



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

APPELLANT: Clayton & Debra Arnold
DOCKET NO.: 07-03954.001-R-1
PARCEL NO.: 04-33-103-005

The parties of record before the Property Tax Appeal Board are Clayton & Debra Arnold, the appellants, by attorney James E. Tuneberg, of Guyer & Enichen in Rockford, and the Winnebago 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 Winnebago County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$38,445
IMPR.: \$78,035
TOTAL: \$116,480

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of approximately 8.754-acres¹ has been improved with a one-year-old, contemporary ranch style frame and masonry exterior constructed dwelling. The home contains 2,026 square feet of living area with a full partially exposed basement that is 64% finished. Additional features include central air conditioning, a fireplace, and an attached three-car garage of 775 square feet of building area. The subject property is located in Roscoe, Roscoe Township, Winnebago County.

An initial issue in this appeal concerns the subject's dwelling size. The appellants' appraiser included a schematic drawing of

¹ The board of review reported 7.99-acres, but failed to include the subject property record card to substantiate the size. The appraiser reported the parcel size as 8.754-acres of which purportedly only .52-acres was deemed 'buildable' by the assessor, but also did not include any documentation to substantiate the size determination. The board of review did not dispute the appraiser's assertions.

the dwelling and calculated a dwelling size of 2,026 square feet, rounded. The board of review reported a dwelling size of 2,018 square feet of living area, but failed to supply documentation such as the property record card of the subject as required by the Official Rules of the Property Tax Appeal Board (86 Ill.Admin.Code Sec. 1910.40(a)). Considering the best evidence in the record as the subject's dwelling size, the Board finds that the dwelling contains 2,026 square feet of living area.

The appellants' appeal is based on overvaluation of the subject property. In support of this market value argument, the appellants through legal counsel submitted an appraisal prepared by Gary Zandonatti, an Illinois licensed appraiser. The appraiser used only the sales comparison approach to value in concluding an estimated market value of \$350,000 for the subject property as of January 1, 2007.

The subject was described as superior to existing houses in the immediate location, but the appraiser stated similar houses have been built in the competing Roscoe/county subdivisions. The appraiser reported the subject wooded parcel with appeal for view consists of 8.754-acres, but is mostly in a floodplain, zoned R-1 and therefore has little functional value other than as excess land for view. The appraiser further reported that the assessor's records indicate .52-acres are considered functional and given a taxable value with the remainder given a "not suitable for building" value. The appraiser reported the subject is a custom built dwelling.

Utilizing the sales comparison approach, the appraiser analyzed four sales located between 2.5 and 3.6-miles from the subject. The comparable residential parcels range in size from 0.65 to 1.75-acres, two of which are said to be wooded. Each has been improved with a ranch style dwelling, three of which were characterized as "contemporary." The comparable dwellings were of frame and masonry exterior construction and range in age from 7 to 13+ years old. The comparables range in size from 1,797 to 2,379 square feet of living area. Each of the comparable has a full basement, three of which were denoted as walkout styles and finished. Each comparable has central air conditioning, one or two fireplaces, and a three-car garage. The properties sold between January and November 2006 for prices ranging from \$272,500 to \$375,000 or from \$121.11 to \$182.25 per square foot of living area including land.

In comparing the properties to the subject, the appraiser made adjustments for site, view, quality of construction, age, room count, size, basement size, style and finish, and other amenities. This resulted in adjusted sales prices for the comparables ranging from \$338,500 to \$369,400 or from \$152.13 to \$199.72 per square foot of living area, land included. From this process, the appraiser estimated a value for the subject by the sales comparison approach of \$350,000 or \$172.75 per square foot of living area including land.

Based on this evidence, the appellants requested a reduction in the subject's total assessment to \$116,667 which would reflect a market value of approximately \$350,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$125,000 was disclosed. The final assessment of the subject property reflects a market value of \$375,601 or \$185.39 per square foot including land using the 2007 three-year median level of assessments for Winnebago County of 33.28%.

