



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

APPELLANT: James Blum  
DOCKET NO.: 07-04009.001-R-1  
PARCEL NO.: 17-28-430-000

The parties of record before the Property Tax Appeal Board are James Blum, the appellant, and the LaSalle 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 LaSalle County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$2,000  
**IMPR.:** \$3,000  
**TOTAL:** \$5,000

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject parcel of 17,160 square feet of land area is improved with a 1,200± square foot garage. Access to the property is via a 20' wide easement over approximately 265' of grass. The property is located in Peru, Peru Township, LaSalle County.

The appellant appeared before the Property Tax Appeal Board contending that the market value of the subject property was not accurately reflected in the property's assessed valuation. In support of the overvaluation argument, the appellant submitted a one-page "Land Appraisal Report." Appellant also included in the appeal final decisions for two separate parcels: 17-28-430-000 which appellant disputes herein and 17-28-426-000 which appellant does not dispute.

The parcel on appeal is currently known as 17-28-430-000. Appellant testified that because a portion of the subject parcel was sold, a new parcel number was issued for the property. The appraisal presented in this matter identified the 'subject property' as consisting of parcels 17-28-417-000 and 17-28-426-

000. The appellant did not present the appraiser(s) to testify regarding the report and/or to clarify what parcels comprised the appraised property. The Property Tax Appeal Board also finds that the parcel size on the appraisal is illegible due to the manner in which the document was photocopied. However, in the analysis of the subject, the subject site was said to be .45± acres (which is equivalent to 19,602 square feet). The site was improved with a "two-car garage."

The appraisal document was prepared by Janet Cimei and Jay Koyak with an opinion of value as of May 22, 2006 of \$10,000.<sup>1</sup> The appraiser(s) reported that a survey was being completed on the property. Furthermore, 30' would be split off of parcel 17-28-417-000 to be sold with a different parcel. The appraiser(s) further reported that according to the owner, there will be an easement from the county road that will enable access to the lots, but the access will not be a paved road.

The appraiser(s) used the sales comparison approach<sup>2</sup> examining three comparable sales said to be about 2± miles from the subject. The properties ranged in size from .17 to .40-acres. Two comparables were improved with two-car garages and one had no improvement. While the subject's access is via a grass easement, each of the comparables had public road access. The subject was said to have "gas/electric" utilities whereas the comparables had "public utilities." The three comparables sold between March and December 2005 for prices ranging from \$15,000 to \$29,900. After adjusting the properties to the subject for lot size, improvement(s), utilities, and access, the appraiser(s) arrived at adjusted sale prices ranging from \$3,000 to \$17,900. For parcels 17-28-417-000 and 17-28-426-000, the appraiser(s) estimated a value of \$10,000.

Appellant testified that there is no road access to the subject property and no gas or water service.

Based on the foregoing evidence, the appellant requested that the subject's assessment be reduced to \$2,100 or a market value of approximately \$6,300. Appellant noted this request reflects the subject parcel with the garage as compared to the vacant lot which was also part of the appraisal submitted herein.<sup>3</sup>

During cross-examination appellant testified that he installed electric service to the garage around January 2010. There is no heat in the garage besides a space heater that appellant uses from time to time. The building is used for storage purposes and

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<sup>1</sup> While the year of the appraisal is illegible, the appellant testified this was a 2006 appraisal of the property.

<sup>2</sup> In the reconciliation portion of the document, there is a statement that "the cost approach does lend reasonable support," however, there is no cost approach analysis on the one-page submitted by appellant in this appeal.

<sup>3</sup> The final decision for parcel 17-28-426-000 attached to this appeal reflects a land assessment of \$1,333 or a market value of approximately \$4,000.

access is via a grass easement/lane. The appraisal herein was prepared for the appellant's ex-wife in 2006 in conjunction with a divorce proceeding for his purchase of her interest in the property.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$5,000 was disclosed. The subject's assessment reflects a market value of \$15,056 using the 2007 three-year median level of assessments for LaSalle County of 33.21%.

