

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Terry Hansen
DOCKET NO.: 06-02756.001-R-2
PARCEL NO.: 04-180-027-11

The parties of record before the Property Tax Appeal Board are Terry Hansen, the appellant, and the Jersey County Board of Review.

The subject 1.51-acre parcel has been improved with a three-year-old one and one-half story masonry single-family dwelling containing 5,745 square feet of living area. Features include a full basement of 4,623 square feet, a fireplace, four and one-half bathrooms, central air conditioning, an in-ground swimming pool, an attached 540 square foot two-car garage along with a one-car carport, and a second two-car 624 square foot garage. The property is located in Jerseyville, Jersey Township, Jersey County, Illinois.

The appellant appeared before the Property Tax Appeal Board arguing that the fair market value of the subject was not accurately reflected in its assessed value. In support of that argument, an appraisal and supporting testimony were presented.

The appraisal was prepared by Joseph P. Pope of Pope Appraisal Services Co. in Alton, Illinois, for *ad valorem* tax purposes. Pope also appeared for testimony and cross-examination indicating that he was a Certified State Residential Real Estate Appraiser in Illinois with 21 years of experience. His work area covers the seven counties surrounding St. Louis on the metro east side of the river; he estimated averaging 20 appraisals per week with about 10% of his work in Jersey County.

The appraisal report was prepared in conformance with reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice for a summary appraisal report and utilized two of the three traditional approaches to value. The appraiser testified that he inspected the property and the basement was unfinished as of the time of the inspection. The report estimated a market value of \$560,000 for the subject property as of May 15, 2007.

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

LAND:	\$	24,785
IMPR.:	\$	161,975
TOTAL:	\$	186,760

Subject only to the State multiplier as applicable.

In the cost approach to value, the appraiser estimated the subject's site value as \$75,000 using the allocation method "because of predominant ages and the availability of building lots or by actual site sales when available." As to the site value, Pope further testified there was one sale in the subject's subdivision, but it did not back up to the golf course like the subject property. While that nearby lot sold for \$48,000, Pope concluded the subject lot had an estimated value of \$75,000. He further determined the improvements to have an estimated cost new of \$516,621 based on the Marshall Swift Residential Cost Handbook as well as information obtained from local builders and contractors, plus Pope's own analysis of new home sales, which figures have been modified with local multipliers. Physical depreciation of 3% or \$16,442 was estimated based on physical observations and using the age/life method. In addition, \$20,000 was attributed to the "as is" value of site improvements. Thus, the appraiser estimated a value under the cost approach of \$595,200, rounded.

Under the sales comparison approach, the appraisal sets forth five comparable properties said to be located from 1 to 15 miles from the subject property. Three of the comparables were described as either tri-level or one and one-half story dwellings and two were described in the same manner as the subject as "custom-conventional." The comparables ranged in age from 3 to 20 years old and were of either masonry or frame exterior construction. The dwellings ranged in size from 2,200 to 3,793 square feet of living area and featured full basements, three of which were 50% finished. Each comparable had central air conditioning, one or two fireplaces, and a two or three-car garage. One comparable also had a pool house and an in-ground swimming pool. The comparables sold from May 2004 to April 2007 for prices ranging from \$315,000 to \$440,000 or from \$88.63 to \$145.45 per square foot of living area.

In the appraisal report, the comparables were adjusted for parcel size, quality of construction, effective age, bathrooms, living area square footage, basement finish, garages, decks, built-in extras, and yard improvements. Pope testified that due to the quality of construction of the subject dwelling which was superior to all of the comparables he was required to make an upward line adjustment of \$75,000 "which is an appraisal no-no." Pope extracted an adjustment for effective age from the market of \$1,000 per year. A full bathroom was adjusted at \$1,000. Living area square footage was adjusted at \$20 per square foot. Garages were adjusted at \$2,500 per parking cover or enclosed parking area. Pope testified the built-in extras adjustment was based on interior extras such as built-in appliances, non-fixtures, and upgraded mechanicals, or otherwise known as interior quality and condition; Pope opined the subject was 5% above the average dwelling in that price range. This adjustment analysis then resulted in adjusted sales prices for the comparables ranging from \$548,300 to \$568,500 or from \$149.88 to \$256.09 per square foot of living area including land. In testimony, Pope

acknowledged that due to the quality adjustments, building adjustments and size differences, he was unable to stay within the desired 10% line item adjustment, 15% net adjustment, and 25% gross adjustment guidelines typically utilized by appraisers. The appraiser next estimated the subject had a market value under the sales comparison approach of \$560,000, including land, or \$97.48 per square foot of living area, including land.

In reconciling the two approaches to value, the appraiser noted the sales comparison approach was the better indicator of value and was also supported by the cost approach. The appraiser then estimated a value of \$560,000 for the subject property as of May 15, 2007.

The appellant's appeal petition requested an assessment reduction to \$146,666 or an approximate fair market value of \$440,000. At the hearing, appellant acknowledged that this request was based upon his belief that \$440,000 was the highest priced sale to date in Jersey County. He has since learned that belief was in error through his appraiser.

