



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

APPELLANT: Larry D. & Pamela J. Smith
DOCKET NO.: 10-00142.001-R-1
PARCEL NO.: 24-2-01-35-18-303-005.

The parties of record before the Property Tax Appeal Board are Larry D. and Pamela J. Smith, the appellants; and the Madison 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 **Madison** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$3,230
IMPR.: \$12,170
TOTAL: \$15,400

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a one-story single family dwelling of frame construction that contains 1,008 square feet of living area. The dwelling is approximately 70 years old. Features of the home include a full unfinished basement and central air conditioning. The property has a 6,250 square foot site and is located in Godfrey, Godfrey Township, Madison County.

The appellants, Larry and Pamela J. Smith, appeared before the Property Tax Appeal Board contending both overvaluation and assessment inequity as the bases of the appeal. In support of the overvaluation argument the appellants indicated on the appeal form the subject property was purchased in September 2008 for a price of \$44,895. The appellants indicated the parties to the transaction were not related and the property was exposed on the open market and purchased using ReMax Riverbend. They further indicated on the appeal that the property was listed in the multiple listing service for approximately 6 months. The appellants further acknowledged on the form the subject property was sold out of foreclosure. The appellants submitted a copy of the closing statement dated September 29, 2008, documenting the sale of the subject for a price of \$44,895.

With respect to the assessment inequity argument the appellants provided photographs, descriptions and assessment information on four comparables located along the same side of the street as the subject property. The comparables were improved with three, one-story frame dwellings and one, two-story dwelling that ranged in size from 809 to 1,930 square feet of living area. The appellants indicated the comparables ranged in age from 65 to 80 years old. Each comparable is described as having a basement, central air conditioning and one has a garage. These comparables had improvement assessments prior to equalization ranging from \$16,230 to \$29,710 or from \$14.77 to \$19.09 per square foot of living area.

The appellants also provided photographs, descriptions and assessment information on comparables located on the opposite side of the street in Alton. These comparables were improved with one-story single family dwellings of brick construction that ranged in size from 837 to 1,146 square feet of living area. These dwellings were described as being constructed in 1965 and had total assessed values ranging from \$21,850 to \$36,370 or from \$23.93 to \$33.83 per square foot of living area.

At the hearing Ms. Smith was of the opinion the recent purchase of the subject property "trumped" everything. Ms. Smith further explained the property was part of a HUD foreclosure sale. She testified the property had a "for sale" sign in the yard and a notice in the window listing the subject property for sale. She further testified that there were six or seven other bids on the property and their bid was the highest of those bids. She explained that when HUD initially listed the property it is open on the market for 10 days using sealed bids and after 10 days the sealed bids are open. She further explained that initially HUD is looking for an owner occupant, a purchaser that is going to live in the house. After that 10 day period, if HUD does not have an acceptable bid, the property goes on what is called "a daily" where the property is available to everyone, including investors. After 10 days, if the property still has not sold, then the price is reduced, the property goes back on the 10 day list where sealed bids are submitted. She explained that if HUD does not receive an acceptable bid the property remains on the market. Ms. Smith testified this process occurred several times for the subject property. The witness further testified that HUD did not accept one of the original bids they made. She also explained she looked at "comps" in the area in determining their bid. Mr. and Mrs. Smith stated they ultimately made five or six bids to HUD before their bid was finally accepted. Ms. Smith also stated several others were bidding on the house. The witness further explained that her son lives in the area and they had observed the property on the market for approximately 1.5 years. Ms. Smith also indicated they began bidding on the property approximately one month prior to their purchase when HUD dropped the price to where they thought it should be. The witness further testified that at one time HUD had a price on the property of \$79,000. Ms. Smith testified they first offered \$40,000 and increased their bids in \$1,000 increments. She

explained that when they purchased the property it was on "a daily", which allowed anyone to bid and further allowed them to review other bids each day.

Following the purchase the appellants did some painting and put rails on the porch steps. They indicated that they spent approximately \$500 on paint.

Based on this evidence the appellants requested the subject's total assessment be reduced to \$15,400.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's equalized assessment totaling \$31,090 was disclosed. The subject's assessment reflects a market value of approximately \$93,223 using the 2010 three year average median level of assessments for Madison County of 33.35%. The subject property had an equalized improvement assessment \$27,860 or \$27.64 per square foot of living area.

The board of review presented an analysis of the appellants' comparables #1 through #4 correcting the size for comparable #2 and using the equalized improvement assessments. The board of review analysis indicated the appellants' comparables had equalized improvement assessments ranging from \$15.25 to \$19.70 per square foot of living area.

Ms. Powers, board of review member, testified the subject property was purchased in 2008 and the owners were given a one year assessment reduction, which is given for repossessed properties to allow owners to make necessary repairs and the like. The following year the property was reassessed. Based on the appellants appeal to the Property Tax Appeal Board, Ms. Powers indicated the board of review initially agreed to reduce the subject's assessment to \$20,410. She explained that this would equate to an improvement assessment of \$17.04 per square foot of living area. At the hearing Ms. Powers testified the board of review was willing to offer to reduce the total assessment to \$18,860, which would equate to an improvement assessment of \$15.50 per square foot of living area.

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 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 the appellants met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value in this record to be the purchase of the subject property in September 2008 for a price of \$44,895. The appellants provided testimony demonstrating the subject property was exposed on the open market and the property was purchased in a competitive bidding process from HUD. The appellants presented testimony that others were bidding on the subject property at the time they purchased the subject property. Additionally, the appellants explained that they had offered five or six bids prior to submitting a bid that was accepted. As a final point the appellants testified that following the purchase they painted the interior at a cost of \$500 and put a rail on the steps to the porch.

The Board further finds the board of review did not present any evidence to challenge the circumstances surrounding the sale nor did it provide additional comparable sales or market data that demonstrated the September 2008 purchase price was not reflective of the property's value as of January 1, 2010.

Based on this record the Board finds a reduction in the subject's assessment commensurate with the appellants' request is justified. The Board further finds, after considering the reduction to the subject's assessment based on the market value finding herein, a further reduction based on assessment inequity 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: 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.