



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

APPELLANT: James & Kathy McAfee
DOCKET NO.: 06-01743.001-R-1
PARCEL NO.: 14-25-276-005

The parties of record before the Property Tax Appeal Board are James & Kathy McAfee, the appellants; and the McHenry County Board of Review.

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

LAND: \$26,706
IMPR.: \$18,126
TOTAL: \$44,832

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a one-story frame and stone dwelling containing 2,852 square feet of living area that was built in 2006. Amenities include a walkout basement, central air conditioning, a fireplace and a three car attached garage. Both parties' evidence shows the subject's new construction was assessed on a pro-rated basis for the final two months of 2006.

The appellants submitted evidence before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. The subject's land assessment was not contested. In support of the overvaluation claim, the appellants submitted a sworn statement with accompanying invoices and receipts from subcontractors and suppliers detailing the actual cost to construct the subject

dwelling. The documentation indicates the dwelling's construction cost was \$286,665, excluding a general contractor fee. The appellants, who acted as the general contractor, estimated the value of this service to be \$8,000 or \$30.00 per hour based on data provided by the United States Department of Labor Statistics. Thus, the total construction costs for the subject dwelling were \$291,665. Although the subject's land assessment was not disputed, the appeal petition revealed the subject's 1.99 acre site was purchased in November 2004 for \$115,000. Therefore, the total cost to acquire the land and construct the subject dwelling was \$406,665. Based on this evidence, the appellants requested a reduction in only the subject's improvement assessment.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's assessment of \$47,267 was disclosed. The subject has a land assessment of \$26,706 and a pro-rated improvement assessment for two months of 2006 of \$20,921 or \$10,260 per month. Converting the subject's improvement assessment to a full year results in an improvement assessment of \$125,526. Thus, the subject's converted improvement assessment for a full year and its land assessment total \$152,232. This assessment reflects an estimated market value of \$457,016 or \$160.24 per square of living area including land using McHenry County's 2006 three-year median level of assessments of 33.31%.

To demonstrate the subject's assessment is reflective of fair market value, the board of review provided sales information on three suggested comparable properties located in different subdivisions approximately two miles from the subject. They consist of one-story frame or brick dwellings that were built from 1999 to 2003. One comparable has an unfinished basement, one comparable has a full, partially finished basement, and one comparable has a full, partially finished walkout basement. Other amenities include central air conditioning, one fireplace and two or three car attached garages that contain from 455 to 848 square feet. The dwellings range in size from 2,514 to 3,280 square feet of living area and are situated on lots that range in size from .4273 of an acre to 1-acre. They sold from October 2003 to April 2004 for prices ranging from \$391,457 to \$566,000 or from \$155.71 to \$173.03 per square foot of living area including land.

The board of review did not refute the construction costs submitted by the appellants. Based on this evidence, the board of review requested confirmation of the subject's assessment.

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 a reduction in the subject property's assessment is warranted.

The appellants argued the subject dwelling is overvalued based on construction cost. 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). After an analysis of the evidence, the Board finds the appellants have met this burden.

The Property Tax Appeal Board finds the best evidence of the subject property's fair market value is the well documented construction costs and land acquisition price submitted by the appellants totaling \$406,665. The Board finds the appellants provided un-refuted documentation of the land acquisition price in 2004 and dwelling construction costs during 2005 and 2006, including a general contracting fee. The subject's land and converted improvement assessments total \$152,232, which reflects an estimated market value of \$457,016. The Board finds the subject's estimated market value is greater than the actual construction costs and land acquisition price. Therefore, a reduction in the subject's assessed valuation is warranted.

The Board recognizes the appellants did not dispute the subject's land assessment¹. However, the Property Tax Appeal Board finds Showplace Theatre v. Property Tax Appeal Board, 145 Ill. App. 3d 774 (2nd Dist. 1986), provides guidance in appeals of this nature. In Showplace, the appellant only appealed the land value. The basis for judicial review in Showplace was whether a taxpayer could appeal only the land valuation, thereby limiting the Property Tax Appeal Board's jurisdiction. The court affirmed the Property Tax Appeal Board's decision of reducing the subject's land assessment, but increasing the improvement assessment based on its recent sale price. The

¹ The appellant purchased the subject's land in November 2004 for \$115,000. The subject's land assessment of \$26,706 reflects an estimate market value of \$80,174.

court found assessments are based on real property consisting of both land and improvements. An appeal to the Property Tax Appeal Board includes both the land and improvements and together they constitute a single assessment in market value appeals.

The Board gave diminished weight to the suggested comparable sales submitted on behalf of the board of review. The Board finds the comparables sold in 2003 and 2004. The Board finds these sales are considered dated and less indicative of fair market value as of the January 1, 2006 assessment date at issue in this appeal. Additionally, the board finds the suggested comparable sales are located in different subdivisions approximately two miles from the subject, which further detracts from the weight of this evidence.

Based on this analysis, the Property Tax Appeal Board finds the appellants have demonstrated overvaluation by a preponderance of the evidence. Thus, the Board finds the subject's assessment as established by the board of review is incorrect and a reduction is warranted. The Board finds the appellants established the market value of the subject property is \$406,665. Since fair market value has been established, the three-year median level of assessment for McHenry County of 33.31% shall apply. In addition, the Board finds the subject's improvement assessment shall be pro-rated for two months of the 2006 assessment year.

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. Crit

Chairman

K. L. Fan

Member

Richard A. Huff

Member

Mark A. Lewis

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: December 23, 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.