

# Chapter 6: How To Do A Tax Search

## Introduction

Depending on the purpose, tax research can be simple or complex. The researcher may be helping someone purchase property and only need to know whether the property taxes are up to date. In this case the results are quite straightforward - the taxes are paid up or not. In another case, the researcher may be interested in neighborhood disinvestment, and thus uses tax delinquency (failure to pay taxes) to measure disinvestment. Here he or she has to look at whether or not property taxes are paid and also at patterns of delinquency and redemption to begin to make guesses about property owners' intentions: delinquency as a result of a short term cash flow problem; as a conscious disinvestment decision to improve the rate of return until selling the property; or as an indication of plans to walk away from the building. The researcher must then interpret how these individual patterns relate to the neighborhood as a whole.

As several of our case studies illustrate, community research has also addressed issues of over/under assessment of properties, tax sale procedures, and the general impact of property tax procedures on low income neighborhoods. Fortunately, although the issues of property tax procedures are complex, the initial task of gathering the information is quite easy.

## The Permanent Index Number

The first step in the tax search is to find the Permanent Index Number (PIN) for the property. All property tax records in Cook County follow this method of identifying properties. PINs are listed by address in the Street Index Number books in the County Treasurer's Office in Room 112 of the County Building. As you enter Room 112 you will see a long counter along the left wall. Ask a clerk to give you the Street Index Number book or the street name you are interested in. These books are arranged alphabetically by street name. Within each book the addresses are arranged numerically. The street number on the building may not correspond to the address listed in the Street Index Number book. For this reason, it is a good idea to check out the addresses of the adjacent buildings, or draw a little map of the area before going downtown so you will have a better chance of pinpointing the correct index number.

When you find your address the entry will look something like this:

<i>Street No.</i>	<i>Vol.</i>	<i>A-AS- Blk-Pcl-Unit</i>	<i>Town Name</i>
1852 N. Talman	531	13-36-411-026-0000	West

The first three digit number, 531, is the volume number and will be used to locate your property in searching back tax records. The volume number is a carryover from the "volume & item" numbering system used prior to 1967. The next series of numbers, 13-36-411-026-0000, is the Permanent Index Number for your property. (For a more detailed explanation of PIN see the Side bar on page 87). The final entry, West Chicago, indicates the township (political division) your property is located in and will be used to locate tax information for the current year.

## Locating Tax Information

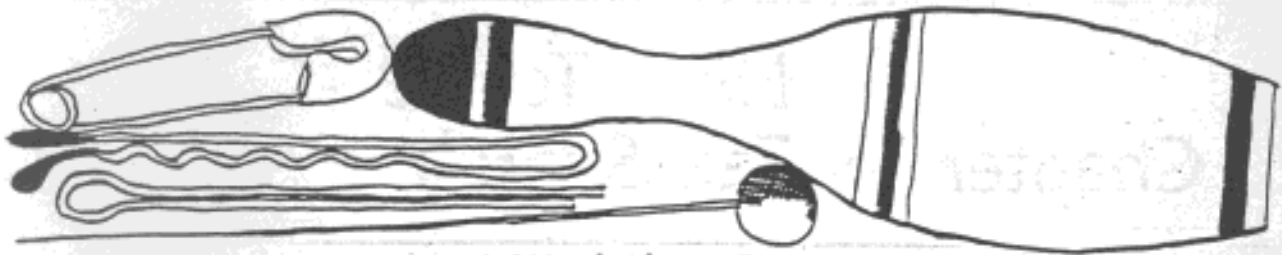
Now, with your PIN clutched firmly in hand, you are ready to begin your tax search. Property tax records are kept by three Cook County offices: the County Assessor's office, the County Treasurers office and the County Clerk's office. The County Assessor keeps the main records on property assessment, although some record is also kept by both the Treasurer and the Clerk. The County Treasurer keeps records on the amount and payment of current taxes. The County Clerk keeps records for past years. This office also records whether back taxes are redeemed (paid) and all information regarding tax sales.

All information is kept in five main record systems:

**Real Estate Collector's Warrant Books (Warrant Books)** These books contain a yearly accounting of all Cook County properties, their assessed value, the amount of taxes due, and whether they were paid. These books are kept on the fourth floor, Room 434 and on the 3<sup>1</sup>/<sub>2</sub> floor. The current year's records are kept on microfiche in Room 112.

## Tax Judgment, Sale, and Redemption Records Book—(Judgment Books)

These books contain a yearly recording of tax delinquent properties, any sales or redemptions, and filing of objections or errors in the assessment of the property. These books are kept in Room 434 and on the 3<sup>1</sup>/<sub>2</sub> floor.



