



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

APPELLANT: Kathleen Palm
DOCKET NO.: 07-01399.001-R-1
PARCEL NO.: 05-01-307-014

The parties of record before the Property Tax Appeal Board are Kathleen Palm, the appellant, along with Michael K. Felske who resides in the residence,¹ and the Lake 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 Lake County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND: \$15,024
IMPR.: \$71,261
TOTAL: \$86,285**

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of 8,969 square feet has been improved with a split-level single family dwelling of frame construction built in 2004. The dwelling contains 1,860 square feet of living area and features central air conditioning, a fireplace, and a three-car garage of 742 square feet. The property is located in Lake Villa, Lake Villa Township, Lake County.

The appellant contends unequal treatment in the assessment process and overvaluation as the bases of the appeal. Appellant disputes both the land and improvement assessments of the subject property. Appellant also reported the subject was purchased in May 2004 for \$247,000.

¹ The status of Mr. Felske was unclear; he was set forth on the Residential Appeal petition as "Attorney for Appellant" but records of the Illinois Attorney Registration and Disciplinary Commission do not reflect Mr. Felske as a licensed attorney in Illinois. See Rule 1910.70(a) - A party may be represented at the hearing by any person who is admitted to practice as an attorney in this State. (86 Ill. Admin. Code, Sec. 1910.70(a)).

In support of the appeal, appellant submitted a three-page letter outlining the argument along with a grid analysis of three suggested comparables disputing the land assessment. Appellant also submitted several pages of sales data and color photographs of properties near the subject. Appellant also included a grid analysis of three comparables which had been used by the township assessor at the Lake County Board of Review hearing to support the subject's assessment and noted that these properties were 1 ½-miles from the subject dwelling. Appellant concluded her letter noting that the subject property "is devalued by homes around it; while [it] increases value of homes around it."

As to the land assessment inequity argument, the appellant presented three improved properties said to be located within one block of the subject with parcels ranging in size from 12,632.4 to 47,916 square feet of land area in a grid analysis. These comparables had land assessments ranging from \$9,482 to \$16,514 or from \$0.34 to \$0.87 per square foot of land area. The subject parcel of 8,969 square feet had a land assessment of \$15,024 or \$1.68 per square foot of land area. Based on this analysis, the appellant requested a land assessment reduction to \$7,500 or \$0.84 per square foot of land area.

As to the improvement assessment, the appellant submitted assessment data and descriptions on the same three land comparables and also at hearing requested consideration of the three comparables entitled 'assessor comps.' There is one common property in both grids so the five comparables were described as two, split level, one, one-story and two, two-story dwellings of frame exterior construction. The properties were constructed from 1975 to 2005 and contain from 1,600 to 2,063 square feet of living area. Features include central air conditioning and garages ranging in size from 484 to 825 square feet of building area. Two comparables have two fireplaces. The properties had improvement assessments ranging from \$56,116 to \$78,481 or from \$35.07 to \$42.37 per square foot of living area, while the subject improvement was valued at \$71,261 or \$38.31 per square foot of living area.

Appellant also argued that based on sale prices of properties located within "one-half block" of the subject, the subject property was overvalued. Appellant reported in her letter sale prices of five properties which sold between July 2006 and August 2007 for prices ranging from \$150,000 to \$241,000. The appellant failed to specifically report the ages, sizes, design, exterior construction, features or other amenities of these five suggested comparables for comparison purposes; two of the three attached Multiple Listing Service sheets lack size data for these properties. Appellant also submitted three computer printouts identifying sales on three different streets: five properties sold on Hillside Drive between January 2005 and July 2006 for prices ranging from \$166,700 to \$229,900; twelve properties sold on Arcade Drive between February 2005 and November 2006 for prices ranging from \$114,500 to \$241,000; and two properties sold

on Wacker Drive in April 2005 and June 2006 for \$175,000 and \$177,000, respectively. No data as to the ages, sizes, designs, exterior construction or amenities of these properties was provided in the appellant's appeal.

