

While, both nationally and in Naperville, home values have declined, this does not mean our property taxes are going down. The reason - property values do not determine, or limit, how much Taxing Bodies spend. Rather, they are allowed, and typically vote annually to increase the amount of funds they receive, known as their Levy. Neither your home's Assessed Valuation nor a given taxing body's prior year's Tax Rate limit the total amount of funds a Taxing Body can receive.

However, with the 1991 enactment in Illinois of the "Property Tax Extension Limitation Act", better known as the Tax Cap Law, annual increases in levies by Taxing Bodies have been limited to CPI (Consumer Price Index) or 5%, whichever is lower. The Tax Cap Law applies to all local Taxing Bodies except the City of Naperville, which, under Home Rule, can raise taxes at will.

Over the last 17 years the law has functioned to limit levy increases. As an example, per Naperville Township Assessor Warren Dixon, housing values in Naperville Township increased approximately 7% annually, but inflation, and therefore allowable levy increases, have averaged closer to 3% annually. One must remember that our tax bills have also increased due to our votes to approve various referendums from several of the Taxing Bodies.

The rates you see on your bill are simply the product of a mathematical equation dividing the Total Levy by the Total Assessed Value of all properties within the township. Even if home values continue to drop, as long as there is inflation, we will most likely see our overall property taxes increase to reflect the increased levy. Individual Tax Rates change to reflect not only inflation, but also to compensate for any decrease in Total Assessed Value. The Levy is apportioned over all property owners, commercial and residential, with your property's Assessed Valuation determining what percentage of the total you pay.

Assessed Valuation is based on a three year rolling average. As far as home prices go, Dixon reported that in 2006 the median price for a single family detached home in Naperville was \$445,000. That increased to \$453,000 in 2007, declining to \$422,000 in 2008 and thru the first six months in 2009 has declined further to \$385,000. As the Assessor's office charge is to establish Assessed Valuation of a property at 1/3 of market value, these changes in the marketplace are to be, again in the aggregate, reflected in our Assessed Valuation. The following is a link from the Lisle Township Assessor's office discussing this issue. It uses the median prices of all residential properties in its example;

<http://www.lisletownshipassessor.com/UserUploads/08TaxMarketLetter.pdf>

At the NAHC's September 17th's meeting, Mr. Dixon told the audience there are roughly 33,000 parcels in Naperville Township, 1,000 of them commercial properties. However, those 1,000 commercial properties represent approximately 40% of the Total Assessed Valuation. Another negative for homeowners is the percentage of Total Assessed Valuation for commercial properties has been dropping over the last ten years as they have appreciated at a lower rate than residential properties. This impacts residential property owners as more of the tax bill is transferred to them. Mr. Dixon also noted that some large commercial property owners such as Nalco and BP have recently challenged their assessments. Should they be successful, the tax burden will shift even more toward residential property owners.

So, what does this all mean to your tax bill next May? The assessor will average the 2006-2007-2008 values for your property in order to calculate your Assessed Value. As the drop in property values for

2008 was minimal, in aggregate, we will see, at most, a small drop in the Assessed Value of our homes. More significantly, the 2008 CPI of .01% will cause the total Tax Levy to be all but equal to this year's, meaning that again, *in aggregate*, property tax bills next year will be essentially equal to what was paid this year. Residents in School District 203 will see a slight increase due to the 2008 referendum. The district abated that collection this year.

Please note - the above talks in term of the total. Your own home's Assessed Value can fluctuate due to a number of factors such as granting exemptions for seniors, veterans or the disabled; loss of exemption; or senior freeze. Additions and renovations will also change the Assessed Value.

If, after looking at comparable homes in your area, you feel your home's Assessed Value is too high, you are encouraged to first talk to your Township Assessor. Remember, when you receive your tax bill in the spring, it is too late to appeal your assessment for that levy year. Assessments have to be appealed within a very short time frame (it varies 30 -45 days) after assessment notices are published in the paper and mailed in late summer/early fall. Only actual errors of fact (e.g., missing exemptions, incorrect square footage, miscalculation of tax rate, etc.) can be corrected after you receive your tax bill. If you believe an actual error of fact was made on your tax bill, please contact your Township Assessor. All 6 township websites have information regarding appealing your Assessed Value.

Lastly, if you are having difficulty paying your taxes, you are encouraged to contact your Township Assessor or Supervisor. They can refer you to programs available to help homeowners.

There are 6 different townships in Naperville, but the majority of homes are in Naperville Township, Wheatland, or Lisle Township. More information is available at the following websites:

Naperville Township Assessor

<http://www.napervilletownship.com/content.asp?dir=assessor&file=home>

Lisle Township Assessor

www.lisletownshipassessor.com

Wheatland Township

<http://www.wheatlandtownship.com/SD/wlt/content/Detail.aspx?ID=6>

DuPage Township

<http://www.dupagetownshipassessor.com/>

Milton Township

<http://www.miltontownshipassessor.com/index.htm>

Winfield Township

<http://www.winfieldtownship.com/Winfield/assessor.aspx>