U.S. home prices accelerated nationwide in July, posting the steepest drop in 16 years, according to the S&P/Case-Shiller home price index released today.

When I saw the article, I was concerned. Half of our township assessors had already turned in their assessment rolls, and generally assessments were increasing by single-digit rates. So I went to the web site mentioned in the article, and I downloaded the Standard and Poor/Case-Shiller Home Index survey. This is a survey that uses sales and subsequent resales of the same properties, which is a good methodology for extracting value changes. It covers 20 major U.S. markets, with an individual index for each market, and a composite national index.

Case-Shiller concludes that the national market index was at 222.46 in January 2006 (the effective date of the 2006 assessment) and had dropped again to 221.32—a change of -0.51%—by January 2007 (the effective date of the current proposed assessment). The survey was in the news in September because it had concluded that the national composite index for July 2007 had dropped again to 215.94, which is a change of -2.43% since the beginning of the year. It was this *national* drop that made headlines.

However, the national composite index includes highly volatile markets on the east and west coasts of the United States. The Case-Shiller Index for the Chicago market was at 163.98 in January 2006, and it rose to 167.52—an increase of 2.16%—by January 2007. By July 2007, the index had receded to 166.14, but that remains above the 2006 index figure. Therefore, despite being widely reported in the press to be a confirmation of declining property values, the Case-Shiller Index actually shows *increases* over 2006 for the local market.

It is often said that we live in an age of information—a time when a great deal of data is available at one's fingertips, with the click of a few keystrokes. But we must always remember to look beyond the headlines, dig deeper, and get the whole story.

Your thoughts and comments are always welcome.

Take Five! with Cathy Gratton

Cathy Gratton is a data specialist for the County Assessment Office. Her duties include reviewing exempt property applications, processing senior exemptions, and providing customer service. She joined the office in 1999.

Take Five Questions:

What is your family like? *I have been married to Brad for 32 years. We have two grown children—Jeff and Lisa—and a four-year-old Black Lab named Ripley.*

What is your favorite pastime? *I like to travel the country by “roughing it” in our fifth-wheel trailer.*

What is a funny, memorable moment in your life? *We went sledding in the winter,*

with our neighbor pulling our sleds with his riding lawn mower. His wife was on the last sled which became untied and left her behind. We never told him. It wasn't until we came back around that he saw her standing by a snow drift holding her sled.

What's one of your favorite childhood memories? *According to my older twin sister (she does have a better memory than I do) we walked home for lunch on our “golden” birthday to celebrate with some friends expecting the usual lunch menu of just sandwiches and chips. We were quite surprised to find that we had one of our favorites waiting for us:*



Cathy Gratton

White Castle Hamburgers! To this day, we do not know how our Mom pulled that off since she does not drive.

What is your favorite TV show and why?

One of my favorites is “All My Children.” I got hooked watching it when away at college and the show was first on the air. It is almost like I grew up with them.

HB0664 was passed by overwhelming bi-partisan majorities.

General Assembly overrides veto; Exemption changes are now law

A bill which will provide direct property tax benefits to Kane County homeowners has been enacted into law, thanks to the action of the Illinois General Assembly.

HB0664 was approved with overwhelming bi-partisan support by the Illinois Senate (53-0) on August 9 and the Illinois House (100-6) on August 10.

The bill was sent to the Governor's desk on August 23, where it sat for nearly a month. On September 20, the Governor issued an amendatory veto, altering some of the provisions relating to the Alternative General Exemption, which is currently in effect only in Cook County.

The House overrode the Governor's veto (by a bi-partisan vote of 92-19) on October 3. The Senate followed suit and overrode the veto on October 12 (by a bi-partisan vote of 55-1).

Following the override votes, the bill immediately became law.

(Continued on page 3)

Exemption changes are now law

(Continued from page 2)

HB0664 provides for the immediate elimination of the “indexing” of income qualifications for the Senior Citizen Assessment Freeze Homestead Exemption for the 2007 tax year. This fulfills an official goal of the legislative agenda adopted by the Kane County Board. Under the prior law, senior homeowners with incomes between \$45,001 and \$50,000 could not be granted the full benefits of the Exemption. The prior law also required a substantial amount of additional verification to be conducted by the County Assessment Staff, diverting them from other tasks.

