



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

APPELLANT: Byron Township
DOCKET NO.: 11-00386.001-R-1
PARCEL NO.: 05-29-453-022

The parties of record before the Property Tax Appeal Board are Byron Township, the appellant; the Ogle County Board of Review; and Bradley and Ann Auker, the intervenors¹.

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 Ogle County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$ 10,587
IMPR.: \$ 52,587
TOTAL: \$ 63,080

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a one-story, four unit brick apartment building. The building was constructed in 1981 and contains 4,320 square feet of building area. Each unit contains 1,080 square feet of living area. The building was constructed over a concrete slab foundation. Amenities include a four-car detached garage and four small patios. The dwelling is situated on 19,418 square feet of land area. The subject property is located in Byron Township, Ogle County.

The appellant, Byron Township, submitted evidence before the Property Tax Appeal Board claiming the subject property is under-valued and is not uniformly assessed. The subject's land assessment was not contested.

¹ The intervenors are the property owners and taxpayers.

In support of the undervaluation claim, the Byron Township Assessor submitted an analysis of three suggested comparable sales located in Byron, Illinois, like the subject, however their proximate location in relation to the subject was not disclosed. The comparables consist of one-story brick apartment buildings that contain two or four apartment units and were built in 1982 or 1985. Two comparables have central air conditioning and one comparable has four small patios. The buildings range in size from 1,755 to 3,240 square feet of building area. Their lot sizes were not disclosed. The comparables sold from July 2006 to May 2008 for prices ranging from \$119,000 to \$183,000 or from \$56.48 to \$67.81 per square of building area including land.

To demonstrate the subject property was not equitably assessed, the Byron Township Assessor submitted an analysis of five suggested comparables located on the same street as the subject. The comparables consist of one-story brick apartment buildings that contain four apartment units and were built from 1979 to 1985. One comparable has a 1,800 square foot garage. The buildings range in size from 2,450 to 3,572 square feet of building area. The comparables have improvement assessments ranging from \$44,974 to \$58,200 or from \$16.29 to \$18.93 per square foot of building area. The subject property has an improvement assessment of \$55,913 or \$12.94 per square foot of building area.

Byron Township argued the subject parcel is undervalued in relation to current generally accepted assessment practices. The township argued the owners purchased the subject property in 2005 for \$245,000. The township argued the subject's assessment had already been reduced as a result of a negative equalization factor of .9747 applied to all residential and commercial properties in 2011, prior to the board of review further reducing the subject's assessment. The township assessor argued Byron Township has a 2010 three-year median level of assessment of 34.19% and a coefficient of dispersion of 9.57. (See attachments 9 and 10).

The appellant also submitted the final decision issued by the Ogle County Board of Review's regarding the subject property. The subject property had a final assessment of \$66,500, which reflects an estimated market value of \$200,301 when applying Ogle County's 2011 three-year median level of assessment of 33.20%.

Based on this evidence, Byron Township requested an increase to the subject's assessed valuation from \$66,500 to \$80,323, which reflects an estimated market value of approximately \$240,969 or \$55.78 per square of living area including land.

The board of review did not submit its "Board of Review Notes on Appeal" or any evidence in support of its assessment of the subject property as required by section §1910.40(a) of the rules of the Property Tax Appeal Board. (86 Ill.Admin.Code §1910.40(a)). Therefore, the board of review was found to be in default pursuant to section §1910.69(a) of the rules of the Property Tax Appeal Board. (86 Ill.Admin.Code §1910.69(a)).

The intervenors, Bradley and Ann Auker, submitted rebuttal evidence and an appraisal to demonstrate the subject's assessment was not correct.

The intervenors acknowledged they purchased the subject property in 2005 for \$245,000; however, they argued the housing crisis from 2007 to 2011 devastated the real estate market and property values have declined 30%. The intervenors argued the township's assessment comparable 4 shows the subject property is still inequitably over-assessed. The intervenors argued most apartment buildings in Byron Township are over-assessed in relation to their fair market value based on sales that occurred in 2012.

To demonstrate the subject property is overvalued, the intervenors submitted an appraisal of the subject property. Utilizing the sales comparison and income approaches to value, the appraisal report estimated a fair market value for the subject property of \$190,000 as of December 22, 2011.

Under the sales comparison approach to value, the appraiser selected four suggested comparables that are located from 12.76 to 13.99 miles from the subject property in Rockford, Illinois. The comparables consist of one-story, two-story or bi-level brick or brick and frame apartment buildings that contain four apartment units and were built from 1957 or 1984. Three comparables have full unfinished basements and one comparable has a full basement finished with two apartments. Three comparables have central air conditioning and three comparables have from two to seven-car detached garages. The buildings range in size from 3,444 to 5,227 square feet of building area and are situated on lots that range in size from size from 9,715 to 16,660 square feet of land area. The appraiser reported the comparables have gross monthly rents ranging from \$1,875 to \$2,815. The subject was reported to have a gross monthly rent of

\$2,585. Comparables 1 through 3 sold in September or October of 2011 for prices ranging from \$168,000 to \$200,000 or from \$38.26 to \$51.97 per square foot of living area including land; or from \$42,000 to \$50,000 per rental unit; or from \$16,667 to \$22,375 per rental bedroom. The sales represent gross rent multipliers ranging from 71.05 to 76.99. Comparable 4 was listed for sale on the open for \$185,000 or \$52.89 per square foot of building area including land; or \$46,250 per rental unit; or \$26,429 per rental bedroom. The offering price represents a gross rent multiplier of 98.67.

