



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

APPELLANT: Country Living & Learning and The Farmette Grangette  
DOCKET NO.: 16-00326.001-F-1, 17-04498.001-F-1 and 18-03935.001-F-1  
PARCEL NO.: 05-17-200-011

The parties of record before the Property Tax Appeal Board are Country Living & Learning and The Farmette Grangette, the appellant, by attorney Trent M. Ferguson, of Ray A. Ferguson & Associates, Ltd., in Rockford, and the Boone County Board of Review by Assistant State’s Attorney Karla Maville.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds ***no change, but a reclassification*** in the assessment of the property as established by the Boone County Board of Review for tax years 2016, 2017 and 2018 is warranted.<sup>1</sup> The correct assessed valuation of the property is:

2016

Docket No.	Parcel No.	Farm	Homesite	Residence	Outblding	TOTAL
16-00326.001-F-1	05-17-200-011	1,311	10,000	<b>21,092</b>	<b>27,898</b>	60,301

2017

Docket No.	Parcel No.	Farm	Homesite	Residence	Outblding	TOTAL
17-04498.001-F-1	05-17-200-011	1,417	10,842	<b>21,092</b>	<b>27,664</b>	61,015

2018

Docket No.	Parcel No.	Farm	Homesite	Residence	Outblding	TOTAL
18-03935.001-F-1	05-17-200-011	1,534	11,400	<b>21,312</b>	<b>26,764</b>	61,010

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed appeals from decisions of the Boone County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessments for the 2016, 2017 and 2018 tax years, respectively. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of each of these appeals. A consolidated hearing

<sup>1</sup> Changes in assessments are delineated in **boldface**.

was conducted on these appeals on April 14, 2021 via the Webex virtual platform. Pursuant to an order issued during the hearing, the board of review submitted supplemental assessment data after the hearing to clarify the existing assessment data and provide information on the assessments if classifications were modified. The appellant, through counsel, has replied to that material, all of which is incorporated herein in addition to the record evidence and testimony presented during the hearing.

For ease of rendering a decision and due to the commonality of the issues and arguments made herein for each of these three tax years, a single consolidated decision is being issued on the merits by the Property Tax Appeal Board.

### **Relevant Statutory Provisions & Guidelines**

Pursuant to the *Illinois Property Tax Code*:

Sec. 1-60. Farm. When used in connection with valuing land and buildings for an agricultural use, any property used solely for the growing and harvesting of crops; for the feeding, breeding and management of livestock; for dairying or for any other agricultural or horticultural use or combination thereof; including, but not limited to, hay, grain, fruit, truck or vegetable crops, floriculture, mushroom growing, plant or tree nurseries, orchards, forestry, sod farming and greenhouses; the keeping, raising and feeding of livestock or poultry, including dairying, poultry, swine, sheep, beef cattle, ponies or horses, fur farming, bees, fish and wildlife farming. The dwellings and parcels of property on which farm dwellings are immediately situated shall be assessed as a part of the farm. **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.** For purposes of this Code, "farm" does not include property which is primarily used for residential purposes even though some farm products may be grown or farm animals bred or fed on the property incidental to its primary use. The ongoing removal of oil, gas, coal or any other mineral from property used for farming shall not cause that property to not be considered as used solely for farming. [Emphasis added] (35 ILCS 200/1-60)

Sec. 10-140. 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.** [Emphasis added] (35 ILCS 200/10-140)

Sec. 10-145. Farm dwellings. **Each farm dwelling and appurtenant structures and the tract upon which they are immediately situated shall be assessed by the local assessing officials at 33 1/3% of fair cash value** except that in counties that classify property for purposes of taxation in accordance with Section 4 of

Article IX of the Constitution they shall be assessed at the percentage of fair cash value as required by county ordinance. That assessment shall be subject to equalization by the Department under Sections 17-5 through 17-30. [Emphasis added] (35 ILCS 200/10-145)

*Illinois Department of Revenue, Publication 122, Instructions for Farmland Assessments:*

At page 3, with a subheading of "What are the guidelines for alternative uses?," there is a provision relevant to this matter:

**Land in Christmas tree production.** Land used for growing Christmas trees is eligible for a farmland assessment provided it has been in Christmas trees or another qualified farm use for the previous two years and that it is not part of a primarily residential parcel. If Christmas trees are grown on land that either was being cropped prior to tree plantings or land that ordinarily would be cropped, then the cropland assessment should apply until tree maturity prevents the land from being cropped again without first having to undergo significant improvements (e.g., clearing). At this point, the "other farmland" assessment should apply. If Christmas trees are grown on land that was neither in crop production prior to tree planting nor would ordinarily be cropped, then the "other farmland" assessment instantly applies.

At pages 6-7 of the guideline: **Primary use provision of the farm definition.** The statutory farm definition (35 ILCS 200/1-60) states: "For purposes of this Code, 'farm' does not include property which is primarily used for residential purposes even though some farm products may be grown or farm animals bred or fed on the property incidental to its primary use." Because the farm definition prohibits farmed portions of primarily residential parcels from receiving a farmland assessment, assessors must make primary-use determinations on parcels that contain both farm and residential uses.

The determination of primary-use must have a rational basis and be uniformly applied in the assessment jurisdiction. This recommended guideline is intended to supplement the assessor's judgment and experience and to provide advice and direction to assessors to determine whether or not a parcel with both farm and residential uses is used primarily for residential purposes. This guideline does not apply to tracts assessed under the forestry management or vegetative filter strip provisions of the Property Tax Code, nor does it apply to parcels that do not contain any residential usage.

According to this guideline, the primary use of a parcel containing only intensive farm and residential uses is residential unless the intensively-farmed portion of the parcel is larger than the residential portion of the parcel. For purposes of this guideline, "intensive farm use" refers to farm practices for which the per-acre income and expenditures are significantly higher than in conventional farm use. Intensive farm use is typically more labor-intensive than conventional farm use. According to this guideline, the primary use of a parcel containing only conventional farm and residential uses is residential unless the conventionally-farmed portion of the parcel is larger than the residential portion of the parcel. **These presumptions may be rebutted by evidence received that the primary use of the parcel is not residential.** [Emphasis added] For purposes

of this guideline, "conventional farm use" refers to the tending of all major and minor Illinois field crops, pasturing, foresting, livestock, and other activities associated with basic agriculture.

Furthermore, at pages 37-38 of the *IDOR Instructions for Farmland Assessments* guidelines:

### **Assessment of Farm Homesites and Rural Residential Land**

A farm homesite is the part of the farm parcel used for residential purposes and includes the lawn and land on which the residence and garage are situated. Areas in gardens, non-commercial orchards, and similar uses of land are also included.

Rural residential land may include farmland that is incidental to the primary residential use. It is generally comparable in value to the farm homesite. Both are subject to the state equalization factor and both should be assessed at the same percentage of market value as urban property. Whenever possible, use the sales comparison approach to value farm homesites and rural residential land.

### **Assessment of farm residences**

Assess farm residences according to market value in the same manner as urban residences are assessed. Refer to the Residential section of the Publication 123, Instructions for Residential Schedules, for valuation of farm residences.

### **Assessment of farm buildings**

The valuation of farm buildings is the final component in the assessment of farm real estate. The law requires farm buildings, which contribute in whole or in part to the operation of the farm, to be assessed as part of the farm. They are valued upon the current use of those buildings and their respective contribution to the productivity of the farm. Farm buildings are assessed at 33 1/3 percent of their contributory value. **The state equalization factor is not applied to farm buildings.** [Emphasis added]

Valuation of farm buildings based upon contribution relies on theory as well as reality. Farm buildings are usually an integral part of the farm. When farms are sold, the land and improvements are valued together. The portion of this value attributable to farm buildings depends upon the degree to which they contribute to farming operations. Some farm buildings, even though they are in good physical condition, may play a minor role in the operation of the farm and have little value. These same buildings on another farm may be vitally important to the farming operation. The value of the farm buildings in these two instances is different.