At hearing, appellant also argued that the taxes on the subject property have been inappropriately increased over the course of time. Appellant also argued that the actions of the board of review have been retaliatory toward the appellant.

On the basis of the evidence, the appellant requested a total assessment reduction for the subject to \$71,987 which would reflect a market value of approximately \$215,961.

The board of review submitted "Board of Review Notes on Appeal" wherein the subject's assessment of \$86,285 was presented. The subject's assessment reflects an estimated market value of \$260,130 or \$139.85 per square foot of living area, land included, using the 2007 three-year median level of assessments for Lake County of 33.17%. In support of the subject's assessment, the board of review presented two grid analyses, one of which was focused on land equity and the other of which presented both equity and market value evidence. At hearing, the board of review also presented the Deputy Township Assessor Mike Healey to address the evidence.

In response to the appellant's appeal, the board of review initially noted that the subject's recent purchase price supports the subject's current estimated market value. Moreover, the board of review reported that the five comparable sales set forth in the appellant's letter ranged in size from 978 to 1,260 square feet of living area which is much smaller than the subject dwelling and therefore the board of review argues that these properties are not indicative of the subject's market value.

As to the land inequity contention, the board of review presented three comparable properties, two of which were located in the same neighborhood code assigned by the assessor as the subject property and the third of which was on the same block as the subject. The properties were described as parcels ranging in size from 8,742 to 8,971 square feet of land area. These parcels had land assessments of \$18,342 each or ranging from \$2.04 to \$2.10 per square foot of land area. Based on this evidence, the board of review requested confirmation of the subject's land assessment of \$1.68 per square foot of land area.

As to the improvement inequity contention and the market value argument, the board of review presented a grid analysis of three properties said to be located in the same neighborhood code assigned by the assessor as the subject property. The parcels ranged in size from 6,620 to 9,229 square feet of land area and were each improved with a split-level dwelling of frame exterior construction that was built in 2006. The dwellings range in size from 1,138 to 1,308 square feet of living area and feature a garage of either 400 or 506 square feet of building area. Two

comparables have central air conditioning and two comparables have a fireplace. Healey testified that generally accepted real estate valuation theory provides that all factors being equal, as the size of the property increases, the per unit value decreases. In contrast, as the size of a property decreases, the per unit value increases.

The properties had improvement assessments ranging from \$168,843 to \$219,304 or from \$49.45 to \$55.88 per square foot of living area. These same properties sold between September and December 2006 for prices ranging from \$241,000 to \$298,000 or from \$206.34 to \$227.83 per square foot of living area, land included. As a result of this analysis, the board of review requested confirmation of the subject's assessment on both equity and market value grounds.

In rebuttal, the appellant mentioned appraisals of the subject property which were not part of the record; the board of review promptly objected to the reference. Appellant further argued that the average of home sales in the immediate vicinity of the subject ranged from \$170,000 to \$210,000 and therefore the subject property was being overvalued according to appellant despite the subject's greater 2004 purchase price of \$247,000.

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 Board further finds based on the evidence presented that no reduction in the subject's assessment is warranted.

First, the appellant should be aware that the Property Tax Appeal Board is without jurisdiction to determine the tax rate, the amount of a tax bill, or the exemption of real property from taxation; the Board's authority is strictly limited by the terms of the Property Tax Code to determining the correct assessment of a property appealed to the Board. (86 Ill. Admin. Code, Sec. 1910.10(f) and 35 ILCS 200/16-180).

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 that the appellant has failed to overcome this burden.

As to the land assessment inequity argument, the parties submitted six properties for the Board's consideration in order to support their respective positions in this matter. The Board has given less weight to the three comparables presented by the appellant because each was a substantially larger land parcel than the subject. The Board finds that the three land comparables presented by the board of review were similar to the

subject in size and location. These comparables had land assessments ranging from \$2.04 to \$2.10 per square foot of land area. The subject's land assessment of \$1.68 per square foot of land area is substantially below the range of the most similar comparables on this record. After considering adjustments and the differences in both parties' comparables when compared to the subject, the Board finds the subject's land assessment is equitable and a reduction in the subject's land assessment is not warranted.

