



Cook County Board of Review

Property Tax Appeal Board Defense Unit

In July 2017, the **Cook County Board of Review (CCBOR)** created the **Property Tax Appeal Board (PTAB) Defense Unit**, a separate division within CCBOR dedicated to defending CCBOR at PTAB. This unit allows CCBOR to better defend the County's property tax base and maximize the savings on the total liability of all taxing bodies.

CCBOR created long and short-term strategies to minimize the future volume of frivolous PTAB appeals, reduce the dollar amount of refunds from current and future appeals, reduce the backlog of cases pending and shorten the lifecycle of PTAB dockets.

These strategies included dedicating specialized, dedicated analysts to defend CCBOR decisions at PTAB, educating and engaging taxing bodies on their process and role in PTAB defense, and effecting legislative change in Springfield to even the playing field in the PTAB process.

The Unit and its efforts will provide a coordinated defense of the Cook County property tax base and act as a deterrent to frivolous filings at PTAB. The caseload reduction will then reduce the exposure to liability for the County and other taxing bodies. CCBOR can concentrate on defending appeals in the PTAB hearing process and significantly reduce the loss of funds and interest. The goal of this unit is to reduce the loss of property tax dollars through PTAB decisions for Cook County and all of its taxing bodies.

Background

The Property Tax Appeal Board was created by Illinois Statute (35 ILCS 200/7-5). In 1996, the State of Illinois extended PTAB's jurisdiction to Cook County. (35 ILCS 200/16-160). The purpose of PTAB was to provide residents a venue to appeal decisions of Boards of Review. There is no filing fee at PTAB and all cases are reviewed "de novo." Both parties have the right to a hearing or have the case decided on the evidence. Cases are heard by Administrative Law Judges retained by PTAB to hear all cases.

Prior to the creation of the PTAB Defense Unit, CCBOR analysts, whose primary responsibility is to analyze assessment appeals, also defended PTAB cases on an ad-hoc basis. Therefore the defense of PTAB was a secondary function of CCBOR. The majority of PTAB work was spread across 20 analysts from the three Commissioners' staffs. However, as the number of CCBOR appeals increased exponentially (from 130,000 appeals in 2005 to a record 476,000 appeals in 2015-2016), CCBOR analysts had been required to focus on their statutory duty of analyzing assessment appeals. The CCBOR had less time and fewer resources to process PTAB responses, thereby increasing the interest liability. In addition, CCBOR analysts were only able to do the statutory minimum requirements, i.e. provide copies of the CCBOR's written work product, which significantly increases the chance for loss of funds without legal briefs, appraisal reports and other evidence and support at PTAB. Without a dedicated staff and improved evidence responses, taxing bodies and the County were risking millions of tax dollars.

Solution: PTAB Defense Unit

In the CCBOR's FY 17 budget, the CCBOR requested 12 full-time employees, subscriptions to professional databases e.g. Co-Star, and an appraisal budget of \$150,000. The overall investment requested was \$1,039,186.

The approved budget for the PTAB Defense Unit funded five full-time employees with hiring delayed until June 2017 and fully funded the appraisal budget. The CCBOR staffed the unit; however, the litigation surrounding the Sweetened Beverage Tax and the related budget holdbacks required the CCBOR to freeze spending the appraisal budget.

Results Delivered

The initial six months of CCBOR's PTAB Defense Unit saw immediate savings for Cook County taxing bodies. Because of increased resources to challenge PTAB cases, CCBOR closed a record number of dockets in 2017 and saved the County more money per case than in 2016. As a result the County's savings from closing PTAB dockets increased \$1,022,618 (11.15 %) in 2017 - more than the projected 10 percent savings to the County. CCBOR reduced the liability of all taxing bodies from \$520 million a year ago to \$480 million now, and reduced the County's liability from \$34.8 million to \$27.8 million (as of September 30th, 2017). The Unit was able to cut CCBOR's PTAB file backlog from 4 years to 2.5 years. Because of CCBOR's PTAB unit, taxing districts saved 12 million dollars more in 2017 than in 2016.

2017 PTAB Defense Unit Highlights

- Cook County's liabilities decreased from \$34.8 million to \$27.8 million.
- Cook County budget savings increased \$1,022,618 (11.15% - see chart)
- BOR PTAB dockets closed increased to 22,834 or 3.46%

*Highlights based on PTAB and internal data as of October 2017.

PTAB Defense Unit Results

2016 **\$141,041,678**

2017 **\$153,910,289**

The PTAB Defense Unit won cases that disposed of \$12 million more liability for Cook County taxing districts in 2017 than 2016.

2016 **\$9,171,452**

2017 **\$10,194,069**

The PTAB Defense Unit saved Cook County an additional \$1 million in losses avoided.

2016 **22,045**

2017 **22,834**

The PTAB Defense Unit closed more PTAB dockets in 2017: Increased file resolution and decreased backlog.