



**FINAL ADMINISTRATIVE DECISION  
ILLINOIS PROPERTY TAX APPEAL BOARD**

APPELLANT: John S Moran  
DOCKET NO.: 06-01075.001-R-1  
PARCEL NO.: 14-25-455-018

The parties of record before the Property Tax Appeal Board are John S Moran, the appellant(s); and the McLean County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the McLean County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$ 43,773  
**IMPR.:** \$ 142,796  
**TOTAL:** \$ 186,569

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a two-story style brick and frame dwelling built in 2004 that contains 3,375 square feet of living area. Features of the home include central air-conditioning, three fireplaces, an 844 square foot garage and a full, partially finished walk-out basement.

The appellant appeared before the Property Tax Appeal Board claiming unequal treatment in the assessment process and recent construction as the bases of the appeal. In support of the equity argument, the appellant submitted a grid analysis of five comparable properties located within three blocks of the subject. The comparables consist of brick and frame dwellings that were built from 2003 to 2006 and range in size from 2,881 to 3,857 square feet of living area. The comparables have features that include at least one fireplace, garages that contain from 580 to 952 square feet of building area and partial or full

basements. Four of the comparables have some finished basement area. Four of the properties have improvement assessments ranging from \$102,991 to \$132,278 or from \$31.71 to \$36.84 per square foot of living area. The subject has an improvement assessment of \$142,796 or \$42.31 per square foot of living area.<sup>1</sup>

The comparables are situated on lots ranging from 9,960 to 19,500 square feet of land area with land assessments ranging from \$24,687 to \$37,204 or from \$1.91 to \$3.17 per square foot. The subject is depicted as being situated on 10,539 square feet of land area with a land assessment of \$43,773 or \$4.15 per square foot of land area.

The appellant also submitted 2004 cost sheets for the subject improvement which depicted a total construction cost of \$306,368.76.<sup>2</sup> The appellant, who is president of a building company and acted as his own builder, testified that the subject land was purchased in 2002 or 2003 for \$120,000. The appellant stated that the total price to build the subject with the land purchase was \$426,367. The appellant's petition depicts the appellant acted as his own general contractor with an estimated value of \$15,000 for this service.

The appellant argued that equity comparable one has the same floor plan as the subject, has similar square footage and backs up to the same lake as the subject, has a walk-out basement like the subject and is situated on a much larger lot.

The appellant also submitted comparables located in a different subdivision than the subject. These comparables were located one mile from the subject. Comparable six was purchased in 1997 for \$290,000. This purchase was considered a tear-down purchase. The appellant argued that comparables six through nine depict superior lot purchases in which the market values reflected in the assessments are less than the subject. Comparable eight was purchased in December 2006 for \$1,162,340 and has a total assessment of \$37,961. Comparable nine was purchased in January 2007 for \$1,100,000 and has a total assessment of \$218,865.

The appellant also submitted fifteen land comparables that ranged in size from 9,960 to 75,031 square feet of land area.<sup>3</sup> They have land assessments ranging from \$15,747 to \$37,437. Land comparables one through eight are located in the subject's subdivision. The appellant stated that land comparables three and four were superior lots, however, the subject has a higher

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<sup>1</sup> The appellant's grid incorrectly listed per square foot improvement assessments for the subject and each comparable.

<sup>2</sup> The appellant's cost sheet incorrectly depicts total construction costs of \$306,367.96.

<sup>3</sup> The appellant's grid sheet depicts land comparable two was purchased by a relative, and lots three and four were purchased together for \$120,000.

land assessment. Based on this evidence, the appellant requested a reduction in the subject's assessment.

