



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

APPELLANT: Frank Pipal
DOCKET NO.: 10-20724.001-R-1
PARCEL NO.: 14-07-107-021-0000

The parties of record before the Property Tax Appeal Board are Frank Pipal, the appellant; and the Cook 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 Cook County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$ 10,560
IMPR.: \$ 6,247
TOTAL: \$ 16,807

Subject only to the State multiplier as applicable.

ANALYSIS

The subject has 3,300 square feet of land, which is improved with a 106 year old, one and one-half-story, frame, multi-family dwelling. The subject's improvement size is 2,107 square feet of living area and its total assessment is \$45,241. This assessment yields a fair market value of \$506,051, or \$240.18 per square foot of living area (including land), after applying the 2010 Illinois Department of Revenue three year median level of assessment for Class 2 properties of 8.94%. The appellant argued that the fair market value of the subject property was not accurately reflected in its assessed value as the basis of this appeal.

In support of the market value argument, the appellant submitted a residential appraisal report for the subject property with an effective date of June 4, 2010. The appraiser estimated a fair market value for the subject of \$190,000 based on the cost, income, and sales comparison approaches to value. The appraiser also conducted an inspection of the subject.

The appellant also submitted evidence showing that the subject sold in September 2010 for \$188,000. This evidence included a settlement statement and Purchase and Sale Contract. Furthermore, the appellant's pleadings state that the sale was not between related parties, that the subject was advertised for sale on the open market and that the parties used a real estate

broker. Based on this evidence, the appellant requested a reduction in the subject's assessment.

The Cook County Board of Review submitted its "Board of Review-Notes on Appeal," wherein the subject's total assessment of \$45,241 was disclosed. In support of the subject's assessment, the board of review submitted descriptive and assessment information for four properties suggested as comparable to the subject. The comparables are described as one and one-half-story or two-story, frame or masonry, multi-family dwellings. Additionally, the comparables range: in age from 88 to 111 years; in size from 1,774 to 2,364 square feet of living area; and in improvement assessments from \$16.93 to \$22.78 per square foot of living area. The comparables also have several amenities. The board of review's grid sheet also states that Comparable #1 sold in November 2009 for \$510,000, or \$215.74 per square foot of living area, including land; Comparable #2 sold in July 2008 for \$457,500, or \$229.21 per square foot of living area, including land; Comparable #3 sold in March 2008 for \$492,000, or \$254.13 per square foot of living area, including land; and that Comparable #4 sold in May 2008 for \$645,000, or \$363.59 per square foot of living area, including land.

The board of review also submitted a "deed trail" and memo indicating that this transfer was a distressed sale. Based on this evidence, the board of review requested confirmation of the subject's assessment.

In rebuttal, the appellant argued that they were the second purchasers after the foreclosure, that the property was listed on the open market, and that a realtor was involved in the transaction. Additionally, he submitted an appraisal that supports his purchase price.

After reviewing the record and considering the evidence, the Property Tax Appeal Board (the "Board") finds that it has jurisdiction over the parties and the subject matter of this appeal.

When overvaluation is claimed, the appellant has the burden of proving the value of the property by a preponderance of the evidence. Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 339 Ill. App. 3d 529, 545 (1st Dist. 2002); National City Bank of Michigan/Illinois v. Prop. Tax Appeal Bd., 331 Ill. App. 3d 1038, 1042 (3d Dist. 2002) (citing Winnebago Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 313 Ill. App. 3d 179 (2d Dist. 2000)); 86 Ill. Admin. Code § 1910.63(e). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. Calumet Transfer, LLC v. Prop. Tax Appeal Bd., 401 Ill. App. 3d 652, 655 (1st Dist. 2010); 86 Ill. Admin. Code § 1910.65(c). Having considered the evidence presented, the Board finds that the evidence indicates a reduction is warranted.

In addressing the appellant's market value argument, the Board finds that the sale of the subject in September 2010 for \$188,000 is a "compulsory sale." A "compulsory sale" is defined as:

(i) the sale of real estate for less than the amount owed to the mortgage lender or mortgagor, if the lender or mortgagor has agreed to the sale, commonly referred to as a "short sale" and (ii) the first sale of real estate owned by a financial institution as a result of a judgment of foreclosure, transfer pursuant to a deed in lieu of foreclosure, or consent judgment, occurring after the foreclosure proceeding is complete.

