



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

APPELLANT: Gurinder Rana  
DOCKET NO.: 08-02931.001-R-1  
PARCEL NO.: 10-01-401-050

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

**LAND:** \$181,000  
**IMPR:** \$251,510  
**TOTAL:** \$432,510

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a part one-story and part two-story single-family brick dwelling that was constructed in 2006. The home contains 5,780 square feet of living area and features a full 75% finished basement, central air conditioning, two fireplaces, and a 1,358 square foot garage. The property is located in Burr Ridge, Downers Grove Township, DuPage County.

The appellant submitted a residential appeal contending overvaluation based on a recent sale of the subject property. In support of this argument, the appellant indicated on the appeal form that the subject property was purchased in March 2008 for a price of \$1,300,000. The appellant indicated the subject property was sold by HSBC Bank, the property was advertised on the open market through the Multiple Listing Service for 135 days and the sale involved Realtor Jason Shapiro of Rising Realtor. Furthermore, the parties to the transaction were not related. The appellant also submitted a copy of the Multiple Listing Service (MLS) sheet with an original listing price of \$1,899,900 and a closing statement dated March 20, 2008 disclosing a sales price of \$1,300,000 or \$224.91 per square foot of living area including land.

Based on this evidence the appellant requested the subject's assessment be reduced to \$433,333 or a market value of approximately \$1,300,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$481,700 was disclosed. The subject's assessment reflects a market value of approximately \$1,447,851 or \$250.49 per square foot of living area including land when applying the 2008 three year median level of assessments for DuPage County of 33.27%.

The board of review submitted a letter along with a grid analysis of comparable sales. As to the appellant's evidence, the board of review noted the subject property was in foreclosure at the time of sale in March 2008. The board of review states, "[t]he terms on the sale are unknown, however, it was a distress sale and does not reflect the market value as of January 1, 2008." In addition, the board of review reported the subject sold previously in November 2006 for \$2,550,000. The board of review's letter concludes that "[a] personal financial situation such as this should not impact the assessed value of property, as the assessed value is used to spread the tax burden." A copy of the Illinois Real Estate Transfer Declaration concerning the subject property was also submitted where it was noted a real estate agent was involved in the sale and the transfer occurred through a "Special Warranty" deed.

In support of the subject's estimated market value as reflected by its assessment, the board of review submitted an analysis of five comparable properties, three of which included sales data. One of the sold properties is located in the same neighborhood code assigned by the assessor as the subject. The three sold properties are described as part one-story and part two-story brick dwellings that were built between 1991 and 2008. The homes range in size from 5,032 to 5,673 square feet of living area and feature full basements, one of which is finished, and garages ranging in size from 864 to 960 square feet of building area. No other amenity details were presented in the grid analysis. These three comparables sold between May 2005 and April 2008 for prices ranging from \$1,280,000 to \$1,640,000 or from \$253.57 to \$325.91 per square foot of living area including land. The grid also includes two equity comparables, however, the Property Tax Appeal Board finds that submission of equity comparables in response to the appellant's market value argument is not responsive and these additional equity comparables will not be further addressed herein.

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

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 the appeal. The Board further

finds the evidence in the record supports a reduction in the subject's assessment.

The appellant contends the assessment of the subject property is excessive and not reflective of its 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. 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, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. *Official Rules of the Property Tax Appeal Board*, 86 Ill. Admin. Code Sec. 1910.65(c). The Board finds the appellant has met this burden.

The appellant contends the subject's assessment should be reduced based on the sale of the subject as set forth in the record. The evidence disclosed that the subject sold in March 2008 for a price of \$1,300,000. The board of review's responsive evidence contested the consideration of this sale. The board of review stated, "[t]he terms on the sale are unknown, however, it was a distress sale and does not reflect the market value as of January 1, 2008." The Property Tax Appeal Board finds the board of review's assertion that the subject sale was a distress sale was wholly unsupported by substantive evidence.