Beginning with the 2008 assessment year, the provisions of several exemptions with change, and several new exemptions will be added. The changes are summarized below.

Tax Code Section	Summary
Adds 15-167	Creates a Returning Veterans’ Homestead Exemption of \$5,000, beginning in 2007
Adds 15-168	Creates a Disabled Persons’ Homestead Exemption of \$2,000, beginning in 2007
Adds 15-169	Creates a Disabled Veterans’ Standard Homestead Exemption of \$2,500 to \$5,000, beginning in 2007
Revises 15-170	Increases the Senior Citizens Homestead Exemption to \$4,000, beginning in 2008.
Revises 15-172	Increases income limits for Senior Citizens Assessment Freeze Homestead Exemption to \$55,000, beginning in 2008; eliminates income indexing, beginning in 2007; requires that applications include declarations made under penalty of perjury, and statement that taxpayer receiving SCAFHE is subject to an audit by the Chief County Assessment Officer.
Revises 15-175	Increases the General Homestead Exemption to \$5,500 beginning in 2008 and \$6,000 in 2009.
Revises 15-176	Extends the Alternative General Homestead Exemption and sets forth the maximum amount of the exemption for each tax year; permits adoption by a County Board within six months of the effective date of the legislation.
Adds 15-177	Creates a Long-Time Occupant Homestead Exemption, which effectively limits annual assessment increases but it is means tested (applicable only if the county has adopted the Alternative exemption under 15-176).
Adds 18-178	Provides for municipalities and counties to abate the taxes levies by said county or municipality for homestead property owned and occupied by the surviving spouse of a fallen police officer or rescue worker.
Revises 20-15	Requires tax bills to include a statement about eligibility of exemptions, referring taxpayer to “township or county assessor” or the DOR.
Adds 24-35	Creates a Property Tax Reform and Relief Task Force, with the direction to investigate “methods of reducing the reliance on property taxes and alternative methods of funding” and report back to the General Assembly by January 1, 2010.

HB0664 revises four exemptions and adds four more.

A monthly Q and A with Supervisor of Assessments Mark Armstrong

Ask Mark . . .



Question: When are newly constructed homes added to the tax rolls?

Answer: New structures are added to the tax rolls as soon as they are complete. The Illinois property tax code provides that structures shall be valued for tax purposes as of “the date when the occupancy permit was issued or from the date the new or added improvement was inhabitable and fit for occupancy or for intended customary use.” (35 ILCS 2000/9-180). An occupancy permit is often the trigger for an assessment, but there is no legal requirement that an occupancy permit be issued prior to an improvement being added to the property tax rolls.

Question: Are there any special procedures for assessing model homes, and what constitutes a model home?

Answer: Model homes

are assessed as if they still existed in the state prior to becoming model homes. The Illinois property tax code states that qualifying model homes shall be assessed at “the same as the assessed value of the property prior to construction and prior to any change in the zoning classification of the property prior to construction” of the model home. (35 ILCS 200/10-25).

To qualify, a property:

- Must be a single family dwelling completed after 1986, or a townhome or condominium unit completed after 1994.
- Must not be occupied as a dwelling.
- Must be used as a display or demonstration model for prospective buyers of the dwelling or of similar units; this can include the use as a sales office for the homes for which it is a model.
- Must not have had its assessment calculated as a model home for more than a 10-year period.
- Must be one of only three model homes under the same ownership within a three-mile radius; the center of the radius is

the home that has been used as a model for the longest time.

Eligibility for assessment as a model home ceases upon the sale or lease of the property, or when it is no longer used as a model.

Finally, an application for model home assessment must be made every year; application forms are available on the web at <http://www.co.kane.il.us/soa/forms.htm>. Please note that under the law, “failure to make a timely filing in any assessment year constitutes a waiver of the right to benefit for that assessment year.” Applications for the 2007 year are due December 31, 2007.

