



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

APPELLANT: HSM Development Corp.
DOCKET NO.: 09-00393.001-C-2
PARCEL NO.: 14-17-326-009

The parties of record before the Property Tax Appeal Board are HSM Development Corp., the appellant, by attorney Dennis T. McCubbin of Dennis T. McCubbin, Attorney at Law, St. Louis; and the Peoria County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the Peoria County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$ 217,010
IMPR: \$ 857,030
TOTAL: \$1,074,040

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 319,730 square foot parcel improved with a one-story brick nursing care facility that contains 39,347 square foot of building area with 120 beds. The structure was built in 1988. The subject is located in Peoria, City of Peoria Township, Peoria County.

The Property Tax Appeal Board takes judicial notice that the subject matter of this appeal was under appeal the prior year under Docket Number 08-00945.001-C-1, in which no change in the subject's assessment was granted based on the weight and equity of the evidence. The Board further takes notice that the evidence in this 2009 appeal is virtually identical to the evidence presented in the 2008 appeal.

The appellant appeared before the Property Tax Appeal Board through legal counsel claiming assessment inequity as the basis of the appeal. In support of the inequity argument, the appellant submitted property record cards and a limited assessment analysis (Exhibit 1) of four suggested comparable properties. The comparables are located from 2.9 to 4 miles from

the subject. The comparables are reported to contain from 98 to 116 beds and have improvement assessments ranging from \$460,380 to \$548,410 or from \$4,383 to \$5,350 per bed. The subject has an improvement assessment of \$857,030 or \$7,142 per bed. The comparative assessment analysis did not disclose the subject's or comparables' story height, number of buildings, age, size, exterior construction or features. Page 2 of the assessment analysis indicated that from 2003 through to 2008, the comparables had from \$127,231 to \$349,429 of maintenance/renovations costs. During this same time period, the subject had \$71,066 of maintenance/renovations costs. The maintenance/renovation costs were self reported to Illinois on Medicaid Cost Reports.

Counsel called Chuck Schmitz, Chief Financial Officer for Midwest Administrative Services. Schmitz is a Certified Public Accountant. Counsel for the appellant indicated that Midwest Administrative Services, Peoria Real Estate, Inc., HSM Development and Rosewood Care Center of Peoria are all related entities and have some common ownership of the subject property. Schmitz does not have any experience or hold any professional designations or credentials in the field of real estate assessment or valuation.

Schmitz testified the primary source of the financial information for the comparables was gathered from the internet. He testified his assessment analysis is primarily based upon financial data as opposed to comparable sales or replacement cost values. Schmitz testified the income approach is a valid way of valuing real property; however, Schmitz did not prepare an income approach to value for the subject. Schmitz agreed the income producing capabilities or lack thereof of the subject and comparables was not delineated in the assessment analysis. Schmitz agreed the only information produced in the comparative assessment analysis was the number of beds in relation to their assessments. He did not consider two properties due to the amount of dollars spent on rehabbing and renovations. Schmitz acknowledged comparables 1 through 3 have the same ownership, but are separate businesses with separate tax numbers and tax bills.

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

Under cross-examination, Schmitz agreed comparables 1 through 3 are located along the same street. Schmitz attested to some of the renovation to each of the suggested comparables. He agreed that some of the comparables that are older than the subject would require more maintenance in order to have a similar effective age as the subject. Schmitz did not know the ages or effective ages of the subject or comparables.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$1,074,040 was disclosed. In support of the subject's assessment, the board of review submitted property record cards and an equity analysis of

three comparable properties. Comparable 2 was also used by the appellant.

Kristina Clore, member of the Peoria County Board of Review was present at the hearing and provided testimony in connection with the evidence she prepared for the appeal. Klore was qualified and accepted as an expert witness by the Board.

The comparables consist of one-story brick nursing homes that are located 1.92 to 14.51 miles from the subject. The structures range in size from 27,596 to 49,815 square feet of building area and contain from 99 to 144 beds. The comparables were built between 1965 and 1973, with comparables 1 and 3 having renovations in 1986, 1997, 2001 and 2007. The properties have improvement assessments¹ ranging from \$529,620 to \$1,111,800 or from \$19.19 to \$22.89 per square foot of building area or from \$5,350 to \$8,752 per bed. The subject has an improvement assessment of \$857,030 or \$21.78 per square foot of building area or \$7,142 per bed.

