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PROPERTY TAX APPEALS, TAX EXEMPTIONS
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APPEALING THE ASSESSED VALUATIONS OF CONDOMINIUMS

If there have been any recent sales of units within your condominium building, those sales may provide a basis upon which to determine whether all of the units in your building are fairly assessed. For this reason, it may be to your advantage to bring these sales to the attention of the officers or board members of your condominium association, and it is important to then inform our office of these sales to ensure that we are reviewing them to determine whether there may be a basis for an appeal.

In Illinois, real estate is assessed at a percentage of its market value. For condominium units, the recent sales of any units within your building are the most reliable indicator of the current market value for all of the other units in the building. Typically, anyone selling or buying a unit within the building is going to rely on those recent sales prices as a gauge for determining what their listing price or offer will be.

The most common approach for appealing the assessed valuation on a condominium property, and the approach with the greatest likelihood of success, is the sales comparison method which analyzes the

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2014 TRIENNIAL REASSESSMENT OF SOUTH & SOUTHWEST SUBURBS

During this calendar year of 2014, the Cook County Assessor will be conducting the triennial reassessment of all of the south and southwest suburban townships of Cook County that are located south of North Avenue. Our clients with properties in these suburban townships will be receiving, in the next several months, notices from the Cook County Assessor of the proposed triennial reassessments of their properties. Our office will be monitoring these proposed reassessments, so it will NOT be necessary for you to forward copies of these notices to our office.

However, it is very important for you to promptly respond to our request for documentation, so that we are able to file a timely appeal of your proposed reassessment. It is also very important that you sign and promptly return to the Cook County Assessor any application you may receive for a homeowner's exemption, senior citizen's exemption or senior assessment freeze exemption for which you may be eligible. □



"The wages of sin are death, but by the time taxes are taken out, it's just sort of a tired feeling."
— Paula Poundstone

ASSESSED VALUATIONS OF CONDOMINIUMS

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sales of other units within the same building. Although recent sales of condo units in buildings located near the subject building may be somewhat relevant, and may be the only available sales for consideration, those sales are given less weight by the assessing officials because those other units are less comparable than the units in your own building. Condo units built within the same building, at the same time, with the same materials, and often with the same layout plan, are unquestionably comparable.

Under the Illinois Condominium Property Act, the Board of Directors of a condominium association has the power to vote to appeal the real estate assessments on behalf of all of the unit owners in the condominium building as a whole. Although unit owners may appeal individually, the assessing officials are not likely to reduce the assessment on a single unit because that would thereby take that unit out of uniformity with all the other units in the building.

In assessing condominium properties the Assessor must determine the market value of the building as a whole, and then determine the value of each individual unit based on its percentage of interest in the whole building. For this reason, it is in the best interests of all unit owners to appeal together. In this way, if all of the units are over-assessed based on the market values indicated by the recent sales prices of a few units, then every unit owner will share in the benefit of an appeal. Another advantage is that if the appeal is successful, the cost of representation is spread out among all of the unit owners as a common expense.

In addition, recent distressed sales such as foreclosures, short sales and tax sales may also be considered within the mix of sales, and may be worth including in a market value analysis. Although these sales may be given less weight in the final analysis, they are still relevant indicators of value since they will typically reflect the lower end of the range of values.

In summary, if there are any recent sales in your building, or if you have any questions about the assessed valuation of your condominium, you or a representative of your condominium association should not hesitate to contact our office, so that we may provide advice as to whether or not to pursue an appeal. □

COOK COUNTY PROPERTY TAX PORTAL WEBSITE

In the interest of designing and implementing an online computerized system for the collection of real estate transfer taxes, several years ago the elected officials of Cook County brought together a number of professionals from various disciplines to participate in an open forum. One of the participants was our own Glenn Guttman who offered two perspectives: that of an attorney who practices in the area of real estate transactional law (closings), and that of an attorney filing property tax appeals on behalf of real estate taxpayers.

The project had a number of purposes including computerizing the collection of valuable information pertaining to property transfers (sales) in Cook County, as well as the coordination of the collection and distribution of City, County and State transfer taxes that are paid and distributed to the various governmental bodies most every time a parcel of real estate changes ownership.

Underlying this effort are the interests of not only the governmental offices such as the Cook County Clerk, Treasurer, Assessor, Board of Review and Recorder of Deeds, but also the interests of outside agencies such as the title companies and private attorneys who utilize the data for their own purposes. The Cook County Assessor's office, for example, is interested in finding out when property transfers take place, and for what value, so that it may use the information in its mass appraisal valuation of property throughout Cook County. The Assessor and Board of Review also may consider the sales information in their review processes when considering assessment appeals filed by taxpayers. The Recorder of Deeds has an interest in determining whether the appropriate tax stamps are affixed to deeds before they are recorded, and whether the mailing addresses are correct before the information is scanned into the database system. Also, the title companies may "virtually" confirm that the transfer taxes paid conform to the sale prices of the properties, and may make any necessary changes at the closing table should the need arise.

What came out of this collaborative effort was the Cook County Property Tax Portal which consolidates information from the array of Cook County offices into one unified website. The data disclosed on the

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COOK COUNTY PROPERTY TAX PORTAL WEBSITE

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website are numerous and varied, including: a five-year history of assessments and tax appeals; property characteristics; historical real estate tax payment information; recordation of deeds, mortgages and other documents; tax bill mailing addresses and homestead exemption information.