In response to the appellants' appraisal, the board of review presented a letter from the Roscoe Township Assessor along with a grid analysis of four suggested comparable sales. In the letter, the township assessor remarked on discrepancies in the appellants' appraisal and also included other information.

As to the appellants' appraisal, the assessor remarked that value adjustments for dwelling size and site were inconsistent. The assessor also contends the appraiser failed to adjust for 6 and 7 year old comparables. Lastly, noting that "the appraiser has stated in numerous appraisal[s] that the cost approach is most relevant in new homes," no cost approach was developed for this one-year-old property.

As to the subject, the assessor reported "the contractor on the house is award winning Zentz & Associates Inc. I was able to view the home inside and out near completion. The home is of superior quality and is nestled in a beautiful wooded setting."

In support of the subject's estimated market value based on its assessment, the board of review presented a grid analysis of four comparable properties located in Roscoe and South Beloit. There is no land size data in the grid analysis, but the board of review reported the land assessments for the subject and each of the comparables. The subject has a land assessment of \$38,445 and the comparable land assessments range from \$13,620 to \$20,560. The one-story dwellings are of frame or masonry construction that range in age from new to 2 years old. The dwellings contain from 2,152 to 2,407 square feet of living area and feature full, partially or fully exposed, basements, two of which have finished areas. Each comparable has a fireplace and garages ranging in size from 805 to 1,224 square feet of building area. The comparables also have decks ranging in size from 237 to 537 square feet. These properties sold between July and December 2006 for prices ranging from \$343,048 to \$420,960 or from \$154.94 to \$191.17 per square foot of living area including land.

Based on the foregoing evidence, the board of review requested confirmation of the subject's market value as reflected by its assessment.

Through legal counsel, appellants submitted written rebuttal arguing that the board of review's comparables "represent new

construction cost, plus construction profit, and does not represent the market value of existing homes." Sale #2, "the one actual sale," was constructed as a 'parade' home and should be deemed a custom design. Counsel argued that the subject property was constructed from a track home model with additions and modifications added during the construction process.

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 Board further finds that a reduction in the subject's assessment is warranted.

The appellants 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); National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill. App. 3d 1038 (3rd Dist. 2002). The Board finds this burden of proof has been met and a reduction in the subject's assessment is warranted.

The Board finds the appellants submitted an appraisal of the subject property with a final value conclusion of \$350,000 whereas the board of review submitted four suggested comparable properties. The Property Tax Appeal Board finds the lack of proximity and land size data detracts from the board of review's suggested comparables. In addition, all of the comparable dwellings presented by the board of review are somewhat larger than the subject dwelling, but yet the subject's estimated market value is at the higher end of the range of values. 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. Therefore, the board of review's sales data does not convincingly support the subject property's estimated market value based on its assessment. Also, the Property Tax Appeal Board finds that the board of review did not dispute specifically the appraiser's land size data nor did it dispute the contention that the majority of the subject parcel is located in a floodplain and has only .52-acres valued as buildable land. These facts further support a finding that the board of review's comparables are dissimilar to the subject property given the differences in land assessments between the subject and board of review comparables.

While the appraisal may lack some details as to the manner in which various conclusions were reached and questions can be raised as to adjustments made by the appraiser, the Property Tax Appeal Board finds that, despite the assessor's criticisms, the appraisal submitted by the appellant estimating the subject's market value of \$350,000 or \$172.75 per square foot of living area including land is the best evidence of the subject's market value in the record. Furthermore, the appraiser's value conclusion is supported by the comparable sales submitted

suggested by the board of review which range from \$154.94 to \$191.17 per square foot of living area, land included, as compared to the appraisal's estimated market value of \$172.75 per square foot of living area, land included.

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 three-year median level of assessments for Winnebago County for 2007 of 33.28% 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.

Ronald R. Guit

Chairman

K. L. Fern

Member

Member

Mario Morris

William R. Lerbis

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, 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.