On cross-examination, Pope explained how he arrived at his replacement cost new base figure from the cost manual. He was also questioned about the local cost factor and there was disagreement about the appropriate figure between the board of review representative and the witness. On further examination, Pope agreed that the gross adjustment guidelines exist suggesting that more similar comparables should be sought out; the guideline does not mean that adjustments exceeding those percentages cannot be made. On further examination, Pope acknowledged an error in the "improvements" section on page 1 of his report in that the basement was not 33% finished as set forth on that page.

The Board of review presented its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$270,450 was disclosed. The assessed value of the subject property reflects an estimated market value of \$810,945 or \$141.16 per square foot of living area based on the 2006 three-year median level of assessments for Jersey County of 33.35%.

As an initial matter, the board of review argued because the Property Tax Appeal Board had rendered a "no change" decision on the subject property in Docket No. 2005-00541.001-R-1, Section 16-185 of the Property Tax Code (35 ILCS 200/16-185) applied in this matter. The Property Tax Code (35 ILCS 200/16-185) provides in pertinent part:

If the Property Tax Appeal Board renders a decision **lowering the assessment** of a particular parcel on which a residence occupied by the owner is situated, such **reduced assessment**, subject to equalization, shall remain in effect for the remainder of the general assessment period

As noted by the Hearing Officer, this provision means that if the 2005 decision had reduced the subject property's assessment and, if 2006 was in the same quadrennial reassessment cycle, the 2005 decision on the subject property would have been carried forward to 2006 subject only to equalization. However, given the lack of a 2005 decision lowering the assessment of the subject property, the instant appeal stands on its own merits.

In support of the subject's assessment, the board of review submitted a sales grid analysis of four comparables noted to be located outside of Jersey County and from 17 to 30 miles from the subject property; three comparables were located in Edwardsville and one was in Godfrey, Illinois. The comparable lots ranged in size from 0.54 to 1.13-acres and have been improved with one-story or two-story masonry constructed single-family dwellings. The comparables ranged in age from new to 18 years old and ranged in size from 3,745 to 4,789 square feet of living area. Each comparable had a basement ranging in size from 1,800 to 4,487 square feet of building area and each basement had finished area ranging in size from 1,000 to 1,810 square feet. Additional features included central air conditioning, one or three fireplaces, and two or three-car garages. Two comparables had decks and one had an open porch/patio. None of the comparables had an in-ground pool like the subject. These comparables sold between July 2005 and October 2006 for prices ranging from \$525,000 to \$750,000 or from \$109.63 to \$200.27 per square foot of living area including land.

Lastly, the grid analysis set forth a hypothetical value based on "total assessment per square foot including land" considering one-third of the sale price for the comparables and 5,718 square feet of living area for the subject; under this hypothetical, the comparables would have a total assessment ranging from \$36.54 to \$66.76 per square foot of living area including land. The subject had a total assessment of \$47.30 per square foot of living area including land. The board of review asserted the subject was properly assessed given that it fell within the range of the comparables presented. Based on its submission, the board of review requested confirmation of the subject's 2006 assessment.

On cross-examination, the board of review's representative acknowledged there is a difference between the median house located in Edwardsville, Illinois and the median house in Jerseyville, Illinois. He further admitted no adjustments were made for location in the board of review's submission. On further questioning, the representative acknowledged that there would be about 10 properties in Jersey County similar to the subject property whereas neighboring Madison County may have 50 to 100 such similar properties. The board's representative further acknowledged that the location of a property does have an impact on its fair market value.

After hearing the testimony and reviewing the record, 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 that the subject's assessment was not reflective of market value. When market value is the basis of the appeal, the value of the property must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill. App. 3d 179, 728 N.E.2d 1256 (2nd Dist. 2000). The Board finds this burden of proof has been met and a reduction in the subject's assessment is warranted.

The Board finds the appellant submitted an appraisal of the subject property with a final value conclusion of \$560,000 as of May 15, 2007. Meanwhile, the board of review submitted four unadjusted comparable sales which were no more similar to the subject property than the five comparable sales presented by the appellant in the appraisal. The Property Tax Appeal Board finds that the board of review did not submit any independent written analysis or alternative value conclusion to refute the appellant's appraiser's value conclusion.

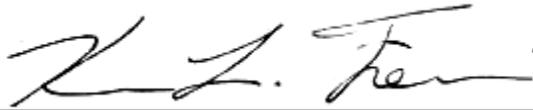
The Property Tax Appeal Board finds that, despite some of the stark differences between the subject property and the comparables utilized, the appraiser adjusted the comparables for differences such as age, size and other amenities in order to arrive at a value conclusion. The appraisal submitted by the appellant estimating the subject's market value of \$560,000 is the best evidence of the subject's market value in the record.

Based upon the market value as stated above, the Property Tax Appeal Board finds that a reduction is warranted. Since market value has been established, the 2006 three-year median level of assessments for Jersey County of 33.35% shall be applied.

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.



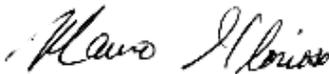
Chairman



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: July 28, 2009



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.