

# Equalization Factor Calculation Background

## 2013 Assessment Year



The Illinois Property Tax Code specifies the relationship between a property's assessed valuation and its fair cash value. Properties that are not exempt from taxation or that do not qualify for statutory preferential assessment treatment (i.e., Farms, Open Space, Religious Organizations, etc.) are required to be assessed at 33 1/3% of their fair cash value.

The Illinois General Assembly has placed restrictions within the Property Tax Code that somewhat disconnect the timely relationship between property values and property assessments. State law requires that the assessed values to be calculated based upon data from the three prior calendar years before the assessment date. In appreciating markets, this procedure forces current property assessments to lag behind recent sales prices, and in declining markets, the decline of assessed values is delayed.

Illinois law includes a series of checks and balances within the Property Tax Code to insure that the relationship between individual assessed values and corresponding fair-cash values are uniform throughout the assessment jurisdiction. The foundation of this assessment oversight system is an independent statistical testing process which monitors the relationship between these two variables known as a sales ratio study. The Illinois Department of Revenue is required to compile yearly sales ratio studies for each county and globally adjust the assessments within the county if the relationship between the assessed values and the sales prices are not at the statutory level.

Assessed values may be changed either individually or as a group by the application of an equalization factor. Factors may be issued at the state, county or township level. The Property Tax Code requires local assessment officials to individually review and adjust, when necessary, assessed values once every four years. Even though the Property Tax Code only requires the individual adjustment of assessed values once every four years, the statutory relationship between assessed values and sales prices must be maintained each year. During non-reassessment years, property assessments are typically adjusted by applying an equalization factor.

Assessment changes caused by State of Illinois factoring may not be appealed to local appeal boards and are not finalized until shortly before tax bills are issued. Most counties try to avoid this situation by attempting to reach the statutory percentage of market value earlier in the assessment cycle by applying equalization factors at the local level. Local equalization provides property owners the opportunity to appeal the equalized value and publicly disclose the new assessment much earlier within the annual assessment cycle. The State historically has used one factor for an entire county when State equalization was required. When assessed values are adjusted by local equalization, sales data is taken from within individual townships to calculate a township-specific factor resulting in assessed values which are more representative of actual fair cash values.

The following information was used to calculate the 2013 DuPage County Supervisor of Assessments Equalization Factors.

## Step One: Measure the Initial 2013 DuPage County Level of Assessment before Township Revisions

(Completed 07/12/2013)

The Illinois Department of Revenue annually provides DuPage County and the Township Assessors with an official measurement of the relationship between the assessed values and the fair cash values. This measurement, as required by law, was built upon the results of the 2010, 2011 and 2012 Department of Revenue Sales Ratio Studies.

Township	2010	2011	2012	3-Year Average
Addison	32.40%	37.06%	37.31%	35.59%
Bloomingtondale	32.33%	37.26%	38.60%*	36.06%*
Downers Grove	32.75%	35.59%	36.16%	34.83%
Lisle	32.83%	35.25%	35.80%	34.63%
Milton	32.93%	35.69%	35.60%	34.74%
Naperville	32.98%	35.44%	35.93%	34.78%
Wayne	32.44%	36.42%	37.50%	35.45%
Winfield	32.62%	36.89%	39.04%**	36.18%**
York	32.33%	36.82%	37.41%	35.52%

\* Updated 07/12/2013 per I-DOR Official 2012 Sales Ratio Report, original estimates were 38.61% & 36.07% respectively.

\*\* Updated 07/12/2013 per I-DOR Official 2012 Sales Ratio Report, original estimates were 39.05% & 36.19% respectively.

Source: Illinois Department of Revenue [PTAX-215](#), dated 07/11/2013

## Step Two: Estimate the Required Amount of Overall Changes for 2013 Assessment Year

(Completed 07/12/2013)

Based upon the initial 2013 level of assessment information, the following represents the potential amount the total assessments for each township will need to change to meet the statutory three-year average level of assessment of 33 1/3% at the end of the 2013-assessment cycle:

Township	Required Amount of Change	Potential Factor
Addison	-6.35%	0.9365
Bloomingtondale	-7.59%*	0.9243*
Downers Grove	-4.31%	0.9569
Lisle	-3.75%	0.9625
Milton	-4.06%	0.9594
Naperville	-4.17%	0.9583
Wayne	-5.98%	0.9402
Winfield	-7.88%*	0.9212*
York	-6.17%	0.9383

\*Revised 07/12/2013 per I-DOR Official Sales Ratio Report

The estimated 2013 factors listed above would be applied only if the assessment revisions made by the township assessors do not significantly alter the township's level of assessment. If the township assessor's revisions alter the level of assessment by more than +/-1%, the new level of assessment will be used to calculate the equalization factor.

