



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

APPELLANT: Robert & Patricia Chalupa
DOCKET NO.: 09-02361.001-R-1
PARCEL NO.: 04-04-11-417-185

The parties of record before the Property Tax Appeal Board are Robert & Patricia Chalupa, the appellants, and the Carroll 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 Carroll County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$78,459
IMPR: \$143,119
TOTAL: \$221,578

Subject only to the State multiplier as applicable.

ANALYSIS

The subject 1.14-acre waterfront parcel is improved with a one and one-half-story single-family dwelling of cedar exterior construction and was built in 1999.¹ The home contains approximately 2,708 square feet of living area.² Features of the home include a full walkout-style basement which is partially finished, two fireplaces, central air conditioning, a patio/deck, a porch and an attached three-car garage. The property is located in Lanark, Freedom Township, Carroll County.

In support of this overvaluation complaint, the appellants filed an appraisal with the Property Tax Appeal Board. The appraisal was prepared by D. Joe Clarkson of Clarkson Appraisal Services in Thomson. He is a State Certified appraiser and noted that the intended purpose of the report was for a tax appeal. (Page 1 of report). He utilized both the cost and sales comparison approaches to value in arriving at an estimated market value for the subject as of January 1, 2009.

¹ A single-story addition was constructed in 2004.

² The brief from counsel for the board of review asserted the dwelling contains 2,968 square feet of living area, but this figure is not supported by the appraisal evidence submitted by the board of review.

The property was noted as being located in the Lake Carroll development, a planned unit development surrounding a 636-acre man-made lake. The common elements of this 900 unit development include a lake, marina, golf course, tennis, trails, pavilions and parks. The appraiser noted the subject site is a combination of two lots "with a very steep slope and a very limited view of the lake. The view is of the extreme corner of the lake towards the dam. The slope is quite steep to the water but stone stairs and landscaping have helped to improve access to the lake."

Under the cost approach, the appraiser estimated the subject's land value at \$200,000 based on an assertion that waterfront lots at Lake Carroll are selling from \$250,000 to over \$400,000. However, the appraiser also wrote "a value of \$260,000 assigned to the subject based on its slope, view and size." (See page 3 of report) Using the Marshall Swift Valuation Service and local contractor estimates, the appraiser determined a replacement cost new for the subject dwelling including the basement, deck, lake deck, two patios, three season porch and garage of \$472,105. Physical depreciation of \$23,605 was calculated at 5% based on the age/life method resulting in a depreciated value of improvements of \$448,500. Next, a value for site improvements of \$50,000 was added. Thus, under the cost approach when adding back the land value of \$200,000 the appraiser estimated a market value of \$698,500 for the subject.

For the sales comparison approach, the appraiser analyzed five sales comparables that were on the lake and from .71 to 1.80-miles from the subject. Four of these properties were noted to have a superior view and one had steep lake access. The parcels ranged in size from .30 to 1.90-acres of land area and were improved with a "contemporary," a two-story or a one and one-half-story dwelling. The homes range in age from 13 to 20 years old and range in size from 1,776 to 3,223 square feet of living area. Each has a full basement with finished area, central air conditioning, one to three fireplaces and two-car to four-car garages with one property having both a two-car and a four-car garage. Each of the homes also has porch, deck and/or patio features. These comparables sold from September 2007 to September 2008 for prices ranging from \$567,500 to \$790,000 or from \$216.29 to \$393.77 per square foot of living area including land.

The appraiser adjusted the comparables for differences from the subject in view, quality of construction, age, condition, living area square footage, basement finish and other amenities. After adjustments, the appraiser concluded adjusted sale prices for the comparables ranging from \$614,475 to \$705,700 or from \$198.98 to \$383.71 per square foot of living area including land. The appraiser then concluded an estimated fair market value of the subject under the sales comparison approach of \$665,000 or \$245.57 per square foot of living area including land.

In reconciling the two conclusions of value, the appraiser gave most weight to the sales comparison approach and opined a value of \$665,000 for the subject.

Based on the foregoing evidence, the appellants requested a total assessment for the subject property of approximately \$221,666 based on this appraisal.

The board of review through Attorney Christopher E. Sherer submitted its "Board of Review Notes on Appeal" as Exhibit A wherein the subject's final assessment of \$233,284 was disclosed. The final assessment of the subject property reflects a market value of approximately \$700,132 or \$258.54 per square foot of living area including land using the 2009 three-year median level of assessments for Carroll County of 33.32%. (86 Ill.Admin.Code §1910.50(c)(1)).

Counsel for the board of review submitted a brief outlining the evidence. In the brief, the board of review contends that the subject dwelling contains 2,968 square feet of living area³ despite that the appraisal submitted by the board of review to support the subject's estimated market value, Exhibit D, indicates the dwelling contains 2,708 square feet.

In the brief, the board of review contends that the appellants' appraisal contains "multiple discrepancies and inconsistencies" and therefore should be given little weight. Specifically, the number of garage stalls for the subject is not consistently reported as three. Also, the site adjustments in the appraisal were questioned in the board of review's brief along with which sale with the least adjustments should have been given greatest consideration.

Board of review Exhibit D is an appraisal of the subject property prepared by Pat Wendt of Wendt Appraisal Service in East Moline. The appraiser is a State Certified appraiser who indicated the purpose of the appraisal was for a "refinance transaction" (see Page 1 of the report) although the client was Carroll County Chief Assessment Officer.

