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Photo by Jay Madden | Property tax consultant Andrea Raila (left) discusses an assessment appeal with client Liz O'Conner. She says consultants aren't necessary for appeals, but can save time and money.

Tax appeals can result in significant savings

by Paul F. Pogue

ANGIE'S LIST MEMBER Janice Pryor of Chicago wasn't happy with her property tax assessment four years ago, so she appealed to the Cook County Board of Review. She succeeded in lowering her tax bill, but it required assembling a great deal of paperwork, researching nearby assessments, writing a letter of appeal and going before the board. "It was quite a detailed process," she says.

Last year's reassessment brought the tax bill back up higher than before, and she appealed again.

But instead of doing it herself, she turned to Andrea A. Raila & Associates, a highly rated Chicago company specializing in property tax appeals. "I didn't have to worry about it; I just filled out the forms," she says. "They did all the hard work, and I got a significant reduction in my taxes."

This month, Chicago homeowners will receive their spring property tax bills, and more than ever are expected to challenge their assessments. Appeals begin at the Assessor's Office, and homeowners

can appeal those decisions to the BOR, which handled a record 439,000 appeals in 2009 and 386,000 in 2010. In 2010, 72 percent of appeals resulted in a reduction. Raila, who served on the Board of Review when it was known as the Board of Tax Appeals, says she's the first to tell homeowners they don't need someone like her: "A lot of people can get good results on their own."

But the appeal process is like changing the oil in your car — if you're busy or don't have the inclination, third-party experts can do it for you. "They become frustrated with the process, or they seek a reduction greater than what they got on their taxes, or they simply don't have enough time," Raila says.

Raila says assessments simply don't reflect the changing times and that's spurring more appeals. Nationwide, she says assessments have dropped 7 to 12 percent while market values plummet 20 to 30.

The Cook County Assessor's Office uses a computer-assisted mass appraisal method, which takes into account factors such as nearby property sales, location and home improvements. Kelley Quinn, spokeswoman for the Assessor's Office, says updates to the system in 2010 led to more accurate assessments, but acknowledges values constantly change. She cautions that a lower assessment doesn't always mean lower

property taxes, as the rates are set at the local level. Quinn adds that appeals are easier than ever; you can make an initial appeal at the Assessor's Office by providing an address, and BOR appeals can now be done online.

Sometimes, hiring an individual private appraiser can help your appeal. Mike Kozenko, owner of A-rated Tyke Appraisals in Chicago, says he saw an uptick in appeal-related appraisals when the housing market collapsed. "We know the market is stable at best, if not declining," he says.

"They did all the hard work, and I got a significant reduction in my taxes."

Illinois does not license property tax consultants. Raila suggests looking for a professional with specific experience in property taxes or someone accredited by the International Association of Assessing Officers.

Raila advises against hiring a tax consultant who charges an upfront fee; they should instead charge a percentage of the first year's savings. The larger the savings, she adds, the lower the percentage paid — starting at 10 percent and going up to 50 percent. "If you have a good case, they should be able to get a reduction," she says. ☺

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