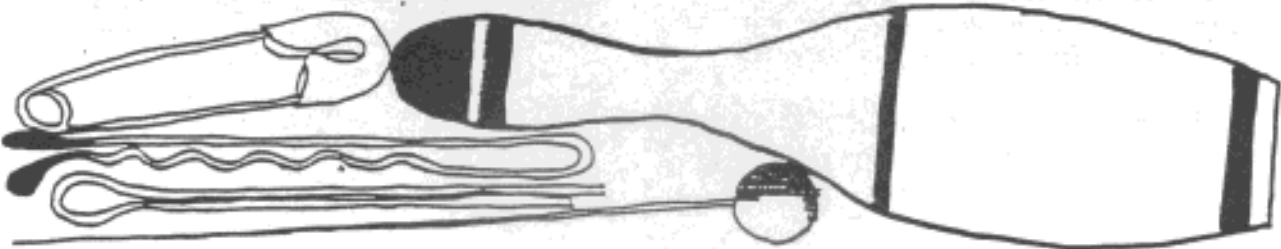
## A Word About PIN

All property tax records in Cook County are arranged according to their Permanent Index Number (PIN). PINs are also called tax index numbers or property index numbers. Each parcel of land is assigned a unique tax number - the first ten digits of the PIN. Buildings, however, may be built across parcel lines and actually have two PINs. Or, two buildings may be built on the same parcel and share a PIN. The dimensions of a parcel and its identifying PIN can be changed by the County Clerk on request of the owner. Most buildings have one unique PIN but the map and Street Name Index books must be carefully checked to make sure this is the case with your property.

The numbers which make up the PIN indicate the geographic location of a property, and can be used to locate it on the Sidwell maps which in turn give its legal description. (One can also work backwards and determine the PIN from Sidwell maps if the legal description is already known.) Using the example from our text:

13-36-411-026-0000

The first two two-digit numbers refer to the Area and Sub-area the property is located in. These numbers can be used to find the correct page in the Sidwell maps (they correspond to the township and sub-section of the property, although it may be a different township than in the legal description). The next three digit number refers to the tax block the property is located on and is designated by a bold circle on the Sidwell maps. The next three digit number is the tax parcel and identifies the individual property. (Additional information on using the Sidwell maps is given in Chapter 4). The final four digit number is primarily used for condominiums and indicates the individual units within the building. These four digits are sometimes used by the clerk in judgments to indicate when a property will go to a tax sale; the first two digits indicate the year that the property will be eligible. This final number will almost always contain four zeros unless the building is a condominium.



### Scavenger Sale Books

These books contain (for any year in which there is a Scavenger Sale) an accounting of all properties eligible for Scavenger Sale and information on any bids made at the Scavenger Sale and redemptions made afterward.

### Property Record Cards

The Assessor's Office has a card for every property containing all information concerning assessment. The cards are kept on the 3<sup>1</sup>/<sub>2</sub> floor in the Assessor's Vault. Current information is also kept on microfiche or, the third floor, Room 301.

### Computerized Data File

The most up-to-date property data is contained in the Computerized Data File. This information is available to the Assessor's staff but not to the public on a regular basis. Computer printout of some of the data is known as the "Field Analysis Ratio Report", and is available for inspection on special request to the assessor.

### Warrant Books

The first step you will probably want to take is to find out who the current taxpayer is and whether the current

TAX ID. NO.	ADDRESS				
VOL.	Assessor's Neighborhood				
Year Taxes Due					
Taxpayer Name & Address					
Asmt. -Unimprvd. Land					
Asmt. -Imprvd. Land					
Asmt. -Improvement					
ASSESSMENT-TOTAL					
Change/Comment					
Use Class(Maj.-Min.)					
1st. Installment-Amt.					
Amount Paid					
2nd Installment - Amt.					
Amount Paid					
Amount Unpaid					
Tax Sale Date					
Tax Purchased by					
Redeemed by					
Redemption Date					
Scavenger Sale Date					
Purchased by					
Purchase Price					
Redeemed by					
Redemption Date					
DATA COLLECTED BY					
DATE					

Figure 6

rent taxes are paid.\* This information will be helpful even if you are just looking for the owner of; a property. Although the taxpayer of record (TPR) is not necessarily the owner, he or she has some connection with the owner. The TPR may be the previous owner and can give you the name of the person who purchased the building. The TPR may also be the lawyer, or manager, or mortgagee for the building. In some cases this name may be your only lead to the real owner.

