



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

APPELLANT: Nicholas E. Karnezis
DOCKET NO.: 08-30345.001-C-1
PARCEL NO.: 06-25-301-034-0000

The parties of record before the Property Tax Appeal Board are Nicholas E. Karnezis, the appellant; and the Cook 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 Cook County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$ 43,605
IMPR.: \$ 108,572
TOTAL: \$ 152,177

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 13,500 square foot parcel of land improved with a 29-year old, one-story, masonry, strip center containing 5,626 square feet of building area. The appellant argued that the fair market value of the subject was not accurately reflected in its assessed value. The appellant indicated that the Property Tax Appeal Board rendered a decision lowering the assessment of the subject property in the prior year under docket number 07-24424.001-C-1, therefore, subject should be entitled to similar relief for 2008.

In support of the market value argument, the appellant submitted a copy of the 2007 PTAB decision for docket 07-24424.001-C-1 lowering the assessment for subject to a total value of \$123,500, photographs of the subject property, a summary of subject's assessed valuation history from 1995 through 2007, copies of Schedule E income and expense statements for the subject property for 2004 through 2006, and a narrative explaining income and expense data with an income capitalization analysis. No appraisal was submitted for the 2008 tax year.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$152,177 was disclosed. The subject's final assessment reflects a fair market value of \$400,466 when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5A properties is applied. The board also submitted raw sales information on seven properties suggested as comparable. The properties sold from April 2002 to August 2008 for prices ranging from \$390,000 to \$2,150,000 or from \$86.36 to \$307.14 per square foot of building area, including land. Based on this evidence, the board of review requested confirmation of the subject's 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 this appeal. The Board further finds a reduction in the subject's assessment is not warranted.

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd Dist. 2000). 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. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the PTAB concludes that the evidence indicates a reduction based on market value is not warranted.

The appellant submitted documentation showing the income and expense of the subject property. The PTAB gives the appellant's argument little weight. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. *Id.* at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate

through an expert in real estate valuation that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using income, one must establish, through the use of market data, the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. The appellant did not provide such evidence and, therefore, the PTAB gives this argument no weight and finds that a reduction based on market value is not warranted.

The subject property was the subject matter of an appeal before the Property Tax Appeal Board the prior year under docket number 07-24424.001-C-1. In that appeal the Property Tax Appeal Board rendered a decision lowering the assessment of the subject property based on the evidence submitted by the parties.

Section 16-185 of the Property Tax Code (35 ILCS 200/16-185) provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel on which a residence occupied by the owner is situated, such reduced assessment, subject to equalization, shall remain in effect for the remainder of the general assessment period as provided in Sections 9-215 through 9-225, unless that parcel is subsequently sold in an arm's length transaction establishing a fair cash value for the parcel that is different from the fair cash value on which the Board's assessment is based, or unless the decision of the Property Tax Appeal Board is reversed or modified upon review."

The PTAB notes that subject is a commercial property, not an owner-occupied residence, and as such this provision is not applicable to the subject property.

The appellant presented income and expense data for the subject property but failed to submit an appraisal as indicated on the appeal form. The PTAB does not find the evidence sufficient to establish a corrected market value for subject. Accordingly, the appellant has not met the burden of preponderance of the evidence. Additionally, the PTAB gives little weight to the board of review's evidence as the data is merely raw sales data.

After considering the evidence submitted, the PTAB finds the subject's assessment is supported and a reduction in the subject's assessment is not warranted.

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.

Donald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario Morris

Member

J. R.

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: March 23, 2012

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.