

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Jack Woolard
DOCKET NO.: 05-02383.001-R-1
PARCEL NO.: 11-12-400-005

The parties of record before the Property Tax Appeal Board are Jack Woolard, the appellant, and the Franklin County Board of Review.

The subject property consists of a three-acre site that is improved with four structures. The first structure is a one-story frame dwelling containing 1,230 square feet of living area that was built on a concrete slab foundation. The dwelling is over 70 years old. The second structure is a one-story wood dwelling containing 4,756 square feet of living area on a concrete block foundation that is approximately 30 years old. The structure was originally constructed as a "Western Store", but was converted into a dwelling/office by the current owner. The two other structures are wood and steel pole buildings that contain 2,016 and 12,000 square feet of building that area that are approximately 30 years old. They are used for storage of farm equipment. Both buildings have small partitioned areas used for a shop or an office space.

The appellant appeared before the Property Tax Appeal Board arguing overvaluation as the basis of the appeal. In support of this argument, the appellant offered testimony and submitted an appraisal performed by a state licensed appraiser. The appraiser used two of the three traditional approaches to value in concluding the subject property has a fair market value of \$130,000 as of March 9, 2006. The appraiser was present at the hearing to offer testimony and be cross-examined regarding the appraisal methodology and final value conclusion.

Under the cost approach, the appraiser estimated the subject's land value to be \$6,900 or \$2,300 per acre based on three suggested comparable land sales. The replacement cost new of the four structures was estimated to be \$84,480, \$215,060, \$26,400 and \$109,800, or a total of \$435,740 using Marshal and Swift Cost Service. Physical and functional depreciation was estimated to be 59% or \$257,090 based on the weighted age/life method of depreciation. As a result, the improvements had a depreciated

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Franklin County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$ 1,970
IMPR.: \$ 41,216
TOTAL: \$ 43,186

Subject only to the State multiplier as applicable.

replacement cost new of \$178,650. The appraiser next deducted 25% or \$44,660 for external obsolescence due to the close proximity of a junkyard as extracted from the market (addendum of appraisal), resulting in a final depreciated value for the improvement of \$133,990. Adding the estimated value for site improvements of \$2,000 and the estimated land value of \$6,900, the appraiser concluded a final value under the cost approach of \$143,000, rounded.

Under the sales comparison approach, the appraiser utilized five suggested comparable sales located from 1 to 10 miles from the subject. Comparable 1 is improved with two, one-story dwellings containing 968 and 1,243 square feet of living; a two-story dwelling containing 1,704 square feet of living area; and a 6,600 square foot commercial building that was formally used as a grocery store. The structures, which total 9,915 square feet and have an effective age of 35 years, are situated on a 28,800 square foot site.

Comparable 2 is improved with six buildings. However, the appraiser indicated buildings 5 and 6 are in very poor condition and have little if any contributory value to the overall property. The remaining four, one or two story buildings total 21,960 square feet of building area are from 25 to 85 years of age, with an effective weighted age of 40 years. The property was formally operated as offices for Freeman United Coal Company. The improvements are situated on a 39.5 acre site.

Comparable 3 is improved with two, frame and metal pole buildings that contain 4,000 and 7,512 square feet of building area that are approximately 16 years old. Both buildings total 11,512 square feet of gross building area. Building 2 has a frame addition that is used for an office and reception area with two bathrooms. The improvements are situated on a 32,670 square foot site.

Comparable 4 is improved with a one-story frame dwelling containing 1,200 square feet of living area with an attached garage. The 5-acre site is also improved with a shop, a machine shed, a barn, and a 12,000 bushel grain bin. Thus, the site is improved with nine buildings totaling 4,581 square feet of building area. Comparable 5 is improved with a 1920, one-story frame dwelling containing approximately 1,391 square feet of living area with a detached garage. The 45-acre parcel is also improved with a shop, three machine sheds, two barns and a 13,600 bushel grain bin. Thus, the parcel is improved with eight buildings totaling 12,606 square feet.

The comparables sold from April 2004 to April 2006 for prices ranging from \$75,000 to \$150,000 or from \$6.83 to \$21.84 per square foot of building area including land. The appraiser adjusted comparables 1, 2 and 3 for differences to the subject in land area/use, age, condition and size. The appraiser indicated comparables 5 and 6 are good comparables because they include

single family dwellings, but were not included in the adjustment process. The adjustments resulted in adjusted sale prices ranging from \$58,000 to \$121,000 or from \$5.86 to \$7.20 per square foot of building area including land. Based on these adjusted sales, the appraiser concluded the subject property has a fair market value of \$130,000 or \$6.50 per square foot of gross building area including land under the sales comparison approach.

In reconciling the two approaches to value, the appraiser gave the sales comparison approach most weight. Therefore, the appraiser concluded a final value for the subject property of \$130,000 as of March 9, 2006.

