



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

APPELLANT: Jerry, Tim, & Jim Clay
DOCKET NO.: 11-04384.001-F-1
PARCEL NO.: 14-09-24-300-004

The parties of record before the Property Tax Appeal Board are Jerry, Tim, & Jim Clay, the appellants; and the Stephenson County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **A Reduction** in the assessment of the property as established by the **Stephenson** County Board of Review is warranted. The correct assessed valuation of the property is:

F/Land:	\$20,720
Homesite:	\$4,150
Residence:	\$16,108
Outbuildings:	\$21,629
TOTAL:	\$62,607

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of an improved farmland parcel of 154.52 acres. The subject property is improved with a single family residence that consists of a two-story dwelling of frame exterior construction with approximately 2,764 square feet of living area. The dwelling was constructed in 1890. Features of the home include an unfinished basement and a 432 square foot garage. The subject property also contains 16 outbuildings. The homesite contains .55 of an area. The subject property is located in rural Dakota Township, Stephenson County.

Jerry and Tim Clay appeared before the Property Tax Appeal Board claiming a contention of law regarding the assessment of farm buildings along with overvaluation, assessment equity and recent construction regarding the assessment of the residence as the bases of the appeal.^{1 2} The appellants did not dispute the subject's homesite or farmland assessments but contend that the improvements identified on the property record card as buildings #1, #3, #4, #6, #8, #11 and #15 which consist of a hog house, a dairy barn, a silo, a granary, a shed and two grain bins of various

¹ The appellants' appeal form marked farmland assessment classification and productivity as the basis of the appeal. The appellants listed building productivity issue as their reason for appeal. However, the Board will address the contention of law claim detailed in the appellant's evidence.

² A consolidated hearing was held with Docket Nos. 11-04383.001-F-1 and 11-04386.001-F-1. Individual decisions will be rendered for each appeal based on the applicable evidence presented.

sizes made no contribution to the operation of the farm, as they were vacant or used for non-farm storage and have not been used for livestock farming for many years. In support of the farm building contention, the appellants submitted a letter, photographs and a calculation grid that displays current market value, current price per square foot, building size, requested value, requested price per square foot and reason for reduction. The appellants testified that buildings listed on the property record card as #2, #5, #7, #9, #10, #12 through #14 and #16 are in use or limited use.

In support of the overvaluation and assessment inequity claim of the residence, the appellants submitted photographs and a grid analysis with three improved comparable properties with limited descriptive information located within 5 miles of the subject property. The comparables range in size from 1,472 to 1,932 square feet of living area. Features of the comparables include a basement and a garage. The comparables sold from January 2010 to June 2011 for prices ranging from \$16,500 to \$42,000 or from \$9.31 to \$23.33 per square foot of living area, land included. The comparables have improvement assessments ranging from \$9,150 to \$14,280 or from \$5.08 to \$7.76 per square foot of living area. Jerry Clay testified that he is adding an attached garage and a new kitchen to the existing house. Clay stated that the outside shell for the additions was completed and one-half of the garage was complete and useable in August 2011. Clay testified that the kitchen and remainder of the garage would hopefully be complete sometime in 2012. The appellants did not submit any construction costs, building permits or occupancy permits with their appeal.

Under cross-examination, the appellants' testified that the building assessments that they calculated are based on what is worth to their operation. The appellants reiterated that the building value is based on what it contributes to the farming operation. The appellants' testified that they are not required to get building permits.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment \$89,240 was disclosed. The subject's total assessment for homesite and house is \$40,210 which reflects a market value of \$121,554 or \$43.98 per square foot of living area, land included, when using the 2011 three-year average median level of assessment for Stephenson County of 33.08% as determined by the Illinois Department of Revenue. The subject has an improvement assessment of \$36,060 or \$13.04 per square foot of living area. Representing the board of review was the Chief County Assessment Officer and Clerk of the Board of Review, Ron Kane.

