



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

APPELLANT: Brad Labertew
DOCKET NO.: 11-00060.001-R-1
PARCEL NO.: 15-1-09-16-00-000-002

The parties of record before the Property Tax Appeal Board are Brad Labertew, the appellant; 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: \$11,950
IMPR.: \$14,290
TOTAL: \$26,240

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a one-story frame dwelling containing 760 square feet of living area. The dwelling was built in approximately 1960. Features include a crawl space foundation, central air conditioning and a carport. The dwelling is situated on a 2.95 acre lot. The subject property is located in Fort Russell Township, Madison County, Illinois.

The appellant submitted evidence before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. The appellant challenged the subject's land and improvement assessments. In support of the overvaluation claim, the appellant submitted a lengthy letter addressing various aspects of the appeal, property record cards, photographs, a grid analysis detailing three suggested comparable and three additional comparable sales with no descriptive information.

Comparable 1 submitted by the appellant is located "just across the street" from the subject property. It is comprised of 61.28 acres of vacant land that sold at public auction in October 2011 for \$147,562 or \$2,408 per acre of land area. Applying the per acre sale price of \$2,408 to the subject results in an estimated land value for the subject property of \$7,104 or an assessment of \$2,368. However, the appellant requested the subject's land assessment be reduced to \$283, which reflects an estimated market value of \$849 or \$288 per acre after considering adjustments. The subject had a final equalized land assessment of \$11,950, which reflects an estimated market value of \$35,850 or \$12,153 per acre.

The appellant's letter explained the comparable land sale holds a "preferential assessment as farm land." The appellant argued the comparable land sale is similar to the subject in proximity, land quality and significant portions of the land are located in a flood plain like the subject. The appellant argued the comparable land sale should be adjusted due to its preferential farmland assessment. In order to quantify the adjustment amount, the appellant calculated the subject's property tax liability was \$217 per acre annually whereas the land comparable's property tax liability was approximately \$5 per acre. This results in the subject property having a \$212 per acre higher property tax liability difference than the comparable land sale. To calculate the land adjustment amount, the appellant developed the net present value methodology by using the aforementioned \$212 per acre property tax liability difference, in perpetuity, at a discount rate of 10% or \$2,120. ($\$212 \text{ divided by } .10 = 2,120$). The appellant next deducted the \$2,120 amount from the land comparable's \$2,408 per acre sale price to derive a \$288 per acre land market value. These calculations result in an estimated land value for the subject of \$850 or a land assessment of \$283.

Comparables 2 and 3 are located 3 and 2.5 miles from the subject, respectively. The comparables consist of one-story frame dwellings that were built in 1930 and 1940. The comparables do not have basements. Features include central air conditioning and garages that contain 216 and 296 square feet of building area. The dwellings contain 816 and 880 square feet of living area and are situated on lots that contain 6,000 square feet or .14 of an acre of land area. The comparables sold in January and February of 2011 for prices of \$10,000 and \$15,000 or \$12.25 and \$17.04 per square foot of living area including land, respectively. The appellant's letter indicates comparable

2 was a "fixer-upper" like the subject, but was rehabilitated after the sale.

The appellant also submitted three sales of properties located in Meadowbrook, which are purportedly located "close to the subject." The appellant provided the address, parcel identification number, sale date and sale price of the suggested properties. The appellant did not provide any descriptive information for the suggested comparables, such as their land size, design, age, exterior construction or features for comparison to the subject. The properties purportedly sold from February to August of 2011 for prices ranging from \$65,000 to \$95,000.

Based on this evidence, the appellant requested a reduction in the subject's total assessment to \$3,994, which reflects an estimated market value of \$11,982 or \$15.77 per square foot of living area including land.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final equalized assessment of \$27,050 was disclosed. The subject's assessment reflects an estimated market value of \$81,207 or \$106.85 per square foot of living area including land when applying Madison County's 2011 three-year median level of assessments of 33.31%.

In response to the appeal, the board of review indicated the appellant purchased the subject property in March 2010 for \$78,775 in an arm's-length transaction. Additionally, the board of review argued appellant's comparable 1 was comprised of farmland without any buildings; comparable 2 was a "rehab" and resold in July 2012 for \$58,000; and comparable 3 was not a valid sale. No explanation was provided as to why comparable 3 was not a "valid" sale. Based on this evidence, the board of review proposed to reduce the subject's assessment to \$26,260 to reflect its March 2010 sale price of \$78,775. The appellant rejected the proposed assessment reduction.