During cross-examination, the appellant acknowledged that the \$15,000 general contractor fee would have to be added to his cost of construction which would bring the total cost of construction to \$441,367 when a land value of \$120,000 is added. The \$15,000 general contractor fee did not include any profit. In addition, the appellant installed a sprinkler system, laid sod and constructed a fence, which was not included in the costs. The subject was currently listed for sale for approximately \$640,000. The appellant acknowledged that comparable eight was not advertised for sale and included personal property in the sale. In addition, the assessed value for comparable eight was prorated. Land comparable one, three, four, five, six, seven and eight are on the lake, similar to the subject. Land comparable two is not on the lake and is situated on a cul-de-sac. The appellant stated comparable one is the most similar lot when compared to the subject. The appellant argued that the subject's value is diminished because of a public walking trail immediately near the subject.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$186,569 was disclosed. The subject has an estimated market value of \$559,595 or \$165.81 per square foot of living area including land, as reflected by its assessment and McLean County's 2006 three-year median level of assessments of 33.34% as determined by the Illinois Department of Revenue. In support of the subject's improvement assessment, the board of review submitted an appraisal report which included both sale and equity comparables. The report was prepared by Randall D. Hoffman, Deputy Assessor for the City of Bloomington Township. Hoffman is an associate appraiser with a Certified Illinois Assessing Officer designation. Hoffman was present at the hearing to testify in support the appraisal report. The board of review submitted the appraisal of the subject property with an effective date of January 1, 2006. The appraiser used the cost and sales comparison approaches in estimating a value for the subject of \$643,500.

The report depicts the subject lot was purchased in June 2003 for \$125,000 and later purchased by the appellant's company in February 2004 for \$120,000. Similar lots on the subject's portion of the lake are depicted as selling for prices from between \$120,000 and \$130,000. The report further depicts assessed land values as of January 1, 2005 were \$41,624 or a market value of \$124,872. It was depicted that the 2006 land assessed value increased to \$43,773 due to application of annual multipliers. In the cost approach, the appraiser determined a land value of \$131,319. The appraiser consulted the Marshall & Swift Cost Manual in estimating a replacement cost new of the

subject improvements of \$590,355. A total depreciated cost of \$590,355, a site value of \$131,319, yard improvements of \$43,833 and non-building improvements of \$175,152 were added for a total replacement cost new of \$765,507. This amount was back dated to January 2006 for a total replacement cost new in January 1, 2006 of \$714,810.

In the sales comparison approach, the appraiser examined four comparable properties. The comparables are situated on lots ranging in size from 10,410 to 16,563 square feet and are improved with two-story style brick and frame dwellings that were built between 2003 and 2005 and range in size from 3,033 to 3,701 square feet of living area. Three of the comparables are depicted as having a quality grade of A-5, similar to the subject, with the remaining comparable having a quality grade of B+10. Further, two of the comparables are located within the same neighborhood as the subject. Features of the comparables include central air-conditioning, at least one fireplace, garages and full basements, three of which have some finished area. The comparables sold from May 2003 to December 2005 for prices ranging from \$534,387 to \$675,000 or from \$158.27 to \$220.81 per square foot of living area, including land. The appraiser adjusted the comparables for differences when compared to the subject for such items as size, basement finish, garage size and decks or porches. After making these adjustments, the comparables had adjusted sales prices ranging from \$610,604 to \$667,914 or from \$172.86 to \$220.22 per square foot of living area, including land. The report depicts the appraiser gave the most weight to sale comparable one which is located next door to the subject.

The appraisal report also depicts three equity comparables. Two of the properties were also used in the sales comparables analysis. The equity comparables are two-story brick or brick and frame dwellings built from 1998 to 2004. The properties range in size from 3,535 to 3,802 square feet of living area and have total assessments ranging from \$183,462 to \$222,418. The total assessment was not broken down separately for land and improvement. Each comparable has a finished basement, central air-conditioning, and a three-car garage. The comparables were adjusted for size, finished basement area, land market value and decks. After adjustment, the appraiser estimated the equity comparables had adjusted market values ranging from \$583,014 to \$699,036. The subject is depicted as having an estimated market value of \$598,953.

