FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Kathleen Jensen
DOCKET NO.: 09-00456.001-R-1
PARCEL NO.: 04-12-15-132-016

The parties of record before the Property Tax Appeal Board are Kathleen Jensen, the appellant; and the Macon 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 **Macon** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$ 2,266
IMPR.:	$ 13,372
TOTAL:	$ 15,638

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a two-story, multi-family frame dwelling containing 3,500 square feet of living area that was built in 1890. Features include a full unfinished basement, two fireplaces and a two-car detached garage.

The appellant appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of the overvaluation argument, the appellant submitted Multiple Listing Service (MLS) sheets and a market analysis of three suggested comparable sales. The comparables are located within 5 blocks from the subject. Two comparables were sold in "as is" condition and prospective buyers were informed to verify condition prior to offers. Comparable 1 sold through foreclosure. The comparables consist of two-story frame dwellings that are 109 or 114 years old. The comparables have full unfinished basements and one or two fireplaces. Comparable 1 also has a carriage house. The comparables range in size from 2,346 to 3,264 square feet of living area and are situated on lots that contain from 6,808 or 7,500 square feet of land area. The comparables sold from May 2008 to August 2009 for prices

ranging from $5,400 to $20,000 or from $1.65 to $8.53 per square foot of living area including land.

The appellant agreed that in 2009 the subject property was rented for $925 per month, but argued she pays all the expenses. The appellant also argued comparable sales are more relevant than the income approach to value calculated by the board of review. She also argued the subject dwelling needs a new roof and is poor condition.

Based on this evidence, the appellant requested a reduction in the subject's assessment to $6,000, which reflects an estimated market value of $18,000.

Under cross examination, the appellant stated she did not know if the comparables were occupied at the time of sale

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's assessment of $15,638 was disclosed. The subject's assessment reflects an estimated market value of $46,695 or $13.34 per square foot of living area including land using Macon County's 2009 three-year median level of assessments of 33.49%.

In response to the appeal, the board of review argued the comparable sales utilized by the appellant are "distressed sales" because the seller was a financial institution, government agency or sold through foreclosure.

The board of review argued that due to volume of rental home appeals, the board of review developed a uniform methodology using the income approach to value rental homes. The board of review explained that at its local hearing, the appellant stated that rent for the subject property was $975 per month. Expenses and vacancy were estimated to be 66.7% of the potential gross annual income. A capitalization rate of 11.83% was used for 2009 appeals. Capitalizing the net annual income by a rate of 11.83% resulted in a value estimate for the subject property of $46,914. The board of review argued the subject's assessment reflects an estimated market value less than the value estimate under the income approach to value.

In further support of the subject's assessed valuation, the board of review submitted property record cards, Real Estate Transfer Declarations and a market analysis detailing three comparable sales that are located within six blocks of the subject. The comparables consist of a part two-story and part one-story dwelling and two, two-story dwellings of frame construction that were built in 1905. The comparables have unfinished basements. One comparable has central air conditioning and one comparable has a garage. The dwellings range in size from 2,328 to 3,261 square feet of living area and are situated on lots that contain from 6,000 to 7,500 square feet of land area. The comparables sold from October 2008 to June 2009 for prices ranging from

$59,900 to $82,500 or from $22.12 to $32.82 per square foot of living area including land.

Based on this evidence, the board of review requested confirmation of the subject's assessment.

Under cross-examination, the board of review's representative testified the vacancy and expense were based on market information provided by taxpayers to the board of review. The capitalization rate was based on rates contained in several appraisal reports provided by to the board of review. This information was not submitted in the evidence by the board of review.

In rebuttal, the appellant argued the comparables used by the board of review are in superior condition when compared to the subject.

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 no reduction in the subject'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. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). After an analysis of the evidence, the Board finds the appellant has not overcome this burden.

The parties submitted six suggested comparable sales to support their respective positions regarding the subject's fair market value. In addition, the board of review submitted a limited income approach to value for the subject property.

The Board gave little weight to income approach submitted by the board of review. 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 Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App.3d 207 (1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is market data available. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (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. Since there is credible market sales contained in the record, the Board placed little weight on the board of review's income approach to value. Moreover, the Board finds the limited income approach submitted by the board of review lacked foundational support for the rental rate, vacancy and expenses and calculation of the capitalization rate.

With respect to the comparable sales offered by both parties, the Property Tax Appeal Board placed diminished weight on the comparables submitted by the appellant. Comparable 3 is considerably smaller in size than the subject. Two comparables were sold "as is" suggesting that are not similar to the subject in condition. Additionally, the comparables submitted by the appellant were sold through foreclosure, a financial institution or government agency, which calls into question the arm's-length nature of the transactions. Due to the absence of evidence regarding the terms of the sale, the Board was unable to determine whether the sales meet the fundamental elements of an arm's-length transaction in order to be considered credible market value indicators for the subject property. The Board also gave less weight to board of review comparable 1 due to its smaller size when compared to the subject.

The Property Tax Appeal Board finds the remaining two comparable sales submitted by the board of review are most representative of the subject in location, age, size, design and features. These comparables sold in October and November of 2008 for prices of $59,900 and $82,500 or $22.12 and $25.30 per square foot of living area including land. The subject's assessment reflects an estimated market value of $46,695 or $13.34 per square foot of living area including land, which is less than the most similar comparable sales contained in this record. After considering adjustments to the most similar comparables for any differences when compared to the subject, the Property Tax Appeal Board finds the subject's assessed valuation is supported.

Based on this analysis, the Property Tax Appeal Board finds the appellant has not demonstrated the subject property is overvalued by a preponderance of the evidence. Therefore, the Board finds the subject's assessment as established by the board of review is correct and no reduction is 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.

Chairman

Member

Member

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: May 18, 2012

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.