

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Roger & Terri Twenhafel
DOCKET NO.: 06-00033.001-R-1
PARCEL NO.: 09-34-352-007

The parties of record before the Property Tax Appeal Board are Roger and Terri Twenhafel, the appellants; and the Jackson County Board of Review.

The subject property consists of 4.947 acre site improved with a one-story dwelling with approximately 2,134 square feet of living area. The dwelling has a brick and siding exterior construction. The subject dwelling has a partial basement that is partially finished, central air conditioning, a fireplace and an attached garage that contains 1,350 square feet. The dwelling was completed in 2005.

The appellants appeared before the Property Tax Appeal Board contending the assessment on the subject property is excessive and not reflective of its market value. The appellants first testified that the subject lot was purchased July 2003 for a price of \$25,000. The appellants submitted a copy of the sales agreement documenting the sale date and price. They testified the subject parcel was listed on the open market with a sign and the asking price was \$25,000. They further testified the parties to the transaction were not related and there was no duress or compulsion with respect to completing the sale. They further noted the subject lot has a large ravine that went through the middle of the site and the property was not a smooth level lot. Based on this evidence the appellants were of the opinion the subject site should have an assessment reflecting the purchase price of \$25,000.

With respect to the dwelling, the appellants contend the assessment should reflect the cost associated with building the home. The appellants testified that they acted as the general contractor in constructing the home. The appellants explained that the cost to build the home was \$141,619. In their written submission the appellants explained that Consolidated Services was responsible for the construction of the home that began in the fall of 2004 and was completed in the fall of 2005. Consolidated services provided the labor, equipment and material

(Continued on Next Page)

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 Jackson County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	\$	8,215
IMPR.:	\$	67,363
TOTAL:	\$	75,578

Subject only to the State multiplier as applicable.

for construction. The appellants indicated they were able to purchase items for the home through discount centers and through the appellants' own home improvement center. They indicated they were able to pick up merchandise or inventory over the years through insurance salvage and over the internet. They also testified that they went to Dalton, Georgia for their carpeting. The appellants' business was known as Apple City, which was a retail establishment open to the general public. The appellants would get different items as salvage such as cabinets, flooring, wood and windows and resale these items to the public. In constructing the home the appellants also employed people from the House of Glass who were prisoners serving the last few years of their sentences. Some of the individuals were capable of carpentry work while some helped with clean-up or assisted others that were working at the time.

The total cost for material and labor for the home was \$141,619, exclusive of any amount attributed for their work as general contractors. The appellants indicated that they had an appraisal done in connection with the beginning of construction but could not recall the appraised amount.

The appellants also submitted information on two comparables that had their assessments reduced by the board of review based on their cost of construction.

Under cross-examination the appellants indicated they used exterior measurements to arrive at the size of the home. The appellants also testified there is an unfinished "bonus room" above the garage that is accessible from the house.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$76,875 was disclosed. The subject's assessment reflects a market value of approximately \$233,950 or \$109.63 per square foot of living area using the 2006 three year median level of assessments for Jackson County of 32.86%.

In rebuttal, the board of review noted that it does utilized cost of construction when the owner provides a contract from the builder, which is a "turn-key" contract, and the assessment reflects a value greater than costs associated with building the home.

In support of its assessment the board of review submitted an appraisal of the subject property prepared by real estate appraiser Frank L. Snider. Snider was called as a witness on behalf of the board of review. Snider is an Illinois licensed real estate appraiser. Snider has been appraising property for 15 years. His work covers 17 counties in Southern Illinois and he conducts approximately 900 appraisals per year.

Snider testified he performed a "drive-by" appraisal of the subject property. He estimated the subject property had a market value of \$271,000 as of September 28, 2007. He testified he

drove by the property twice, took photographs of the subject property and looked over the property from the outside.

The appraiser estimated the subject property had 2,600 square feet. He developed both the cost and the sales comparison approach. He testified the 2,600 square feet included the patio and bonus room above the garage. He was of the opinion the subject had dwelling had approximately 2,200 square feet of living area.

