

WHY PROPERTY TAXES ARE SO ASTRONOMICAL



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WHERE DOES THE MONEY GO AND WHY SUCH DISPARITY IN LAKE COUNTY'S PROPERTY TAX RATES



LAKE COUNTY
APPEAL

PROPERTY TAX JUSTICE®

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PROPERTY TAXES EXPLAINED

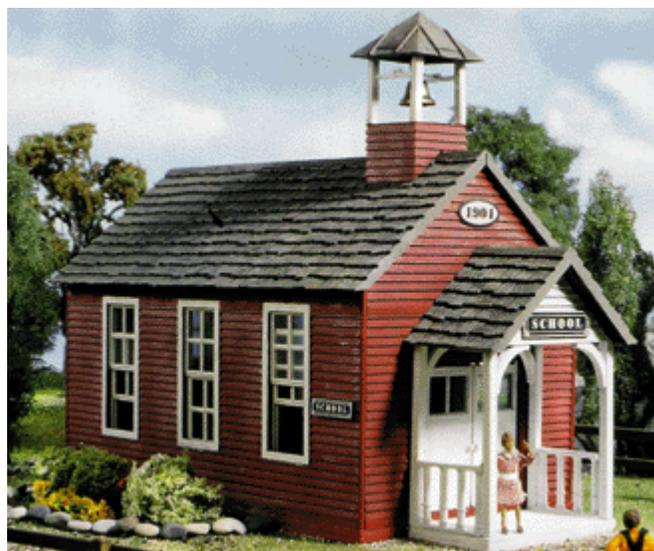
Property tax season is upon us, and we have already begun receiving numerous calls from clients asking why their property taxes are so astronomically high, along with other questions about Lake County's property taxes.

To many, property taxes seem unfair, unreasonable and, simply, inflated. With that in mind, I'd like to help "clear the air" and explain why Lake County's property taxes are so high. I will also explain where all of those hard-earned dollars go, and why there is such great disparity in property tax rates among Lake County's cities and towns.

Property taxes are local taxes imposed by local governmental taxing districts, such as school districts, park districts, municipalities and counties. Property taxes are assessed, adjudicated for fairness and collected by local officials. They include township assessors, chief county assessment officers, local boards of review, county collectors and treasurers.

Property taxes are also spent at the local level on necessities such as:

- Schools (by far, the largest property tax appetite...typically in excess of 50% of the property tax bill)
- Parks
- Fire and Police Safety
- Libraries
- Roads
- Trash
- Sewer
- Water



ILLINOIS REMAINS IN THE LEAD

Property taxes in Illinois are very high in comparison to most other states. This is because, in part, the State of Illinois is only funding approximately 27% of public education. This amount is considerably short of the 50% it is supposed to be funding.

Most states fund substantially more than 27% of public education. In fact, Illinois funds the 8th smallest amount for education per capita of the 50 states; it funds less per capita than all of the states in the Midwest except for Missouri.

In addition, while most states have cities and counties, they don't have that expensive third layer of bureaucracy, townships. Ninety-five percent of Americans have **two layers or less** of general purpose local government to pay into. Illinois is one of only 10 states that have a **third layer**, namely the township. Most Americans don't have a township as one of their general purpose local governmental bodies, but 61% of all Illinoisans do.

95% of Americans have two layers or less of general purpose local government. Illinois is 1 of only 10 states that have 3, namely the township.

Based upon the above, one can understand why Lake County, Illinois taxpayers pay more property taxes than do taxpayers in most states. These states fund education more generously than does Illinois. Moreover, they typically do not have townships as an additional layer of bureaucracy. But why the disparity in property tax rates among Lake County's many cities and towns? **Most of the disparity is attributable to the location of the property and to the school districts, although sometimes in ways that may surprise some readers.**

Most people would agree that, at least from a residential perspective, it is better to be located in Lake Forest than Waukegan, due to Lake Forest's beauty and its quality of schools. Then why are property taxes in Lake Forest 5% or 6% of the properties' assessed values, while Waukegan's are 16% or 17%?

For several reasons, one being that they both need police and fire departments, water districts, park districts, etc., and their employees require salaries that are, more or less, equal. If the value of a 2,000 square foot house in Lake Forest is, on average, three times the value of the same house in Waukegan, Waukegan's property tax rate would have to be three times higher than Lake Forest's to pay those salaries. And then there's density of population...



In Waukegan, according to Wikipedia, as of the 2000 census, the population density was 3,820 people per square mile. In Lake Forest, the population density was 1,189 people per square mile. Once again we see the three multiplier raise its ugly head. Waukegan's population density is more than three times Lake Forest's. This translates into more children per square mile in Waukegan's school system.

While Lake Forest taxpayers certainly pay more per capita in **income** taxes than Waukegan's, the schools are also heavily dependent on property taxes. And Waukegan's lower property values per square mile demands a higher tax rate to generate enough tax revenue to pay for all of those educations. This is the case despite the fact that Waukegan's schools are not rated as highly as Lake Forest's.

Unfortunately, the fact that readers now have a better understanding of why Lake County's property taxes are so high, where the money goes, and why there is such great disparity in the county's property tax rates doesn't lessen the pain when paying them.

Ron Kingsley is the primary Tax Attorney and Owner of Lake County Appeal in Lake Forest, Illinois. Ron files and defends clients' commercial and residential property tax appeals before the county Board of Review and the Illinois Property Tax Appeal Board ("PTAB").



Ron is responsible for representing and guiding residential and commercial clients in obtaining property tax reductions. His firm handles all aspects of the tax appeal process, including in-depth research, data and evidence gathering, case preparation and appeal submission, along with tax attorney representation. Since 2007, Lake County Appeal has serviced home owners and commercial clients and is now expanding to home closure representation. They remain the leading property tax firm in Lake County (based on successful tax appeals filed in the last 4 years) and have successfully lowering the tax bases of properties by \$500 million.

To learn more, visit www.lakecountyappeal.com.