If you are interested in viewing the new property tax portal, the website can be accessed by entering either the property address or the parcel's permanent index number (PIN) on the tax portal's webpage at www.cookcountypropertyinfo.com. □

GLENN GUTTMAN TO SPEAK AT INVESTMENT REAL ESTATE FORUM



Glenn Guttman, a Rieff, Schramm, Kanter & Guttman LLC partner, will be speaking about the real estate tax ramifications of investing in multi-unit residential properties at the Market Opportunities Forum: How Do You Invest? “Maximize and Appreciate,” sponsored by @properties COMMERCIAL.

The forum will take place at 6:00 p.m. on Thursday, March 6, 2014, at Gibson's Steakhouse Oak Brook. Space is limited, so please call: 630.474.5312 to reserve your seat. □

EILEEN SERGO, CHAIR OF COMMITTEE AT JOHN MARSHALL



Our own Eileen Sergio has been named chair of the Professional Development Committee of the Young Alumni Council at The John Marshall Law School. As chair, Eileen will be working to bolster the continuing legal education offerings presented by the Young Alumni Council.

In this regard, Eileen will speak as a presenter for John Marshall's Alumni Speaker Series on the legal issues raised in the practice of real estate taxation law. The forum will take place at 12:00 p.m., noon, on Wednesday, April 30, 2014, at The John Marshall Law School. □

INCENTIVE CLASSIFICATION MODIFIED

The Cook County Board of Commissioners has recently amended Cook County's real estate assessment classification ordinance to broaden the availability of its incentive program for industrial properties. For more than 35 years, Cook County has provided real estate assessment incentives to certain qualified properties. The objective of these incentives has been to encourage new employment, eradicate blight and promote further economic development in certain areas of the county called enterprise zones, by assessing the qualified properties in Class 6, thereby reducing the level of assessment for these qualified properties from 25% to 10% of market value.

Until now, the incentives were primarily targeted toward five townships in southern Cook County that have experienced a substantial decline in their tax bases, and toward the qualifying properties located within other blighted areas of Cook County. Prior to the recent amendments, the qualifying requirements for these incentive programs had been limited to properties that had been abandoned for at least 24 months, had a change in ownership and were undergoing new construction or substantial rehabilitation.

Now, the recent amendments to the classification ordinance create the “Temporary Emergency Economic Modification” (TEERM) and “Sustainable Emergency Relief” (SER) programs which allow a municipality or, with regard to unincorporated areas, the Cook County Board of Commissioners, to determine that special circumstances justify deeming a property qualified for purposes of Class 6 eligibility. In effect, property that would not meet the standard eligibility requirements of Class 6 prior to the amendments may now be found to be qualified as abandoned property upon a showing and finding of special circumstances. Accordingly, there are no longer the requirements that a property be abandoned or vacant for at least 24 months and have a change in ownership, or that a property be the subject of new construction or substantial rehabilitation

The amended ordinance now gives local municipalities and the county board, with respect to unincorporated Cook County, much broader discretion over the availability of the benefits of the Class 6 assessment incentives to properties within their jurisdiction. A property owner has always been required to obtain a finding from these bodies that the incentive is necessary for new development, but the property has also

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INCENTIVE CLASSIFICATION MODIFIED

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been required to be the subject of new construction, substantial rehabilitation and re-occupancy by a new owner. Under the recent modifications, either the village board of the municipality, or the Cook County Board of Commissioners, may deem a property “abandoned” even though the property has not been vacant for longer than 24 months, and even though there has been no change in the ownership of the property, as formerly required for Class 6 classification.

The “special circumstances” necessary for this reclassification are not specifically defined in the new ordinance and are left to the discretion of the municipalities and the county board. While the new ordinance offers no direction as to what would constitute “special circumstances,” it would seem that in an instance where the demand for the product of a certain industry has significantly diminished, this incentive classification may be found to apply while the business retools for a more viable business venture. □

THE TREATMENT OF TAX SALE REDEMPTIONS IN BANKRUPTCY COURT

In the State of Illinois, when an owner of real property does not pay his or her county real estate taxes on time, the county may “sell” its tax lien to a third party known as a tax buyer or tax purchaser. How-

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ever, instead of receiving legal title to the property, the tax purchaser receives a Certificate of Purchase which may then be used to obtain legal title to the real property if and when the property owner/taxpayer fails to redeem the unpaid taxes within the statutory tax redemption period. In Illinois, a statutory tax redemption period runs for two years from the date of a tax sale, or for two and a half years when the real property is a residential property of six units or less. The tax purchaser may, however, extend the tax redemption period to a total of three years.

An opinion very recently handed down by the United States Court of Appeals for the Seventh Circuit has now ruled how a tax purchaser’s interest must be treated when the property owner/taxpayer has entered into a Chapter 13 bankruptcy during the statutory tax redemption period. In the case of *In Re LaMont*, the federal bankruptcy court held that in an instance where the period for tax redemption had not yet elapsed, the interest of a holder of a Certificate of Purchase should be deemed a secured claim that may be treated in the bankruptcy court, and the payment of the real property tax to the county may be modified under a Chapter 13 plan. □

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