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Estimation of farm buildings' contribution to the operation of the farm first requires a thorough inspection of the buildings. The inspection should include the structural components of the buildings and their functional capacity. Record the following structural details:

- measurements,
- excavation,
- foundation,

- framing exterior walls,
- floors,
- roof,
- interior partitions,
- electric wiring,
- plumbing,
- heating,
- ventilation,
- built-in equipment, and
- any other permanent features.

Functional features to note include:

- relative location,
- current use,
- capacity (e.g. too large, too small),
- design, and
- other possible uses.

Physical deterioration is observed during the inspection of the property. Economic obsolescence will require investigation into such factors as government regulation changes, current market fluctuations, and any land use changes of the surrounding property.

The cost tables in this section are provided as an aid in the development of replacement costs of typical farm buildings. The application of the cost tables is much the same as the cost tables in other sections of the manual. Select the costs for a comparable building and adjust this cost for variations from the model buildings.

### **Findings of Fact**

The subject property consists of a 9.18-acre parcel<sup>2</sup> with two land assessment classifications identified as homesite and farmland. The assessing officials report homesite acreage of .7, 1.1 and 1.2-acres, respectively, for tax years 2016, 2017 and 2018, with all remaining acreage assessed via various categories of farmland. The homesite is improved with well and septic. No portion of the existing farmland assessment is in dispute herein; due to building classification arguments, the appellant seeks to have the entire parcel classified as farmland.

The parcel is improved with multiple structures. The farm buildings that are not in dispute include a two-story octagon farm building, a two-story barn which is connected to a carriage house, a one-story 404 square foot shed, a one-story 210 square foot shed, a one-story 130 square foot shed, a concrete silo, a milk house and a chicken coop. The non-farm classifications of two buildings in dispute are a 1.5-story farmhouse built before 1900 of frame exterior construction (improvement #1), which includes a partial unfinished basement, central air conditioning and a fireplace and a carriage house (improvement #2) which is connected to a two-story barn, which is classified as a

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<sup>2</sup> The assessing officials report that the subject parcel consists of 9.18 "legal acres" with 8.08 market acres; the 9.18-acres are measured from the center of the road and the difference of 1.10-acres is the right of way to the center of the road which is classified as Non Ag with a \$0 value. (See BOR Supplemental post-hearing evidentiary filing).

farm building. Both the improvement #1 and improvement #2 have been classified as residential structures. The property is located in Belvidere, Belvidere Township, Boone County.

### Summary Positions of the Parties

The appellant, Country Living and Learning at Del Pony Vista and Farmette Grangette, operated by Jim and Donna Beilfuss, equitable owners, appeared at the virtual hearing convened on the Webex platform with their attorney, Trent M. Ferguson. Based on the evidence and arguments presented, the appellant requested reduced total assessments for each of the three tax years of \$33,852, respectively. In the course of hearing, counsel for the appellant argued that a nominal valuation be placed upon improvement #1 to reflect its contributory value to the farm and a farm building classification be applied to improvement #2 along with the accompanying re-classification of the underlying land as additional farmland beneath each of the contested improvements.

The board of review likewise appeared virtually via Assistant State's Attorney Karla Maville with assessing officials/former assessing officials Martin Kinczel, Jessica Muellner and Kris Hall present, along with current member of the Boone County Board of Review Michael Guthrie. The board of review requested confirmation of the subject's current classifications and assessments.

### Appellant's Case-in-Chief

The appellant's appeal is based upon a two-pronged contention of law. First, the appellant contends that the dwelling should be assessed as a farm building/outbuilding as the appellant, through use, has converted the structure to a 'Grangette'<sup>3</sup> rather than its current residential assessment treatment as a farmhouse/dwelling by the assessing officials. The appellant contends the assessing officials have misclassified the subject's "agricultural assembly hall"/Grangette (improvement #1) and the carriage house (improvement #2) which should both be assessed as farm buildings based upon their use and therefore their contributory value to the farming operation. Appellant contends that the subject Grangette contributes not only to the subject's farming operation but to the farming operations throughout the local area by providing a place for farmers to gather and discuss farming related issues. If it were determined that the Grangette does not contribute to the subject's farming operation, it was argued by counsel that perhaps a nominal valuation should be applied to improvement #1.

Second according to the appellant given that all of the structures on the subject parcel qualify as farm buildings, the appellant asserts that the entire subject parcel is therefore entitled to a farmland classification. In summary, the appellant contends that if properly classified, all of the improvements and then the entire parcel qualifies for preferential farmland assessment treatment due to the use/contribution of the structures to the farming operation and related farming activities in accordance with the Property Tax Code (Code) and relevant guidelines developed by the Illinois Department of Revenue (IDOR).

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<sup>3</sup> During the hearing, Beilfuss acknowledged that he "made up" the word Grangette to describe the subject which he characterizes as a grange assembly hall. For ease of reference, while Beilfuss' made-up word may be used in this decision, the Board cautions the reader to understand that doing so shall not be misconstrued as an agreement by the Property Tax Appeal Board with Beilfuss' characterizations and/or classification assertions.

*Classification of Improvements*

In each of these appeals, James Beilfuss, as Executive Director/operator of the appellant, submitted a brief/argument along with copies of property record cards, photographs and various documents in support of the contention of law argument that the subject "residence" (improvement #1) is actually an assembly hall or 'Grangette' and the carriage house (improvement #2) along with the related "homesite" land area have been improperly classified as non-farm buildings and non-farmland. Beilfuss was called as the first witness for the appellant; Beilfuss testified that he has had an ownership interest in the subject property since 2007.

With the 2016 appeal, Beilfuss included a brief asserting that in July 2014, when the Farmette Grangette took ownership of the property, the appellant "immediately discontinued the residential use of the 1860's farmhouse in favor of its current use as an agricultural assembly hall, modeled after the common grange hall." He also reported that the Farmette Grangette is an Illinois Not For Profit Corporation with a mission to encourage, develop, promote, protect and organize farmettes. Reportedly the appellant entity has three directors as "required by the State of Illinois" and is an "associate-based agricultural society." Visitors to the Farmette Grangette are guests of our associates; in the 2017 appeal the appellant noted the "activities of the Farmette Grangette are few. We assemble, we associate and we speak." Also in this 2017 filing, the appellant agreed that local regulations do not mandate issuance of a special use permit when less than 10 people assemble. Beilfuss summarily wrote that, "The Grangette contributes in whole to the operation of the Farmette." As part of these appeals, the appellant's submissions acknowledge that grange halls in Illinois are tax exempt properties and thus, there are no available comparables for assessment equity purposes; he further contends that the subject is one-of-a-kind.

In testimony, Beilfuss noted the Grangette, which looks much like a grange hall, includes fixtures and was a house since 1860. He noted as a house it has some historical value to "us." He contends it is modeled after grange halls to discuss agricultural issues and going to meetings; it is a gathering place. In each of these appeals, Beilfuss wrote that, "The agricultural assembly hall (Grangette) serves as a meeting place for farmers and associates to network on cooperative agricultural projects, including farm services of all kinds and social interaction, much like the Illinois Grange halls." (Supplemental evidentiary filing in each appeal identified as "page 9"). Beilfuss testified the building has been used in this manner since 2014 when the last tenant left; he further affirmatively testified that no one has resided in the Grangette since 2014. This building contains the only bathroom on the subject parcel and has the only source of running water on the property. The agricultural assembly hall provides the only restroom and food preparation facilities on the property for all farm activities and the Grangette provides the only heating and cooling on the farm for year-round use. Improvement #1 was further noted as the "farm office and visitor center for farm tours" and "contains the only basement on the farm and serves as storage and root/storm cellar." (Supplemental evidentiary filing in each appeal identified as "page 9"). In the 2017 and 2018 tax year appeals, the appellant reported the farm office and visitor center are not unique and separate spaces, but rather they are incidental uses of the assembly hall. (Item #34, appellant's supplemental evidence). It was further Beilfuss' testimony that he has no idea what the contributory value of the Grangette is to the farm. He does not wish to tear down the structure as it is a "valuable thing to have out there when we are working out there all the time." Besides the typical use of water for a grange, the water is used to water the gardens near the structure.