Question: If a small builder has only one new house for sale, and it is vacant but on the market, is it eligible for model home assessment?

Answer: Yes, if it meets the requirements as outlined above.

“Ask Mark” is a monthly feature of KANE ASSESSMENT NEWS, ETC. To submit a question to Kane County Supervisor of Assessments Mark Armstrong, e-mail it to Kane.SOA@co.kane.il.us or send it to Mark at 719 S. Batavia Ave., Geneva, IL 60134.

An Occupancy Permit is not required for a property to be placed on the assessment rolls.

2007 Certification Progress

The 2007 assessment rolls are being steadily processed by the Kane County Assessment Office, more progress is coming with each passing day. As of this writing, six townships have been fully processed and certified to the Board of Review. Two more townships (Elgin and Batavia) are almost fully processed, and two others (Sugar Grove and Campton) have recently certified their assessment rolls to the Supervisor of Assessments. The remaining townships are anticipated to be certified by the end of October.

Once a township's assessment roll has been published, taxpayers have 30 days to file a complaint with the Kane County Board of Review. Complaint forms and the Board's Rules of Government are available on the Board's web site at www.co.kane.il.us/soa/bor.htm.

*Ten of the 16
Township Assessors
have now certified
their assessment
rolls to the
Supervisor of
Assessments.*

Township	Actual Township Certification Date	Board of Review Certified to	Date Published	Newspaper of Publication	Final Filing Date for Appeals
01-Hampshire	12-Jun	9-Aug	9-Aug	<i>Hampshire Journal</i>	10-Sep
02-Rutland					
03-Dundee					
04-Burlington					
05-Plato	16-Aug	24-Sep	21-Sep	<i>Elgin Courier-News</i>	22-Oct
06-Elgin	17-Sep				
07-Virgil	27-Jul	27-Aug	23-Aug	<i>Elburn Herald</i>	24-Sep
08-Campton	12-Oct				
09-St. Charles	12-Jul	20-Sep	20-Sep	<i>St. Charles Republican</i>	22-Oct
10-Kaneville					
11-Blackberry	15-Aug	4-Oct	4-Oct	<i>Elburn Herald</i>	5-Nov
12G-Geneva					
12B-Batavia	17-Sep				
13-Big Rock	18-May	14-Aug	9-Aug	<i>Elburn Herald</i>	10-Sep
14-Sugar Grove	1-Oct				
15-Aurora					

Year-To-Date Production Report

During the month of September 2007, the County Assessment Office processed nearly 7,300 documents, bringing the year-to-date total to nearly 78,000.

This month also begins a report on the number of website visits and page views for the County Assessment Office's web site. A web site visit consists of any individual accessing the web site for any reason. A page view consists of the number of different screens on the web site that are viewed during each visit.

The County Assessment Office processed nearly 7,300 documents in September 2007.

Documents Processed	September 2006	2006 Year-To-Date	September 2007	2007 Year-To-Date
Deeds	1,869	17,252	1,511	14,468
Transfer Declarations	1,150	11,648	969	9,051
Name/Address Changes	3,043	30,019	1,822	27,525
Homestead Exemption Applications	757	6,693	333	6,359
Homestead Removals	11	356	63	585
Senior/Freeze Exemption Applications	245	1,773	275	1,528
Senior/Freeze Renewals	296	19,747	799	15,311
Assessment Corrections	225	402	270	595
Certificates of Error	344	4,468	310	2,366
Subdivisions	26	185	12	144
Total Documents Processed	7,966	92,543	7,287	77,832
Revenue/Sale of Data	5,421	61,151	3,423	\$74,202
Web Site Visits*	N/A	N/A	2,799	2,799
Web Page Views*	N/A	N/A	4,273	4,273
Property Tax Appeal Board Filings	6	75	19	134
Tax Parcels				
Parcels Added	764	5,691	270	5,947
Parcels Deleted	165	987	173	1,230
Net Parcel Change	599	4,704	97	4,717
County Total Parcel Count		189,321		194,556

*statistics begin in September 2007