In support of the subject's assessment, the board of review submitted an appraisal with an estimated fair market value of the subject as of January 1, 2007 of \$25,000. However, the board of review specifically requested confirmation of the subject's assessment, despite the appraisal evidence reflecting a higher value. The board of review also did not submit a copy of the property record card of the subject property as required by the Official Rules of the Property Tax Appeal Board (86 Ill.Admin.Code 1910.40(a)). At hearing, however, it was determined the appellant did not have data to contest the size of the lot or garage as reported in the board of review's appraisal.

Douglas Biederstedt of Biederstedt Appraisal Company was called as a witness with regard to the report he prepared for the LaSalle County Board of Review. He also testified that he is the Peru Township Assessor.

Biederstedt described the subject site as having a 20' easement over approximately 265' of a grass strip for access. The property also had no utilities as of the date of appraisal other than LP gas. The property is improved with a 30' x 40' garage. Photographs depict both a two-car overhead garage door and a standard "man" door along with one window.

The appraiser used the sales comparison approach to estimate the subject's fair market value. Biederstedt used three comparable sales located 2 or 3-miles from the subject. Sales #1 and #3 were the same properties as appellant's appraiser(s)' Sales #1 and #3. The three lots range in size from 7,340 to 17,500 square feet of land area. Two comparables are improved with 576 square foot "older frame" garages; Sale #2 had an older burned down house that needed demolishing. Each comparable is said to have street access as compared to the subject's poor access via a 20' easement strip. The comparables sold between March 2005 and May 2006 for prices ranging from \$10,000 to \$29,900.

The appraiser made adjustments to the comparables for differences in location, site/view, lot size, improvements, and access. In an addendum, the appraiser noted differences for each comparable in location, site size, access/exposure and improvements. Each property was said to have similar zoning to the subject. From this analysis, Biederstedt opined adjusted sale prices ranging from \$21,000 to \$26,900. In reconciling the sales comparison approach to value, Biederstedt noted that final emphasis was

placed upon Sales #1 and #2 in arriving at a value conclusion of \$25,000 for the subject as of January 1, 2007.

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

On cross-examination, the appellant questioned the adjustments made for comparables which had better access and utility services as compared to the subject. Biederstedt stated adjustments were made for those differences.

In written rebuttal, the appellant raised a potential conflict of interest question given that the board of review's appraisal was performed by the township assessor. At hearing, appellant also reiterated that the assessor found the subject parcel alone to have a value of approximately \$15,000 whereas the appellant's appraiser found the subject and another parcel combined to have a value of \$10,000.

In answer to the Hearing Officer's questions regarding USPAP standards and any conflict of interest, Biederstedt stated that standards were complied with, disclosures were made and there were no conflicts as there was no fee charged for the appraisal. Among the Appraiser's Certifications was the following: I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.

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 Board further finds the evidence in the record does not support a reduction in the subject's assessment.

The appellant contends overvaluation as the basis of the appeal. Section 9-145 of the Property Tax Code provides in part that except in counties with more than 200,000 inhabitants that classify property, property is to be valued at 33 1/3% of fair cash value. (35 ILCS 200/9-145(a)). Fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). 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 (3<sup>rd</sup> Dist. 2002). Proof of market value may consist of an appraisal of the subject property as of the assessment date at issue, a recent sale of the subject property or documentation of not fewer than three comparable sales. 86 Ill.Admin.Code, Sec. 1910.65(c). The Board finds the appellant has not met this burden of proof to establish overvaluation and therefore a reduction in the subject's assessment is not warranted.

The subject property has a total assessment of \$5,000, which reflects a market value of approximately \$15,056. The appellant submitted an appraisal prepared by Cimei and Koyak estimating the subject and an additional parcel had a combined market value of \$10,000 as of May 22, 2006. The board of review submitted an appraisal prepared by Biederstedt estimating the subject property had a market value of \$25,000 as of January 1, 2007. While the appellant requested a reduction in the subject's assessment based on the evidence presented, the board of review sought only confirmation of the subject's current 2007 assessment.