In further disputing the residential assessment treatment of improvement #1, Beilfuss wrote a brief, within the 2016 tax year appeal, stating in pertinent part:

First, when comparing structures, agricultural assembly halls or grange halls are structurally the same as farm dwellings. They both have 'residential style fixtures,' bathrooms, kitchens, basements, and rooms that can be used for either grangette purposes or dwelling purposes. ... The grangette is smaller, of course, [than a grange hall] but one would expect that. Secondly, 35 ILCS 200/1-60 lays out the procedure for 'valuing land and buildings for an agricultural **use**!' The entire paragraph accentuates the importance of agricultural vs residential **use** when assessing farms. There is no mention of structural architecture or 'residential style fixtures.' A residential farm dwelling and a small agricultural assembly hall (grangette) can have identical residential fixtures while the uses are totally different, and each must be assessed on its own **use**. Farm owners control how structures on the farm are used. [Emphasis in original]

In tax year 2017, the appellant reported there is no intention to join the Grange; instead, the subject is the Grangette.

We call ourselves the Grange's little brother. We do have a close relationship with the Countyline Grange, however, and many of their members are longtime Grangette associates. They handle the food and parking at our fall festivals. Our fall festival is a smaller, one evening version of the Grange's week long Boone County Fair. (Item #28 in appellant's supplemental evidentiary filing)

In the 2018 tax year appeal, counsel for the appellant timely filed a brief/letter dated September 28, 2019 with citations to the Property Tax Code, the farmland assessment guidance published by the IDOR and particularly arguing that the use of improvement #1 as an assembly hall or Grangette contributes to farming operations throughout the local area by providing a place for farmers to gather and discuss farming related issues. As such, counsel contends that the Grangette has little or no contributory value to the subject property itself, but rather the community as a whole. Therefore, counsel argues the most similar comparison is that of an association or a subdivision common area such that the appellant in this brief argues that the Grangette should have an assessment of \$1.00 or \$100.

Beilfuss testified that the barn and carriage house are currently being used/being developed as a barn with storage of equipment. The appellant contends that the carriage house (improvement #2) should more appropriately be classified as a farm building. In the 2017 tax year appeal, the appellant asserted that the "old garage" has been gone since 2009 and was replaced with a 3-story addition to the barn to appear architecturally similar to the old carriage houses. This carriage house is described as an addition over the old garage which has been assessed as a residential structure. The appellant reported that no vehicles have ever been inside since the property was acquired in 2007. Moreover, the evidence developed at hearing disclosed that the carriage house lacks the typical level of finishes and/or heating/cooling systems typical of a residential structure, yet the carriage house has thus far been assessed as a residential structure despite that its only access is through the barn to which it is attached, and which has been afforded a farm building assessment.



Besides meetings, Beilfuss testified that there have been several other events that have occurred on the farm although none of those events were held in the Grangette, other than possible use of the bathroom. The events have included a single evening annual Fall Festival which is put on in conjunction with the Countyline Grange that assists with the parking and the food, which is a fundraiser for them. Other events include not-for-profits, such as, the rotary club, a women's club which wanted to tour the property, sisters' cities organization and church groups, have approached the subject property to use exclusively the barnyard, the barn and carriage house which is an extension of the barn. The appellant has never charged for any events held at the subject property.

Since 2013, the appellant's evidentiary submission further reported there has been one retirement party held "for a longtime and beloved associate"; one art class was held for associates and a few guests involving the painting of cone flowers and socializing thereafter; and three weekend art shows have been held in the barn for an associate, who is a well-known Rockford artist, noting also that "the barn is a work of art in itself and is encouraging farmers large and small to rescue, develop and protect their agricultural buildings." Weddings were held in 2015 and 2018, two wedding receptions were held in 2015 and 2016, an evening concert was held in 2016, a celebration of life was held in 2018 and a Rockford Women's Club tour of interesting spaces was held in 2018. (Items #38-#42 of appellant's 2017 & 2018 supplemental evidence). As part of the appellant's evidentiary submission, the appellant argues that the subject barn is creating a lot of interest in agricultural architecture from yesteryear; tours are free. As discussed during the hearing, the appellant has also made an extensive Christmas lights display on the barn and carriage house (Hearing PTAB Ex. 1 from the 2018 appeal). The photograph depicts one big building consisting of the barn, silo, carriage house and a Frank Lloyd Wright Windmill. Beilfuss described the photograph as 'Christmas at the Farmette'; he does not know "why we started to do this and it gets more developed every year." He noted people like to come by and look at it and the subject barn lends itself to this with the multiple roof lines.

### *Farmland Classification*

The appellant claims the Boone County Board of Review improperly classified and assessed a portion of the subject parcel as homesite or residential non-farm property. The appellant argues that there is no residential use on the subject parcel and thus, the entire parcel is entitled to a preferential farmland assessment. For the tax years at issue, the appellant contends that all buildings have either always been agricultural buildings or have been converted to agricultural buildings through the appellant's use thereof as more fully argued above. Therefore, the appellant contends that the land underlying both improvement #1 and improvement #2 are likewise entitled to a preferential farmland assessment rather than the current homesite assessment.

Furthermore, on the subject parcel, near improvement #1, white pine trees have been planted which Beilfuss considers to be a crop. Beilfuss acknowledged that while the trees are currently growing and act as a windscreen, he testified that "we plan on harvesting them for Christmas trees going forward." The white pine trees currently range in size depending upon when they were planted from 12 feet to 4 feet. Beilfuss would be willing to sell the 12-foot trees for use as a Christmas tree; he also acknowledged that the trees could be cut down and they should be thinned out soon.

The garden near improvement #1 consists of tomatoes, pumpkins and flowers. The vegetables are consumed by Beilfuss' household and/or shared with others or traded; there is no sale of the produce from a roadside stand.

Beilfuss Cross-examination

As of 2014, the change of the dwelling to a Grangette was done only by the appellant's use of it. When rented, improvement #1 was offered as an unfurnished dwelling. While it had been rented for several years, Beilfuss testified that was "not really what we wanted to do with it" so we just took it over as a farm building/meeting place. Having been in pretty bad shape, thereafter the appellant undertook remodeling of the structure which is still ongoing. Remodeling included upgrading the water pressure that was inadequate; the solution was having a well drilled; structural work included tearing out three layers of old and low acoustical tile; insulation was added using modern material; and remodeling was also done to floors, walls and an old tub was removed. No interior photographs of the structure were provided by the appellant with these appeals. Beilfuss further offered that it was just standard updating of the building.

Since 2014, Beilfuss has brought furniture into the house. Furnishings in the house from 2016 to 2019 include items that have been loaned and/or donated to "us"; the items have been used to make it look more historically accurate to 1860. On the first floor, the living room includes a couch and coffee table; the kitchen includes a small table and chairs; and the office includes an antique desk. The bathroom is also on the first floor. On the second floor, there are two bedrooms and a big closet. The bedrooms include a twin bed, furniture and a bed in the hallway. Beilfuss testified that there is a lot of stuff on the second floor that we don't know what we're going to do with; our cat is mostly up there. Beilfuss himself does not go up to the second floor much; his wife goes to the second floor to deal with the cat. As to the interior of the Grangette, the appellant testified that there have been many changes from 2016 to 2019, including installation of a new sink and remodeling of the bathroom. There have been many changes that have occurred since 2019 also.

