

# 5

## Your Assessor's Office At Work

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# Property Tax Exemptions for Homeowners



## Homeowner Exemption

Most homeowners are eligible for this exemption if they own and occupy the property as their principal place of residence.

- Automatic Renewal:** Yes, this exemption automatically renews each year.



## Returning Veterans Exemption

This exemption provides property tax savings for veterans returning from active duty in armed conflict.

- Automatic Renewal:** No, this exemption must be filed annually.



## Senior Exemption

Most senior homeowners are eligible for this exemption if they are 65 years of age or older and own and occupy their property as their principal place of residence.

- Automatic Renewal:** Yes, a new law allows for automatic renewal for seniors who received the exemption last year. Newly qualified seniors must file initial applications.



## Veterans with Disabilities Exemption

This exemption provides property tax savings for veterans with a service-connected disability as certified by the U.S. Department of Veterans Affairs. Please visit our website to view a list of criteria and documentation required.

- Automatic Renewal:** No, this exemption must be filed annually.



## Senior Freeze Exemption

Most homeowners are eligible for this exemption if they meet the requirements for the Senior Exemption and have a total household annual income of \$65,000 or less. It is important to note that this exemption does not freeze the amount of a property tax bill. The property tax savings may fluctuate due to the state multiplier and local tax rate.

- Automatic Renewal:** No, this exemption must be filed annually.



## Long-Time Homeowner Exemption

In order to qualify, there has to be a significant assessment increase that exceeds the maximum amount set by the state legislature.

- Automatic Renewal:** No, fewer than 2% of homeowners qualify for this exemption and applications are mailed to those properties that qualify each year.



## Persons with Disabilities Exemption

This exemption provides property tax savings for persons with disabilities. Please visit our website to view a list of criteria and documentation required.

- Automatic Renewal:** No, this exemption must be filed annually.



## Home Improvement Exemption

This exemption allows property owners of single-family homes, condominiums, and apartments up to six units to add improvements to their home without being taxed on up to \$75,000 of the added value for up to four years."

- Automatically Applied:** Yes, this exemption will be applied automatically upon receiving a building permit for an improvement.

# Exemptions for Homeowners

The Cook County Assessor's Office administers property tax exemptions, such as the Homeowner Exemption, that can reduce a homeowner's property tax bill. The qualifications for every exemption and the amount of property tax savings are set by state law.

Homeowners may qualify for multiple exemptions. All property tax exemption savings are applied to the second installment property tax bills issued in the summer.

## Senior Exemption Auto-Renewal Pilot a Success

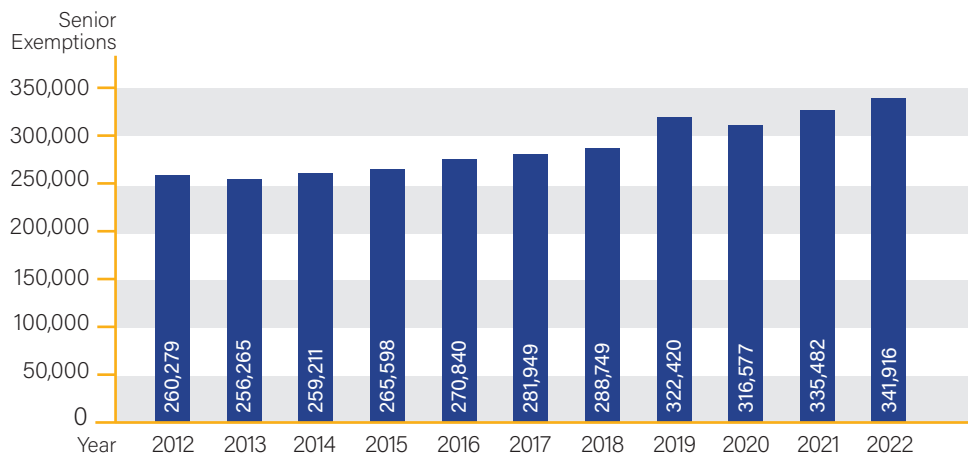
In 2019, the Illinois legislature began to auto-renew the senior exemption for anyone enrolled the previous year. This has increased participation in

the program significantly: In Tax Year 2022, about 342,000 Cook County residents were given the senior exemption, up from 289,000 in 2018 – an increase of nearly 20%.

The CCAO is advocating for the auto-renewal to be made permanent by state legislators.

## Streamlining the Exemptions Process

In 2022, the Assessor's Office redesigned and consolidated several forms used by taxpayers to apply for exemptions. Over 10 forms were eliminated into two simple online and print applications, reducing paperwork for homeowners.



