



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

APPELLANT: Dane Eggertsen
DOCKET NO.: 15-00702.001-R-1
PARCEL NO.: 02-08-107-038

The parties of record before the Property Tax Appeal Board are Dane Eggertsen, the appellant, and the Johnson 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 **Johnson** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$15,255
IMPR.: \$17,412
TOTAL: \$32,667

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Johnson County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2015 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 two-story dwelling of brick exterior construction with 1,716 square feet of living area. The dwelling was constructed in 1977. Features of the home include a full basement with finished area, central air conditioning and a fireplace. The property has a .79-acre site and is located in Tunnel Hill, Tunnel Hill Township, Johnson County.

The appellant's appeal is based on overvaluation. In support of this argument the appellant submitted evidence disclosing the subject property was purchased on August 7, 2015 for a price of \$98,000 and provided a two-page letter outlining the argument. The appellant contends that an arm's length sale transaction is the best evidence of fair market value. In the letter, the appellant explained that his son "found out" the subject property was for sale and asked the appellant about purchasing it; his son, Adam Eggertsen, operates a bait and tackle business catering to fishermen and residents around the lake and the subject property would be closer to his business. With the appellant's instruction, Adam contacted the owner who lived in

Champaign, and arrangements were made to view the property. Upon appellant's further discussion with owner Smith, there was an offer to sell some of excess personal property also. Upon further investigation, the appellant contacted Smith who stated "what he wanted for the real estate which was more" than the appellant was willing and/or able to buy the property for. The appellant made a counter offer below the initial asking price. The appellant next stated, "I came to my senses and suggested we take a break and consult with our wives before we went any further in our negotiations."

After consulting with his wife, the appellant concluded the purchase price could not exceed \$100,000 for the house and two lots. After further discussions with the owner, the parties agreed upon a purchase price of \$98,000 for the real estate in "as is" condition with a contract to be drafted by the seller's attorney. Next, the appellant discussed purchase of the personal property with Smith who was asking \$42,000; the appellant agreed "fairly quickly" to what he believes was more than fair considering what was included. The drafted contract reflected a price of \$140,000 for the real estate and personal property as had been discussed in the Spring of 2015. The contract was signed on July 4 along with the payment of \$5,000 earnest money by the appellant.

In Section IV – Recent Sale Data of the appeal petition, the appellant also reported the property was purchased from Martin K. and Michele A. Smith, the parties to the transaction were not related, but the property was not advertised for sale prior to the transaction. Moreover, the appellant reported that \$400 was expended in renovations prior to occupying the property in September 2015. In further support, the appellant submitted a copy of the five-page Contract for Sale of Real Estate for \$98,000 which also provided for certain personal property being purchased for \$42,000, disbursement documents totaling \$140,000, a disclosures report and a PTAX-203 detailing the total purchase price as \$140,000 along with \$42,000 of personal property along with an itemization of personal property and attached values. Also submitted was a copy of the Settlement Statement setting forth the real estate purchase price of \$98,000.

Based on this evidence and argument, the appellant requested a reduction in the subject's assessment to reflect the purchase price of \$98,000.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$47,790. The subject's assessment reflects a market value of \$142,870 or \$83.26 per square foot of living area, land included, when using the 2015 three year average median level of assessment for Johnson County of 33.45% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review submitted a two-page letter along with data prepared by Danell Mott, Johnson County Supervisor of Assessments. Mott noted that the appellant's appeal and documentation both indicated that the subject property was not advertised for sale prior to the transaction. Mott also reported having contacted the seller, Mr. Smith, and being told the property was not advertised for sale, but that the appellant and Smith "just happened to run into each other" and began talking at which point the appellant indicated an interest in obtaining a house on or near Lake of Egypt; Smith revealed that he owned lake property and "was thinking about selling it." As described by Mott, the conversation went from there and in a short time Smith sold his property to the appellant.

The Johnson County Board of Review contends that the sale of the subject property is not an arm's length transaction because (1) the PTAX-203 indicates the property was not advertised for sale which was verified with the seller and (2) the appellant reported in the appeal petition that the property was not advertised for sale. Mott also noted that the Bill of Sale for personal property submitted by the appellant was not signed by the parties to the transaction which Mott contends brings into question documentary support for the values placed on the personal property, in particular, the assignment of \$20,000 for "all household furniture and misc." items.

In support of its contention of the correct assessment the board of review submitted information on seven comparable sales located in the same Robinwoods lake subdivision as the subject property. The comparable waterfront parcels range in size from .14 of an acre to .93 of an acre which have been improved with a double wide mobile home with a 384 square foot addition or two-story dwellings, one of which is a modular home. The comparables were built between 1977 and 1997 and they range in size from 1,144 to 2,176 square feet of living area. Each comparable has central air conditioning. Six of the comparables have either a 222 square foot carport or a garage ranging in size from 360 to 960 square feet of building area. The comparables sold between September 2013 and November 2015 for prices ranging from \$145,000 to \$205,000 or from \$85.02 to \$152.97 per square foot of living area, including land.

Based on this evidence and argument, the board of review requested confirmation of the subject's assessment since the subject property was not advertised on the market prior to the transaction and the comparable sales data supports the subject's estimated market value as reflected by its assessment.