The well and septic that services the house and provides the only water which is used in part for the garden, the trees and the flowers, but is not used for the hay field which relies only upon rainfall. The white pine trees currently act as a wind screen and have now grown together although the rows were staggered. The appellant was hopeful to sell every other one of the trees as Christmas trees and then replant.

Beilfuss is not aware of any other Grangette in existence in Illinois. The appellant acknowledged that he made up the word recognizing that the subject's structure is rather small and thus limited in the number of associates who can meet at any one time. Likewise, the subject farmette indicates that it is a smaller property. The "associates" are members of both the LLC and the not-for-profit; they are individuals who are in agriculture, want to get into agriculture, like agriculture or want to talk about agriculture. There are three members that are directors besides Beilfuss, his wife Donna, and Phil Wendt [*phonetic*]. The "associates" are friends and "we are always making new friends and meeting friends of associates, so you can imagine." There is no set meeting schedule. When asked by the Administrative Law Judge [ALJ] how people find out about the meeting date and time, Beilfuss responded, "It is just agreed to amongst the group, like I said they are small groups." Whoever we want to schedule a meeting with, they notify us that they want to hold a meeting and then the meeting is held at whatever time that "works for everybody." Meetings can occur any

time of day or any day of the week. While Beilfuss may assist with the scheduling, his attendance is not always required.

When asked by the ALJ who has keys to the Grangette, Beilfuss testified there are four people with keys: he, his wife, Phil Wendt [*phonetic*] and an older lady associate, who happens to be an artist as well, although in testimony Beilfuss openly contemplated whether there was a fifth person. These four individuals may come and go at any time they like from the Grangette. There are no meeting minutes from any of these meetings. When asked by the ALJ if there were Bylaws, Beilfuss testified that there is a mission statement and an annual meeting which occurs right before paperwork is due which Beilfuss does not handle, but he believes it is at the end of the fiscal year which he believes to be December 31. Beilfuss was asked how many meetings would be held at the Grangette in a one-year period of time, he testified it was ten per month so 120 per year. There is no record of these ten meetings per month as they are "informal."

The area around the Grangette has some very large trees and a separate deck that was built in 2014 for the Fall Festival for a band stage with some outdoor furniture to view the windmill. It is made of treated wood decking and there is no roof. The grass is mowed around the Grangette and around the trees by Donna Beilfuss, at least weekly.

The carriage house is built above the 2.5-car garage that makes it appear to be a carriage house. However, Beilfuss testified that it has two garage doors on it, but it is too low to get any car into it although they are at least 6' 1" high doors. The doors still operate on tracks like a traditional garage door, but there is too much stuff stored to get a car in. This structure is one big building consisting of the carriage house, the barn and the windmill. (Hearing BOR Exhibit 1 photograph from the 2016 appeal – identified as carriage house). Beilfuss testified that this photograph was probably from 2010 or 2011. In his opinion, it does not look enough like a carriage house, so the appellant has an intention to change the look in the future to have hinges on the side.

Hearing BOR Exhibit 2 consists of a page with four photographs (2016 appeal) depicting, in part, the interior of the carriage house. The second floor of the carriage house consists of a wide-open space, but for supportive posts, with plywood flooring and a large throw rug. The walls are plywood with plywood batons. As shown in the photo, the furnishings consist of an old barrel and a quilt rack. When asked what the room is used for, Beilfuss noted the photo depicts a much cleaner room than what it is currently; the second floor of the carriage house is currently occupied by materials being used for work in order to keep it out of the barn as "the barn is what people are interested in." Hearing BOR Exhibit 2 depicts the second floor of the carriage house at a time prior to the renovation of the barn; its use has included a fundraiser held by Jessica Muellner, former Belvidere Township Assessor and currently the Boone County Supervisor of Assessments. Otherwise, its use has been for storage. Hearing BOR Exhibit 2 displays old western art, Beilfuss acknowledged that he and his wife collect old decorations and furnishings.

*Witness #2 – Martin Kinczel*

The appellant next called Martin Kinczel, former Boone County Supervisor of Assessments from July 2018 to July 2020 as its next witness; Kinczel is currently employed by the Lake County

Assessor's Office.<sup>4</sup> Kinczel visited the subject property in late September 2019. His only familiarity with this property besides the site visit was related to submission of evidence for prior tax year appeals to the Property Tax Appeal Board and driving by the subject in the course of doing other fieldwork. In 2018, Kinczel may have seen some wheat or pony grass being grown on the subject parcel; however, he noted that it is the township assessor doing the field work who makes the farmland assessment determination for a given property.

Kinczel testified in order to obtain a farm building assessment, the building must be used in conjunction with the farming of the property as of January 1 of that year and conform with the requirements of the IDOR publication. A farm building gets whatever contributory value it has based upon several measures used by the township assessor related to the farm. He testified that the cost approach is not required by the Property Tax Code or the guidelines; it is the township assessor who makes a determination. While Kinczel was not aware of any specific provision of statute that farm buildings should be assessed using the cost approach, he testified that township assessors utilize guidelines and publications promulgated by the IDOR which typically utilize building permits depicting original construction costs to place a structure on the assessment rolls. As identified in the Farmland Assessment guideline, use of the cost approach and/or building permits are utilized to assess farm buildings. While there is no "law" in how to assess, township assessors are held to assess properties based on value and to utilize fairness in doing so including adjustments if a structure is an over-improvement to a property. The provision calling for the valuation of farm buildings based upon contributory value to the farming operation is not vague but provides the township assessor with the greatest latitude to properly and fairly assess the real estate on the property.

When asked about assessment of a "vacant barn," Kinczel testified if the farm building is on an actively used farm, it is still a farm building. It may be a management choice how to use. When asked about the assessment of an "obsolete barn," Kinczel testified it is a decision done by the township assessor in an annual or a quadrennial review of the property; he further opined that farmers typically use structures long past their useful life even if just for storage.

As to a question about land assessment, Kinczel testified that if it is a homesite, it is considered a homesite.

*Witness #3 – Kris Hall*

Appellant called Kris Hall, Chief Deputy in the Belvidere Township Assessor's Office, for testimony. She has held this position for 24 years and obtained her CIAO designation in 1997 along with just shy of an additional 1,000 educational hours.

Hall has visited the subject property on multiple occasions with at least four visits to the property and multiple occasions to drive by the property. Hay is grown on the property and Hall opined that the property is classified as farm because of the hay being grown on the parcel. She further

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<sup>4</sup> In the course of the hearing, appellant's counsel stipulated to the expertise of Mr. Kinczel in the area of appraisals, but asserted that based upon the questions posed, there is no agreement to the proposition that Kinczel is an expert in the area of assessments.

noted that the barn on the parcel during the relevant tax years has been in differing stages of construction as well as the carriage house.

Hall along with Kinczel were inside the Grangette or farmhouse (improvement #1) in September 2019; they were instructed not to take interior photographs by Donna Beilfuss. Also, as Hall proceeded to the stairs to view the upstairs, Donna Beilfuss' arm blocked her forward progress and she said to Kris Hall, "Jim does not want you up there."