35 ILCS 200/1-23. Real property in Illinois must be assessed at its fair cash value, which can only be estimated absent any compulsion on either party.

Illinois law requires that all real property be valued at its fair cash value, estimated at the price it would bring at a fair voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is likewise ready, willing, and able to buy, but is not forced to do so.

Bd. of Educ. of Meridian Cmty. Unit Sch. Dist. No. 223 v. Ill. Prop. Tax Appeal Bd., 961 N.E. 2d 794, 802 (2d Dist. 2011) (citing Chrysler Corp. v. Ill. Prop. Tax Appeal Bd., 69 Ill. App. 3d 207, 211 (2d Dist. 1979)).

However, the Illinois General Assembly recently provided very clear guidance for the Board with regards to compulsory sales. Section 16-183 of the Illinois Property Tax Code states that, "The Property Tax Appeal Board shall consider compulsory sales of comparable properties for the purpose of revising and correcting assessments, including those compulsory sales of comparable properties submitted by the taxpayer." 35 ILCS 200/16-183 (emphasis added). Prior to becoming law, this new section of the Property Tax Code was a part of Senate Bill 3334 of the 96th General Assembly.

The effective date of Section 16-183 is July 16, 2010, after the lien date for tax year 2010. *Id.* Therefore, it must be determined whether Section 16-183 can be retroactively applied. "In the absence of an express provision regarding the Act's temporal reach, [the Board] examine[s] whether the Act is substantive or procedural in nature." Doe v. Univ. of Chi., 404 Ill. App. 3d 1006, 1012 (1st Dist. 2010) (citing Deicke Center-Marklund Children's Home v. Ill. Health Facilities Planning Bd., 389 Ill. App. 3d 300, 303 (1st Dist. 2009)). "If the Act is procedural in nature, it may be applied retroactively as long as such retroactive application will not impair rights [either party] possessed when acting, increase [either party]'s liability for past conduct, or impose new duties with respect to transactions already completed." Doe, 404 Ill. App. 3d at 1012 (citing Deicke Center, 389 Ill. App. 3d at 303). "Procedure is the machinery for carrying on the [appeal], including pleading,

process, evidence and practice . . . " Doe, 404 Ill. App. 3d at 1012 (citing Deicke Center, 389 Ill. App. 3d at 303). Furthermore, "In the absence of legislative intent to the contrary, a court is to apply the law in effect at the time of its decision, unless to do so results in manifest injustice." People v. Boatman, 386 Ill. App. 3d 469, 472 (4th Dist. 2008) (citing People v. Hardin, 203 Ill. App. 3d 374, 376 (2d Dist. 1990)).

The Board finds that Section 16-183 is a procedural act because it simply defines what evidence the Board must consider. Imposing Section 16-183 after the effective date does not create or impair any rights for either party, does not increase either party's liability for past conduct, does not impose new duties with regard to transactions already completed, and does not result in manifest injustice.

Section 16-183 uses the verb "shall" and, therefore, the Board is statutorily required to consider the compulsory sale of the subject. See Citizens Org. Project v. Dep't of Natural Res., 189 Ill. 2d 593, 598 (2000) (citing People v. Reed, 177 Ill. 2d 389, 393 (1997)) ("When used in a statute, the word 'shall' is generally interpreted to mean that something is mandatory.").

In determining the fair market value of the subject property, the Board finds the best evidence to be the sale of the subject in September 2010 for \$188,000. The sale is within nine months of the 2010 lien date, and the appellant's pleadings support the arm's-length nature of the transaction because the buyer and seller are not related, the subject was advertised for sale on the open market, and real estate brokers were used. Additionally, the appellant's appraisal supports that subject's purchase price. The Board gives little weight to the board of review's evidence as it was raw sales data that did not make any adjustments for age, exterior construction, improvement size, improvement type, location, or market conditions. Additionally, the board's equity data does not address the appellant's market value argument.

Therefore, the Board finds the subject had a market value of \$188,000 for the 2010 assessment year. Since the market value of this parcel has been established, the 2010 Illinois Department of Revenue three year median level of assessment for Class 2 property of 8.94% will apply. 86 Ill. Admin. Code § 1910.50(c)(2)(A). In applying this level of assessment to the subject, the total assessed value is \$16,807, while the subject's current total assessed value is above this amount. Therefore, the Board finds that 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

[Signature]

Member

[Signature]

Member

[Signature]

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: May 24, 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.