Under the cost approach the appraiser estimated the subject site had a market value of \$25,000. Using the Marshall & Swift Handbook, the appraiser calculated the value of the 2,600 square feet of gross living area at \$79.61 per square foot resulting in a total cost of \$206,986. To this the appraiser added \$19,422 for the basement area, \$12,160 for the porch, patio and landscaping, and \$20,571 for the garage resulting in a total cost new of \$259,139. From this the appraiser deducted \$12,957 or 5% for depreciation using the economic age-live method to arrive at a depreciated value of the improvements of \$246,182. Adding the land value resulted in an indicated value by the cost approach of \$271,182.

In the sales comparison approach the appraiser used three sales of one-story dwellings that ranged in size from 2,000 to 2,880 square feet. The comparables ranged in age from 4 to 28 years old and were located on parcels that ranged in size from 2.2 to 6.25 acres. The comparables had similar amenities as the subject property. The sales occurred from September 2006 to September 2007 for prices ranging from \$262,500 to \$275,000 or from \$95.49 to \$131.25 per square foot of living area. After making adjustments for the differences with the subject the appraiser estimated these properties had adjusted sales prices ranging from \$258,200 to \$283,700. He estimated the subject had an indicated value under the sales comparison approach of \$271,000.

In reconciling the two approaches to value, the appraiser estimated the subject property had a market value of \$271,000 as of September 28, 2007.

Under cross-examination, noting the effective date of the appraisal was September 28, 2007, the appraiser agreed that the value for the property would have been less but he did not know by how much. Of the three comparables sales the appraiser testified he actually viewed the exteriors of comparables number 1 and 2.

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 the appeal. The Board further finds a reduction in the subject's assessment is warranted.

The appellants' contend the value of the subject property as reflected by its assessment is excessive and not reflective of its fair market value. Except in counties with more than 200,000

inhabitants that classify property, property is to be valued at 33% of fair cash value. (35 ILCS 200/9-145(a)). Fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). The Supreme Court of Illinois has construed "fair cash value" to mean what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing, and able to buy but not forced to do so. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970). When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). The Board finds the evidence in the record demonstrates a slight reduction in the subject's assessment is warranted.

In initially, the Board finds that both the appellants and the board of review's appraisal witness agreed the subject site had a market value of \$25,000. The subject had a land assessment of \$9,255 which reflects a market value of approximately \$28,165 using the 2006 three year median level of assessments for Jackson County of 32.86%. The subject's land assessment reflects a market value greater than the \$25,000 paid for the site and the board of review's appraiser's estimated value for the parcel of \$25,000. Based on this evidence the Property Tax Appeal Board finds a reduction in the subject's land assessment is warranted.

The Property Tax Appeal Board gives little weight to the cost data provided by the appellants. The Board finds the appellants did not submit a contractor's statement itemizing and verifying the cost to build the dwelling. Furthermore, the testimony disclosed the costs included non-typical labor provided by prisoners, which is not reflective of the market. Additionally, the appellants did not include in the cost estimate the value of their own services acting as general contractor during the construction of the dwelling. Based on these factors the Property Tax Appeal Board finds the cost reported by the appellants is not reflective of fair cash value of the subject dwelling.

In support of its case, the board of review submitted an appraisal. The Board finds, however, the appraisal contained an incorrect size for the subject dwelling of 2,600 square feet and the effective date of the report was September 28, 2007, approximately 22 months after the assessment date at issue. The board of review's appraiser agreed that a downward adjustment to the estimate of value would be required in order to be reflective of market value as of the assessment date of January 1, 2006.

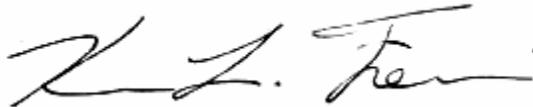
The board of review's appraiser ultimately estimated the subject property had a market value of \$271,000 or \$104.23 per square foot of living area, using 2,600 square feet, land included. Using a market value of \$104.23 per square foot and applying that

to the correct living area for the subject of 2,134 square feet results in an estimated market value of \$222,500, rounded. In reviewing the appraiser's cost approach and adjusting the appraiser's cost approach for the dwelling's size results in an estimated market value of approximately \$236,000. After considering the conclusion of value in the appraisal, the comparable sales in the appraisal, and the cost data contained in the cost approach in the appraisal, the Property Tax Appeal Board finds the subject property had a market value of \$230,000 as of January 1, 2006. Since market value has been established, the 2006 three year median level of assessments for Jackson County of 32.86% 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: October 31, 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.