## Erroneous Exemptions Collects \$5.6 million

In fiscal year 2022, the CCAO collected \$5.6 million from taxpayers receiving exemptions for which they were not eligible. Nearly \$4 million of these funds were returned to taxing districts in Cook County, while most of the remaining money was used to fund the Office's erroneous exemptions department.

# Homeowner Exemption Savings by Township

The most popular exemption that the CCAO administers is the Homeowner Exemption. The following table shows the median savings in each township for this exemption in Tax Year 2022.

As the table shows, savings from exemptions differ across Cook County. In the south and west suburbs, where tax bases tend to be lower, the median tax rates are higher. (See section 3.3 for more detail.)

Since exemption savings track the tax rate, higher tax rates result in higher savings.

Exemption policies can have unintended effects. In 2023, Cook County created a Property Tax Reform Group that consists of representatives from the county's property tax system, including the CCAO. For more information about the group's work on exemptions, visit

[www.cookcountylil.gov/service/property-tax-reform-group](http://www.cookcountylil.gov/service/property-tax-reform-group).

Township	Tri	Median Tax Rate	Median Savings
Barrington	North Suburbs	7.54%	\$754
Elk Grove	North Suburbs	8.47%	\$844
Evanston	North Suburbs	7.94%	\$795
Hanover	North Suburbs	10.26%	\$1,026
Leyden	North Suburbs	10.78%	\$1,073
Maine	North Suburbs	8.80%	\$880
New Trier	North Suburbs	7.35%	\$735
Niles	North Suburbs	8.78%	\$832
Northfield	North Suburbs	7.43%	\$743
Norwood Park	North Suburbs	7.99%	\$799
Palatine	North Suburbs	9.80%	\$980
Schaumburg	North Suburbs	9.29%	\$929
Wheeling	North Suburbs	9.64%	\$964
Berwyn	South & West Suburbs	15.54%	\$1,554
Bloom	South & West Suburbs	18.34%	\$1,834
Bremen	South & West Suburbs	15.86%	\$1,562
Calumet	South & West Suburbs	21.97%	\$2,197
Cicero	South & West Suburbs	14.94%	\$1,494
Lemont	South & West Suburbs	8.30%	\$830
Lyons	South & West Suburbs	10.04%	\$1,004

Township	Tri	Median Tax Rate	Median Savings
Oak Park	South & West Suburbs	13.13%	\$1,313
Orland	South & West Suburbs	10.25%	\$1,025
Palos	South & West Suburbs	11.63%	\$1,163
Proviso	South & West Suburbs	12.92%	\$1,283
Rich	South & West Suburbs	18.56%	\$1,856
River Forest	South & West Suburbs	11.04%	\$1,105
Riverside	South & West Suburbs	13.10%	\$1,310
Stickney	South & West Suburbs	13.19%	\$1,319
Thornton	South & West Suburbs	24.76%	\$2,369
Worth	South & West Suburbs	13.40%	\$1,300
Hyde Park	City of Chicago	7.03%	\$704
Jefferson	City of Chicago	7.04%	\$704
Lake	City of Chicago	7.08%	\$706
Lake View	City of Chicago	7.03%	\$704
North Chicago	City of Chicago	7.03%	\$704
Rogers Park	City of Chicago	7.03%	\$704
South Chicago	City of Chicago	7.03%	\$704
West Chicago	City of Chicago	7.03%	\$704

# Incentives



Incentives encourage economic development by providing a lower level of taxation on a property's assessed value. Incentive programs are set in the Cook County Classification Ordinance and administered by the Cook County Assessor's Office and, in some cases, with the County's Bureau of Economic Development.

Incentives support the rehabilitation and development of industrial and commercial properties, the creation of affordable housing, and many more specific types of properties – such as grocery stores that are built in a food desert or landmark buildings.

Below is information on active incentives for major classes of property in Cook County.

<b>Class 6b</b> (industrial incentive)	<b>1331</b>
<b>Class 7 and 7c</b> (commercial incentive)	<b>93</b>
<b>Class 8</b> (industrial/commercial incentive)	<b>635</b>
<b>Class C</b> (remediation incentive)	<b>24</b>
<b>Class L</b> (landmark incentive)	<b>40</b>

## Breaking New Ground on Affordable Housing

In the summer of 2021, Governor J.B. Pritzker signed legislation establishing the Affordable Housing Special Assessment Program (AHSAP) in Cook County. AHSAP is designed to incentivize affordable housing by offering assessment reductions to multi-family housing providers who maintain a certain level of affordability in recently constructed or rehabilitated buildings.