Property tax in Illinois is an *ad valorem* tax, meaning it is one based on value. As shown by the case law below, the Board gives no weight to the board of review's assertion that the subject's sale price should not be considered "as the assessed value is used to spread the tax burden." The Supreme Court in Apex Motor Fuel Co. v. Barrett, 20 Ill.2d 395, 169 N.E.2d 769, discussed the constitutional requirement of uniformity. The court stated that "[u]niformity in taxation, as required by the constitution, implies equality in the burden of taxation." (Apex Motor Fuel, 20 Ill.2d at 401) The court in Apex Motor Fuel further stated:

the rule of uniformity ... prohibits the taxation of one kind of property within the taxing district at one value while the same kind of property in the same district for taxation purposes is valued at either a grossly less value or a grossly higher value. [citation.]

Within this constitutional limitation, however, the General Assembly has the power to determine the method by which property may be valued for tax purposes. The constitutional provision for uniformity does [not] call ... for mathematical equality. The requirement is satisfied if the intent is evident to adjust the burden with a reasonable degree of uniformity and if such is the effect of the statute in its general operation. A practical uniformity, rather than an absolute one, is the test.[citation.]" Apex Motor Fuel, 20 Ill.2d at 401.

In this context, the Supreme Court stated in Kankakee County that the cornerstone of uniform assessments is the fair cash value of the property in question. According to the court, uniformity is achieved only when all property with similar fair cash value is assessed at a consistent level. Kankakee County Board of Review, 131 Ill.2d at 21.

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 (1<sup>st</sup> 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).

The Property Tax Appeal Board finds the best evidence of the subject's fair market value in the record is the March 2008 sale of \$1,300,000. The Property Tax Appeal Board finds the sale was not a transfer between family or related parties; the property was advertised for sale in the Multiple Listing Service and involved a Realtor. Furthermore, the Board finds there is no evidence in the record that the sale price was not reflective of the subject's market value. The original listing price of \$1,899,900 is also greater than the subject's March 2008 sale price indicating that some negotiation occurred.

The subject's Real Estate Transfer Declaration and the appellant's appeal petition clearly establish that the subject property was advertised for sale. Thus, the general public did have the same opportunity to purchase the subject property at any negotiated sale price. Other recognized sources further demonstrate the fact a property must be advertised or exposed in the open market to be considered an arm's-length transaction that is reflective of fair market value. Black's Law Dictionary (referencing Bourjois, Inc. v. McGowan and Lovejoy v. Michels (citation omitted)), states:

. . . the price a property would command **in the market**" (Emphasis added). This language suggests a property must be publicly offered for sale in the

market to be considered indicative of fair market value.

The Board finds there are other credible sources that specify a property must be advertised for sale in the open market to be considered an arm's-length transaction. The Dictionary of Real Estate Appraisal [American Institute of Real Estate Appraisers, *The Appraisal of Real Estate*, 8<sup>th</sup> ed. (Chicago American Institute of Real Estate Appraisers, 1983)], provides in pertinent part:

The most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell **in a competitive market** under all conditions requisite to fair sale; The property is **exposed for a reasonable time on the open market**.

Additionally, the Property Assessment Valuation, 2<sup>nd</sup> edition, states: Market value is the most probable price, expressed in terms of money, that a property would bring if **exposed for sale in the open market** (Emphasis added) in an arm's-length transaction between a willing seller and a willing buyer; a reasonable time is allowed for **exposure to the open market**. (Emphasis added). (International Association of Assessing Officers, Property Assessment Valuation, 2<sup>nd</sup> edition, Pgs. 18, 35, (1996)). While the board of review presented three sales of comparable properties, since the appellant presented evidence showing the subject property was advertised for sale and exposed to the open market through the MLS in an arm's-length transaction, the Property Tax Appeal Board finds the best evidence of the subject's market value was its March 2008 sale price of \$1,300,000.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of \$1,300,000 on January 1, 2008. The subject's assessment reflects an estimated market value of approximately \$1,447,851, which is substantially higher than its March 2008 sale price. Therefore a reduction is warranted. Since the fair market value of the subject has been established, the Board finds that the 2008 three-year median level of assessments for DuPage County of 33.27% 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 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: July 22, 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.