

Property Tax Reduction Process

By Dan Lobbes, Director of Land Protection, The Conservation Foundation

Property tax assessments are a confusing issue by themselves, let alone when you add a conservation easement to the mix. In general terms, the township assessor looks at the fair cash value of each property and provides the figures to both the property owner and the county assessor. The county assessor then gathers all of the tax rate data from the various public agencies, applies them to each property, and issues the property tax bills.

Once an easement is in place, the property owner sends an application for tax reduction (form PTAX 337-R) to the Illinois Department of Natural Resources in Springfield. It is the DNR's responsibility to make sure that the easement qualifies for a property tax reduction. When the state certifies that the easement qualifies, the property owner is notified. The property owner needs to send all of the documentation to the county supervisor of assessments. The county assessor will apply a 75% reduction to the part of the property in an easement. It basically is a multiplier on an Excel spreadsheet, if you will. The township assessor will continue to assess the property as they always have, providing the figures to both the property owner and the county. You will

continue to get these notices in the mail from the local assessor. The county will plug in the township assessor's values and the appropriate multipliers, figure the taxes and generate the tax bills based on the reduced value. In effect, there are two sets of figures being kept on your property, but ***the property tax bills are generated using the lower figures.***



In cases of conservation easements, open space provisions and non-publicly-owned airports, the two sets of figures are always kept. That's in case the easements are ever extinguished or the owners stop using their properties as open space or airports.

Sometimes township assessors use different rates for land based on its accessibility or buildability. For instance, if the majority of a property (including buildings) sits on one side of a river and a small portion without access sits on the other, the part across the

river may be assessed at a much lower rate. How much your actual property taxes will be reduced depends on the level at which the land in the conservation easement is assessed. We know that the land in an easement will be assessed at one-fourth the value of land that is not in an easement. Let's look at two examples:

- ❖ If the land is assessed at \$40,000/acre, with an easement in place it will be assessed at \$10,000/acre. The difference of \$30,000 makes quite an impact on your taxes!
- ❖ If the land is assessed at \$4,000/acre, however, the assessment with an easement in place will be \$1,000. It is still a 75% reduction from the former assessment, but the \$3,000 difference will not be felt as much as the \$30,000 in the previous example.

For easements completed by December 31 of any given year, the county assessor needs to receive the state's certification from the property owner by January 31. The reduced assessments will then be in place when the next round of tax bills are generated.