## Step Three: Measure 2013 Level of Assessment after Township Revisions

(Completed by Individual Township - 07/09/2013 to 09/19/2012)

Once the individual Township Assessors certify their revisions for the 2013 assessment year, the Supervisor of Assessments will measure the amount of aggregate assessment change excluding assessment revisions made as the direct result of a physical property change or reclassifying property between assessment categorizations. Once completed, the measured amount of aggregate assessment change for each of township will be reported here:

Township	Actual Amount of Change	Adjusted Level
Addison	0.0%	<a href="#">35.85%</a>
Bloomingtondale	-1.33%	<a href="#">35.59%</a> *
Downers Grove	0.0%	<a href="#">34.83%</a>
Lisle	0.0%	<a href="#">34.63%</a>
Milton	0.0%	<a href="#">34.74%</a>
Naperville	-2.20%	<a href="#">34.02%</a>
Wayne	-1.05%	<a href="#">35.08%</a>
Winfield	0.0%	<a href="#">36.18%</a>
York	0.0%	<a href="#">35.52%</a>

\*Estimate, actual per 07/12/2013 per I-DOR Official Sales Ratio Report is 35.58%.

If the assessment revisions made by the township assessor resulted in a level of assessment change of less than 1%, the level reverts to initial Illinois Department of Revenue calculation.

## Step Four: Calculate the 2013 Factor

(Completed by township from 07/25/2013 to 09/19/2013)

The 2013 Supervisor of Assessments Equalization Factors were calculated as follows:

Township	Required Level		Actual Level		Factor
Addison	33.33%	÷	35.85%	=	0.9365
Bloomingtondale	33.33%	÷	33.59%*	=	0.9365
Downers Grove	33.33%	÷	34.83%	=	0.9569
Lisle	33.33%	÷	34.63%	=	0.9625
Milton	33.33%	÷	34.74%	=	0.9590
Naperville	33.33%	÷	34.02%	=	0.9797
Wayne	33.33%	÷	35.08%	=	0.9500
Winfield	33.33%	÷	36.18%	=	0.9212
York	33.33%	÷	35.52%	=	0.9383

\*Estimated level used for equalization factor calculation. Per Illinois Department of Revenue PTAX-215 dated 07/11/2013, the actual level is 35.58%.

At the conclusion of the 2013 assessment cycle, the Department of Revenue will review the changes made by the Township Assessors, Supervisor of Assessments, and the Board of Review, and calculate a final level of assessment for the 2013 assessment year. If the Department finds that DuPage County is not at the statutory level of assessment, it will be obligated to issue an equalization factor, which will be applied to all assessed values before the 2013 real estate tax bills are calculated.

## Statutory References

- [35 ILCS 200/1-50](#) (Fair Cash Value Defined)
- [35 ILCS 200/1-55](#) (33 1/3% Defined)
- [35 ILCS 200/17-10](#) (Sales Ratio Procedures)
- [35 ILCS 200/9-210](#) (Supervisor of Assessment Authority/Requirement for Equalization)
- [35 ILCS 200/16/65](#) (Board of Review Equalization Authority)
- [35 ILCS 200/17-5](#) (Illinois Department of Revenue Authority/Requirement for Equalization)

## Source Data and Additional Documents Available for Download

- [PTAX-215](#), Dated 07/19/2012: Initial 2012 Level of Assessment Certification
- [2005](#), [2006](#), [2007](#), [2008](#), [2009](#), [2010](#), [2011](#) & [2012](#) IL-DOR Sales Ratio Studies (Summary Reports Only)
- [2005](#), [2006](#), [2007](#), [2008](#), [2009](#), [2010](#) & [2011](#) IL-DOR Detail Sales Listing (Individual Sales Used in Sales Ratio Reports)
- [2004](#), [2005](#), [2006](#), [2007](#), [2008](#), [2009](#), [2010](#), & [2011](#) PTAX-260-A Final Abstracts of Assessment
- [2008 Equalization Factor Information](#)
- [2009 Equalization Factor Information](#)
- [2010 Equalization Factor Information](#)
- [2011 Equalization Factor Information](#)
- [2012 Equalization Factor Information](#)
- [Publication 136](#): Property Assessment and Equalization information provided by the Illinois Department of Revenue.

Please note that you may view and or download the above referenced statutes and source data by visiting: <http://www.dupageco.org/SOA/1472/>