The Property Tax Appeal Board finds the value conclusion contained in the appraisal offered by the appellant cannot be relied upon in that the appraiser(s) were not present to clarify data contained within the report and the value conclusion considers not only the subject property, but an additional parcel which is not adequately described in the report. In summary, the Property Tax Appeal Board cannot rely on the hearsay value conclusion presented by appellant in this proceeding as representing an accurate valuation of the subject parcel only.

The Property Tax Appeal Board also accords little weight to the board of review's appraiser's value conclusion as will be discussed herein. While Biederstedt is a licensed appraiser and testified with regard to his report, the Board finds the adjustments in the sales comparison approach did not address the utilities issue contrary to his testimony.

As to the merits of the respective appraisals, the Board finds both appraisers relied solely on the sales comparison approach in determining their final value conclusions. The courts have stated that where there is credible evidence of comparable sales, these sales are to be given significant weight as evidence of market value. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill. App. 3d 9 (5<sup>th</sup> Dist. 1989), the court held that of the three primary methods of evaluating property for the purpose of real estate taxes, the preferred method is the sales comparison approach.

Both appraisers used the same comparables as their Sales #1 and #3, but had drastically differing adjustments to the sale prices. Given the differing adjustments, the appraisers also opined very different adjusted sales prices. Considering just the two common sales, the Property Tax Appeal Board finds better support in Biederstedt's lot size adjustments as compared to those made by appellant's appraiser(s) which were identical for the two sales. The Board also finds better support in the improvements adjustment made by Biederstedt. The only apparent failure in Biederstedt's adjustments concerns the utilities of the comparables as compared to the subject.

As to the lot size, Biederstedt adjusted Sale #1 upward by \$5,000 for its smaller size and adjusted Sale #3 upward by \$4,000. The Board finds these differing adjustments are logical since the

parcels differed in size by nearly 2,300 square feet. In contrast, appellant's appraiser(s) made identical upward adjustments to both parcels of \$3,000 without adequate explanation. Both appraisers made access adjustments. Appellant's appraiser(s) deducted \$5,000 per property whereas Biederstedt deducted \$8,000 per property. Appellant's appraiser(s) did not make any adjustment for the improvements of Sales #1 and #3, despite that these garages were about ½ the size of the subject garage and older. The Board finds that the appellant's appraiser(s) therefore understated the value by not making upward adjustments for the superior nature of the subject's garage as compared to Sales #1 and #3. In contrast, Biederstedt for the board of review's appraisal made upward adjustments of \$5,000 each to Sales #1 and #3 for the subject's superior garage improvement.

The most significant difference in adjustments, however, concerns "utilities." Appellant's appraiser(s) have downward adjustments for utilities of \$10,000 for Sales #1 and #3. There is no similar line item in the Biederstedt appraisal despite his testimony that the utility difference was adjusted. The Property Tax Appeal Board finds the appellant's appraiser(s) properly considered an adjustment line for utilities which is not reflected in the board of review's appraisal nor was it discussed as part of the considerations in the addendum prepared by Biederstedt.

In summary, but for the lack of a utility adjustment, overall the Property Tax Appeal Board finds the board of review's sales comparison approach to be superior to that performed by the appellant's appraiser(s). However, without the necessary downward adjustment for utilities, the Board also finds the board of review's appraiser overstated his value conclusion. Applying uniform downward utility adjustments of \$10,000 to the Biederstedt adjusted sale prices of Sales #1 and #3, results in adjusted sale prices of \$11,000 and \$16,900, respectively. The Board finds these adjusted sale prices then support the subject's 2007 estimated market value based on its assessment of \$15,056. In conclusion, the Property Tax Appeal Board finds the subject's estimated market value based on its assessment of \$5,000 is well-supported.

Based on the foregoing analysis, the Property Tax Appeal Board finds the appellant has failed to establish overvaluation of the subject property by a preponderance of the evidence and no reduction in the subject's assessment is warranted on this record.

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: January 21, 2011

*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.