



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

APPELLANT: Steve & Marilyn Morgan
DOCKET NO.: 10-01133.001-R-1
PARCEL NO.: 05-34-102-006-0040

The parties of record before the Property Tax Appeal Board are Steve & Marilyn Morgan, the appellants, by attorney Steven B. Morgan of Perbix & Morgan, in Havana; and the Mason 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 Mason County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$8,174
IMPR.: \$48,493
TOTAL: \$56,667

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a one and one-half story dwelling of frame and brick construction containing 2,380 square feet of building area.¹ The home was built in 1994 and has a full basement that is 75% finished. Other features include central air conditioning, three fireplaces and an attached three-car garage. The dwelling is situated on approximately four acres of land located in Havana Township, Mason County, Illinois.

The appellants contend the market value of the subject property is not accurately reflected in its assessed valuation. In support of this argument, the appellants submitted an appraisal of the subject property prepared by Gary Hamm, a state licensed appraiser, marked as Appellant's "Exhibit A". The appraisal report conveys an estimated market value for the subject property of \$170,000 as of January 1, 2010, using the cost and sales comparison approaches to value.

¹ Prior to the start of the hearing, both parties stipulated that the subject dwelling has 2,380 square feet of living area and is of one and one-half story design.

Under the cost approach to value, the appraiser first assigned a value for the subject lot of \$18,000. The appraiser offered no substantiation or evidence of how this value was derived. The appraiser utilized the Marshall & Swift Cost Manual in calculating a replacement cost new (RCN) for the subject improvement of \$326,800. The appraiser deducted \$81,700 for physical depreciation using the age life method of calculating depreciation. Hamm also deducted an additional \$98,040 or 30% for external obsolescence for over improvement in this market. The appraiser next added \$6,000 for site improvements and \$18,000 for site value, for an indicated value under the cost approach of \$171,060.

Under the sales comparison approach to value, the appraiser utilized three comparable sales located from 0.11 to 0.61 of a mile from the subject property. The comparables have lot sizes of one or four acres of land area. The comparables consist of a one-story, a raised ranch and a one and one-half story dwelling that contain from 1,232 to 2,296 square feet of living area. The dwellings were built from 1979 to 2009. Features include full basements, one of which has finished area and central air conditioning. One comparable has a carport, one comparable has a two-car garage and one comparable has 2, two-car garages. The comparables sold from December 2008 to August 2009 for prices ranging from \$130,000 to \$165,000 or from \$71.86 to \$105.52 per square foot of living area including land.

The appraiser adjusted the comparables for differences when compared to the subject in quality of construction, room count, rooms below grade, garage/carport, porch/patio/deck and pole building. The adjustments resulted in adjusted sale prices ranging from \$140,500 and \$170,000, land included. Based on the adjusted sale prices, the appraiser concluded the subject had an estimated market value under the sales comparison approach of \$170,000.

In reconciliation, the appraiser placed most weight on the sales comparison approach and opined the subject had a fair market value of \$170,000 as of January 1, 2010.

The appraiser testified as to the cost and sales comparison approaches used in determining an opinion of value for the subject property. The appraiser further testified that he placed most weight on comparable #1 due to its similarity when compared to the subject, as well as its exposure time of three years on the real estate market.

Under cross-examination, Hamm testified that the 30% depreciation adjustment for external obsolescence was due to Havana's high rates for unemployment, poverty and taxes. Hamm reiterated that in his opinion a house, such as the subject, would be considered "overbuilt" for the Havana market due to Havana's 25% unemployment rate, high poverty rate and high tax rate.

Based on this evidence the appellants requested the subject's assessment be reduced to \$56,667.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$67,895 was disclosed. The subject's assessment reflects an estimated market value of \$205,493 or \$86.34 per square foot of living area including land using Mason County's 2010 three-year median level of assessments of 33.04%.

In response to the appellant's evidence, the board of review argued that appellant's comparable #1 was sold to avoid foreclosure as evidenced by the copy of "Lis Pendens and Notice of Foreclosure" marked as Respondent's "Exhibit A". In addition, the appellant's comparable #2 is a dissimilar modular style home, which the appraiser made no adjustments for style, square footage and lack of a basement and comparable #3 had no adjustments for site, age or square footage.

In support of the subject's assessment, the board of review submitted a grid analysis, property record cards and photographs of three equity comparables marked as Respondent's "Exhibit B". One comparable is located 0.10 of a mile from the subject and the remaining two comparables are located 3 miles from the subject. The comparables consist of part one-story and part two-story brick and frame dwellings that range in size from 2,144 to 4,632 square feet of living area. The dwellings were built from 1991 to 2007 and have full unfinished basements. Other features include central air conditioning, fireplaces and two-car or three-car garages. The comparables have improvement assessments ranging from \$61,484 to \$86,701 or from \$18.72 to \$28.68 per square foot for living area.

Kristi Poler, Supervisor of Assessments for Mason County, testified that the board of review stipulated to the subject being a one and one-half story style dwelling containing 2,380 square feet of living area. This change would alter the square foot improvement value of the subject, based on its assessment, to \$24.28 per square foot of living area.

The appellant objected repeatedly to Ms. Poler's testimony as to the subject's fair market value, as she is not an appraiser and is not trained to offer an opinion as to market value or question the opposing party's evidence. The Property Tax Appeal Board hereby overrules the appellant's objection. The Board finds that as Supervisor of Assessments for Mason County, Poler is authorized to place a fair market value on properties within her jurisdiction. Additionally, as in any legal proceeding, the board of review has to be given an opportunity to cross-examine the appellant's witness and question the appropriateness of the appellant's evidence.

During cross-examination, Poler testified that there were two assessment years in which the board of review applied a partial equalization factor to 10 properties considered "high end" homes.

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

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 Property Tax Appeal Board further finds a reduction in the subject property's assessment is warranted.

The appellants argued the subject property was overvalued. When market value is the basis of the appeal, the value must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 183, 728 N.E.2d 1256 (2nd Dist. 2000). The Board finds the appellants met this burden.

The appellants submitted an appraisal report estimating the subject property had a fair market value of \$170,000 as of January 1, 2010. The board of review offered three comparable properties for consideration to show the subject is being equitably assessed.

The Property Tax Appeal Board finds the equity comparables submitted by the board of review did not address the market value complaint presented by the appellants. The Board further finds the only market value evidence in this record was the appraisal offered by the appellants, though it had some flaws as pointed out by the board of review.

As to the arms-length nature of the appellants' sale #1, the Board finds there is no evidence that the property was not advertised for three years as the appellants' appraiser testified. The "Lis Pendens and Notice of Foreclosure" offered by the board of review does not negate the testimony as to the exposure time of the sale on the market. Therefore, the Board finds the appellants' sale #1 was an arms-length transaction. The Board further finds this sale is the most similar sale within the appraisal when compared to the subject and would justify a reduction in the subject's assessment pursuant with the appellants' request. In summary, the Board finds the subject's estimated market value of \$205,493 is excessive and a 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.

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.