Under cross-examination, the appraiser testified he recognized the uniqueness of the subject, but valued the subject, with logical adjustments, using the most similar comparables sales he could find.

The appellant testified the pole barns have a propensity to flood, which damages equipment and decreases their value, but acknowledged the barns have not flooded since the early 1990's. The appellant testified that the subject is located next to a junkyard, further limiting the subject's use and value. The appellant further testified he offered to sell the subject property to the neighboring owner of the junkyard for \$150,000, which was not accepted. Based on this evidence, the appellant requested a reduction in the subject's assessment.

Under cross-examination, the appellant testified he installed new windows and siding in addition to constructing a small back porch for the smaller dwelling. He also testified the old "Western Store" could be converted into a full time residence, but the main use for the structure is for an office.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$69,550 was disclosed. The subject's assessment reflects an estimated market value of \$209,362 using Franklin County's 2005 three-year median level of assessments of 33.22%.

In support of the subject's assessment, the board of review submitted a letter prepared by the Chief County Assessment Officer. The letter indicates the comparables used by the appellant's appraiser differ greatly when compared to the subject. For example, comparable 1 sold in 2006 and had one of the dwellings demolished after its sale. Comparable 2 sold in 2006 and the buildings are not similar to the subject. Comparable 3 had no residential structures and is located in the city limits of Benton. Comparables 4 and 5 include grain bins and the other structures differ in size, construction and use when compared to the subject.

Due the uniqueness of the subject property, the board of review valued the subject property using the cost approach to value.

The board of review valued the larger residential structure or "Western Store" at \$163,438; the smaller dwelling at \$15,534; and the two pole building at \$171,263; for a total estimated building value of \$350,235. The Chief County Assessment Officer testified she did not prepare the cost approach to value, but the values were calculated by a field appraiser who is no longer a county employee. The former employee was not present at the hearing to provide direct testimony or be cross-examined regarding the final value conclusion. Based on this evidence, the board of review requested confirmation of the subject's assessment.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Property Tax Appeal Board further finds a reduction in the subject property's assessment is warranted.

The appellant argued the subject property was overvalued. When market value is the basis of the appeal, the value must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 183, 728 N.E.2d 1256 (2nd Dist. 2000). The Board finds the appellant has overcome this burden. The appellant submitted an appraisal report estimating the subject's fair market value of \$130,000 as of March 9, 2006. The board of review submitted a cost approach to value estimating the subject's fair market value of \$350,235 excluding land.

The Property Tax Appeal Board finds the best evidence of the subject's fair market value is the appraisal submitted by the appellant. The Property Tax Appeal Board further recognizes there are several differences in the comparables sales selected by the appellant's appraiser as outlined by the board of review. However, the Board finds there are many similarities in the overall comparability of the credible comparable sales contained within the appellant's appraisal. For example, comparables 1, 4 and 5 had one or more residential dwellings like the subject; comparable 1 also had a larger commercial structure; and comparable 3 had two pole buildings similar to the subject. The Property Tax Appeal Board further finds the appellant's appraiser provided competent, logical and professional testimony regarding the reasonable application of the adjustments and final value conclusion. In addition, the Board finds the appellant gave un-refuted credible testimony that he offered to sell the subject property to a neighboring property owner for \$150,000. The Board finds the offering price sets the upper limit of value for the subject property; further supports the appraiser's final value conclusion of \$130,000; and clearly undermines the board of review's initial value conclusion of \$350,250 excluding land. Based on this record, the Property Tax Appeal Board finds the subject property has a fair cash value of \$130,000 as of January 1, 2005. The subject's assessment reflects an estimated market value of \$209,362, which is not supported by the most credible

valuation evidence contained in this record. Therefore a reduction in the subject's assessed valuation is supported.

The Property Tax Appeal Board gave little weight to cost approach submitted by the board of review. The person who prepared this valuation evidence was not present at the hearing to provide direct testimony or be cross-examined regarding methodology and final value conclusion, which detracts from its overall weight.

Finally, the Property Tax appeal Board finds courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App.3d 207 (1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is market data available. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (1989), the court held that of the three primary methods of evaluating property for the purpose of real estate taxes, the preferred method is the sales comparison approach. Since there is credible market sales contained in the record, the Board placed most weight on this evidence.

Based on this analysis, the Property Tax Appeal Board finds the appellant has demonstrated the subject property is overvalued by a preponderance of the evidence. Therefore, the Board finds the subject's assessment as established by the board of review is incorrect and a reduction is warranted. Since fair market value has been established, Franklin County's 2005 three-year median level of assessments of 33.22% shall apply.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



Chairman



Member



Member



Member



Member

DISSENTING: _____

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: August 29, 2008



Clerk of the Property Tax Appeal Board

IMPORTANT NOTICE

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing complaints with the Board of Review or after adjournment of the

session of the Board of Review at which assessments for the subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.