



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

APPELLANT: Michael J. Miner, Trustee  
DOCKET NO.: 10-03785.001-F-1  
PARCEL NO.: 25-25-200-001

The parties of record before the Property Tax Appeal Board are Michael J. Miner, Trustee, the appellant, and the Iroquois 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 Iroquois County Board of Review is warranted. The correct assessed valuation of the property is:

<b>F/Land:</b>	\$820
<b>Homesite:</b>	\$4,000
<b>Residence:</b>	\$15,209
<b>Outbuildings:</b>	\$1,233
<b>TOTAL:</b>	\$21,262

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property is improved with a part one-story and part two-story single-family dwelling of frame construction containing 3,024 square feet of living area. The age of the dwelling is unclear, but recorded as constructed in 1860. Features of the home include a partial basement, central air conditioning and an attached 1.5-car garage of 400 square feet of building area. The property consists of approximately 10-acres of which 66,325 square feet of land area have been treated as the homesite with the remainder being farmland. In the appeal petition, the appellant also reported that there are outbuildings that are "not contributing to farm operation." The property is located in Watseka, Crescent Township, Iroquois County.

The appellant's appeal is based on overvaluation.<sup>1</sup> In support of this argument, the appellant submitted an appraisal estimating the subject residence and homesite had a market value of \$57,000

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<sup>1</sup> While the appellant marked "assessment equity" as the basis of the appeal, the only evidentiary submission by the appellant was a spiral bound copy of an appraisal report which included color photographs. There was no assessment data submitted by the appellant in support of a lack of assessment uniformity claim. The substance of the appeal is a market value argument regarding all but the farmland assessment.

as of April 17, 2011. The appraisal was prepared by Troy R. Krumwiede, a State of Illinois Certified Real Estate Appraiser. In estimating the market value of the subject property, the appraiser developed the cost and sales comparison approaches to value. The dwelling was said to have an effective age of 50 years.

As to the subject property, in pertinent part, Krumwiede wrote that the outbuildings have little contributory value and are in poor to fair condition. Moreover, the appraiser opined that these additional structures "do not contribute significant value on the market due to their obsolescence." He further wrote, "[t]heir intended use is obsolete and they become a burden to perspective owners who are not agriculturally inclined yet seek rural living."

Using the Marshall & Swift 1007 form, the appraiser estimated the cost new of the dwelling and garage to be \$242,314. The appraiser reported the outbuildings, consisting of a barn, corn crib and a tool shed, were 100% depreciated.<sup>2</sup> The appraiser next reported a multiplier of 1.29 resulting in a total cost new of \$312,585. Next, the appraiser deducted physical depreciation and functional obsolescence of \$239,826 resulting in a depreciated improvement value of \$72,759. The appraiser then estimated the homesite value to be \$10,000. Adding the various components, the appraiser estimated the subject property had an estimated market value of \$82,759 under the cost approach to value.

Using the sales comparison approach, the appraiser provided information on three comparable sales located from 4.88 to 10.82-miles from the subject. The comparables have homesites ranging in size from 1.45 to 3.6-acres of land area. The properties are improved with 1.5-story or 2-story dwellings that range in size from 1,500 to 2,368 square feet of living area. The dwellings range in age from 84 to 111 years old. Features of the comparables include a full or partial unfinished basement, central air conditioning and a one-car to a three-car garage. Two of the comparables have outbuildings, one of which was said to be equal to the subject and one of which was said to be "better" than the subject. The comparables sold from May to December 2010 for prices ranging from \$40,000 to \$79,900 or from \$16.89 to \$50.73 per square foot of living area, including land, after these properties were on the market for 25 to 104 days.

After making adjustments to the comparables for differences from the subject in homesite size, bathroom count, dwelling size, garage size and/or outbuildings, the appraiser estimated the comparables had adjusted prices ranging from \$45,250 to \$75,400 or from \$19.11 to \$47.87 per square foot of living area, including land. Based on this data the appraiser estimated the subject had an estimated value under the sales comparison

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<sup>2</sup> A building sketch in the appraisal report depicts the barn as containing 1,080 square feet, the corn crib as 1,792 square feet and the shed as 352 square feet.

approach of \$57,000 or \$18.85 per square foot of living area, including homesite land.

