



PROSPECT HEIGHTS DISTRICT 23 FINANCE COMMITTEE INFORMATION ITEM

Date: February 1, 2021

Title: Discussion of Property Tax Appeals

Contact: Amy McPartlin, Assistant Superintendent for Finance & Operations

BACKGROUND INFORMATION:

The Property Tax Appeal Board (PTAB) is a quasi-judicial body made up of five Board Members appointed by the Governor, with the advice and consent of the Senate. The PTAB was created to provide an unbiased forum for taxpayers and taxing bodies outside of Cook County that are dissatisfied with property assessments.

Should a taxpayer be unhappy with the assessment valuation of their property, they may file an appeal with the Property Tax Appeals Board. The taxing bodies receive notice that an appeal has been filed and the subsequent increase or reduction in assessed valuation. In accordance with Illinois Statute, District 23 receives notification from the PTAB with a listing of relevant cases that pertain to properties located within the boundaries of District 23, seeking a change in valuation of \$100,000 or more.

The burden of proof before the PTAB is "a preponderance of the evidence" when market value is the basis of the appeal or "clear and convincing evidence" when unequal treatment in the assessment process is the basis of the appeal. The Board will only determine the correct assessment of property on appeal based on equity and the weight of the evidence.

The taxing bodies can decide whether or not to intervene in the appeal process based on the change in assessed valuation and the anticipated financial impact for the district. As has been the case, Prospect Heights District 23 splits the costs of legal representation with Township High School District 214 on shared properties. Attorney John Izzo with Hauser, Izzo, Petrarca, Gleason and Stillman, LLC provides this service to both districts.

Moving forward, it's important that District 23 set a criteria for intervention. Currently District 214's Board of Education has determined that in cases where 1) the appeal is for an assessment reduction in excess of \$300,000, or 2) the appeal is for an assessment reduction of less than \$300,000 when the Board is aware of a prior year PTAB appeal for the same property, the District will intervene.

In speaking with Attorney Izzo, he believes that the District shouldn't ignore any appeals where there is \$10,000 or more in revenue at stake annually. Hauser, Izzo gauges their response to the actual amount at risk, and would be unlikely to hire an expert at this amount or try to go to a hearing. Intervening, even in smaller cases, gives a school district a seat at the table when the

State's Attorney and the taxpayer attorney are negotiating these settlements, and it also sends a message to the taxpayer's attorneys that District 23 will not ignore these cases.

NEXT STEPS:

District 214 will continue to intervene in the annual appeal by Target Corporation and will evaluate others on a case by case basis, based on their Board's guidance. I would like District 23 to continue to seek Attorney Izzo's guidance as Notices of Appeals are received, continue its intervention in the annual appeal by Target Corporation and request intervention on appeals resulting in lost revenue of \$10,000/year. Pending the Committee's direction, I will prepare a recommendation and resolution for the Board's action at the February meeting.