The appraiser adjusted the comparables for differences when compared to the subject in condition, building size, foundation type, number of rooms and parking. The adjustments resulted in adjusted values ranging from \$181,930 to \$192,760 or from \$45,483 to \$48,190 per rental unit or from \$15,161 to \$27,424 per rental bedroom. Based on these adjusted values, the appraiser estimated the subject property had a fair market value of \$190,000 or \$47,500 per rental unit.

Under the income approach to value, the appraiser analyzed three rental comparables located in close proximity in Byron, Illinois. The rental comparables had varying degrees of similarity when compared to the subject. The comparables had gross monthly rents ranging from \$2,180 to \$2,500. Based on this data, the appraiser concluded the subject's market rent to be \$2,500 per month. Using a gross rental multiplier of 76.00, as extrapolated by the comparable sales, the appraiser calculated the subject property has an estimated market value of \$190,000 under the income approach to value.

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 further reduction in subject's assessment is warranted.

The appellant, Byron Township, argued the subject property is under-overvalued. When market value is the basis of the appeal, the value 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. The Board finds the intervenors have demonstrated the subject's estimated market

value as reflected by its assessment is excessive and a reduction is warranted.

The appellant, Byron Township, submitted three suggested comparable sales in an attempt to demonstrate the subject property was undervalued. The intervenors, the property owners and taxpayers, submitted an appraisal report to demonstrate the subject property's assessment was excessive. The board of review did not submit any evidence in support of its assessment of the subject property as required by section §1910.40(a) of the rules of the Property Tax Appeal Board. (86 Ill.Admin.Code §1910.40(a)). Therefore, the board of review was found to be in default pursuant to section §1910.69(a) of the rules of the Property Tax Appeal Board. (86 Ill.Admin.Code §1910.69(a)).

The Property Tax Appeal Board finds the appraisal submitted by the intervenors is the best evidence of the subject's fair market value contained in this record. The Board finds the appellants' appraiser developed the sales comparison and income approaches to value. Under the sales comparison and income approaches to value, the appraiser utilized comparables with varying degrees of similarity when compared to the subject. The Board finds the appraiser made logical and reasonable adjustments to the comparables for differences when compared to the subject in arriving at a final opinion of value for the subject property of \$190,000 as of December 22, 2011.

The Board gave little weight to the raw sales data submitted by the appellant, Byron Township. The Board finds comparables 1 and 3 are considerably smaller in building size when compared to the subject. In addition, the Board finds the assessor failed to disclose the land sizes of the comparables for comparison to the subject, which further detracts for the weight of this evidence. More importantly, the Board finds the comparables submitted by the appellant sold in either 2006 or 2008, which are dated and less reliable indicators of market value as of the subject's January 1, 2011 assessment date.

The appellant also argued unequal treatment in the assessment process. The Illinois Supreme Court has held that taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessment valuations by clear and convincing evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1 (1989). The evidence must demonstrate a consistent pattern of assessment inequities within the assessment jurisdiction. After an analysis of the

assessment data, the Board finds the appellant failed to overcome this burden of proof.

The appellant submitted descriptions and assessment data for five suggested assessment comparables for the Board's consideration. The Board finds all of the suggested comparables are smaller in building area when compared to the subject. The comparables range in size from 2,450 to 3,572 square feet of building area whereas the subject property has 4,320 square feet of building area. The comparables have improvement assessments ranging from \$16.29 to \$18.93 per square foot of living area. The subject property has a revised improvement assessment² of \$12.15 per square foot of living area, which falls below the range established by the comparables contained in this record on a per square foot basis. The Board finds the subject's lower per square foot improvement assessment is well justified. Accepted real estate valuation theory provides that all other factors being equal, as the size of the property increases, the per unit value decreases. Likewise, as the size of a property decreases, the per unit value increases. Based on this record, the Board finds no further change in the subject's improvement assessment is warranted beyond the assessment reduction granted based on market value considerations.

As final point, the Board gave no weight to attachments 9 and 10 submitted by the appellant. The attachments show Byron Township has a 2010 three-year median level of assessment of 34.19% and a 2010 coefficient of dispersion of 9.57 (see attachments 9 and 10). The Property Tax appeal Board finds this 2010 statistical assessment level information is not germane to this 2011 assessment appeal. Moreover, the Board finds these types of statistical analyses are not dispositive in determining whether the individual property that is subject matter of an appeal is equitably assessed or undervalued. The Board finds these types of ratio analyses evaluates the accuracy of assessed values in comparison to the marketplace as whole, not the individual subject property that is the matter of this appeal. The Board finds sales ratio studies and coefficient of dispersion are one of the primary tools for measuring mass appraisal performance. This tool is commonly used to calculate equalization factors or to determine whether assessors are entitled to additional compensation. (35 ILCS 200/4-20). Again, the Board finds this evidence is not demonstrative that the individual subject

² The subject has a revised improvement assessment of \$52,493 or \$12.15 per square foot of building area based on the assessment reduction granted from the appraisal submitted by the intervenors.

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property in this appeal is undervalued and not uniformly assessed.

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.

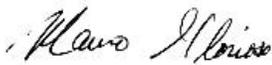


Chairman



Member

Member



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: April 18, 2014



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.