When asked what the primary use of the Grangette is, Hall testified the structure is set up like a typical single-family residence with all of the components and rooms that would be expected, including standard appliances and furnishings. When asked about the use of the Grangette, Hall testified that she has not seen any evidence of anything other than a single-family residence, someone living there. While Hall has no personal knowledge of someone living in the dwelling besides in 2014 and she is also aware that the appellant was no longer renting the farmhouse. However, Hall also has not seen any evidence of changing room sizes or changing room labels.

When asked what would be necessary to classify improvement #1 as having a farm use, Hall testified that she has viewed a typical grange hall, one of which is located on the Boone County Fairgrounds. On the exterior, the grange hall appears to be a one-story home with a basement. However, the interior is wide-open with banquet tables and multiple chairs arranged for meetings. In the basement, there is another meeting room area. There is also a kitchen and two bathrooms to meet ADA requirements. The grange hall is, however, not set up like a house with a living room with a television and/or bedrooms. The only other grange hall that the witness has viewed the interior of is located on the State Fairgrounds in Springfield, Illinois; this grange hall also appears to look like a dwelling on the outside.

Hall agrees that the Property Tax Code calls for the classification of farm buildings to be based upon its use. It would be necessary for Hall to inspect the building to determine its proper classification. The subject property is classified as a farm parcel due to the growing of hay and it includes a dwelling, homesite and farm buildings. The dwelling is so classified based upon the 2019 visual inspection which appeared as any typical single-family dwelling.

When asked again what would be necessary to have the assessor classify the Grangette as a farm building, Hall testified that the house would have to be converted to a farm building, such as through use to store farm machinery/equipment or to house livestock as opposed to looking like and being set up like a single-family residence. She further testified that a grange hall is not a farm use; the purpose is use for meetings, gatherings and events. There is an Illinois Grange Association that is recognized by the State of Illinois that holds meetings and plans events for community service and scholarships; that use is not residential.

Grange halls also are generally tax-exempt structures for purposes of real estate taxes and thus are neither classified as residential nor as a farm building. In Hall's opinion, an organized group that is part of the Illinois Grange or other similar grange hall, will seek to have tax exempt status granted; as to this property, Hall has seen no evidence of an organization or meetings for a Grangette. Similarly, Hall believes that a union hall in the county has been afforded tax-exempt status. There is also a large building for events in the jurisdiction that is called "the Community Building" and it likewise is tax-exempt for purposes of real estate taxes.

In her testimony, Hall acknowledges that grange halls contribute in general to farming operations in the area by promoting and providing educational opportunities directly related to farming. Therefore, if the Grangette likewise held meetings solely for that purpose should that improvement be assessed as a farm building, Hall's opinion remains that the subject should not be assessed as a farm building if it is being used as a single-family residence. If there was sufficient evidence that the sole use of the Grangette was for farm-related meeting space as described, Hall might change her opinion.

The proper evidence would include going through the proper channels to become tax-exempt; in her position as an assessing official, she contends that tax-exempt status is a requirement. Without proper documentation, Hall is unable to change a building value to zero or tax-exempt without proper documentation from both the county and the State of Illinois. While in this appeal, the appellant seeks a farm-use classification for the Grangette, Hall acknowledges that these are two separate concepts. For Grangette to be classified as a farm building, Hall testified that the use of the structure would have to be used in the operation of the farm, or for storing equipment, hay, feed or animals. A Grange Hall is not a farm use, and in the subject township, those are meeting halls that are tax-exempt.

#### Board of Review's Case-in-Chief

The board of review submitted its "Board of Review Notes on Appeal" wherein the assessments of the subject parcel were separately disclosed with separate responsive evidence attached for each tax year of 2016, 2017 and 2018. As disclosed in the respective Final Decisions issued by the Boone County Board of Review for each of these tax years along with the Supplemental Board of Review submission ordered during hearing, the subject's assessment includes the following:

2016: \$1,311 for farmland; \$10,000 for urban land (homesite); \$41,523 for urban buildings (non-farm) (including carriage house at \$20,261); and \$7,467 for farm buildings (outbuildings) for a total assessment of \$60,301.

2017: \$1,417 for farmland; \$10,842 for urban land (homesite); \$41,867 for urban buildings (non-farm) (including carriage house at \$20,261); and \$6,889 for farm buildings (outbuildings) for a total assessment of \$61,015.

2018: \$1,534 for farmland; \$11,400 for urban land (homesite); \$41,187 for urban buildings (non-farm) (including carriage house at \$19,705); and \$6,889 for farm buildings (outbuildings) for a total assessment of \$61,010.

In the post-hearing Supplemental Board of Review materials ordered by the Property Tax Appeal Board, the assessing officials reported a consistent error in the subject's assessment concerning \$170 for the third floor of an eight-sided farm building that was erroneously included in the subject's non-farm/residential classification. Given the board of review's acknowledgement of this error and as an initial adjustment to the assessments at issue, the Property Tax Appeal Board will deduct \$170 from the non-farm buildings assessment for each year and increase the farm building assessments for each year by \$170, thus placing this amount in its appropriate classification.

In response to these appeals, the board of review submitted a multi-page memorandum outlining the evidence and argument of the board of review including multiple exhibits, which for tax year 2016 were identified as aerial maps (Exhibit 1), property record cards and photographs of the subject (Exhibit 2), "Standard Neighborhood Land model" (Exhibit 3), comparables' property record cards (Exhibit 4), various letters/documents (Exhibit 5), a page from Publication 122, Farmland Assessments (Exhibit 6) and past/upcoming events at the Farmette Granette (Exhibit 7). Similarly, for tax year 2017, the board of review submitted a letter prepared by the then Supervisor of Assessments, Martin A. Kinczel along with an additional letter from the Illinois Department of Revenue denying tax exempt status and portions of the 2016 board of review evidentiary submission. Lastly, for tax year 2018, the board of review submitted a letter prepared by Kinczel along with a copy of the entire 2016 tax year evidentiary submission and a printout for the owner's non-profit Certificate of Good Standing as shown by the Illinois Secretary of State.

In response to these appeals, the board of review contends that the subject land and improvements have been properly classified in accordance with standard practices applied within Belvidere Township and Boone County. While recognizing that the appellant seeks to have the subject's residential homesite with well and septic reclassified as farmland, the board of review contends that all farm parcels that are similar to the subject, based upon size with adjustments applied for variations in homesite land area are based upon market value data (Exhibit 3). Moreover, to further support the similarity of treatment, the board of review provided four comparable property record cards of rural improved farm parcels with homesite value data (Exhibit 4) which are also identified in the aerial maps (Exhibit 1). The assessment of the subject homesite including well and septic is not different than all other rural improved farm parcels in the jurisdiction. The board of review noted there are no known special water hookups on the home which provide irrigation to the crops other than a garden hose.

Next, while recognizing that the appellant seeks to have the residential dwelling reclassified as a farm building due to its use as a meeting place known as a Granette, initially the board of review addresses the lack of regulations, permits and/or special use provisions of the Boone County Building and Planning Departments (Exhibit 5). The board of review also cites that "Illinois Grange is Tax Exempt" based upon a letter from Executive Board Member, Lyle Lee, noting that the appellant has not proceeded to obtain State certified Grange Status (Id.). Lastly, on this point, the board of review asserted that in 2012, the IDOR denied a non-homestead property tax exemption to the appellant (Id.). The board of review also raised a regulatory issue related to community meeting places mandating at least two restrooms whereas the subject dwelling has only one restroom. As to the appellant's assertion of use of the dwelling in part as a farm office and visitor center, the board of review noted that most rural farm improved parcels have a designated office area within the farmhouse to process bills, feed, seed, fertilizer, weed control and/or other supply orders which pertain to the daily operations of the farm. In addition, the board of review contends that many clubs, churches and other community service organizations hold public meetings in members' homes. Finally, the board of review contends as displayed in Exhibit 7 that there have been "known events from 2013 to present" including retirement parties, Harvest Fests, Art Classes, Fall Art Scene – by the Rockford Area Arts Council, and an upcoming wedding and reception in September 2018. Thus, the board of review contends that the subject dwelling/property has been used for various commercial activities over several years (2018 board of review letter).

