



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

APPELLANT: Richard & Corinne Schmit
DOCKET NO.: 14-02799.001-F-1
PARCEL NO.: 04-000-096-00

The parties of record before the Property Tax Appeal Board are Richard & Corinne Schmit, the appellants, and the Jo Daviess County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **No Change** in the assessment of the property as established by the **Jo Daviess** County Board of Review is warranted. The correct assessed valuation of the property is:

F/Land:	\$1,381
Homesite:	\$8,000
Residence:	\$76,752
Outbuildings:	\$0
TOTAL:	\$86,133

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellants timely filed the appeal from a decision of the Jo Daviess 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 is a 76.63-acre parcel improved with a part two-story and part one-story single-family dwelling of frame exterior construction with 2,753 square feet living area. The dwelling was constructed in 1996. For assessment purposes the subject parcel has been classified as including a .95-acre homesite with the balance of the acreage receiving a farmland assessment as a mixture of cropland, permanent pasture and timber.¹ The property is located in Elizabeth, Derinda Township, Jo Daviess County.

The appellants contend lack of assessment uniformity with regard to the subject's homesite (residential land) assessment; no dispute was raised concerning the assessments attributed to the house or the farmland. In their written submission, the appellants asserted that for tax year 2014,

¹ The timber has been enrolled in a forestry management program.

the start of the quadrennial assessment cycle, the assessing officials raised the homesite "market values" for all improved homesites with addresses on four specific roads (Derinda Road, where the subject is located, being one) to \$24,000 for the first acre and \$4,000 for each additional acre.² In contrast, "all other homesites" not located on one of the four roads in the township were assessed at a "market value" of \$14,000 for the first acre and \$4,000 for each additional acre.³ The appellants argue that this methodology was based "on address and not market value" with no distinctions being made for wooded areas, open areas, location in relation to the roadway and/or location on a ridge or in a valley. The appellants also asserted that "sales listing reports for Derinda Township do not show any sales of improved homesites on Derinda Road that would justify such an increase in assessment." The appellants did not supply any sales data from the township and/or the nearby surrounding area(s) to establish the appellants' opinion of market value for homesites in the area; instead, the appellants made an inequity argument concerning the homesite assessments without any market value support or basis.

As to the inequity argument, the appellants completed four pages of Section V grid analyses (properties were also reiterated on a one-page analysis) along with copies of each of the applicable property record cards. The 15 improved comparable properties are in Derinda Township and located from "adjacent" to 2.9-miles from the subject. These 15 improved homesite parcels that range in size from .51 to 23.43-acres of land area. The appellants report the minimum increment of a homesite as assessed is 1-acre. Each of the 15 comparable homesite parcels have "2014 market value first acre homesite(s)" of \$14,000.⁴ The appellants' comparable properties have homesite assessments ranging from \$4,667 to \$34,573. The subject's homesite land assessment is \$8,000 which reflects a market value for the homesite of \$24,000 for the first acre.

Also as part of the appellants' analysis, the percent change in homesite assessment from tax year 2013 to tax year 2014 has been provided. The subject's homesite assessment was increased by 61.6% whereas the appellants' comparables had changes ranging from -34.2% to +26.1%.

The appellants further reported that at the Jo Daviess County Board of Review hearing, the comparable properties presented to display the equity of the subject's homesite assessment were each located on Derinda Road and in closer proximity to the subject. In this regard, the board of review contended that the subject was "equitable" with the selected comparables.

Based on this evidence and argument, the appellants requested a reduction in the subject's homesite land assessment to \$4,667 which would reflect a market value for the homesite of \$14,000.

² This reflects a homesite land assessment of \$8,000 for the first acre and \$1,333 for each additional acre or portion of an acre.

³ This reflects a homesite land assessment of \$4,667 for the first acre and \$1,333 for each additional acre or portion of an acre.

⁴ Despite what is depicted on the underlying property record cards, the Board finds that mathematically appellants' comparables #1 and #8 could not have been assigned a market value of \$14,000 for the first acre and \$4,000 for each remaining acre. These homesites contain 1.92 and 1.78 acres, respectively, and are each assessed for \$8,333. The methodology for these homesite assessments have not been established on this record.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$86,133. The subject property has a homesite assessment of \$8,000.

In response to the appeal, the board of review presented a memorandum along with additional data. Within the memorandum, the board of review argued that each of the appellants' comparables are located on side roads off of either Derinda Road or Massbach Road. Furthermore, as to the appellants' data concerning the percentage increase/decrease in assessments, since 2014 was the quadrennial revaluation in the township, the board of review contends that percentage changes in assessment(s) will vary for every parcel.