With AHSAP, the CCAO adopted a new and innovative method to stimulate affordable housing development across Cook County. In particular, the program contains an incentive targeted at low-affordability communities, including parts of downtown Chicago, that are prohibitively expensive for low-income renters to live in.

AHSAP contains three separate tiers of incentives (affordable units must rent at 60% or less of Area Median Income):

- For providers with 15% of units kept affordable, the property will receive a 25% reduction in assessed value.
- For providers with 35% of units kept affordable, the property will receive a 35% reduction in assessed value.
- For providers with 20% of units kept affordable in low-affordability communities, the property will receive a reduction equal to 100% of the difference between the value of the property one year before the affordable units are occupied and the post-construction assessed value.

The CCAO launched AHSAP in February 2022. We collaborated with community partners in our outreach efforts to providers, processed and approved hundreds of applications, and built an internal system for applying the incentives.

In the first year, the CCAO approved hundreds of AHSAP applications. As of January 2024, 822 applications had been accepted, with another 297 pending approval.

In May 2023, the CCAO received the Outstanding Community Partner Award from the Community Investment Corporation and the Preservation Compact for our implementation of AHSAP.





# Outreach and Civic Engagement

## Workshops and events

Despite the ongoing COVID-19 pandemic, the CCAO continued to engage in outreach efforts across Cook County. We conducted a total of 142 in 2022 -- 103 in-person and 39 virtually. They included:

- Appeal seminars
- Exemptions presentations
- Appearances by Assessor Kaegi with neighborhood groups, religious organizations and business associations
- Resource fairs

In each township in the north suburbs, the CCAO held a reassessment information session. Property owners were given information about their assessments to help determine if an appeal should be filed.

## Digital engagement

For the first time, we included QR codes in our materials, allowing property owners to sign up for our newsletter. We also added an opt-in option on exemption applications, which resulted in more than 10,000 new email contacts. In total, our newsletter subscriptions grew by 34%.

The CCAO also joined Nextdoor, a digital platform with more than 800,000 users in Cook County..

## Growing our Audience

Number of messages received on Facebook, Twitter, Instagram and YouTube: 3,072

Audience growth: 20%

Number of newsletters sent: 89

Newsletter audience growth: 34%



# Awards, Advocacy, and Leadership

## Awards

The CCAO in 2022 received four awards from a combination of the National Association of Counties (NACo) and International Association of Assessing Officers (IAAO).

### 1. Bringing Fairness and Transparency to Property Assessments

The Data Department was recognized for creating an in-house residential valuation model using free software and open-source algorithms that outperforms the industry standard linear models and improves equity.

### 2. Conversations about Racial Equity and Real Estate Initiative

Through virtual "Racial Equity and Real Estate" conversations, academic experts joined local community developers, realtors, and artists for a series of discussions about how race impacts our work as assessors, and the effects of race and policy on local real estate markets.

### 3. Senior Citizens Aren't Getting any Younger

Prior to Assessor Kaegi's administration, seniors were required to apply for the Senior Exemption every year, proving they are still over the age of 65. Assessor Kaegi championed a bill that amends the Illinois Property Tax Code so that a homeowner who has been granted a Senior Exemption no longer needs to reapply annually. For more information, see Section 5.1 on exemptions.

## Advocacy

High-level officers with the CCAO represented the office locally and nationally

### Engaged with White House on more accurate assessments

Assessor Kaegi and former Chief Data Officer Samantha Simpson traveled to Washington D.C. to meet with Special Assistant to the President for Housing and Urban Policy. They discussed the importance of providing county assessors access to the Uniform Appraisal Dataset, which will contribute to reducing assessment disparities nationwide by providing more accurate data.

The previous year, Assessor Kaegi and 15 appraisers and assessors from some of the country's largest jurisdictions including Maricopa County, Philadelphia and Miami, sent a letter to the White House asking for support in accessing the UAD. With more data on the internal characteristics of homes, assessors can combat regressivity in assessments by distinguishing between homes with similar external features.

### Presented on affordable housing at IAAO conference

Chief Communications Officer Angelina Romero, Chief Valuations Officer Michael Piper, and Chief Policy Officer David Morrison presented on the passage of the Affordable Housing Special Assessment Program at the International Association of Assessing Officers Annual Conference in Boston, Massachusetts, in August 2022. For more information about the program, see section 5.2.





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