

Equalization Factor Calculation Background

2019 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 ensure 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 discloses 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 2019 DuPage County Supervisor of Assessments Equalization Factors.

Step One: Measure the Initial 2019 DuPage County Level of Assessment before Township Revisions

(Completed 08/23/2019)

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 2016, 2017 and 2018 Department of Revenue Sales Ratio Studies.

Township	2016	2017	2018	3-Year Average
Addison	32.96%	31.73%	30.23%	31.64%
Bloomingtondale	33.02%	31.48%	30.27%	31.59%
Downers Grove	33.28%	31.78%	31.03%	32.03%
Lisle	33.50%	32.07%	31.05%	32.21%
Milton	33.19%	31.99%	31.03%	32.07%
Naperville	32.52%	31.90%	30.40%	31.94%
Wayne	33.38%	31.87%	30.67%	31.97%
Winfield	33.31%	31.62%	29.76%	31.56%
York	33.07%	31.21%	30.37%	31.55%

Source: Illinois Department of Revenue PTAX-215, dated 08/23/2019

Step Two: Estimate the Required Amount of Overall Changes for 2019 Assessment Year

(Completed 08/23/2019)

Based upon the initial 2019 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 2019-assessment cycle:

Township	Required Amount of Change	Potential Factor
Addison	+5.34%	1.0534
Bloomingtondale	+5.51%	1.0551
Downers Grove	+4.06%	1.0406
Lisle	+3.48%	1.0348
Milton	+3.93%	1.0393
Naperville	+4.35%	1.0435
Wayne	+4.25%	1.0425
Winfield	+5.61%	1.0561
York	+5.64%	1.0564

The estimated 2019 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 2019 Level of Assessment after Township Revisions

(As individual Township Assessors complete their revisions)

Once the individual Township Assessors certify their revisions for the 2019 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	(+) 5.62%	33.42%
Bloomingtondale	(+) 5.35%	33.28%
Downers Grove	(+) 3.43%	33.13%
Lisle	(+) 2.45%	33.00%
Milton	(+) 2.98%	33.02%
Naperville	(+) 4.80%	33.24%
Wayne	(+) 4.29%	33.35%
Winfield	(+) 5.50%	33.30%
York	(+) 0.29% *	31.55%*

* 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 2019 Factor

(As individual Township Assessors complete their revisions)

The 2019 Supervisor of Assessments Equalization Factors were calculated as follows:

Township	Required Level		Actual Level		Factor
Addison	33.33%	÷	33.42%*	=	1.0000
Bloomington	33.33%	÷	33.28%*	=	1.0000
Downers Grove	33.33%	÷	33.13%*	=	1.0000
Lisle	33.33%	÷	33.00%*	=	1.0000
Milton	33.33%	÷	33.02%*	=	1.0000
Naperville	33.33%	÷	33.24%*	=	1.0000
Wayne	33.33%	÷	33.35%*	=	1.0000
Winfield	33.33%	÷	33.30%*	=	1.0000
York	33.33%	÷	31.55%	=	1.0564

At the conclusion of the 2019 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 2019 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 2019 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 200/9-155](#) (Township assessors shall assess property at 33 1/3% if its fair-cash value in general assessment years)
- [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

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