Moreover, the report states that it is a Restricted Use report in summary format (last page of report). "This Restricted Appraisal follows the generally accepted and established appraisal practices for a 2055 Restricted Appraisal of FIRREA as well as USPAP." Among the certifications (#2), the appraiser reported a visual inspection of the exterior areas of the subject from at least the street was performed. The appraiser also reported that the source(s) used for the physical characteristics of the property were "appraisal files" and the "data source for gross living area" was "county assessor/appraisal" but the "gross living area above grade" reported did not comport with the property record card submitted in this matter. The appraiser also acknowledged having "gleaned" additional information from

³ This is the size also reported on the property record card, Exhibit B.

the Clarkson appraisal. The board of review's appraiser also reported that the subject had a "dock" among its other improvements.

For the cost approach, the appraiser wrote in pertinent part that the subject was not new and there were not any nearby vacant land sales thus "the cost approach was not considered germane." However, the appraiser completed a cost approach where the subject's land was estimated to have a value of \$260,000 based on the allocation method. Using the Marshall Swift Cost Manual, local builders and "appraiser," the appraiser determined a replacement cost new for the subject dwelling including the finished basement and garage of \$550,198. Physical depreciation of \$47,152 was calculated based on the age/life method resulting in a depreciated value of improvements of \$503,046. Next, a value for site improvements of \$40,000 was added. Thus, under the cost approach when adding back the land value of \$260,000 the appraiser estimated a market value of \$803,046 for the subject.

For the sales comparison approach, the appraiser analyzed six sales comparables that were on the lake and from .80 to 1.68-miles from the subject. Three of these sales were presented by the appellants' appraiser as his sales #5, #2 and #4 which were Wendt's sales #1, #5 and #6, respectively. The parcels ranged in size from 1.4 to 1.97-acres of land area and were improved with three, one-story dwellings and three, one and one-half-story dwellings. The homes range in age from 6 to 20 years old and range in size from 1,917 to 3,660 square feet of living area. Each has a full basement with finished area, central air conditioning, one to three fireplaces and two-car to six-car garage. Each of the homes also has porch, deck and/or patio features. These comparables sold from May to November 2008 for prices ranging from \$639,000 to \$1,200,000 or from \$305.73 to \$425.21 per square foot of living area including land.

The appraiser adjusted the comparables for differences from the subject in site size, quality of construction, room count, living area square footage, basement size and finish, garage stalls and other amenities. After adjustments, the appraiser concluded adjusted sale prices for the comparables ranging from \$719,914 to \$1,086,480 or from \$296.85 to \$443.01 per square foot of living area including land. The appraiser then concluded an estimated fair market value of the subject under the sales comparison approach of \$800,000 or \$295.42 per square foot of living area including land.

In reconciliation, the appraiser wrote "after considering all approaches to value, noting the cost approach is was [*sic*] considered germane it was given secondary consideration. The paucity of reliable information available to develop the income approach, the sales comparison approach was given the greatest consideration." As such, the appraiser opined a market value of \$800,000 for the subject.

Based on the foregoing, 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 submitted by the parties, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal.

The appellants argued that the subject's assessment was not reflective of 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 (3rd 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. (86 Ill.Admin.Code §1910.65(c)). The Board finds this burden of proof has been met and a reduction in the subject's assessment is warranted.

The Board finds both parties submitted appraisals of the subject property final value conclusions of \$665,000 and \$800,000, respectively, by the appellant and board of review. However, the appraisal presented by the board of review was as provided in the Uniform Standards of Professional Appraisal Practice, a restricted use report is for client use only. (See Advisory Opinion 11 (AO-11), *Uniform Standards of Professional Appraisal Practice, 2002 Edition*, The Appraisal Foundation, p. 146; *Uniform Standards of Professional Appraisal Practice and Advisory Opinions, 2006 Edition*, The Appraisal Foundation, p. 137. See also Standard Rule 2-2(c), *Uniform Standards of Professional Appraisal Practice, 2002 Edition*, The Appraisal Foundation, p. 27; and *Uniform Standards of Professional Appraisal Practice and Advisory Opinions, 2006 Edition*, The Appraisal Foundation, p. 28, explaining that a Restricted Use Appraisal is for client use only.) This type of report is not intended to be used by parties other than the client. In this instance the client was identified as the Carroll County Chief Assessment Officer. Moreover, the opinion of value by Wendt on a per-square-foot basis was less than the per-square-foot adjusted sales prices of the comparables used by the appraiser which raises questions of the comparability and/or adjustments made by Wendt in arriving at an opinion of value. Based on these considerations, the Property Tax Appeal Board finds the board of review did not submit sufficient credible evidence to support the estimated market value of the subject property as reflected by its assessment and/or to challenge the validity of the appellants' appraisal.

Furthermore, the Property Tax Appeal Board finds the most credible evidence of market value in this record was the appraisal of the subject property submitted by the appellants. The appraiser developed two of the three traditional approaches to value using recognized appraisal techniques to estimate the

subject property had a market value of \$665,000 as of the assessment date at issue.

Based upon the market value as stated above, the Property Tax Appeal Board finds that a reduction is warranted. Since market value has been established, the three-year median level of assessments for Carroll County for 2009 of 33.32% shall be applied.

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: November 30, 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.