In support of the subject's outbuilding assessment the board of review submitted a property record card with calculations of the outbuildings, photographs and aerial maps of the subject property. Kane testified that all farm buildings in Dakota Township had not been reassessed since 1979. Kane explained how farm building tables were calculated using unimproved and improved sales. Kane testified that the appellants' residence had 1,888 square feet before the improvements and an improvement assessment of \$8.53 per square foot. Kane also testified that the assessment for the house after renovation is \$36,060 and before the renovation was \$16,108.

In support of its contention of the correct assessment the board of review submitted information on four improved comparables properties. The comparables are described as two-story dwellings of frame exterior construction that were built from 1880 to 1900. Each comparable

has an unfinished basement. Two comparables have central air conditioning and a fireplace. Three comparables have an attached or detached garage. The comparables have from 1 to 12 outbuildings. The comparables range in size from 2,164 to 2,741 square feet of living area and have sites ranging in size from 7.35 to 18.77 acres. The comparables sold from June 2009 to July 2011 for prices ranging from \$188,220 to \$246,500 or from \$73.64 to \$113.90 per square foot of living area, land included. The comparables had improvement assessments ranging from \$24,780 to \$50,927 or from \$9.18 to \$23.53 per square foot of living area.

The board of review submitted a grid analysis of the appellant's three comparables with complete information. The board of review asserted that the appellants' comparable #1 was an Auction sale, comparable #2 was a HUD sale with many condition issues and comparable #3 was a Bank sale with the house in bad condition. A copy of the PTAX-203 Illinois Real Estate Transfer Declaration was submitted for each of the appellants three comparables.

Under cross-examination, Kane testified that the farm buildings are not assessed based on their economic contribution to the farm. Kane testified that buildings could still have a contribution to the farm based on income tax purposes.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds it has jurisdiction over the parties and the subject matter of the appeal. The Board finds the evidence and testimony in this record indicate the subject's hog house, a dairy barn, a silo, a granary, a shed and two grain bins have been vacant or not used for farming purposes for years prior to the assessment year at issue in this appeal and made no contribution to the productivity of the subject's grain farming operation.

The Board finds the present use of land and buildings is the focus in issues involving farmland classification and assessment. Santa Fe Land Improvement Co. v. Illinois Property Tax Appeal Board, 113 Ill.App.3d at 872(3rd Dist. 1983). The Board finds Section 1-60 of the Property Tax Code states in relevant part

Improvements, other than farm dwellings, shall be assessed as a part of the farm and in addition to the farm dwellings when such buildings contribute in whole or in part to the operation of the farm. (35 ILCS 200/1-60)

Furthermore, Section 10-140 of the Property Tax Code provides:

Other improvements. Improvements other than the dwelling, appurtenant structures and site, including, but not limited to, roadside stands and buildings used for storing and protecting farm machinery and equipment, for housing livestock or poultry, or for storing, feed, grain or any substance that contributes to or is a product of the farm, shall have an equalized assessed value of 33 1/3% of their value, based upon the current use of those buildings and their contribution to the productivity of the farm. (35 ILCS 200/10-140)

Where farm structures do not contribute to the productivity of the farm, then the buildings would add nothing to the value of the farm. O'Connor v. A&P Enterprises, 81 Ill.2d 260, 267-68

(1980); see also Peacock V. Property Tax Appeal Board, 399 Ill.App.3d 1060, 1071-1073 (4th Dist. 2003).

The unrefuted testimony of the appellants was that seven of the buildings have been vacant for years or used for non-farm storage prior to the subject's January 1, 2011 assessment date and that they made no contribution to the ongoing grain farming operation on the subject parcel. The Property Tax Appeal Board finds that notwithstanding the board of review's policy of assigning a salvage value to all farm buildings regardless of current use, the subject farm buildings made no contribution in whole or in part to the farming operation and therefore, have no contributory value. For this reason, buildings #1, #3, #4, #6, #8, #11 and #15 shall be assessed at \$0 for the 2011 assessment year.

The Board further finds based on the evidence and testimony, the new addition for the garage and kitchen were not complete and ready for use as of the January 1, 2011 assessment date. The Board finds that the improvement assessment for the residence is to be reduced back to the original assessment prior to the improvements. Based on the evidence and testimony, the Board finds a reduction in the assessment is warranted.

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.