



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

APPELLANT: Robert W. & Julia S. Jessup
DOCKET NO.: 09-05579.001-R-1
PARCEL NO.: 18-002-024-00

The parties of record before the Property Tax Appeal Board are Robert W. & Julia S. Jessup, the appellants, by attorney Ronald J. Leinen of Vincent, Roth & Toepfer, P.C., in Galena, and the Jo Daviess 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 Jo Daviess County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$142,083
IMPR: \$61,547
TOTAL: \$203,630

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of approximately 39,184 square feet of land area has 242' of lake frontage on the main channel of Apple Canyon Lake. The parcel is a "double lot" that is also improved with a one-story single-family dwelling of frame exterior construction. The home is 35 years old with an addition built in 1999. The home contains 2,112 square feet of living area. Features include a full walkout style basement that is 70% finished, central air conditioning and an attached two-car garage. The property is located in Apple River, Thompson Township, Jo Daviess County.

The appellants through legal counsel contend overvaluation as the basis of the appeal. In support of this argument, the appellants submitted an appraisal estimating the subject property had a market value of \$611,500 as of January 1, 2009 using the sales comparison approach to value.

The appraiser described the subject as being located in the Apple Canyon Lake development with 2,727 lots and at the time of the appraisal, about 900 homes. The development has a nine hole golf

course, a marina on a 440 acre manmade lake, a restaurant and property owners' association complex with a pool and tennis courts. For this development, the appraiser reported limited sales as follows: in 2005 there were 56 sales; in 2006 there were 53 sales; in 2007 there were 30 sales; and in 2008 there were 18 sales with a value range from \$87,500 to \$713,000.

For this report, the appraiser analyzed four sales located from .31 to .43 of a mile from subject. The sales occurred between September 2007 and February 2008 for prices ranging from \$430,000 to \$573,000 or from \$193.45 to \$403.52 per square foot of living area, including land. The parcels range in size from 15,567 to 54,886 square feet of land area. Comparable #1 is a "lake front" property like the subject and the other three are noted as either "lake view" or "wooded lake." Each parcel is improved with a one-story, a "contemporary" or a "chalet" style dwelling of frame, metal and masonry or frame and masonry construction. The homes range in age from 11 to 32 years old and range in size from 1,420 to 2,352 square feet of living area. Each home has a full or partial basement with finished area, central air conditioning, a fireplace and/or a wood stove, and at least a two-car garage. Three of the comparables were noted to have an "association dock."¹ The appraiser made adjustments for differences in lot size, quality of construction, age, condition, bathroom count, dwelling size, basement size, amount of basement finish, other amenities and "association docks" resulting in adjusted sales prices from \$593,740 to \$637,640 or from \$258.15 to \$449.04 per square foot of living area, including land. In arriving at a value conclusion, the appraiser gave most weight to comparable #1 and estimated the subject's market value as \$611,500 as of January 1, 2009.

Based on this evidence the appellant requested the subject's total assessment be reduced to \$203,833 which would reflect a market value of approximately \$611,500.

The board of review submitted its "Board of Review Notes on Appeal" wherein the final assessment of the subject totaling \$263,178 was disclosed. The subject's assessment reflects a market value of \$790,324 or \$374.21 per square foot of living area, including land, when applying the 2009 three year median level of assessments for Jo Daviess County of 33.30% as determined by the Illinois Department of Revenue. (86 Ill.Admin.Code §1910.50(c)(1))

The board of review outlined its response to the appeal along with submission of several exhibits. As to the subject land, the board of review contended that of the 2,727 lots within Apple Canyon Lake Subdivision, only 211 are lakefront lots and of those, only 26 are still vacant. The board of review further noted that a lakefront lot can install their own boat dock.

¹ The appraiser wrote, "The association boat dock[s] are not owned by the subject property owner, they are owned by the property owner's association. They are not viewed as real property."

"With so few lakefront properties available, the market is higher for lakefront than for other properties in the subdivision." In Exhibit B, the board of review presented a spreadsheet of four sales of vacant lakefront lots which each consist of one-parcel, not two parcels like the subject. The parcels range in size from 21,165 to 25,415 square feet of land area and have either 85' or 110' of lake frontage. The sales occurred from January 2006 to January 2009 for prices ranging from \$215,000 to \$235,000 or from \$8.46 to \$10.87 per square foot of land area or from \$2,091 to \$2,764 per lineal foot of lake frontage. The subject's land assessment reflects an estimated market value of \$10.89 per square foot or \$1,761 per lineal foot of lake frontage.

