

# The Scientific Revaluation of Real Estate in Chicago and Cook County

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Two years ago, Cook County, Illinois, in which Chicago and some seventy smaller towns and cities are located, had as unequal and unfair a method of assessing real estate for taxation purposes as can possibly be imagined. To-day, however, Cook County has practically completed the installation of as uniform and scientific a system of assessing real estate—both land and improvements separately—as can be found anywhere on the face of the earth.

How such a far-reaching reform was brought about in so short a time, against overwhelming odds and by the smallest handful of people, constitutes, I think, one of the most interesting little chapters of history.

Here is the story in a nutshell.

One day in March of 1926, we received in the office of our Tax League a telephone call asking us if we had any information regarding a scientific system of real estate valuation—particularly the Somers' System. The call came from Miss Margaret Haley, Business Manager of the Chicago Teachers' Federation—one of the most outstanding figures in Chicago's political life and a veritable dynamo of human energy. Our Mr Jorgensen advised Miss Haley that we had such information and promptly took down to her office the Cleveland land value maps, John Zangerle's new book on the *Principles of Real Estate Appraising* and some small pamphlets published by Walter W. Pollock, President of the Manufacturers' Appraisal Company in Philadelphia—the owners of the Somers' System. Feeling that a situation of outstanding importance had arisen, Mr Jorgensen set about getting Mr Pollock and Miss Haley together and within a couple of weeks succeeded in doing so.

Space will not permit me here to give any of the details of the events that followed. Suffice it to say that within two weeks after Miss Haley and Mr Pollock had first met Mr Pollock received a contract from the city and the

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Board of Education to appraise the Central Business District of Chicago—a district known as the “loop.” This appraisal required six months. The most glaring inequalities in assessments were uncovered—both with respect to land and to improvements—and a total of more than \$600,000,000 of property values were found to be escaping taxation.

A wail of public indignation arose. So in October of the same year (1926), a resolution was introduced into the County Board to have all real estate in Chicago and Cook County appraised by the same methods as had been used in the “loop.” The resolution passed and an appropriation of \$450,000 was set aside by various governmental bodies to cover the cost of making such an appraisal. Owing, however, to the powerful opposition of the Board of Assessors and the Board of Review, which had now become thoroughly aware of the fact that their “preserves” were in danger the opportunity fell through and the money was never used.

But this did not end the matter. With the coming of 1927, the assessors proceeded with their old hit-or-miss plan of making the quadrennial assessment—for property in Cook County, it should be said, is revalued for taxation every four years. While this was going on surveys were started by various private bodies over the city to determine the extent of “tax-dodging”—private surveys that disclosed a most shocking state of affairs. The fight now took a new turn. Under the driving power of Miss Haley the Chicago Teachers’ Federation got the ear of a body that no one ever seems to have heard of—the State Tax Commission. This Commission began to hold hearings. The hearing showed the situation to be positively disgraceful and the State Tax Commission thereupon ordered the assessors to publish the tax lists for the whole county—a duty prescribed by law, but which had not been performed for twenty-nine years. The assessors declined to act!

In March of 1928 the Board of Review finished in its chaotic way the quadrennial assessment of 1927 and the people got their tax-bills—with a 50 per cent increase in taxes. A terrific hue and cry now arose. Deluged with complaints the State Tax Commission set its jaws, declared the 1927 assessment invalid and ordered the assessors to make a new assessment. The assessors, after getting an opinion from the Attorney-General of the State that the Commission’s order was “premature and of no effect,” again declined to act.

What to do? Aided by a few prominent men and women, such as George O. Fairweather and William H. Malone, Miss Haley appealed to the Governor to call a special Session of the Legislature to put “teeth” in the State Tax Commission’s orders. The Governor hesitated. He had been defeated at the last election, two special Sessions had already been called, it was hot and the national political conventions were close at hand. However, after getting through Miss Haley promises from a majority of the legislators that they would attend a third special Session, the Governor called them together—and the Bills passed unanimously!

Having thus been infused with full legal power to enforce its orders the State Tax Commission again called upon the assessors to publish the tax lists for the whole county. The assessors obeyed—the first time, as I said before, this had been done in twenty-nine years. Within two months, 1,050,000 lists were mailed out, each list showing the value of each taxpayer’s lands