The report further depicts the subject was listed for sale in December 2004 for \$724,900. Further, in October 2007 the subject was listed for sale for \$799,900. Based on the analysis found in the report the appraiser estimated a value for the subject as of January 1, 2006 of \$643,500.

Hoffman testified that he graded the subject as an A-5 based on the building quality of the home, photographs and aerial views showing the complexity of construction of the subject and from details provided in the Multiple Listing Service sheets for the subject. Hoffman did a site visit of the subject; however, he stated the appellant denied his office an internal inspection of the subject at the time of construction. He also compared the subject to other improvements within the subject's subdivision. He personally inspected each comparable in his sales comparison approach to determine quality grades. The board of review's sales comparable one, a grade A-5, is very similar to the subject in the number of roof hips, woodwork, trim and other amenities.

Hoffman testified that land on the subject's neighborhood is assessed based on market sales. He stated the land lots around the lake, where the subject is located, are assessed at a base sale price of \$120,000. Hoffman stated that the land sales verified the land assessments.

Hoffman explained that the assessments for the appellant's land comparables in the Sunset neighborhood reflected market values less than the actual purchase price paid; however, he stated that most of these were teardowns. His office has balanced the assessments in the Sunset neighborhood, and made adjustments for properties other than assessments for the limited number of teardown sales. Hoffman stated that the appellant's land comparables do not have amenities such as sewer and water similar to the subject and therefore are not comparable. Hoffman could not explain why eight sales in the Sunset neighborhood sold for prices significantly higher than the market value reflected in the assessments. Based on this evidence, the board of review requested the subject's total assessment be confirmed.

In rebuttal, the appellant argued that the quality of grade assigned to the subject is incorrect. Both parties were granted leave to submit supplemental information regarding a determination of the subject's quality of grade. Each party submitted various pictures and floor plans to justify their respective positions regarding the subject's grade. In addition, the appellant highlighted various inaccuracies depicted in the cost approach contained within Hoffman's appraisal.

After reviewing the record 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 that a reduction in the subject's assessment is not warranted. The appellant's argument was unequal treatment in the assessment process. The Illinois Supreme Court has held that taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessment valuations by clear and convincing

evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1 (1989). The evidence must demonstrate a consistent pattern of assessment inequities within the assessment jurisdiction. After an analysis of the assessment data, the Board finds the appellant has not met this burden.

The Board finds the parties submitted twelve equity comparables for its consideration. Five of the appellant's comparables and one of the board of review's comparables were located within the same subdivision as the subject. The Board gave these six comparables greater weight in its analysis because of their close proximity to the subject. These six comparables were generally similar to the subject in most respects. They had improvement assessments ranging from \$31.71 to \$42.31 per square foot of living area. The subject is within this range of most comparable properties with an improvement assessment of \$42.31 per square foot of living area. The Board finds the determination of quality of grade is very subjective. Based on the information submitted by both parties, the Board did not give this comparability issue much weight in its analysis. The Board gave more weight to location, size, age, exterior construction, and the basement area of each comparable property in its final analysis. Therefore, the Board finds the subject's improvement assessment is supported by the most comparable properties contained in this record.

The properties in closest proximity to the subject have land assessments ranging from \$31,549 to \$45,524 or from approximately \$2.50 to \$3.90 per square foot of land area. The subject has a land assessment of \$43,773 or approximately \$3.90 per square foot of land area. The Board finds the subject's land assessment is within the range established by the most similar land comparables. Each of these land comparables are in close proximity to the subject with the subject location being slightly superior. Therefore, the Board finds the subject's land assessment is uniform with other similarly situated properties within the subject's immediate market area.

The constitutional provision for uniformity of taxation and valuation does not require mathematical equality. The requirement is satisfied if the intent is evident to adjust the burden with a reasonable degree of uniformity and if such is the effect of the statute enacted by the General Assembly establishing the method of assessing real property in its general operation. A practical uniformity, rather than an absolute one, is the test. Apex Motor Fuel Co. v. Barrett, 20 Ill.2d 395 (1960). Although the comparables presented by the parties disclosed that properties located in the same area are not assessed at identical levels, all that the constitution requires is a practical uniformity, which appears to exist on the basis of the evidence.

