



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

APPELLANT: Patrick Koziol & Timothy Ramseyer
DOCKET NO.: 14-02355.001-R-1
PARCEL NO.: 06-24-484-014

The parties of record before the Property Tax Appeal Board are Patrick Koziol & Timothy Ramseyer, the appellants, by Jerri K. Bush, Attorney at Law, in Chicago, and the Kane 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 Kane County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND: \$7,729
IMPR.: \$13,911
TOTAL: \$21,640**

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellants timely filed the appeal from a decision of the Kane County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2014 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject property consists of a multi-family part one-story and part two-story building of frame construction with 2,024 square feet of living area. The building was constructed in 1924 and is a two-unit apartment building. Features include a full unfinished basement and a detached 361 square foot garage. The property is located in Elgin, Elgin Township, Kane County.

The appellants contend overvaluation as the basis of the appeal. In support of this argument the appellants submitted information on both the recent sale of the subject and on four comparable sales.

As to the purchase, the appellants submitted evidence disclosing the subject property was purchased on October 31, 2012 for a price of \$62,000. The appellants completed Section IV - Recent Sale Data of the appeal disclosing the parties to the transaction were not related, the property was sold using a Realtor, the property had been advertised on the open market with the Multiple Listing Service and it was on the market for 33 days. In further support of the transaction the appellants submitted a copy of the Settlement Statement reiterating the purchase price and date; a copy of the Multiple Listing Service data sheet depicting that the property was sold for cash and was REO/Lender owned, Pre-foreclosure; and a copy of the Listing & Property History Report depicting the listing date of August 31, 2012 with an asking price of \$74,900, followed by a price reduction to a new asking price of \$64,900 as of September 17, 2012.

The appellants also submitted information on six comparable sales where comparable #1 is also the subject property. The comparables are located within 1.73-miles from the subject property. The five comparable properties consist of part one-story and part two-story two-unit apartment buildings that were built in 1900. The buildings range in size from 1,648 to 2,124 square feet of living area. Each of the comparables features a full basement and a 396 or 400 square foot garage. These five comparable properties sold between April and August 2013 for prices ranging from \$40,150 to \$65,000 or from \$22.12 to \$31.97 per square foot of living area, including land.

Based on this evidence, the appellants requested a total assessment reflective of the purchase price.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$37,345. The subject's assessment reflects a market value of \$112,181 or \$55.43 per square foot of living area, land included, or \$56,090 per apartment unit, including land, when using the 2014 three year average median level of assessment for Kane County of 33.29% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review through the township assessor submitted a memorandum noting the subject was purchased as a foreclosure after being marketed for 33 days sold for cash in as-is condition. As to the appellants' comparable sales, the properties were distressed as five were foreclosure sales for cash in as-is condition with short listing times. Appellants' comparable #5 was sold by Sheriff's Deed and "was not exposed to the open market."

In support of the subject's assessment, the board of review submitted an income approach to value with six sales of 2 and 3 unit buildings as prepared by the Elgin Township Assessor's Office. The multi-family comparables had varying degrees of similarity when compared to the subject. The comparables sold from June 2013 to April 2014 for prices ranging from \$125,000 to \$137,000 or from \$45,667 to \$64,000 per rental unit, including land.

Because the subject is a rental dwelling, the assessor developed the income approach to value using the gross income multiplier (GIM) methodology. Based on six suggested rental comparables, the assessor estimated the subject property would have a gross annual income of \$21,600. Based on the six comparable sales, the assessor extracted a GIM of 6. Applying the GIM to the subject's estimated gross annual income, the assessor calculated the subject property had a market value of \$129,600 or \$64,800 per rental unit under the income approach to value.

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

In written rebuttal, counsel for the appellants reiterated that the basis of this appeal was in part the recent sale of the subject property. Counsel contends that the subject's purchase was an arm's length transaction which has not been disputed by the board of review's evidence.

Moreover, as to the income approach to value, the appellants through counsel argue the analysis should be given no weight in light of existing case law finding that greater weight should be placed on comparable sales data when such evidence is available. Additionally, counsel argued that the board of review's comparables did not indicate proximity to the subject property. In reiterating the board of review's six comparable rentals which also sold, the appellants reported the properties were from .93 of a mile to 2.38-miles from the subject.

Conclusion of Law

The appellants contend 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. 86 Ill.Admin.Code §1910.63(e). 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 appellants met this burden of proof and a reduction in the subject's assessment is warranted.

First, the Board gave little weight to the estimate of value under the income approach prepared by the assessor on behalf of the board of review. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App.3d 207 (1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is other credible market value data available.

The Board gave little weight in its analysis to the six 2 and 3 unit sales that were used by the assessor to develop the GIM data as the dwellings were distant from the subject. Including the purchase price of the subject property, the appellants submitted a total of six sales to support its position before the Property Tax Appeal Board. The Board has given reduced weight to board of review comparables #3 and #4 which were more distant from the subject property.

The Board finds the best market value evidence consists of the sale of the subject which occurred in October 2012 for a price of \$62,000, including land, along with appellants' comparable sales #2, #3 and #6 that occurred between April and August 2013 for prices ranging from \$40,150 to \$65,000 or for \$20,075 to \$32,500 per square apartment unit, including land. The subject's assessment reflects a market value of \$112,181 or \$56,090 per apartment unit, including land, which is above the subject's purchase price and the best comparables in the record.

After analyzing the properties and adjusting for differences along with consideration of the subject's purchase price, the Board finds that the subject's estimated market value based on its assessment appears to be excessive and a 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.

Chairman

K. L. Fan

Klaus Albrecht

Member

Member

JR

Jerry White

Member

Acting Member

Robert Steffen

Acting 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 22, 2016

A. Proctor

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.