As to the improvement assessment inequity argument, the parties submitted a total of eight comparable properties to support their respective positions. The Board finds only the two split level dwellings presented by the appellant were most similar to the subject in location, size, age, exterior construction and features. The Board has given less weight to appellant's three other comparables due to differences in age and design. The Board also gave less weight to the board of review's three comparables due to differences in size from the subject. Due to their similarities to the subject, the two split-level comparables presented by the appellant received the most weight in the Board's analysis. These comparables had improvement assessments of \$41.42 and \$42.37 per square foot of living area. The subject's improvement assessment of \$38.31 per square foot of living area is below this range, even though the subject is newer and features a fireplace not found in either comparable. After considering adjustments and the differences in both parties' comparables when compared to the subject, the Board finds the subject's improvement assessment is equitable and a reduction in the subject's assessment is not warranted.

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 appellant 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 appellant also contends the assessment of the subject property is excessive and not reflective of its 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. 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 does not support a reduction in the subject's assessment on grounds of overvaluation.

Ordinarily, property is valued based on its fair cash value (also referred to as fair market value), "meaning the amount the property would bring at a voluntary sale where the owner is ready, willing, and able to sell; the buyer is ready, willing, and able to buy; and neither is under a compulsion to do so." Illini Country Club, 263 Ill. App. 3d at 418, 635 N.E.2d at 1353; see also 35 ILCS 200/9-145(a). The Illinois Supreme Court has held that a contemporaneous sale of the subject property between parties dealing at arm's length is relevant to the question of fair market value. People ex rel. Korzen v. Belt Ry. Co. of Chicago, 37 Ill. 2d 158, 161, 226 N.E.2d 265, 267 (1967). A contemporaneous sale of property between parties dealing at arm's-length is a relevant factor in determining the correctness of an assessment and may be practically conclusive on the issue of whether an assessment is reflective of market value. Rosewell v. 2626 Lakeview Limited Partnership, 120 Ill. App. 3d 369 (1st Dist. 1983), People ex rel. Munson v. Morningside Heights, Inc., 45 Ill. 2d 338 (1970), People ex rel. Korzen v. Belt Railway Co. of Chicago, 37 Ill. 2d 158 (1967); and People ex rel. Rhodes v. Turk, 391 Ill. 424 (1945). On this record, the appellant acknowledged having purchased the subject property in May 2004, some 31 months prior to the assessment date at issue of January 1, 2007, for \$247,000 or \$132.80 per square foot of living area, including land.

To support their respective market value arguments, the parties submitted comparable sales for the Board's consideration. Close examination of the appellant's evidence failed to reveal adequate age, size, design, exterior construction, features or other amenities of the purported sales to engage in a meaningful analysis of the properties. Multiple Listing Service sheets indicated the comparables were "raised ranches" and one-story dwellings which are not comparable to the subject's split-level design. The Board finds the three sales comparables submitted by the board of review were most similar to the subject in design, exterior construction, location and/or age. Due to their similarities to the subject, these comparables received the most weight in the Board's analysis, despite their substantially smaller size. These comparables sold between September and December 2006 for prices ranging from \$206.34 to \$227.83 per square foot of living area, including land. The subject's assessment reflects a market value of \$260,130 or \$139.85 per square foot of living area, including land, using the three-year median level of assessments for Lake County of 33.17%. The Board finds the subject's assessment reflects a market value that falls substantially below the range established by the most similar comparables on a per-square-foot basis, including land. After considering the most comparable sales on this record, the Board finds the appellant did not demonstrate the subject property's assessment to be excessive in relation to its market value and a reduction in the subject's assessment is not warranted on this record.

For the foregoing reasons, the Board finds that the appellant has not proven by clear and convincing evidence that the subject property is inequitably assessed. Therefore, the Property Tax Appeal Board finds that 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: March 23, 2010

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.