Based on this evidence, the board of review requested the subject's assessment be confirmed.

After hearing the testimony and considering the evidence, the record, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Property Tax Appeal Board further finds that a reduction in the subject's assessment is not warranted.

The appellant 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 evidence, the Board finds the appellant has not met this burden.

The Board finds the parties submitted a total of six suggested assessment comparables in support of their respective arguments. One comparable was common to both parties. The Board gave little weight to the assessment analysis submitted by the appellant. With the exception of the address, number of beds, proximate location and assessment amounts, the limited analysis lacked descriptive detail for an accurate comparative analysis. For example, the appellant's analysis lacked the subject's and comparables' age, design, exterior construction or any other features and characteristics associated with nursing homes.

¹ Based on property record cards and property tax information sheets submitted by the board of review, the Board finds the board of review used the 2008 assessment amounts for the subject and comparables in its assessment analysis. The Board used the final 2009 assessments for the subject and comparables throughout this decision after reviewing the property record cards and property tax information sheets.

Section 1910.65(b) of the rules of the Property Tax Appeal Board provides:

Proof of unequal treatment in the assessment process should consist of documentation of the assessments for the assessment year in question of the subject property and it is recommended that not less than three comparable properties be submitted. Documentation must be submitted **showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property.** [Emphasis added] (86 Ill.Admin.Code §1910.65(b)).

The Board finds the comparables submitted by board of review were sufficiently similar to the subject in use, age, design, exterior construction and features. They had improvement assessments ranging from \$529,620 to \$1,111,800 or from \$19.19 to \$22.89 per square foot of building area or from \$5,350 to \$8,752 per bed. The subject has an improvement assessment of \$857,030 or \$21.78 per square foot of building area or \$7,142 per bed, which falls within the range established by the most similar assessment comparables contained in this record. After considering any necessary adjustments to the comparables for differences when compared to the subject, the Board finds the evidence demonstrates the subject property is uniformly assessed by clear and convincing evidence.

When an appeal is based on assessment inequity, the appellant has the burden to show the subject property is inequitably assessed by clear and convincing evidence. Proof of an assessment inequity should consist of more than a simple showing of assessed values of the subject and comparables. Appellants should also provide physical, locational, and jurisdictional similarities, as well as market value considerations. The supreme court in Apex Motor Fuel Co. v. Barrett, 20 Ill.2d 395, 169 N.E.2d 769, discussed the constitutional requirement of uniformity. The court stated that "[u]niformity in taxation, as required by the constitution, implies equality in the burden of taxation." (Apex Motor Fuel, 20 Ill.2d at 401) The court in Apex Motor Fuel further stated:

"the rule of uniformity ... prohibits the taxation of one kind of property within the taxing district at one value while the same kind of property in the same district for taxation purposes is valued at either a grossly less value or a grossly higher value. [citation.]

Within this constitutional limitation, however, the General Assembly has the power to determine the method by which property may be valued for tax purposes. The constitutional provision for uniformity does [not] call ... for mathematical equality. The requirement is satisfied if the intent is evident to adjust the burden

with a reasonable degree of uniformity and if such is the effect of the statute in its general operation. A practical uniformity, rather than an absolute one, is the test. [citation.]" Apex Motor Fuel, 20 Ill.2d at 401.

In this context, the supreme court stated in Kankakee County that the cornerstone of uniform assessments is the fair cash value of the property in question. According to the court, uniformity is achieved only when all property with similar fair cash value or income earning producing capacities is assessed at a consistent level. Kankakee County Board of Review, 131 Ill.2d at 21.

In conclusion, the Board finds the appellant has failed to prove assessment inequity by clear and convincing evidence and the subject's assessment as determined by the board of review is correct. Therefore, no reduction in the subject's assessment 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

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: October 19, 2012

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.