The next argument advanced by the appellant was overvaluation based on the subject's recent construction in 2004. 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.2<sup>nd</sup> 1256 (2<sup>nd</sup> Dist. 2000). The Board finds the appellant's cost calculations do not include additional items normally included in the market value of a constructed home. These additional items would include entrepreneurial profit, overhead fees, and landscaping value. The Board questions whether the actual costs of constructing a home in the consumer marketplace may be higher than those of a company in the business of building homes. A company in the business of building homes may receive discounted rates on material, supplies and labor, whereas, a person not in the construction business may pay a higher cost to construct the same home. The evidence depicted the subject was built by the appellant for approximately \$441,367, including land. The Board finds the cost to build the subject is not supported by the market and is not reflective of its market value. The subject's assessment reflects a market value of approximately \$559,595. However, the evidence disclosed the subject was listed on the market for sale by the appellant in December 2004 for \$724,900 and again in October 2007 for \$799,900. These two market sale listings, much higher than the stated cost to build the subject, support the subject's assessment.

The board of review presented an appraisal report to support the subject's assessment. The Property Tax Appeal Board finds it problematic that the board of review did not procure an independent appraisal of the subject property from an outside source. The Board notes the appraisal submitted by the board of review was prepared by the assessors from the City of Bloomington Township. Although the appraisal report indicates the appraisers had no present, prospective or personal interest in the subject property, these same assessment officials had the jurisdictional responsibility of initially assessing the subject property, which was appealed by the taxpayer. This calls into question the objectivity of the appraisers who clearly have the statutory duty of assigning the subject's assessed value. Therefore, the Board gave no weight to the estimated final value conclusion or adjustments made within the appraisal report. The Board will use the raw sales data contained within the report in its analysis.

The Board finds two of the board of review's sales comparables were located within the subject's subdivision, and therefore, were most comparable to the subject. These two comparables had unadjusted sale prices of \$534,387 and \$630,900 or \$170.47 and \$176.19, respectively. The subject's assessment is supported by its reflected market value of \$165.81 per square foot of living area, including land, which is less than the two most comparable sale properties contained in this record.

Further, the deputy assessor testified that these lake view properties were selling for approximately \$120,000 with subsequent multiplier adjustments. The deputy assessor testified that land in the subject's subdivision was based on site values according to market sales. The Board finds the evidence indicates land in the subject's subdivision is assessed on a site basis. The site method of valuation is used when the market does not indicate a significant difference in lot value even when there is a difference in lot sizes. Property Assessment Valuation, 75, International Association of Assessing Officers 2<sup>nd</sup> ed. 1996. After reviewing the evidence, the Board finds land from the subject's neighborhood was uniformly assessed on a site basis. The Board finds the appellant offered no market evidence to suggest the site method of valuation was not reasonable or appropriate. The subject land was purchased in 2003 for \$125,000 and later sold to the appellant's company in February 2004 for \$120,000. The subject's land assessment reflects a market value of approximately \$131,293. The Board gave little weight to the original purchase in 2003 because it is too remote in time to determine the subject's land market value in 2006. Further the Board has concerns that the sale in 2004 may not have been an arm's length transaction because it was not directly purchased by the appellant, but rather, by his company for an amount that was less than the original purchase price just eight months earlier.

In conclusion, the Board finds the appellant failed to establish unequal treatment in the assessment process by clear and convincing evidence or overvaluation by a preponderance of the evidence based on the costs of recent construction. The Board finds the subject's assessment as established by the board of review is correct and no reduction is warranted.

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.

*Ronald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*Shawn R. Lerbis*

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: November 25, 2009

*Allen Castrovillari*

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.