Under rebuttal, the appellant argued comparable land sale 1 is similar to the subject and provides a market value indicator of vacant land. The appellant argued the board of review failed to address any of the other evidence introduced, like the effect of the comparable's preferential land assessment or other factors negatively affecting the value of the subject. The appellant also argued the board of review provided no evidence for the basis that comparable 3 was not a valid sale.

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 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 appellant has not met this burden of proof. However, the Board finds the credible evidence submitted by the board of review supports a slight reduction in the assessment of the subject property.

The evidence contained in the record is un-refuted that the subject property was purchased by the appellant in March 2010 for \$78,775, just nine months prior to the subject's January 1, 2011 assessment date. The Illinois Supreme Court has defined fair cash value as what the property would bring at a voluntary sale where the seller is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing and able to buy but not forced to do so. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d. 428 (1970). A contemporaneous sale of property between parties dealing at arm's-length is a **relevant factor in determining the correctness of an assessment and may be practically conclusive on the issue of whether an assessment is reflective of market value.** (Emphasis Added). Rosewell v. 2626 Lakeview Limited Partnership, 120 Ill.App.3d 369 (1st Dist. 1983), People ex rel. Munson v. Morningside Heights, Inc., 45 Ill.2d 338 (1970), People ex rel. Korzen v. Belt Railway Co. of Chicago, 37 Ill.2d 158 (1967); and People ex rel. Rhodes v. Turk, 391 Ill. 424 (1945).

Furthermore, section 1-50 of the Property Tax Code defines fair cash value as:

The amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller. (35 ILCS 200/1-50)

The Property Tax Appeal Board finds there is no evidence contained in this record showing the subject sale was not an arm's-length transaction. Based on this record, the Board finds the best evidence of the subject's fair market value is its March 2010 sale price of \$78,775, which is inclusive of any purported negative factors associated with the subject property as argued by the appellant. The subject's assessment reflects an estimated market value of \$81,207, which is slightly higher than its sale price. Therefore, a reduction is warranted. Since fair market value has been established Madison County's 2011 three-year median level of assessments of 33.31% shall apply.

The Board gave little weight to the valuation evidence and various arguments as outline by the appellant for several reasons. With respect to the subject land value, the Board finds the vacant land sale cited by the appellant is not a probative indicator of the subject's land value. The Board finds the land sale was used for agricultural purposes, dissimilar to the subject's residential use. Moreover, the suggested land sale is considerably larger in land area when compared to the subject. Accepted real estate valuation theory provides, all other factors being equal, as the size of a property increases, its per unit value decreases. Likewise, as the size of a property decreases, its per unit value increases. The Board finds the subject's higher per acre land value is well justified given its considerably smaller land size. The Board also gave no weight to the adjustment methodology utilized by the appellant to calculate the adjusted land value to be applied to the subject property. The formula utilized by the appellant is not a recognized valuation technique for real estate valuation purposes. Finally, the Board finds the subject parcel consists of real property including both land and improvements thereon, however, the appellant claims the land is overvalued based upon a single dissimilar land sale. In Showplace Theatre Company v. Property Tax Appeal Board, 145 Ill.App 3d. 774 (2nd Dist. 1986), the court held a market value appeal before the Property Tax Appeal Board includes both land and improvements and together constitute a single assessment. In Showplace, although the appellant only disputed the subject's land value based on a recent allocated sale price, the Appellate Court held the Property Tax Appeal Board's jurisdiction was not limited to a determination of the land value alone. In accordance with Showplace, the Property Board Tax Appeal Board is bound to analyze the subject's total assessment in making the determination of whether that assessment was reflective of fair cash value. Again, the Board finds the best evidence of the

subject's fair market value is its March 2010 sale price of \$78,775.

The appellant also submitted five suggested improved comparable sales to further demonstrate the subject property was overvalued. The Board finds these suggested comparable sales do not overcome the subject's March 2010 sale price of \$78,775. Furthermore, the Board finds the two comparables for which the appellant supplied descriptive information do not provide reliable indicators of the subject's fair market value. The Board finds the comparables are situated on considerably smaller sites than the subject; the suggested comparables are 20 or 30 years older in age than the subject; and the comparables are located a considerable distance from the subject. The Board gave no weight to the three remaining comparables submitted by the appellant due to the fact the appellant failed to supply descriptions for any type of meaningful comparative analysis.

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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Tracy 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: January 24, 2014

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.