In reconciling the two approaches to value, the appraiser gave most weight to the sales comparison approach to value as a direct interpretation of buyer and seller negotiations and estimated the subject property had a market value of \$57,000 as of April 17, 2011.

Based on this evidence, the appellant requested removal of the farm building assessment and reductions in the subject's homesite and residence assessments to reflect the appraised value of \$57,000 for a total assessment for the homesite and residence of \$19,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's assessments were disclosed. The property had the following assessments: Farmland - \$820; Homesite - \$4,000; House - \$35,238; and Outbuildings - \$1,233. The subject's homesite and residence assessments totaling \$39,238 reflect a market value of \$116,433 or \$38.50 per square foot of living area, including homesite land area, when applying the 2010 three year average median level of assessment for Iroquois County of 33.70% as determined by the Illinois Department of Revenue. (86 Ill.Admin.Code §1910.50(c)(1)).

The board of review submitted a letter prepared by Clerk Robert A. Yergler, who raised two issues. First, it was note that the appellant checked the Assessment Equity box "instead of the Recent Appraisal box." Next, he set the issue as:

. . . the appraisal was completed by a Certified Residential Appraiser who is also an Iroquois County Board member. This circumstance in the opinion of the Iroquois County Board of Review represents a conflict of interest.

No other substantive evidence was presented by the board of review and no support for the conflict of interest was specifically cited. In closing and with these two circumstances, the clerk of the board of review "respectfully recommends that the appeal be denied."

In written rebuttal, the appellant asserted the basis of the appeal was a scrivener's error and should not preclude a decision being rendered on the merits. As to the purported conflict of interest, the appellant cited to the Appraiser's Certification contained within the report as pages 12 and 13.

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 a reduction in the subject's assessment is warranted.

The appellant contends the market value of the subject residence, homesite and outbuildings of the property are 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 (3<sup>rd</sup> Dist. 2002); 86 Ill.Admin.Code §1910.63(e). 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 appellant met this burden of proof as to the homesite and residence and therefore, a reduction in the subject's homesite and residence assessments are warranted.

As to the outbuildings, Section 1-60 of the Property Tax Code (35 ILCS 200/1-60) states in relevant part:

Improvements, other than farm dwellings, shall be assessed as a part of the farm and in addition to the farm dwellings when such buildings contribute in whole or in part to the operation of the farm. [Emphasis added].

Furthermore, Section 10-140 of the Property Tax Code provides:

Other improvements. Improvements other than the dwelling, appurtenant structures and site, including, but not limited to, roadside stands and buildings used for storing and protecting farm machinery and equipment, for housing livestock or poultry, or for storing, feed, grain or any substance that contributes to or is a product of the farm, shall have an equalized assessed value of 33 1/3% of their value, based upon the current use of those buildings and their contribution to the productivity of the farm. [Emphasis added.] (35 ILCS 200/10-140)

Where farm structures do not contribute to the productivity of the farm, then the buildings would add nothing to the value of the farm. O'Connor v. A&P Enterprises, 81 Ill. 2d 260, 267-68 (1980); see also Peacock v. Illinois Property Tax Appeal Board, 399 Ill. App. 3d 1060, 1071-1073 (4<sup>th</sup> Dist. 2003). In O'Connor, the Illinois Supreme Court discussed Section 10-140 of the Property Tax Code concerning 'other improvements' as:

a recognition by the legislature that certain structures located on a farm may have become obsolete by changes in farming methods or practices, and either have a greatly diminished value, or possibly no value at all in connection with the farming operation when considered as a part of the farm as a whole. The corncrib, once an essential structure on every farm for the storage of ear corn, has become primarily a relic of the past, due to the almost universal practice of combining the corn and drying and storing it as shelled