As to the appellants' appraisal, the board of review contends that three of the comparables were not lakefront properties. The board of review also addressed the "issue of transferable boat docks." For Exhibit D, the board of review presented copies of the Illinois Real Estate Transfer Declarations as to sales #2, #3 and #4 in the appellant's appraisal noting that only two of the sales revealed a minimal amount for personal property as part of the transaction. Therefore, the board of review questions the \$40,000 adjustment made by the appraiser for the boat dock. The board of review further contended:

These boat docks are owned by the Apple Canyon Lake Property Owners' Association and leased to the property owners on a yearly basis. When a property owner sells his property, he can also transfer that lease to the new buyer. There is no mention in the deed or on the transfer declaration that a lease is being transferred. Consequently there is no dollar value stated anywhere for this lease.

In addition, the board of review argued that the transfer declaration sets forth the purchase price and is signed by the parties to transaction who "verify that to the best of their knowledge and belief, the full actual consideration and facts stated in this declaration are true and correct."

To support the subject's estimated market value based on its assessment, the board of review presented three sales in Apple Canyon Lake Subdivision in Exhibit C along with reiterating appraisal comparable #1 (identified as comparable #4). These three lakefront parcels range in size from 22,831 to 29,240 square feet of land area and are improved with one-story dwellings that are 29 or 33 years old. The comparables range in size from 1,130 to 1,716 square feet of living area and feature full finished basements, central air conditioning, one or two fireplaces and one of the comparables has a garage. These three sales occurred from March 2007 to July 2007 for prices ranging from \$420,000 to \$658,000 or from \$323.08 to \$393.81 per square foot of living area, including land.

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

In written rebuttal, counsel for the appellants first contended that the subject's land is overvalued since there is no evidence of a vacant lot sale in the subdivision for \$426,249 which is the estimated market value of the subject based on its assessment. Next, the appellants cited a combined lake front lot (18-010-073-00) noting that this lot of 42,432 square feet had a 2008 assessment reflecting a market value of \$300,000 which further supports the contention that the subject is overvalued.

As a second issue, the appellants contend that legally transferrable boat docks are not assessable property and that the appraiser properly used a matched pairs analysis to ascertain the appropriate adjustment for boat docks whereas the board of review's sales include transfers of boat docks without appropriate adjustment.

In response to the appellants' rebuttal, the board of review objected to the citation of parcel 18-010-073-00 as being submission of new evidence in rebuttal and requested that this data not be considered.

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 appellants contend the market value of the subject property is not accurately reflected in its assessed valuation. 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 of the subject property, a recent sale, comparable sales or construction costs. (86 Ill.Admin.Code §1910.65(c)). The Board finds based on the evidence in the record a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value in the record is the appraisal of the subject property submitted by the appellants. The appellants' appraiser estimated the subject property had a market value of \$611,500 as of January 1, 2009. In estimating the market value of the subject property the appellants' appraiser utilized the sales comparison approach. The appraiser made adjustments to the comparables to account for differences from the subject property. Additionally, the appraiser also considered the transferable boat docks which were included with some of the comparable sales in developing his opinion of market value. The Board finds the appraiser's conclusion of value appears credible, logical and reasonable in light of the sales within the report.

The Board finds the appraised value of \$289.54 per square foot of living area, including land, is also supported by the raw sales

in the record submitted by the board of review. The three comparables submitted by the board of review sold for prices ranging from \$420,000 to \$658,000 or from \$323.08 to \$393.81 per square foot of living area, including land. However, the board of review made no adjustments to these comparables, each of which was smaller than the subject dwelling. Accepted real estate valuation theory provides that all factors being equal, as the size of the property increases, the per unit value decreases. In contrast, as the size of a property decreases, the per unit value increases. In summary, the Board finds the appraiser's estimate of value of \$611,500 is supported by the raw sales presented by the board of review after considering differences in size and amenities.

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 Jo Daviess County for 2009 of 33.30% shall be applied. (86 Ill.Admin.Code §1910.50(c)(1)).

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: February 22, 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.