



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

APPELLANT: Lia Arber
DOCKET NO.: 10-04400.001-R-1
PARCEL NO.: 16-10-204-002

The parties of record before the Property Tax Appeal Board are Lia Arber, the appellant, and the Lake 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 Lake County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$103,677
IMPR: \$150,881
TOTAL: \$254,558

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a 2.5-story single-family dwelling of brick construction that contains approximately 4,804 square feet of living area. The home was built in 1890 and features a full basement that is 80% finished, central air conditioning, two fireplaces, finished attic area and a two-car basement garage. The property is located in the Fort Sheridan development of Highland Park, Moraine Township, Lake County.

The subject property is an owner occupied residence that was the subject matter of an appeal before the Property Tax Appeal Board the prior year under docket number 09-01869.001-R-1. In that appeal the Property Tax Appeal Board rendered a decision lowering the assessment of the subject property to \$225,810 based on the stipulation of the parties.

Both parties agree that the subject dwelling qualified for the 8 year tax assessment freeze program known as the Historic Residence Assessment Freeze Law (35 ILCS 200/10-40 et seq.) of the Property Tax Code. Both parties also agree that the freeze for the subject property was complete as of the 2008 tax year (see also 35 ILCS 200/10-45). Therefore, as the instant appeal concerns the 2010 assessment of the subject property, Section 10-

50 of the Property Tax Code as set forth herein is applicable to determining the correct 2010 assessment of the subject property:

Valuation after 8 year valuation period. For the 4 years after the expiration of the 8-year valuation period, the valuation for purposes of computing the assessed valuation shall be as follows:

For the first year, the base year valuation plus 25% of the adjustment in value.

For the second year, the base year valuation plus 50% of the adjustment in value.

For the third year, the base year valuation plus 75% of the adjustment in value.

For the fourth year, the then current fair cash value.

(35 ILCS 200/10-50). There are also definitions specific to the Historic Residence Assessment Freeze Law that are necessary for an understanding of the instant appeal as follows:

(h) "Fair cash value" means the fair cash value of the historic building, determined on the basis of the assessment officer's property record card, representing the value of the property prior to the commencement of rehabilitation without consideration of any reduction reflecting value during the rehabilitation work.

(i) "Base year valuation" means the fair cash value of the historic building for the year in which the rehabilitation period begins but prior to the commencement of the rehabilitation and does not include any reduction in value during the rehabilitation work.

(j) "Adjustment in value" means the difference for any year between the then current fair cash value and the base year valuation.

(k) "Eight-year valuation period" means the 8 years from the date of the issuance of the certificate of rehabilitation.

(l) "Adjustment valuation period" means the 4 years following the 8 year valuation period.

(35 ILCS 200/10-40(h) through (l)).

The appellant for this 2010 assessment appeal submitted an appraisal to demonstrate the subject was being overvalued.¹ The appraisal reported an estimated value under the cost approach of \$903,600 and an estimated value under the sales comparison approach of \$900,000. Based on the foregoing evidence, the appellant requested a reduction in the subject's assessment to \$205,196 which would reflect a market value of approximately \$615,588.

The board of review submitted its "Board of Review Notes on Appeal" wherein the final 2010 assessment of the subject property totaling \$270,988 was disclosed.

In support of the subject's current 2010 assessment the board of review submitted a two-page letter along with additional documentation discussing various statutory provisions of the Property Tax Code, including, "the Illinois Historic Preservation Agency's Historic Property Tax Assessment Freeze" program (35 ILCS 200/10-40 through 10-85). According to the board of review, the subject property's assessment was "frozen" at \$118,320 for a period of eight years beginning in tax year 2000. After the eight year period, the subject's assessment was incrementally increased at 25% intervals to bring it to current fair cash value pursuant to Section 10-50 (35 ILCS 200/10-50).

Next, the board of review expounded upon the various calculations that lead to the original 2010 published assessment of the subject property of \$310,348. As 2010 is the third year after the eight year period, the subject's assessment "was equal to the base plus 75% of the difference between the base and the current value (if the subject was not part of the program)." The board of review presented the following calculations:

Base year assessment - \$118,320
2010 value (if not part of the program) = \$1,123,184 MV or \$374,357 AV
\$374,357 - \$118,320 (base year valuation) = \$256,037 difference
\$256,037 x 75% = \$192,028
\$192,028 + \$118,320 = \$310,348 (original published 2010 assessment)

Second, the board of review acknowledged the existence of the stipulation in assessment for the subject property that was executed in Docket No. 09-01869.001-R-1 for \$225,810. The board of review also reported that 2009 and 2010 are within the same general assessment period for non-farm property in Lake County (35 ILCS 200/9-215). The board of review also contends the subject property is owner occupied and has not recently sold.

¹ The original legal-sized appraisal report was photocopied onto 8.5" x 11" paper in a manner that eliminated essential information from the report such as the appraiser's value conclusion and date of valuation.