Concerning the appellant's dispute with regard to the farm building assessment(s), the board of review contends that the carriage house over a detached garage has been added to the subject's property record card, but the other barn type additions to the old two-story dairy barn have been added within the property record card since 2010. Exhibit 6 is the published guidance from the IDOR instructing assessing officials on the measurement and recording of farm buildings. Assessing officials have noted the details of the subject's farm buildings including second and/or third floor square footage as applicable. Furthermore, the board of review contends in response to the appellant's assertion that farm buildings should be assessed at \$6 per square foot of building area, that such a rate of assessment would be typical for a shed in Belvidere Township. In contrast, the original dairy barn and all of its additions are not comparable to a shed according to the assessing officials.

In summary, the board of review disputes the appellant's request for a reclassification of the homesite of the subject parcel as doing so would be inequitable with all other improved area farm parcels. The board of review further contends that assessing the dwelling at its highest and best use, it has been properly classified as a residential dwelling; if the appellant obtains authorization or certification to the State Grange or provides some other sufficient information to qualify as a special use, the assessing officials would consider such submissions. For instance, if the appellant obtains a special use permit or has the dwelling accepted as a Grange Hall, it may then qualify for a property tax exempt use classification (see 2018 letter from the board of review). In the meantime, the board of review stands by its current assessment classifications of the subject property.

*Witness #1 – Kris Hall*

Recalled by the board of review for direct testimony was Kris Hall. She noted that in her entire assessment career, Hall has never had occasion to assess a farmhouse (dwelling) as a farm building. In a follow-up question from the ALJ, Hall also testified that she has never had an instance of a farm with a dilapidated farmhouse that the owner was now using for farm-related storage, such as for seed or fertilizer.

Hall described the subject land as a farm parcel that has hay ground to the west of the farm buildings and a single-family residence. The outbuildings have been in different stages of construction since 2010 or 2012. Hall reiterated her interior description of the subject farmhouse that is of a typical single-family dwelling. There is no item or feature of the dwelling that would lead Hall to assess improvement #1 as anything other than a single-family residential structure. Although challenging the assessment of the dwelling for tax years 2016, 2017 and 2018, Hall was never invited by the appellant for an interior view of the dwelling at the time of these assessment appeals, although it was suggested in order to pursue a reclassification of the structure.

In her experience, Hall has had occasion to assess vacant residential dwellings that on occasion also lack any interior furnishings. Those dwellings are assessed based on location, condition and similar factors as compared to a dwelling in fair or average condition. Occupancy of a dwelling is an irrelevant factor for assessment purposes. The only individual who has consistently referred to the subject dwelling as a Granette has been the appellant, Jim Beilfuss. Hall is not familiar with any category of a Granette in assessment or appraisal fields. As to use of the subject



residence, Hall has no evidence, besides Beilfuss' testimony, that its use was anything other than as a residence.

The well and septic service on the subject parcel have been assessed in the same manner as all other parcels, whether farm or residential. These parcels lack a city water/sewer hook-up and thus maintain individual well and septic service. The subject's well and septic provide service to the dwelling and there was no indication of service to any farming use of the parcel. For assessment purposes, Hall reported that the subject's well and septic were not assessed as part of the farm but were a separate line item.

As observed by Hall, the subject land area classified as homesite that surrounds the dwelling has been kept up like any typical lawn whether in a residential subdivision or in a farm homesite. The grass has been mowed, landscaped and flowers planted and cared for which is typical for a residential site.

The exterior of the carriage house structure has garage doors on the ground level and above that is a single level. Hearing BOR Exhibit 2 photographs of the interior of the carriage house were taken by Hall in 2015 or 2016. It is Hall's opinion that a typical passenger vehicle would fit in the two garage bays. From her inspection of it, the second level of the carriage house included finished walls that are decorated with pictures and some of which are painted; there were also furnishings or memorabilia that pertained to farming such as hand-held implements and older kitchen utensils were on display. There is no heating or air conditioning service to the carriage house and there is no bathroom in the structure. In assessing the carriage house and seeking to account for each section that comprised the structure as compared to the other older farm buildings, Hall was unable to account for the features she observed in her computerized outbuilding appraisal assessment system. Therefore, Hall utilized some descriptive information or labels for residential structures and accounted for the carriage house having a lower value utilizing the cost approach for the lack of heating/cooling and plumbing fixtures, although this structure has better quality and construction than the other farm outbuildings.

The subject's property record card identified in testimony as Hearing BOR Exhibit 3.<sup>5</sup> Hall testified that the urban building assessment of the subject parcel includes both the farmhouse/Grangette and the carriage house, although she contends that the carriage house has a value that "makes it more like a farm-type building." It is the computerized system for establishing assessments that does not permit Hall to establish the carriage house as an outbuilding. Hall also acknowledges that with a residential or urban building assessment on the carriage house, the structure is also subject to annual equalization factors like the farmhouse/Grangette. It is Hall's opinion that the carriage house is not a farm building because it does not resemble a farm building and should be subject to equalization factors. Hall further opined that a farm parcel with a detached garage for personal vehicles and an attached workshop would not be assessed as a farm building, unless it had a specific farm use; it would be assessed as a residential structure. She further noted that for personal use, the structure would have a higher value. Hall would value a non-farm building that may appear to be a farm building by valuing it lower.

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<sup>5</sup> The board of review submitted copies of the subject's property record card in each of the three tax year appeals and in each instance, the document is labeled as "Exhibit 2" within the board of review's submission.

Hall Cross-examination

When asked about the mowing of grass around farm buildings, Hall testified that some amount of mowing would be expected but it would not appear to be lawn-like. It is also possible that different types of mowers would be used to trim the growth around the farm buildings.

Residential values use cost manuals in their ProVal system. Hall testified that the valuation of barns includes inspection such as pole barns, steel sheds and/or machine sheds/barns which have farm machinery stored and perhaps an occasional boat stored. She further testified that if a personal vehicle and/or a boat were stored, it would not remove the structure from the farm building valuation.

Hall re-direct testimony

On the issue of storage of both farm machinery and a boat, Hall was asked if there is a point that tips the scales. Hall testified that as she viewed the interior, she would look to see what else is in there, if the majority is for farm use, then it would maintain its farm building use. Her experience has been that the majority of use is for farm equipment.

As to the classification of the carriage house, Hall found the structure to be more a residential use; it is a non-livable, hobby type building for memorabilia.

*Witness #2 – Martin Kinczel<sup>6</sup>*

Kinczel is a Certified General Real Estate Appraiser and has been appraising properties since 1994 having performed well-over 20,000 appraisals. Around 2014 to 2015, Kinczel began work in the township assessor's office in Grafton Township, McHenry County, Illinois. After three years, Kinczel became the Supervisor of Assessments in Boone County. He has fulfilled the educational requirements for his appraisal license and to qualify as the Supervisor of Assessments, he passed an examination issued by the State of Illinois, he also obtained his CIAO (Certified Illinois Assessing Official) designation by passing multiple examinations and has achieved the CIAO-I (intermediate) designation in accordance with an examination issued by the Illinois Property Assessment Institute.<sup>7</sup>

During his inspection of the subject farmhouse in 2019, which the appellant calls a Grangette, the structure appeared to Kinczel to be a "normal single-family residence." At the time, the appellant was just completing a kitchen remodeling/modernization project. There was a bathroom remodel including a stackable washer and dryer and several personal care items, such as shaving cream, visible in the bathroom. The living room included a large television and the dining room was set up as a standard dining room. In a brief visit to the second floor, Kinczel observed a couple of beds, some stand-up closets and dry cleaning lying on the bed. The inspection undertaken by Kinczel included the township assessor, Ms. Hall, who was instructed by the property owner not

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<sup>6</sup> Without objection, the board of review cross-examined Martin Kinczel and elicited the following testimony relevant to the board of review's case-in-chief.

