



Message from Assessor Bagnall

I love Amazon. Well – kind of anyway. I like being able to sit on the couch and order just about anything. Before long I will be able to leave the window open and that drone will fly right into the study and drop my order on the desk. But it seems to me that the Amazon prices are creeping up as their market saturation increases. And it seems that just about any con man rip off can be an Amazon associate now. But that's not why I say "kind of."

They are building huge warehouses that will employ lots of people. I don't know whether Amazon is one of those companies that squeezes concessions out of government bodies before they agree to move to the area, but if not, then there are plenty of others that do so. If a company receives a property tax break of let's say \$300,000, that part of the tax burden does not just disappear. It gets picked up and paid by the remaining tax payers. So – in other words – the taxpayers finance and subsidize all property tax concessions. A property tax concession to them is a tax increase to us. But none of this is why I say "kind of."

The real issue, the one that does make me say "kind of," is that Amazon, and I am using "Amazon" generically to represent all of the online retailers, sucks the property tax money right out of the Township. If we all order from Amazon all the time, and yes I get it that some of the retailers around here force us to order from online retailers, then the local stores are not making the sales that they need to make in order to keep the doors open. One element of keeping the doors open is the paying of property tax. If the sales go to online retailers then there are fewer sales to support the locals. You know what though? Their property tax bills stay the same whether they sell a thousand pairs of gym shoes, or ten pairs of gym shoes. And if it gets to a point where the local store cannot afford to stay in business and cannot pay their tax bill then that part of the tax burden that they were paying does not disappear. It is not forgiven. The total tax burden stays the same except that now the remaining taxpayers are going to pick up and pay the tax bill of the closed store. Ouch.

In rough math, the Niles Township Commercial, Industrial, Retail taxpayers pick up about 40% of the property tax. For every \$10,000 of tax burden they pay \$4,000 and a house pays \$6,000. It is not ever going to happen that all of the Commercial, Industrial, Retail taxpayers just disappear but some of them could. If that happens then the tax burden assigned to residential parcels will increase.

So what do we do? I think that this scenario is coming regardless of what we do. I am just giving fair warning. But if we want to slow the transition and minimize the impact the best thing that we can do is think about it and buy local when possible.

An assessed value appeal seminar sponsored by local officials has been scheduled for September 19, 2017 at 6:30pm at the Skokie Library. Details will be posted on my website and also sent out to my e-mail list. If you are not already on my e-mail list then please go to NilesTownshipAssessor.com and enter your information.

Scott Bagnall

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