In written rebuttal, the appellant refuted the board of review's assertion about how the appellant and Smith, the former owner of the subject property, began discussing potential purchase of the property, reiterating the appellant's original description of the purchase process. Included in the submission is a letter signed by Smith noting that the subject property had been listed with a realtor in the fall of 2014 and after having received no offers, the property was taking off the market. Smith also noted that nearby properties had been on and off the market for periods of 2 to 3 years with little sales activity. Smith further explained how he learned of a man in southern Illinois who had just opened a bait shop at Lake of Egypt who was looking for a home on the lake. As a result, Smith's contact information was provided to the bait shop owner's wife; as a consequence, the sale of the subject property was negotiated between the parties without the benefit of a realtor. The appellant also submitted an expired listing of the subject property with an asking price of \$179,900; the listing had occurred prior to the subject sale transaction. The appellant also submitted data concerning the assessments of properties located near the subject property which recently sold.¹

Also submitted was a copy of the subject's property record card noting "D Grade Structural Problems" and the appellant argued that comparable sales, to the extent they are considered,

¹ Pursuant to the rules of the Property Tax Appeal Board, rebuttal evidence is restricted to that evidence to explain, repel, counteract or disprove facts given in evidence by an adverse party. (86 Ill.Admin.Code §1910.66(a)). Moreover, rebuttal evidence shall not consist of new evidence such as an appraisal or newly discovered comparable properties. [Emphasis added.] (86 Ill.Admin.Code §1910.66(c)). In light of these rules, the Property Tax Appeal Board has not considered the comparable sales submitted by appellant in conjunction with his rebuttal argument.

should be similar to the subject dwelling age, exterior construction and/or other features, but the data provided by the board of review does not provide for several of these considerations. The appellant then detailed some of the repair/renovation work that began on the subject property after the purchase including replacement of a very large window "that had all but rotted away" and which caused structural damage to the wall which had to be replaced as well. Decks were rebuilt or repaired and sealed along with painting of wood surfaces. The appellant contends that the roof no longer leaks, but needs to be replaced in the near future. The kitchen is dated and much more needs to be done with remodeling the property.

Also with the rebuttal, the appellant provided a signed copy of the Bill of Sale concerning the personal property. The appellant also described in greater detail what furniture was included in the personal property that was purchased along with a large floating 2 slip dock with two electric boat lifts, a pontoon boat with trailer and outboard motor along with another boat with trailer. Also submitted were photographs of the floating slip dock and an estimate of its value prepared by Southern Illinois Dock & Marine, Inc.

As to the comparable sales submitted by the board of review, the appellant noted the difference in age of comparables #2, #6 and #7 when compared to the subject dwelling. As to the remaining four comparables, the appellant converted the assessments to market value and compared the total to the recent sale prices of each property.

Conclusion of Law

The appellant contends 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 appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The primary contention of the board of review is that the sale of subject property did not qualify as an arm's length sale transaction because the property had not been advertised prior to the sale. In written rebuttal, the appellant refuted the contention that the property had not been on the market with a letter from the seller describing that the property had been on the market and that the listing expired without a sale of the property along with a copy of the expired listing.

Market value is most generally defined as "the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress." The Appraisal of Real Estate, Appraisal Institute, 11th Edition. When these elements are present along with the parties being unrelated, the implication is that the transaction was arm's length.

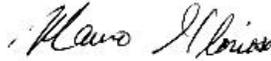
On this record, the Board finds the best evidence of market value to be the purchase of the subject property in August, 2015 for a price of \$98,000. The appellant provided evidence demonstrating the sale had the elements of an arm's length transaction. The appellant completed

Section IV - Recent Sale Data of the appeal disclosing the parties to the transaction were not related and the evidence revealed that the parties engaged in offers and counteroffers, the property had recently been advertised on the open market with the Multiple Listing Service although that listing expired and the parties just happened upon one another as explained in the seller's letter which ultimately resulted in the sale of the property. In further support of the transaction the appellant submitted a copy of the sales contract, the settlement statement and the PTAX-203 Illinois Real Estate Transfer Declaration each of which reiterate the purchase price and indicate that the property was not advertised just prior to this sale transaction.

The Board further finds the board of review did not present any substantive evidence to challenge the arm's length nature of the transaction or to refute the contention that the purchase price was reflective of market value. The sole statement of the assessor about a conversation with the seller was fully refuted by the appellant's rebuttal filing consisting, in part, of a letter signed by the seller outlining the chronology of events that led to the sale of the subject property. Furthermore, the Board has given little weight to the comparable sales presented by the board of review. The appellant in rebuttal noted the subject's recorded structural condition and the board of review provided no similar data for its comparable sales. Moreover, the Board finds that sales #2 and #3 occurred in 2013, dates too remote in time to be indicative of the subject's estimated market value as of January 1, 2015; sales #5 and #6 consist of modular and mobile homes, respectively, which differ from the subject stick-built home; and comparables #4 and #7 differ significantly in size and/or age when compared to the subject dwelling.

In light of the facts outline above, the Board finds the subject's purchase price of \$98,000 is the best evidence of market value and is below the market value reflected by the assessment of \$142,870. Based on this record the Board finds the subject property was overvalued based on its assessment and a reduction in the subject's assessment commensurate with the appellant's request 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. Pursuant to Section 1910.50(b) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(b)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.



Chairman



Member



Acting Member



Member



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: January 16, 2018



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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

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