The board of review then states that the 2009 assessment was year two after the eight year "frozen" period and prior to the 2009 stipulated assessment reduction, the subject's assessment was based upon a fair cash value of \$1,134,530. The 2009 stipulated assessment was based upon a fair cash value of \$1,000,000. Then, the board of review displayed the calculations which resulted in the 2009 stipulation:

Base year assessment - \$118,320
2009 stipulated value (if not part of the program) =
\$1,000,000 MV or \$333,300 AV
\$333,300 - \$118,320 (base year valuation) = \$214,980
difference
\$214,980 x 50% = \$107,490
\$107,490 + \$118,320 = \$225,810 (2009 stipulated assessment)

Based upon the foregoing, including the 2009 decision of the Property Tax Appeal Board, the Lake County Board of Review contends the correct assessment of the subject property for 2010 should be \$279,555 which would be calculated as follows:

Base year assessment - \$118,320
2009 stipulated value carried forward = \$1,000,000 MV or
\$333,300 AV
\$333,300 - \$118,320 (base year valuation) = \$214,980
difference
\$214,980 x 75% = \$161,235
\$161,235 + \$118,320 = \$279,555

Next, the board of review states that it sought to correct the subject's 2010 assessment with a Certificate of Error to adhere to the provisions of Section 16-185 of the Property Tax Code (35 ILCS 200/16-185) which reduced the assessment to \$270,988 (without application of the 1.0199 State of Illinois equalization factor that was issued for Lake County for 2010). "The Certificate of Error was filed and processed without the knowledge that the property owner had filed with the PTAB for tax year 2010 on 8/22/2011." In summary, the Certificate of Error reduced the subject's correct assessment below the \$279,555 assessment which the Lake County Board of Review "now believes to be the correct assessment for tax year 2010." Thus, the board of review contends that no further reduction in the subject's assessment is warranted.

In written rebuttal, the appellant outlined the history of the historic assessment freeze and the first assessment challenge that occurred in 2008 noting that the "taxes seemed reasonable to us despite the inflated assessed market value." Next, for 2009 the appellant pursued an appeal before PTAB which resulted in a stipulated assessment of \$225,810. The appellant contends that this 2009 assessment included a verbal agreement with a representative of the Lake County assessor's office "that the 2010 assessed value would be adjusted to less than \$950,000."

Next, the appellant contends that a lesser property tax refund was received from Lake County and resulted in the filing of this appeal. In rebuttal, the appellant wrote:

[w]e submitted an appraisal of the fair market value of our property . . . which was completed by a professional assessor [*sic*]. Our house was assessed at \$850,000 in 2009 and \$750,000 in 2011 by professional assessor [*sic*] from the Bank of America. These numbers effectively reflect the fair market value of our property.

(Rebuttal, pg. 2). The appellant argues that the base value formula presented by the board of review fails to consider the steady decline of property values in Illinois since their peak in 2007. The appellant cites to statistics from the Federal Housing Finance Agency to support that values have declined. Next, the appellant cited to the Zillow Home Value Index that from 2009 to 2010 there was an 8% decrease in values in Chicago.

Based upon these arguments, the appellant contends the fair market value of the subject property has decreased to \$900,000 for 2010. The appellant then presented the following calculations:

Base year assessment - 118,320
2010 adjusted value - \$900,000 MV or \$299,700 AV
299,700 - 118,320 = 181,380
181,380 x 75% = \$136,035
136,035 + 118,320 = \$254,355

In conclusion and based upon the foregoing argument and calculations, the appellant requested a total assessment of \$254,355 for the subject property.

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 only current evidence of market value was submitted by the appellant in the form of an appraisal in which the value conclusion was not legible. However, the appellant asserted the appraiser opined a market value of \$900,000 for the subject property which would be identical to the conclusion presented as a result of the sales comparison approach to value. Therefore, the Board concludes that the appellant's appraisal reflects an estimated market value of the subject property of \$900,000.

Applying the provisions of Section 10-50 of the Historic Residence Assessment Freeze Law, the correct 2010 assessment of the subject property would be as follows:

Base year assessment - \$118,320 reflects an estimated market value at the statutory level of assessment of 33.33% or \$354,995 as a base year valuation.

The adjustment in value = current fair cash value - base year valuation or $\$900,000 - \$354,995 = \$554,005$.

75% of the adjustment in value or $\$554,005 \times 75\% = \$408,754$.

Base year valuation plus 75% of the adjustment in value = $\$354,995 + \$408,754 = \$763,749 \times 33.33\% = \$254,558$ as the third year assessment of the subject property under Section 10-50 of the Property Tax Code (35 ILCS 200/10-50).

Based upon the foregoing statutory provisions and the facts, the Property Tax Appeal Board finds that the subject property has a 2010 total assessment of \$254,558.

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

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: June 21, 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.