Current tax records are kept on microfiche in the County Treasurer's Office on the first floor, Room 112. Along the counter there are several microfilm viewing machines, some of which are closely guarded by clerks while others are open to public use. If you are uncertain what to do, give the clerk the township and PIN for your parcel and he or she will find the appropriate card for you and put it in the machine. When you have several properties to research, it is a good idea to learn how to serve yourself. Somewhere on the counter near the microfilm viewers is a folder of microfiche cards arranged in sections alphabetically by township name (which you carefully copied from the Street Index ,No. book). Once you find the right township section, you will see about 40 numbered cards in slots. All parcels in the township are arranged on these cards numerically by PIN (also carefully copied from the street Index No. book). The numbers in the upper right hand corner of each card indicate which PINs are included on that card. It is a simple matter to slip the proper card in the machine and move it around until your property is shown on the view screen.

As you start to copy out the tax information it will be helpful to have some order for recording the information. Figure 6 is a copy of a form that many researchers have found helpful and which you are welcome to copy

Figure 7 is a copy of a page from a warrant book. (This information appears in exactly the same form on the microfiche cards.) Our example property appears on Line 10 of this page. Following is an explanation of the information contained in the warrant books. We've lettered each column at the top of the figure to correspond to the lettered explanations.

#### **Column A -Permanent Real Estate Index Number/Name & Address**

The first column records the Permanent Index Number and the taxing year. Check to make sure you are on the right line. This column also lists the name and address of the taxpayer of record. As noted before, the taxpayer of record does not necessarily have anything to do with the property. Often a new owner does not bother to change the listing or purposely has ax bills sent to a "neutral", address. Our sample property is a vacant lot

with delinquent taxes and the name and address are probably not current It is a good sign, though, that the taxpayer is not listed as living at the address of the vacant lot - this may be the correct address for Medina.

There are a few unusual taxpayer listings that you may discover:

#### **Exempt**

This can be a City of Chicago or church property. More information than just the listing of "exempt" may or may not be given.

#### **No Name**

It used to be legal to register as "No Name" and taxpayers would pick up their bills at the Treasurer's Office. Most of these properties ended up delinquent and the system has been abolished.

#### **HUD (or sometimes DHUD) 131-16032-303 SH**

This is a HUD owned property or a property with an FHA mortgage. The number following is an internal HUD code and not the same for all properties. Properties with FHA mortgages are also often listed with the owner's name and the address of the bank or S & L that services the mortgage. Thus for example, multiple taxpayer listings with the address of 4242 N. Harlem are not an indication of a big slumlord but rather a lot of FHA mortgages held by Unity Savings and Loan. Tax bills for properties with conventional mortgages may also be sent to the bank or S & L, which will be listed as TPR.

#### **Column B - Tax Code Area**

This identifies the geographical area of the property. There is one tax code for each unique set of overlapping taxing bodies. All properties under the taxing jurisdiction of those agencies or governments share the same tax code. This code is used to compute aggregate tax rates. Most of Chicago, except for the loop and the south side, is in one area. In the Chicago suburbs, there are hundreds of other codes, reflecting the varied and overlapping boundaries of school districts, sanitary districts, and other taxing bodies. 1852 N. Talman is located in the area designated by 77001. The first two digits indicate which township the property is located in. Figure 12 lists: township; names; the tax volume number in which information for the properties is recorded; and township code numbers.

#### **Column C - Tax Code Rate**

This indicates the rate at which properties in this tax

---

*\*Note: It is important to remember that taxes are paid the year after the taxing year. Thus, 1980 taxes are paid in two installments in 1981. Tax sale procedures involve taxes up to*

*two years ago: the tax sale in 1982 auctioned certificates of sale for 1980 taxes which were unpaid in 1981.*



code area are taxed. In 1980 the tax rate for area 77001 was 9.793%. This rate is determined by the budgetary needs of the local governments including school districts, park districts, etc.\*

**Column D - Assessed Valuation by County Assessor**

The Assessed Valuation is determined by the Assessor's office and is based on a certain percentage of the "fair market value" of the property. 1852 N. Talman is assessed at \$1,102.00.

**Column E - Assessed Valuation as Corrected and Equalized by State Dept. of Revenue**

After the local Assessor's office sets the assessed valuation, the state sets an equalization factor which is designed to ensure that all properties in the state are assessed at the same rate, 33%. Most Illinois counties assess all properties at 33% of fair market value. Cook and several other counties, however, have divided the properties into classes, and set varying assessment rates for the different classes. The equalization factor compensates for this classification system and ensures that the total assessed value for all properties in each county is 33% of fair market value, even though individual properties may be assessed at different rates. The equalization factor is also supposed to correct for misassessments by local assessors.