In support of the subject's assessment, the board of review submitted Exhibit A, a copy of the subject's property record card and several photographs along with Exhibit B, consisting of a 9-page spreadsheet of 36 comparable properties, a parcel map depicting the location of each comparable and copies of applicable property record cards.

The memorandum explained that Derinda Road and Massbach Road are two major "hard surfaced roads" that run north and south in Derinda Township; these roads "run along a ridge and afford excellent long distance views." The board of review reports that homesites located on these two roads are valued at \$24,000 for the first acre and additional land is valued at \$4,000 per acre. Furthermore, Gras and Bethel Roads, which are also in Derinda Township, are similarly valued, whereas the balance of the roads in Derinda Township are valued at \$14,000 for the homesite up to 1 acre in size.

The memorandum also asserted that board of review comparables #10, #12 and #13 are "next door" to the subject and comparables #5, #8 and #11 are "across the road" from the subject. The remaining comparables numbered between #1 and #23 were located on Derinda Road and within the subject's neighborhood whereas comparables #24 through #36 are located on Massbach Road. In summary, from the 9-page spreadsheet of 36 comparables, the Board finds that comparables #1, #4,⁵ #6, #7, #9, #13, #17, #22, #23, #25, #27, #31 and #35 have no land classified as "homesite" and therefore these 13 purported comparable properties will not be further discussed in this decision as they are not relevant to the appellants' homesite assessment inequity argument as these parcels lack any homesite assessment data. Furthermore, comparable #15 is classified as "exempt" property which carries no assessment and therefore, likewise, presents no evidence of homesite assessment equity in this appeal; this property will also not be further addressed herein.

In support of its contention of the correct assessment and considering only those comparables with homesites that comport with the parameters set forth by the board of review's memorandum, the Board finds comparables #2, #3, #5, #8, #10, #11, #12, #18, #21, #24, #28, #29, #30, #32, #33 and #34 consist of homesites ranging in size from .48 of an acre to 7.56-acres of land area with homesite land assessments reflecting market values of \$24,000 for the first acre or less and \$4,000 market value for remaining homesite acreage.

⁵ Comparable #4 consisting of 54.5-acres is described as "no homesite/no buildings" and the assessment reflects a market value of \$2,500 per acre for all acreage ($54.5 \times 2500 \div 3 = 45,417$).

There are six suggested comparables, board of review #14, #16, #19, #20, #26 and #34, which do not fit within the methodology previously reported.⁶ Comparables #14, #16 and #19 have land assessments reflecting market values of \$4,000 per acre based on "homesite" classification sizes of .87, 1.11 and 5.03-acres, respectively; these parcels were described as vacant or abandoned in the board of review's spreadsheet. Having examined the property record card, comparable #20 has a market value of \$24,000 for the first acre, \$21,000 for the second acre and \$4,000 per acre for the remaining 12.06-acres of land area. Comparable #26, consisting of a 1.4-acre homesite, has no discernable assessment pattern or methodology to arrive at a land assessment of \$15,000. Board of review comparable #34 also fails to meet the standard methodology articulated; the property record card reports a total homesite of .62 of an acre with notes "1/14S Quad (24000/21000/4000) 2 homesites – NC - LE" depicting a land assessment of \$15,000.

Based on the foregoing evidence and argument, the board of review requested confirmation of the subject's homesite assessment.

In written rebuttal, the appellants point out the lack of homesite assessments and/or relevance of board of review comparables #1, #6, #7, #9, #13, #22, #23, #25, #27, #31 and #35. The appellants also contend that in the absence of well and septic, board of review comparables #4, #14, #15 and #16 are dissimilar in type to the subject. The appellants also noted that comparables #13 and #17 are the same property, without a homesite, reported twice on the spreadsheet. Conceding the consistency in the assessments for homesites on Massbach and Derinda Roads, the appellants summarily reiterated their contention that the "methodology was based on address and not fair market value."

In further rebuttal, the appellants contend that the comparables submitted by the appellants are also on "hard surface roads" and all of the appellants' comparables had "excellent long distance views." The appellants contend that board of review comparables #2, #18, #19, #20 and #21 are located in a valley which is prone to flooding, not "along a ridge."

The board of review filed surrebuttal explaining the inclusion of all parcels on Derinda Road within the appellants' neighborhood, even those without "homesite" assessments. The document also reiterated that 2014 was the new quadrennial and all homesites were raised from a previous market value for the first acre of \$21,500 to \$24,000, including the subject homesite.

Conclusion of Law

The taxpayers contend assessment inequity as the basis of the appeal. When unequal treatment in the assessment process is the basis of the appeal, the inequity of the assessments must be proved by clear and convincing evidence. 86 Ill.Admin.Code §1910.63(e). Proof of unequal treatment in the assessment process should consist of documentation of the assessments for the assessment year in question of not less than three comparable properties showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property. 86 Ill.Admin.Code §1910.65(b). The Board finds the appellants did not meet this burden of proof and a reduction in the subject's homesite assessment is not warranted.

