FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Perry Tate
DOCKET NO.: 07-02040.001-R-1
PARCEL NO.: 18-05-359-017

The parties of record before the Property Tax Appeal Board are Perry Tate, the appellant; and the Peoria 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 **Peoria** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$ 4,060
IMPR.:	$ 25,940
TOTAL:	$ 30,000

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a two-story frame duplex containing 2,848 square feet of living area that was built in 1894. Features included an unfinished basement and a fireplace. The subject is located in close proximity to Bradley University and is used for private student housing.

The appellant appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of this claim, the appellant submitted a copy of a contract for the purchase of the subject property and two additional improved properties located near Bradley University. The contract listed a total purchase price of $161,755 for the three properties. The contract did not specify or allocate an individual sale price or value for each property. The contract further provides the buyer (appellant) agrees to pay the seller the sum of $161,755 in the following manner: The sum of $1,500 per month on the first day of each and every month commencing on June 1, 2007, and continuing until May 1, 2012, when the entire balance, including both principal and interest shall be due and payable. Monthly payments shall include both principal and interest with interest at the rate of 5.5% per annum, computed monthly on the remaining

balance from time to time unpaid. Buyer shall have no privilege of prepayment without the prior written consent of the seller. Based on the contract, the appellant allocated one-third of the contract price of $161,755 or $53,900 for each improved property due to their extremely poor condition.

The appellant explained the subject property was sold through auction by a sealed bid process over a seven month period. The appeal petition indicates "unknown" as to manner the sale was advertised. Additionally, although clearly contained within the contract language, the appeal petition in contrast indicates the property was not sold in an installment contract, contract for deed or foreclosure. The appellant testified the properties were formally leased by Bradley to foreign students. The appellant testified the leases provided for only three tenants per dwelling, however, the appellant testified approximately 20 foreign students were residing in each dwelling. The appellant testified it took months to remove the remaining residents and repair each dwelling. He testified regarding their poor interior condition noting food stuck to the walls and ceiling.

Under questioning, the appellant knew of one other competitor in the auction bidding process. He did know what criteria was used for the selection of the winning bid. The appellant opined, noting he has a good working relationship with the university, that Bradley originally purchased the dwellings for future expansion. The appellant indicated neighboring property owners were upset by the manner in which the properties were being managed. Thus, the university contemplated demolition, which further upset the neighboring property owners. As a result, the university opted to auction the dwellings to private ownership. The appellant also testified Bradley University Officials contacted him regarding the potential purchase. Based on this evidence, the appellant requested a reduction in the subject's assessment to reflect its allocated purchase price of $53,900.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of $38,470 was disclosed. The subject's assessment reflects an estimated market value of $115,804 or $40.66 per square foot of living area including land using Peoria County's 2007 three-year median level of assessments of 33.22%.

Based on the circumstances surrounding the subject's sale, the board of review argued the subject's transaction was not arm's-length. The board of review argued the evidence and testimony offered indicates the appellant and university officials had a pre-existing business relationship, the property was not traditionally advertised for sale in the open market, and the seller was under duress.

In support of the subject's assessment, the board of review submitted property record cards and a market analysis of three suggested comparable sales located near Bradley University. They consist of two-story frame dwellings that were built from 1904 to

1919. Two comparables have unfinished basements and one comparable has a partial finished basement. The comparables have central air conditioning and detached garages. Two comparables have a fireplace. Comparables 1 and 2 are single family dwellings while comparable 3 is a duplex like the subject. The dwellings range in size from 2,154 to 2,389 square feet of living area and sold from April 2006 to June 2007 for prices ranging from $132,000 to $169,900 or from $55.25 to $78.88 per square foot of living area including land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

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 this appeal. The Property Tax Appeal Board further finds a slight reduction in the subject property's assessment is warranted.

The appellant argued the subject property's assessment was not reflective of its fair market value. 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). The Board finds the evidence overcomes this burden.

The Property Tax Appeal Board finds the arm's-length nature of the subject's transaction and sale price to be questionable. The Illinois Supreme Court defined fair cash value as 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). The evidence and testimony in this record clearly shows the subject property was not traditionally advertised for sale in the open market. This Board recognizes an auction sale itself does not preclude the transaction from being deemed arm's-length. However, as the evidence and testimony disclosed there was some type of pre-existing relationship between the parties. Furthermore, the record is void of any evidence regarding the criteria for selection of the winning auction bid. Additionally, the Board finds it is atypical in real estate transactions for the seller to partially finance the purchase price, regardless of the interest rate, as is the case in this instant appeal. As a result of this analysis, the Board gave secondary weight to the subject's allocated sales price of $53,900 as outlined by the appellant.

The board of review presented three suggested comparable sales in support of the subject's assessed valuation. The Board gave diminished weight to comparables 1 and 2 due to their single-family use, dissimilar to the subject. The Board further finds there was one credible sale submitted by the board of review, which was given primary emphasis. This two-story frame duplex is slightly newer, smaller and has superior features when compared to the subject. It sold in April 2006 for $132,000 or $55.25 per

square foot of living area including land. The subject's assessment reflects an estimated market value of $115,804 or $40.66 per square foot of living area including land, which is less the single comparable sale. After considering multiple downward adjustments to the single comparable sale for differences to the subject in age, size, features and condition, as well as placing secondary weight on the allocated sale price, the Board finds a slight reduction in the subject's assessed valuation 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.

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: April 23, 2010

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.