**Column F - Total Amount**

This is the total amount of taxes due. It is determined by multiplying the Equalized Assessed Valuation by the Tax Rate. In our example, the taxes for 1980 amount to \$188.12.

**Column G - Estimated First Installment/Second Installment**

Taxes are paid in installments. The first installment is always estimated because the tax rate has not yet been set. We collected our data in 1982 and all the information is recorded on Figure 11. However, if we had looked at the microfiche card early in 1981, only information about the estimated first installment would have been available. For our sample property, on Line 10, we see that \$101.46 was due in the second installment on approximately October 1. The small amount of taxes due indicates that this property is probably a vacant lot, which in fact it is. The property class is also indicated on the microfiche card. Underneath the amount due in Column G, special circumstances about the property are noted. For instance, if the owner is over 65 and lives in the

building, he or she probably receives a homestead exemption (reduction in taxes). This fact will be noted. If the owner has not paid previous years' taxes this will also be noted, i.e. forfeited 7a. The remarks for our sample property, indicated by an (\*), show that taxes were forfeited in 1979 and 1980. Forfeited means that the taxes were not paid by November of the year they were due and no one purchased them at the Annual Tax Sale. (For more information on the Annual Tax Sale, see page 56.)

**Figure 8**

Township Name	Tax Volumes	Tax Code No.
Barrington	1	10
Berwyn	2 to 8	11
Bloom	9 to 22	
Bremen	23 to 35	13
Calumet	36 to 39	13
Cicero	40 to 48	14
Elk Grove	49 to 50	16
Evanston	51 to 59	17
Hanover	60 to 61	18
Lemont	62	19
Leyden	63 to 72	20
Lyons	73 to 85	21
Maine	86 to 96	22
New Trier	97 to 109	23
Niles	110 to 130	24
Northfield	131 to 134	25
Norwood Park	135 to 137	26
Oak Park	138 to 145	27
Orland	146 to 147	28
Palatine	148 to 150	29
Palos	151 to 152	30
Proviso	153 to 177	31
Rich	178 to 180	32
River Forest	181 to 182	33
Riverside	183 to 186	34
Schaumburg	187	35
Stickney	188 to 192	36
Thornton	193 to 230	37
Wheeling	231 to 235	38
Worth	236 to 249	39
Hyde Park	250 to 304	70
Jefferson	305 to 375	71
Lake	376 to 471	72
Lake View	472 to 491	73
North Chicago	492 to 501	74
Rogers Park	502 to 527	75
South Chicago	508 to 527	76
West Chicago	528 to 601	77

\* For a detailed explanation of the assessment and tax bill computation process, see side bar on page 54.

### **Columns H & I - First and Second Installment Paid**

In these columns the clerk records the amount of taxes paid in each installment and the date payment was received. There is no entry for our property in Columns H & I, indicating that no taxes were paid for 1980. Moving all the way across Line 10 to the opposite page, we see a handwritten notation which is actually an abbreviation for "forfeited." Again, this notation indicates that at the Annual Tax Sale for 1980 no one bid on the taxes and so they were forfeited to the State of Illinois. Information about subsequent redemptions will be noted in the space after the forfeiture notation.

We now have a complete set of tax information for one year. At this point the researcher needs to think about why he or she is looking for this information. There may be no need for further research. In most cases, however, especially when tax delinquencies are involved, it is best to get a complete picture of the property. Usually, you will want to continue the search back for several years. If you are searching the property for an interested buyer and find that the current taxes are not paid, the buyer will want to know exactly how much is owed. (Forfeitures and sales for two previous years are noted in the warrant books but to go back further you must go to old books). In researching disinvestment, looking at previous years gives an indication of how recent the disinvestment strategy is. You might also want to go back several years to see what properties in your neighborhood will become eligible. (i.e. delinquent for five years or more) to be auctioned at the Scavenger Sale.

## **1852 N. TALMAN**

### **Current Tax Data**

**We have now gathered some new information on 1852 N. Talman, and verified some information gathered from other sources.. The taxpayer on record for 1980 is L Medina. We have already identified ,Mr.. Medina as the probable owner through our title search. Seeing his name listed as the taxpayer supports this.**

**The tax status of 1852 N. Talman is of particular interest to us. According to our data for 1981 the taxes haven been paid for at least three years. This suggests the possibility that NRC may be able to purchase the lot at an Annual Tax or Scavenger Sale.. We know that the lot was listed in the last Annual Tax Sale (1982) and no one bid on it. The fact that three years are now owed suggests that the Scavenger Sale may be the best (cheapest) way to purchase the lot. To find out if this is possible we will have to continue our research.**

## **1852 N. TALMAN**

The warrant books for pas; years are kept on the 4th floor in Room 434 of; the County Building. They are filed behind the counters as you enter the room. Each year is arranged by volume (the volume for your property should have been copied.) from the Street Index Number book). The years are not arranged chronologically and are mixed in with rows of tax judgment books, so you may have to look around a bit. If you look like you know what you're doing and keep out of people's way, you can go in and get the books you need. Any of the people with red jackets on should be able to answer your questions.