corn. Horse barns now stand idle due to the disappearance of the use of horses for the powering of farm machinery, and many dairy barns are no longer used because of the decrease in the number of small dairy herds. The legislature has provided that these buildings should be valued on the basis of their contribution to the farm operation. If they are used for either their intended purpose, or for a substitute purpose, the appropriate value can be placed on them. Section 1(25) of the Revenue Act of 1939 [since replaced by the Property Tax Code] provides that these buildings shall continue to be valued as a part of the farm. If they contribute nothing to the productivity of the farm then, of course, the buildings would add nothing to the value of the farm. Being valued as a part of the farm, the failure to place a value on these buildings is a method or procedure of valuation and not an exemption from taxation. Just as a well that is no longer usable or a shade tree that is dead does not enhance the value of the farm, a barn or a corncrib that is not usable adds nothing to the value of a farm.

O'Connor at 267-268. In this appeal, besides the appraiser's opinion that for the fair market value determination of the subject residence, homesite and outbuildings that the outbuilding structures provided "little contributory value" to the subject property, there is no substantive discussion in the appellant's submission as to how the structures are or are no longer used in the farming operation. Therefore, the appellant's evidence does not adequately address the issues as outlined above as to whether these structures contribute to the farming operation.

In addition, at page 36 of the guidelines issued by the Illinois Department of Revenue in Publication 122 entitled "Instructions for Farmland Assessments" it states in pertinent part:

The law requires farm buildings, which contribute in whole or in part to the operation of the farm, to be assessed as part of the farm. They are valued upon the current use of those buildings and their respective contribution to the productivity of the farm. Farm buildings are assessed at 33 1/3 percent of their contributory value.

. . . Some farm buildings, even though they are in good physical condition, may play a minor role in the operation of the farm and have little value. These same buildings on another farm may be vitally important to the farming operation. The value of the farm buildings in these two instances is different. [Emphasis added.] (Publication 122, Instructions for Farmland Assessments issued by the Illinois Department of Revenue).

In the absence of evidence from the appellant concerning the contribution or lack thereof of these outbuildings to the farming operation, the appellant has failed to establish the assertion that the value of the outbuildings is zero as set forth in the appeal.

As to the homesite and residence, the Board finds the best evidence of market value to be the appraisal of the subject property submitted by the appellant. The appellant's appraiser developed the cost and sales comparison approaches to value and gave most weight to the sales comparison approach. The sales utilized by the appraiser were similar to the subject in location, size, style, exterior construction, features, age and/or land area. These properties also sold proximate in time to the assessment date at issue. The appraised value is below the market value of the residence and homesite reflected by these assessments.

The board of review raised two issues in response to the appeal. The first issue regarding the basis of the appeal has been given no weight as the appellant's evidence of a spiral bound appraisal report clearly was the only substantive evidence presented by the appellant that thereby reflected the appeal was based on overvaluation. The second issue regarding a "perceived" conflict of interest of the appellant's appraiser who also is an Iroquois County Board member has no support in citation to case law or rules of appraisal practice, USPAP or other guidelines to be followed by licensed appraisers. The board of review did not alleged that the appraiser was a member of the Iroquois County Board of Review which might pose a different issue. Therefore, in the absence of specific evidence that Troy R. Krumwiede was prohibited from preparing this report due to his position on the county board or that the appraiser needed to specifically disclose his position on the county board as part of his appraisal report, the Property Tax Appeal Board gives this second issue raised by the board of review no weight in determining the correct assessment of the subject property and/or in considering the credibility of the appraisal report.

Based on this record, the Board finds the subject dwelling and homesite had a market value of \$57,000 as of January 1, 2010. Moreover, the Board finds the only record evidence regarding the subject outbuildings is that they "have little contributory value." Since market value of the homesite and residence have been determined the 2010 three year average median level of assessment for Iroquois County of 33.70% shall apply. (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: July 19, 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.