



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

APPELLANT: James Ozga
DOCKET NO.: 09-03845.001-R-1
PARCEL NO.: 14-35-301-016

The parties of record before the Property Tax Appeal Board are James Ozga, the appellant, by attorney Mitchell L. Klein, of Schiller Klein, PC, in Chicago, and the McHenry 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 **McHenry** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$34,550
IMPR.: \$132,100
TOTAL: \$166,650

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of approximately 1.37-acres of land area is improved with a two-story frame and brick exterior constructed dwelling built in 1995. The dwelling contains approximately 3,380 square feet of living area¹ with a full English-style basement that is partially finished, central air conditioning, two fireplaces and an attached three-car garage. The subject property is located in Crystal Lake, Nunda Township, McHenry County.

The appellant's appeal is based on overvaluation of the subject property. In support of this market value argument, the appellant submitted an appraisal prepared by Kathy Hall of IL Preferred Appraisals. The appraisal was prepared for a refinance transaction wherein the client was Bank of Internet, USA/Appraiser Loft in San Diego. To estimate the fee simple rights of the property, the appraiser used two of the three

¹ The appellant's appraiser reported a dwelling size of 3,380 square feet supported by a schematic drawing. The assessing officials reported a dwelling size of 3,364 square feet, but failed to submit a copy of the subject's property record card or other substantive data to support this calculation.

traditional approaches to value in concluding an estimated market value of \$440,000 for the subject property as of September 23, 2009.

Although the dwelling's actual age was 14 years old, the appraiser opined it had an effective age of 4 years.

Under the cost approach, the appraiser estimated the subject's land value at \$50,000 based on the "extraction method." Using Marshall & Swift along with builder cost estimates, the appraiser determined a replacement cost new for the subject dwelling including the basement and garage of \$391,050. Physical depreciation of 5% or \$19,553 was calculated resulting in a depreciated value of improvements of \$371,497. Next, a value for site improvements of \$30,000 was added. Thus, under the cost approach, the appraiser estimated a market value of \$451,500, rounded, for the subject.

Under the sales comparison approach, the appraiser used four sales and one listing of comparable homes located between 0.09 and 0.74 of a mile from the subject property. The comparables consist of a one-story and four, two-story brick or brick and frame exterior constructed dwellings which were from 10 to 21 years old. The comparables range in size from 2,397 to 3,741 square feet of living area. Each of the comparables has a full or partial basement, two of which are walkout-style and three of which have finished area. The homes have central air conditioning, one or two fireplaces and a two-car or three-car garage. One comparable also has an in-ground pool. The four sales occurred between June and August 2009 for prices ranging from \$402,000 to \$505,000 or from \$120.29 to \$168.67 per square foot of living area including land. The listing had been on the market for 119 days as of the time of the report with an asking price of \$474,000 or \$129.30 per square foot of living area including land.

In comparing the comparable properties to the subject, the appraiser made adjustments for time to the listing and for differences such as lot size, exterior construction, condition, above grade area, bathroom count, basement finish and pool. In the addendum, the appraiser wrote that there were few sales in the subject's neighborhood, but the comparables depicted sold within the prior three months and have the same school district as the subject. The analysis resulted in adjusted sales prices for the comparables ranging from \$435,975 to \$446,630 or from \$116.54 to \$184.22 per square foot of living area, land included. From this process, the appraiser estimated a value for the subject by the sales comparison approach of \$440,000 or \$130.18 per square foot of living area including land based on the appraiser's determination that the dwelling contains 3,380 square feet of living area.

In the final reconciliation, the appraiser concluded an estimate of value of \$440,000 since the sales comparison approach best

reflects the actions of buyers and sellers with support from the cost approach.

Based on this evidence, the appellant requested a reduction in the subject's total assessment to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$166,650 was disclosed. The final assessment of the subject property reflects a market value of \$500,902 or \$148.20 per square foot of living area including land using the 2009 three-year median level of assessments for McHenry County of 33.27%.

In response to the appellants' appraisal, the board of review submitted a letter prepared by Dennis Jagla, Nunda Township Assessor. The assessor criticized the effective date of the appraisal as being 9 months past the assessment date at issue. Furthermore, he criticized the use of a one-story comparable sale and the use of a listing which had not yet sold, particularly since the listing was a "short sale" and this was not considered a valid indicator of market value in 2009. Lastly, the assessor noted there were no time adjustments to the sale prices "which occurred in the second half of the assessment year."

In support of the subject's estimated market value based on its assessment, the assessor presented a grid analysis of four comparable properties in three subdivisions different from the subject's subdivision. The comparables are two-story dwellings of frame or frame and masonry construction that range in age from 15 to 20 years old. The dwellings contain from 3,338 to 4,062 square feet of living area and feature full or partial basements, three of which have finished area. Each has central air conditioning, a fireplace and a garage. One comparable also has a pool. These properties sold between May and September 2009 for prices ranging from \$495,000 to \$555,000 or from \$135.24 to \$150.39 per square foot of living area including land.

Lastly on the grid analysis, the assessor made adjustments to the sales prices for 2008 of ½% downward per month and for 2009 of 1% upward per month "as indicated by sales trends in Nunda Township." No documentation to support this assertion was presented.

Based on the foregoing evidence, the board of review requested confirmation of the subject's 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 this appeal. The Board further finds that a reduction in the subject's assessment is not warranted.

The appellant 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). The Board finds this burden of proof has not been met and a reduction in the subject's assessment is not warranted.

The Board finds the appellant submitted an appraisal of the subject property with a final value conclusion of \$440,000, however, the Board finds the valuation date and dates of sale were appropriate for the appraiser's assignment, but required adjustment for the assessment date at issue of January 1, 2009. Therefore, the lack of time adjustments detracts from the appraisal's reliability as a valid indicator of the subject's estimated market value as of January 1, 2009 in addition to the questionable use of a one-story comparable that was substantially smaller than the subject dwelling. Based on this analysis of the report, the Board finds that it cannot rely upon the appraisal's opinion of value and will instead examine the raw sales data submitted by both parties.

The Board finds the most similar sales comparables on this record are appellant's sales #1 and #4 along with board of review sale #2 which were similar to the subject in age, size, exterior construction, and/or partially finished basement. These comparables sold between July 2008 and August 2009 for prices ranging from \$435,000 to \$525,000 or from \$130.47 to \$168.67 per square foot of living area, land included. The subject has an estimated market value based on its assessment of \$500,902 or \$148.20 per square foot including land which is within the range of the most similar comparable sales on this record both in terms of overall price and on a per-square-foot basis.

Based upon the market value of the most similar comparables on this record, the Property Tax Appeal Board finds that 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: January 31, 2013

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.