<sup>7</sup> Counsel for the appellant agreed that Kinczel can be designated as an expert in general in the field of assessments but objected to such expertise specifically concerning farmland assessments and/or farm properties.

to take any interior photographs during the inspection. From Kinczel's view, the structure was a farmhouse property.

Kinczel further opined that on this inspection, there was no evidence that the residence was used all or in part as a non-profit tax-exempt entity. Furthermore, the principal office of the owner is the same as this property's address. Therefore, the assessing officials noted that, without proper documentation from the IDOR, the Boone County assessment officials could not change the subject's assessment. Beilfuss was further advised that a homestead exemption, either as owner-occupied or subject to a lease, were available options that he could apply for to reduce the total tax liability; the appellant has not pursued either of these suggestions.

As part of the 2018 evidentiary submission, Kinczel reported that he and Belvidere Township Deputy Assessor Kris Hall were able to inspect the subject property on September 26, 2019 during which they discussed several aspects of the property and some options that were available with the owner. As reported in that letter, the assessing officials observed that the original barn has had several renovations and additions made over the years; as written by Kinczel, he would best describe it "as a hobby barn or artist studio." While Hall was permitted to take several photographs of the barn and outbuildings, no permission was given to take photographs in the interior of the dwelling or Grangette nor was Hall permitted to go upstairs.

In his assessment experience, Kinczel has had occasion to find that a given farm building was obsolete with regard to the operation of a particular farm property. For instance, in McHenry County, there was occasion that a building on farmland was surrounded by trees, was not accessible and the roof was caved in so the assessing officials "zeroed out" the value on the structure and in another circumstance, where the structure was leaning significantly and where the farmer was using the structure to store bales of hay, the assessing officials placed a very minimal assessment of \$1,000 on a large barn. If a farmer had a useable building without structural defects but chose not to use it in the farming operation, the local township assessing official would be obligated to value the building based upon its original construction costs which would be similar to a farmer choosing to leave a field lie fallow through a farm management choice; the structure still has value as the farmer would have the right to sell the property or lease the property.<sup>8</sup>

The ALJ inquired if Kinczel had viewed the carriage house in the course of his inspection of the subject property. Kinczel testified that upon the inspection, the second floor of the carriage house was finished and furnished as he recalls as shown in Hearing BOR Exhibit 2. When asked if the carriage house would be qualified as a farm building under assessment practices, Kinczel testified in his personal opinion it is hard to separate the two structures as they are connected; the carriage house is also part of the two-car garage that it is complicated because the carriage house structure is also attached to the barn. In his opinion, he would call the carriage house a farm building out of respect for the farmer.

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<sup>8</sup> Note, after eliciting the foregoing testimony from Kinczel concerning experience in farmland assessments, the board of review never renewed its request to have Kinczel deemed to be an expert in the valuation of farmland properties.

Appellant's Rebuttal

Appellant, when still appearing before the Board *pro se*, submitted rebuttal. In the 2016 tax year appeal, the appellant's rebuttal filing was dated September 7, 2018.

As part of the filing, the appellant reiterates his contention that the subject farmhouse/Grangette is an agricultural assembly hall and should be valued according to its current use and contribution to the productivity of the farm. Once the Grangette is properly assessed, the underlying homesite land area should be assessed as farmland. The appellant contends that an old garage on the subject parcel "has been gone since 2009 and was replaced with a 3-story addition to the barn to appear architecturally similar to the old carriage houses." As to this structure, the appellant contends assessment as residential is inappropriate because no building permit was ever obtained and there have been no residential improvements made to the subject parcel. The appellant argues that all buildings "have either always been agricultural buildings or have been converted to agricultural buildings." The appellant further wrote:

The Grangette loves old barns and agricultural architecture. We know barns. Our architecture is illustrative of our mission to promote, protect and encourage agriculture. (Item #13 in rebuttal filing)

Next, the appellant reiterated the arguments of the non-profit status of the appellant with three directors as required, is an "associate-based agricultural society" and that the Grangette serves as a meeting place where visitors are guests of our associates. (Items #17-20) "Activities at the [Farmette Grangette] are few. We assemble, we associate and we speak." (Item #21) The appellant further reported that since 2013 there has been one retirement party, an annual fall festival consisting of a single evening party for "our associates" in association with the Countyline Grange which handles the food and parking, one art class for our associates and a few guests, three weekend art shows, a wedding, two wedding receptions and several other enumerated events. (Item #38-42)

The appellant contends that the old farmhouse and its associated homesite were converted in July 2014 to an agricultural assembly hall and farm lot. The appellant asserts that holding incidental special events promotes agriculture. The appellant argues that the Grangette is the first of its kind in the county and tax exempt grange halls are not comparable to the subject property as "tax exemption is not a requirement for assembling, associating or speaking."

The records also reflect the submission of a letter dated September 28, 2019 prepared by Attorney Trent Ferguson on behalf of the appellant entitled "Additional Evidence" which referenced all three pending appeals. The Board finds this submission was only timely as to the 2017 and 2018 tax year appeals. With citations to the Property Tax Code, case law and a prior PTAB decision, counsel argued that the instant appeal is based upon classification, namely, that the classification and assessment of a homesite and dwelling are erroneous as they are used generally for farming purposes. It is argued that since 2013, the appellant operating as County Living & Learning at Del Pony Vista, LLC, a not-for-profit organization, has used the building (which has been classified as a dwelling) as a grange hall or Grangette. Counsel further wrote, "The use and purpose of grange halls for the promotion of the well-being of the community and agricultural [*sic*] is recognized throughout the United States."

With citation to Section 10-140 of the Property Tax Code (35 ILCS 200/10-140), appellant's counsel argued that since use is the controlling factor, the subject property should be assessed as a farm building and the underlying ground assessed as farmland. Counsel further noted that in the absence of evidence negating the actual use of the subject property, there is no statutory requirement that certain farming activities must be verified by another governmental agency as appears to be the responsive evidence of the Boone County Board of Review's submission.

In conclusion, Attorney Ferguson stated:

It would be the [appellant's] argument that a grangette contributes to farming operations throughout the local area by providing a place for farmers to gather and discuss farming related issues. Thus, the grangette has little or no contributory value to the subject property itself, but rather the community as a whole. The most likely comparison is to that of an association or subdivision common area. As such the [appellant] respectfully requests that the Property Tax Appeal Board value the grangette at a value of \$1.00 or \$100.00.

### **Conclusion of Law**

The appellant appealed the assessments of the subject parcel for tax year 2016, 2017 and 2018 as a contention of law concerning the assessment classification of two of the improvements and the assessment classification of a portion of the land. When a contention of law is raised the burden of proof is a preponderance of the evidence. (See 5 ILCS 100/10-15). The Property Tax Appeal Board finds the evidence in the record supports a change in the classification of improvement #2, finding that a reclassification of the carriage house structure to a farm building assessment, is appropriate. However, the Board further finds that no reclassifications have been proven by the appellant for improvement #1 (Grangette) and/or the subject parcel's land assessment.<sup>9</sup>

Although the Board further finds that some of the mathematical calculations in the post-hearing submission by the board of review do not exactly reflect the original final decisions of the Boone County Board of Review for tax years 2016, 2017 and 2018, since increases in the subject's respective assessments were not requested, the Property Tax Appeal Board hereby sustains the subject property's total assessment as established by the board of review for each tax year.

