



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

APPELLANT: Tom Watkins
DOCKET NO.: 07-05012.001-R-1
PARCEL NO.: 08-18-430-009

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

**LAND: \$2,025
IMPR: \$1,291
TOTAL: \$3,316**

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of 6,000 square feet is improved with a one-story frame dwelling that was built in 1930 and contains 1,215 square feet of living area.¹ The dwelling has a crawl-space foundation and central air conditioning. The property is located in Benton, Benton Township, Franklin County.

The appellant contends the subject's assessment is not reflective of its fair market value. In support of this argument, the appellant represented that the subject property was purchased from Pier Company for \$10,000 in December 2008. In addition, the

¹ In Section III of the Residential Appeal form, appellant reported the subject's dwelling size as 1,115 square feet. However, the appraisal submitted by the appellant reported the dwelling size to be 1,215 square feet and the appraiser provided a schematic and asserted he measured the dwelling. The board of review did not clarify the dwelling size and did not supply the subject's property record card as required by the Board's Rules (86 Ill. Admin. Code, Sec. 1910.40(a)).

appellant submitted an appraisal of the subject property with an opinion of value as of May 5, 2008.

As to the purchase price, on the Residential Appeal form, the appellant indicated that the parties to the transaction were not related and the property was sold by Pier Company of Herrin, Illinois. A one-page sale contract on the letterhead of Pier Co. regarding the sale of the property for \$10,000 which was dated December 14, 2007 was attached. The appellant further reported that the property was advertised for sale in the local newspaper and the Multiple Listing Service for a period of six months or more. While the property was sold in settlement of a foreclosure, the seller's mortgage was not assumed. Additionally, the appellant reported the property was occupied in January 2008.

Appellant also submitted an appraisal report prepared by D. Scott Randolph of River to River Appraisal Service with a valuation date of May 5, 2008 that expresses an estimated market value of \$20,000. The appraiser utilized both the cost and sales comparison approaches in arriving at an opinion of fair market value.

In the written report, the appraiser reported the subject dwelling contains 1,215 square feet of living area and an actual age of 70 years with an estimated effective age of 30 years. The appraiser described the subject area as a neighborhood of older bungalow type homes of which most are single family residences with some rentals in the area. As to the subject dwelling, the appraiser noted the foundation walls were in poor condition and attached photographs of the damaged/crumbling foundation. The appraiser further noted the roof needs to be replaced along with the roof decking. Photographs of the poor condition of the roof also included depiction of water damage to the roof, needed replacement of the eaves, a photograph and notation that the electrical service was not to code, and a photograph noting that the windows were in poor condition.

Under the cost approach, the appraiser estimated the subject's land value at \$3,000 based on vacant land sale in nearby areas. Based on the Marshall & Swift Residential Cost Handbook, the appraiser determined a replacement cost new for the subject dwelling of \$51,710.40 plus the front porch at \$1,800. Depreciation of \$32,106.24 was calculated resulting in a depreciated value of improvements of \$21,404.16. Adding together the land value and the depreciated improvement value resulted in a total value by the cost approach of \$24,400, rounded.

Under the sales comparison approach, the appraiser used sales of three comparable homes located between .26 and .49-miles from the subject. The comparables consist of one-story dwellings of average construction whereas the subject was said to be of below average construction. The comparables ranged in actual age from 30 to 80 years old and had estimated effective ages of 25 or 30 years old. The comparables ranged in size from 1,000 to 1,137

square feet of living area. Two comparables featured unfinished basements and each comparable had central air conditioning and a one or two-car garage. The subject was said to be in fair condition whereas the comparables were said to be in average condition. The comparables sold between July 2007 and January 2008 for prices ranging from \$19,500 to \$30,000 or from \$17.50 to \$27.27 per square foot of living area including land. In comparing the properties to the subject, the appraiser made adjustments for land size and garages. The appraiser wrote that all sales were given equal consideration. The appraiser's analysis resulted in adjusted sales prices for the comparables ranging from \$13,000 to \$23,500 or from \$13.00 to \$21.36 per square foot of living area including land. From this process, the appraiser estimated a value for the subject by the sales comparison approach of \$20,000 or \$16.46 per square foot of living area including land.

