



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

APPELLANT: Keith Soltwedel  
DOCKET NO.: 07-02828.001-F-1  
PARCEL NO.: 02-20-400-001

The parties of record before the Property Tax Appeal Board are Keith Soltwedel, the appellant; and the Knox 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 Knox County Board of Review is warranted. The correct assessed valuation of the property is:

<b>F/Land:</b>	\$28,270
<b>Homesite:</b>	\$0
<b>Residence:</b>	\$0
<b>Outbuildings:</b>	\$0
<b>TOTAL:</b>	\$28,270

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a 166-acre farm parcel located in Oneida, Ontario Township, Knox County.

The appellant appeared before the Property Tax Appeal Board claiming a contention of law regarding the assessment of farm buildings as the basis of the appeal. The appellant did not dispute the subject's farmland assessment, but contends that four hog nursery, breeding and finishing buildings of various sizes made no contribution to the operation of the farm, as they were vacant and had not been used to raise hogs for more than two years. The hog buildings provide no income or utility to the grain farming operation on the parcel, which is ongoing. The appellant acknowledged he purchased the subject property for \$835,000 in December 2007. He submitted a copy of page 116 of the Illinois Real Property Appraisal Manual, which states that "Farm buildings are valued according to current use and contribution to the productivity of the farm. . . . The total of

all building valuations should represent the value which their presence contributes to the productivity of the farm." Ordinarily, depreciated original cost is the basis for determining value for farm buildings. The appellant operates a hog farm in Effingham County, and based on his experience, argued the hog buildings on the subject farm are too small and obsolete for a modern hog operation. In support of this point, he submitted an appraisal of the subject property performed by a certified Illinois general appraiser. The appraiser, who was not present at the hearing, estimated the subject farm had a market value of \$950,000. On page 5 of this report, the appraiser stated "The farrowing and gestation buildings are functionally obsolete due to the small size of the buildings." The appellant claimed he had made several inquiries in the community and with a large hog management company looking for interested tenants to lease the facilities, but to no avail. He also stated the water supply for the farm is a well located on another property not owned by him. Finally, the appellant's evidence stated, "(T)he current outlook in the swine industry is projecting losses due to high corn costs making it unlikely that these facilities will ever contribute value." Based on this evidence, the appellant requested the subject's assessment be reduced to \$28,070, reflecting the farmland assessment, but with an assessment of \$0 for the farm buildings.

During the hearing, the appellant acknowledged the hog buildings on the subject property were being rented for one year, from August 2009 to August 2010, to a local hog farmer who lost access to other buildings he had been leasing. The appellant claimed he doubted whether this lease arrangement will be extended, but reiterated the buildings had been vacant for several years as of the subject's assessment date of January 1, 2007, and had made no contribution to the farm's productivity.

The board of review submitted its Board of Review Notes on Appeal wherein the subject's total assessment of \$50,560 was disclosed. This assessment includes \$28,070 for farmland and \$22,290 for the farm outbuildings. While acknowledging the appellant's point that farm buildings are valued according to current use and contribution to the productivity of the farm, the board of review board of review's representative claimed Knox County has always put a salvage value on farm buildings. She could not state why this has been done, but "it is just the way it has always been." The assessment of the subject farm buildings had been determined by the township assessor, who is retired and was not present at the hearing. The representative further stated "In Knox County, we have not depreciated a hog confinement that is still in use below 20% (emphasis added)." "(A)s long as the buildings are standing, we would have value on them." The representative testified that farm buildings should have an assessment reflective of their salvage value until they are demolished. Based on this evidence, the board of review requested the subject's assessment be confirmed.

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 the evidence and testimony in this record indicate the subject's hog buildings had been vacant for at least two years prior to the assessment year at issue in this appeal and made no contribution to the productivity of the subject's grain farming operation. The board of review's policy of not depreciating a hog confinement building that is still in use below 20% implies buildings that are no longer in use do not meet this threshold. The appellant argued the buildings are too small and obsolete for modern hog operations and that he had been unable to find a lessee until 2009. In an appraisal submitted by the appellant, the appraiser opined "The farrowing and gestation buildings are functionally obsolete due to the small size of the buildings."

The Board finds the present use of land and buildings is the focus in issues involving farmland classification and assessment. Santa Fe Land Improvement Co. v. Illinois Property Tax Appeal Board, 113 Ill.App.3d at 872, (3<sup>rd</sup> Dist.1983). The Board finds Section 1-60 of the Property Tax Code states in relevant part

Improvements, other than farm dwellings, shall be assessed as a part of the farm and in addition to the farm dwellings when such buildings contribute in whole or in part to the operation of the farm (emphasis added). (35 ILCS 200/1-60)

Furthermore, Section 10-140 of the Property Tax Code provides:

Other improvements. Improvements other than the dwelling, appurtenant structures and site, including, but not limited to, roadside stands and buildings used for storing and protecting farm machinery and equipment, for housing livestock or poultry, or for storing, feed, grain or any substance that contributes to or is a product of the farm, shall have an equalized assessed value of 33 1/3% of their value, based upon the current use of those buildings and their contribution to the productivity of the farm. (35 ILCS 200/10-140)

Where farm structures do not contribute to the productivity of the farm, then the buildings would add nothing to the value of the farm. O'Connor v. A&P Enterprises, 81 Ill.2d 260, 267-68(1980); see also Peacock v. Property Tax Appeal Board, 399 Ill.App.3d 1060, 1071-1073 (4<sup>th</sup> Dist. 2003).

The unrefuted testimony of the appellant was that the hog buildings had been vacant for at least two years prior to the subject's January 1, 2007 assessment date and that they made no contribution to the ongoing grain farming operation on the subject parcel. The appellant was unable to find a lessee for the hog buildings until August, 2009, when a local hog farmer

agreed to lease the buildings for one year. The Property Tax Appeal Board finds that notwithstanding the board of review's policy of assigning a salvage value to all farm buildings regardless of current use, the subject farm buildings made no contribution in whole or in part to the farming operation and therefore, have no contributory value. For this reason, the buildings shall be assessed at \$0 for the 2007 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. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario M. Louie*

Member

*Shawn R. Lerski*

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: August 20, 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.