

## **Making a Property Appeal Appointment**

Review the instructions included on your Notice of Assessment. Call the City of Galesburg office to make your tentative appointment. Provide your Name, Address, Phone and Email. You will be contacted by the assessor to review your issue and confirm the appointment time.

Current March Board of Review schedule is available on the City's website.

## **Preparing for a Property Tax Appeal (Residential)**

The Notice of Assessment basically shows you the values behind the upcoming year's tax bills. Your Assessed Value is supposed to represent 50% of what your property should sell for on the open market. Taxable Value is a calculation limited to the prior year's Taxable Value minus losses (physical change) times the CPI (Consumer Price Index...applied to every property in the State) plus additions (physical change). The tax year after a property transfers ownership, the property "uncaps" and the Taxable Value is set to the current year's Assessed Value, after which the calculation begins anew.

Why is this information important? This is the very first item of data to analyze when deciding to protest value. For Residential classed property: The March Board of Review is the ONLY time during a year to protest value...and the only value allowed by law to be appealed is Assessed Value.

Because Assessed Value represents 50%, we can multiply it by two to arrive at actual market-like numbers. The same can be applied to Taxable Value.

Assessed Value:           \$50,000 x 2 = \$100,000

Taxable Value:           \$40,000 x 2 = \$80,000

Using that as an example, the basic question to ask becomes - is my property worth \$100,000? Doubling the Taxable Value results in the effective property value that you are actually paying taxes on. In this example, your property is worth \$100,000 but you pay taxes on one worth \$80,000. If you were to appeal your Assessed Value, you would need to successfully argue that your property is worth less than \$80,000 until you saw any difference in your tax bill.

Errors of Fact should not be a Board-level issue. A simple phone call to the assessor or an appointment to view the property may be the best option to fix those problem types. A simple review of your record card or online data is recommended every year upon receiving your Notice. There are many items that your assessor simply won't know about unless informed.

If you have decided that your opinion of value is significantly different than the Assessed Value, you should prepare to support your opinion for the Board of Review. The logical question to answer is why your opinion of value is more credible than the assessor's.

This is best achieved by presenting actual market-based support from the same market in which your property competes in the form of "comparable" sales. "Comparable" sales means that your property shares similar location, features and utility to the "comparable" sale. A simple logical comparison is easy to follow and can be as simple as saying "The comparable has upgraded kitchen and baths while my property's kitchen and bath dates to the early 1950's." This is easy logic for the Board members to follow. Pictures and property information from sources like Zillow (not values) or Realtor.com are

helpful and easy to find and present. Multiple sale comparisons are recommended to increase credibility.

Mortgage appraisals are also helpful but the effective date of value for taxes is 12/31 of the prior year. So an appraisal that is from April of 2 years prior may no longer present valid information.

Avoid presenting your tax bill vs. your neighbor's tax bill. All you are likely demonstrating is term of ownership's effect on the calculation (see above).

Your sale price does not automatically equal value. This is a long-established valuation concept. In fact, it is against the law to use your sale price for Assessed Value.

Photos of physical, condition or update issues are very helpful.

Your success should depend on the overall credibility of your value opinion and the effort made to present that opinion in a way the Board can easily digest. For a genuine value issue, this is not overly difficult to achieve. Good Luck!