In reconciling the conclusions of value, the appraiser wrote that the sales comparison approach would be relied upon for the final estimate as it usually was the most support of the market approach to value in its usual role in setting the upper limit of the value range. Based on this analysis, the appraiser opined the subject's fair market value as of May 5, 2008 was \$20,000.

Based on the foregoing, the appellant requested the subject's assessment be reduced to \$3,700 or a market value of approximately \$11,100.

The board of review presented its "Board of Review Notes on Appeal" wherein the subject property's final assessment of \$10,000 was disclosed. The subject's assessment reflects an estimated market value of \$30,157 or \$24.82 per square foot of living area including land using Franklin County's 2007 three-year median level of assessment of 33.16%.

The board of review submitted a letter from the Franklin County Supervisor of Assessments addressing various aspects of the appraisal submitted by the appellant. The supervisor of assessments reported Sale #1 was conveyed by a Sheriff's Deed and was subsequently deeded to a financial institution to the current owners. Based on the copy of the Real Estate Transfer Declaration for Sale #1, the appraiser incorrectly reported the sale price which should have been \$18,500.² Likewise, the board of review contends that Sale #3 had an actual sales price of \$18,500 as shown on the attached Real Estate Transfer Declaration, not the \$19,900 reported by the appraiser.

Next, the supervisor of assessments wrote that the appraiser made no adjustment for the basements enjoyed by Sales #1 and #3, whereas the subject has a crawl-space foundation. Moreover, the subject could be a three-bedroom dwelling if the room noted by

² The document also indicates that the property was advertised for sale, even though the seller was a financial institution.

the appraiser as a den was used as a bedroom. Also, no adjustments were made for the bathroom count of the comparables. While acknowledging the appraiser adjusted for the garages of the comparables, the supervisor of assessments notes that there was "no indication for the basis" of the adjustments. Similarly, no adjustments for age were made to Sales #1 and #3 despite the differences from the subject.

The supervisor of assessments concluded that Sale #2 in the appraisal was similar in age and parcel size requiring the fewest adjustments. Based on Sale #2, the board of review concludes that this sale supports the board's original finding of value for the subject property. Based on Sale #2, the board of review requested confirmation of the subject's assessed valuation.

In written rebuttal, the appellant reiterated that the subject property was purchased for \$10,000 from "Pier Realty Company" after being on the open market for several months with a sign posted in the yard. In conclusion, based on the purchase price, appellant requested that the assessment be reduced to \$3,333 or 1/3 of the purchase price.

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 a reduction in the subject property's assessment is warranted.

The appellant argued the subject property is overvalued. 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 appellant has overcome this burden.

The evidence disclosed that the subject was purchased in December 2007 for a price of \$10,000. The information provided by the appellant in the Residential Appeal form indicated the sale had the elements of an arm's-length transaction in that it occurred between unrelated parties, the property was advertised for six months or more, and the seller's mortgage was not assumed. It is also noteworthy that the purchase occurred 12 months after the assessment date at issue of January 1, 2007.

The board of review contends the subject property had an estimated fair market value of approximately \$30,000 as of January 1, 2007, but provided no independent evidence to support that contention or to explain why the property twelve months later would sell for only \$10,000 after being advertised for some six months. Moreover, the board of review relies upon one sale of a comparable property that occurred in September 2007 to support its estimate of \$30,000, despite the fact that this property had a two-car detached garage not enjoyed by the subject. The comparable sale property relied upon also was deemed to be in average condition whereas the subject was deemed

to be only in fair condition. The appraiser also documented the poor condition of the subject's foundation, but did not indicate that Sale #2 had similar maintenance issues.

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). In light of this holding and the fact that the opinion of value in the appraisal was as of May 5, 2008, some 17 months after the valuation date at issue, the Board has given the appraisal submitted by the appellant less weight in this matter.

Considering the sale of the subject, the Board finds the best evidence of the subject's fair market value in the record is the December 2007 purchase price of \$10,000. Moreover, the board of review did not specifically contest the arm's-length nature of the subject's sale price.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of \$10,000 on January 1, 2007. The subject's assessment reflects an estimated market value of approximately \$30,157, which is higher than its arm's-length sale price. Therefore a reduction is warranted. Since the fair market value of the subject has been established, the Board finds that the 2007 three-year median level of assessment for Franklin County of 33.16% shall apply.

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 P. 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: October 22, 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.