

PROPERTY VALUES AND TAXES

Property valuation and taxation are two separate functions.

Valuation of Property:

The actual value of real property is determined by actions in the marketplace; the buying and selling of property by the public. Tracking values is the function of the Assessor, the Supervisor of Assessments and the Board of Review. These entities are thereby charged with equity among assessments. The Supervisor of Assessments and the Board of Review may use multipliers to achieve equity among townships within a county and/or to bring assessments to the State-mandated 33.33% of market value, county-wide. Sales are tracked by the State through Real Estate Transfer Declarations and the sale prices are compared to assessed values of those properties sold to produce sales ratio studies, which indicate the level of assessments in townships and counties. If the level is above or below 33.33% of value, the State may impose a multiplier to bring the county levels to 33.33%. The Supervisor of Assessments or the Board of Review may use township multipliers to adjust township value levels within the county to 33.33%. The Assessor, the Supervisor of Assessments and the Board of Review in this function do NOT tax. They evaluate by tracking the market and adjust these valuations for equity by the application of multipliers. Multipliers are related to value adjustments, NOT to TAXES.

Taxes:

Taxes are the result of the demand for money by the taxing bodies. The taxing bodies are listed on the tax bill along with their portions of the tax rate. These include counties, cities, schools, airports, townships and others. Their requirements for money to operate translate to tax rates, the total which, when applied to the effective property assessment, determines the tax bill.

In summary, rising taxes are the result of rising demands for money, not the result of rising property values. In a given year, when values increase, tax rates would decrease to generate the same dollars as the prior year. In a given year, when property values decrease, tax rate would increase to generate the same tax amount as the prior year. Except for that part of the township or county levy, which is needed to cover office budgets, assessment bodies do NOT Tax. Rather, they evaluate property according to the action of the market. It is not the local Assessor who decides the tax liability, as commonly believed.