



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

APPELLANT: Jerry Scott
DOCKET NO.: 15-04407.001-R-2
PARCEL NO.: 09-26-400-012

The parties of record before the Property Tax Appeal Board are Jerry Scott, the appellant, by Jessica Hill-Magiera, Attorney at Law in Lake Zurich; and the Lake 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 **Lake** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$27,147
IMPR.: \$114,944
TOTAL: \$142,091

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Lake 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 mixed use commercial/apartment building of masonry construction with 6,816 square feet of building area. The subject was constructed in 1966. Features five apartments and one storefront and a land-to-building ratio of 3.34:1. The property has a 11,392 square foot site and is located in Wauconda, Wauconda Township, Lake County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted limited information on five comparable sales. The comparables sold from June 2013 to June 2015 for prices ranging from \$46,000 to \$325,000. The characteristics of each comparable such as proximity to the subject, size, exterior construction, number of stories, land-to-building ratio, and age were not disclosed. The appellant also submitted an income approach analysis prepared by the Wauconda Township Assessor.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$142,091. The subject's assessment reflects a market value of \$428,243 or \$62.83 per square foot of building area, land included, when using the 2015 three year average median level of assessment for Lake County of 33.18% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted information on four comparable sales and one listing with varying degrees of similarity to the subject. Four comparables sold from March 2010 to December 2014 for prices ranging from \$162,000 to \$340,000 or from \$54,000 to \$85,000 per unit or from \$59.65 to \$81.82 per square foot of building area, including land. One comparable had a list price as of April 2015 of \$749,000 or \$107,000 per unit or \$100.27 per square foot of building area, including land.

The appellant filed rebuttal disputing the comparables used by the board of review and did not address the appellant's income approach argument.

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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The Board finds the best evidence of market value to be board of review comparables #1, #3, #4 and #5. These most similar comparables sold or were listed for sale for prices ranging from \$60,000 to \$107,000 per unit or from \$62.75 to \$100.27 per square foot of building area, including land. Little weight was given the appellant's comparables because appellant's counsel failed to disclose the characteristics of each comparable from which a meaningful comparison analysis could be performed. The subject's assessment reflects a market value of \$62.83 per square foot of building, including land, which is within the range established by the best comparable sales in this record.

The Board finds the appellant's argument that the subject's assessment is excessive when applying an income approach based on the subject's actual income and expenses unconvincing and not supported by evidence in the record. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate through an expert appraisal witness that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellant attempted, one must establish through the use of market data the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. Further, the appellant must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellant did not provide such evidence; therefore, the Property Tax Appeal Board gives this argument no weight.

Based on this evidence the Board finds a reduction in the subject's assessment is not justified.

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



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:

March 20, 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

AGENCY

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