⁶ The property record cards reveal there are only two possible land classifications of either "homesite" or "farm" along with a total acreage for each parcel set forth under the category of "Land/Lot Acres."

The record evidence establishes and the appellants in rebuttal conceded that the assessing officials were consistent in assessing the improved homesites located on Derinda and Massbach Roads within Derinda Township for tax year 2014 at a market value of \$24,000 for the first acre or less and a market value of \$4,000 per acre for each additional acre or portion of an acre. The appellants summarily assert that this methodology was based "on address and not fair market value," but neither the appellants who have the burden of proof of their claim, nor the responding assessing officials presented any market value evidence to establish sales of homesites to support the market value attributed to these parcels or to provide any market value basis for the valuation methodology that was assigned. Similarly, the appellants' evidence establishes, but for comparables #1 and #8, that homesite parcels in Derinda Township which were not located on Derinda or Massbach Roads, have been assessed based on a market value of \$14,000 for the first acre or portion of an acre and a market value of \$4,000 per acre for each additional acre or portion of an acre. But for several exceptions or non-homesite parcels as set forth in detail above, both parties clearly established the consistency of the homesite assessments within Derinda Township. Although clearly raised as an argument, the appellants wholly failed to establish through market data that there were no sales or market support for the assessment methodology that was applied to the subject and similar parcels located on Derinda and/or Massbach Roads of \$24,000/\$4,000 as described previously. The Board finds the distinction alone, location on Derinda or Massbach Roads versus location elsewhere within Derinda Township, is not evidence of homesite assessment inequity.

Proof of an assessment inequity should consist of more than a simple showing of assessed values of the subject and comparables together with their physical, locational, and jurisdictional similarities. There should also be market value considerations, if such credible evidence exists. 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 is assessed at a consistent level. Kankakee County Board of Review, 131 Ill.2d 1, at 21 (1989). The Board finds neither party

submitted any sales data to either refute the assessment methodology or to support the rationale of the assessment methodology which the Board finds highly suspect. On this record, the subject's homesite assessment is identical to similar parcels of 1-acre or less than an acre that are located on Derinda or Massbach Roads in Derinda Township with homesite assessments of \$8,000 which reflects a homesite market value of \$24,000. However, this methodology also means that smaller parcels, say less than ½ of an acre, carry the same "value" as parcels of one-acre of land area which seems to be inequitable and unlikely to be truly reflective of actual fair cash value of the land area at issue, regardless of the assessment methodology.

As a final point, the Property Tax Appeal Board finds Showplace Theatre v. Property Tax Appeal Board, 145 Ill. App. 3d 774 (2nd Dist. 1986), provides some guidance in appeals of this nature. In Showplace, the appellant only appealed the land value. The basis for judicial review was whether Showplace could appeal only the land valuation, thereby limiting the Property Tax Appeal Board's jurisdiction. The Appellate Court affirmed the Property Tax Appeal Board's decision of reducing the subject's land assessment, but increasing the improvement assessment based on its recent sale. The Appellate Court found assessments are based on real property consisting of both land and improvements. An appeal to the Property Tax Appeal Board includes both the land and improvements and together they constitute a single assessment.

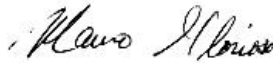
In a similar fashion to Showplace, the appellants in this appeal placed at issue only the valuation of a small portion of their property, the homesite, rather than the entire improved residential property.⁷ Under the holdings of Showplace, the Property Tax Appeal Board finds the appellants' failure to present evidence of the market value of the residential property as a whole further substantially diminishes the merits of the appeal. In other words, the valuation question of the subject homesite parcel for market value purposes would properly consist of the homesite along with the improvements (residence with garage). In the absence of addressing the market value of the entirety of the homesite and residential improvements, the appellants have not demonstrated that the subject's estimated market value as reflected by its assessment for the homesite and dwelling together are incorrect.⁸

In conclusion, based on this record, the Board finds the appellants did not demonstrate with clear and convincing evidence that the subject's homesite assessment was inequitable and a reduction in the subject's homesite assessment is not justified.

⁷ Since farmland is assessed at a preferential rate, the farmland assessment would not be considered in this analysis.

⁸ The subject's homesite and improvement (residence) assessments totaled \$84,752 or a market value of approximately \$254,256, which includes the homesite land, but does not account for the value of the farmland/timber acreage.

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



Acting Member



Member



Acting Member

DISSENTING: _____

CERTIFICATION

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:

May 19, 2017



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.