Each year, as a new set of microfilm is made, another set of books is added to Room 434. Usually, four years are kept on the fourth floor. If you want to go back any further you have to go to the 3<sup>1/2</sup> floor (there is a stairway in the back of Room 434 behind the Financial Disclosure desk). When you reach the 3<sup>1/2</sup> floor you will find a dimly lit room filled from floor to ceiling with warrant and tax judgement books. Again, although the books are in good order within each year, the years may not follow chronologically so you may have to wander around until you find the years you need. One problem with warrant books is that they give only limited information about previous years' taxes and the information is not updated. That is why it is important to continue your search on delinquent properties. For our sample property, let us assume that we have gone back and looked at all the warrant books through 1976 and found that the owner has not paid taxes for any of these years. There are several steps that we will want to take next:

- Check tax judgment books to see if the taxes were sold at any previous Annual Tax Sale.
- Check the tax judgment books to see if the owner has redeemed the taxes (paid the taxes due and any penalties).
- Check to see if the property was offered at the last Scavenger Sale and if anyone bid on the property.

Before we move on to these next steps. there are a couple of notations in the warrant books that the researcher should become familiar with. The following items are indicated by number on Figure 7.

1) On Line 1 - opposite page "Sold 1st & 2nd installments) F & 3 Investments 18%' This means that at the Annual Tax Sale F & 8 Investments purchased the delinquent taxes by bidding 18% as the rate of interest on the amount or back taxes the owner will have to pay to redeem the property. (For further explanation see the section on Annual Tax Sale in this Chapter.)

(2) On Line 1 - This property may be held in trust at

## The Assessment and Tax Bill Computation Process

Figure 9 is a Duplicate Copy of the 1981 tax bill for our sample property, 1852 N. Talman. (If you've never seen a tax bill you might want to get a Duplicate Copy. They are free and can be ordered by giving the clerk in the County Treasurer's office the PIN for the property. they are ordered about mid-way down the counter; there should be a sign. Copies will be ready in about three days.) By examining this sample we can follow the steps taken in determining the amount of taxes currently due.

The right hand side of the bill is the stub used for payment. It identifies the property by PIN and shows the latest taxpayer of record to whom the bill will be mailed. Thus the address Will not always be the same as the property address The left side of the card is to be kept for the taxpayer's records; it repeats the information on the amount of taxes due. The top left side lists all the government agencies in Cook County with taxing powers for this property and gives their individual tax rates. In the bottom corner of the card most of the assessment process is illustrated. We have lettered each step so that you can follow along:

**Step A - (not shown)** The first step is to determine the Appraised Value or Estimated Market Value of the property. The Appraised Value is set by the Assessor's Office and is based on comparable sales or the estimated income of the property. It should approximate the price the property could claim on the open market. For this property the Appraised Value is \$5,009.00.

Class Type of Property	Assessment Rate
1 Unimproved real estate	22%
2 Single family residences (1-6 units)	17%
3 income producing residential (7+ units)	33%

4 Not-for profit (which is not exempt or used for residential)	30%
5 Industrial and Commercial	40%
6 New or substantially rehabbed Industrial in high unemployment area (13 years)	16%
- New or substantially rehabbed Commercial in high	16%

Our example property is a vacant lot so the Appraised Value is multiplied by 22% to get the Assessed Valuation.

**Step C -** The Assessed Valuation is multiplied by the State Equalization factor which corrects for "mistakes" in local appraisal methods and ensures that all properties in the state of Illinois are assessed at 33% in the aggregate. In 1981 the Equalization factor was 1.854\$ This results in an Equalized Assessed Valuation.

**Step D -** The Equalized Assessed Value is multiplied by the Tax Rate, which is determined by the budgetary requests of the local government agencies with taxing

Table 1 illustrates this process using the figures from our example.

Table 1

Step A	Appraised Value \$5,009.00
Step B	X Assessment Ratio .22 = Assessed Valuation \$1,101.98
Step C	X State equalization factor 1.85480 = Equalization valuation \$2,043.95
Step D	X Tax Rate (9538) .09538