### ***Farm Building Classification Request (Improvements #1 & #2)***

The appellant through a legal contention argued that the subject farmhouse and carriage house were improperly classified as residential structures. The appellant argued in part that the assessing

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<sup>9</sup> While ordered to clarify the farmland and homesite assessments in this record, the Board finds that the Boone County Board of Review failed to establish specifically what land has been afforded a homesite assessment beyond setting forth specific acreage; there is no aerial map in the record delineating the farmland and homesite land areas in relationship to specific structures. Unanswered by the board of review's supplemental evidence and/or original evidentiary submission is whether the land underlying the garage/carriage house is assessed as homesite or some other category of farmland, given the data in the record that the parcel does include other farmland (presumably underlying the barn area/footprint).

officials failed to abide by guidelines issued by the Illinois Department of Revenue in Publication 122 entitled "Instructions for Farmland Assessments." Publication 122 it states in pertinent part:

The law requires farm buildings, which contribute in whole or in part to the operation of the farm, to be assessed as part of the farm. They are valued upon the current use of those buildings and their respective contribution to the productivity of the farm. Farm buildings are assessed at 33 1/3 percent of their contributory value.

. . . Some farm buildings, even though they are in good physical condition, may play a minor role in the operation of the farm and have little value. These same buildings on another farm may be vitally important to the farming operation. The value of the farm buildings in these two instances is different.

. . .

Value must be based on cost. This entails a third problem – depreciation. Since most farm buildings are constructed in the hopes of increasing efficiency or productivity, the undepreciated cost of the building will approximate market value when the building is new. The undepreciated cost of the building may be quite different than the value as the building ages. . . . [Emphasis added.] (Publication 122, Instructions for Farmland Assessments issued by the Illinois Department of Revenue).

The sole evidence of the use of the farmhouse as a Grangette was presented by the testimony of Beilfuss. The Board finds the evidence presented by the appellant was not credible in establishing that improvement #1 as being used as a farm building entitling it to a farm building classification. The assessing officials testified that they have no evidence that improvement #1 was anything but a single-family residential structure, even after touring the interior. As to the appellant's un rebutted testimony, when questioned by the ALJ as to the number of meetings, who attends the meetings, are there records of the meetings, how are notices of meetings disseminated and similar "who, what, when, how" questions, the Board finds that Beilfuss' answers were all less than satisfactory. The Board finds that this nebulous process testified to by Beilfuss whereby the "associates" establish "meetings" to be held at the Grangette to purportedly discuss farm-related issues wholly detracts from the appellant's claims.

Furthermore, the Board finds the appellant failed to submit any photographs depicting the interior of improvement #1, any photographs of meetings taking place and/or any records of such meetings occurring. Thus, in the absence of evidence from the appellant, the board of review's testimony is unrefuted that the interior of improvement #1 was a typical single-family residential dwelling with a living room with furnishings, including a television, a typically furnished kitchen, bathroom and bedrooms including beds.

Placing the appellant's generalized meeting criteria in a different context, the Board finds that farmers gathering in rural Illinois communities at a local coffee shop may often discuss farming related issues. While the coffee shop may not be located on an actual farm parcel, the Board finds

that logic dictates regardless, the coffee shop structure would never qualify as a farm building due to these "meetings" of farmers and associates discussing farm related matters.

The Board finds these facts and factors all detract from the appellant's contention that the subject farmhouse qualifies as a farm building due to its contribution to the farming operation of the subject or, even, somehow to the greater farming good of the community.

In summary, the Property Tax Appeal Board finds the appellant failed to establish by a preponderance of the evidence that the farm dwelling classification of improvement #1 should be altered to a farm building assessment. As to the historic farmhouse building, the Property Tax Appeal Board finds that the appellant placed insufficient evidence before the Board as to the farm-use of improvement #1 which is clearly originally designed and built as a farmhouse or a residential dwelling. The Board finds the fact that the appellant may have chosen since 2014 not to occupy or utilize improvement #1 in a traditional manner as living quarters for himself or others, does not alter the assessment treatment of improvement #1. The Board finds that there is no legal precedent or theory to support the appellant's unique interpretation of the Property Tax Code for assessment purposes in light of the dearth of substantive facts presented in this matter. As such and on this record, the Board finds that the appellant failed to provide substantive evidence to modify the assessment classification of improvement #1. Therefore, on the question of proper classification as to improvement #1, the Board finds that the farmhouse is properly classified as a residential building.

In contrast, as to improvement #2, the Property Tax Appeal Board finds that based in part on the testimony of the former Boone County Supervisor of Assessments Marty Kinczel, the carriage house, which is attached to and apparently solely accessible through the two-story barn, is more appropriately assessed as a farm building. In addition, the assessing officials provided evidence that the carriage house lacks heating/cooling features which are typical of residential-type dwellings. The carriage house is unlike a breezeway connecting a residential dwelling to a garage; in this case, the carriage house is away from the dwelling and attached to a barn which has been assessed as a farm building. Furthermore, when the ALJ questioned the application of equalization factors to the carriage house valuation, the township assessor appeared initially to be taken aback, but acknowledged that as currently assessed as a residential improvement, the carriage house would in fact be subject to application of equalization factors to its valuation. And, while the assessor subsequently testified that she felt equalization factors should be applied to the carriage house, the Board gives greater credence to the witness' initial response.

Section 1-60 of the Property Tax Code (hereinafter "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 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)

As to the carriage house that is attached to the barn, the Property Tax Appeal Board finds that the assessors have erred in the assessment classification of this structure as residential given the testimony of the former assessing official, the access only through the barn, attachment to the barn, the interior finishes and the lack of heating/cooling and/or plumbing of the structure.

On this record, the Board finds there is no legal or logical reason to assess the carriage house as a residential improvement. Thus, the Board finds the carriage house (improvement #2) should be properly classified as a farm building for tax years 2016, 2017 and 2018, respectively. Therefore, the Board finds a reclassification of the assessment of improvement #2 to a farm building is warranted.

#### *Farmland Classification Request*

The first issue is whether the entire subject parcel is used primarily for agricultural purposes as required by Section 1-60 of the Property Tax Code (35 ILCS 200/1-60). In Senachwine Club v. Putnam County Board of Review, 362 Ill. App. 3d 566 (3<sup>rd</sup> Dist. 2005), the court stated that a parcel of land may be classified as farmland provided that those portions of the property so classified are used solely for agricultural purposes, even if the farm is part of a parcel that has other uses. *Citing* Kankakee County Board of Review, 305 Ill. App. 3d 799 at 802 (3<sup>rd</sup> Dist. 1999). A parcel of property may properly be classified as partially farmland, provided those portions of property so classified are used solely for the growing and harvesting of crops. Santa Fe Land Improvement Co. v. Illinois Property Tax Appeal Board, 113 Ill. App. 3d 872, 875, 448 N.E.2d 3, 6 (3<sup>rd</sup> Dist. 1983).

There is no dispute between the parties that the subject parcel qualifies for a farmland assessment due to the hay field on the property (35 ILCS 200/1-60). The dispute arises where the appellant seeks to have the entire parcel assessed with preferential farmland assessment categories, including land underlying improvement #1 and/or improvement #2 (see Footnote #9). As depicted on this record, the assessing officials have accorded all but the "homesite area" with a preferential farmland assessment.

The Board finds the present actual use of land is the focus in issues involving farmland classification. Santa Fe Land Improvement Co. v. Illinois Property Tax Appeal Board, 113 Ill.App.3d at 872,(3<sup>rd</sup> Dist.1983). Having determined that improvement #1 is not a farm building for assessment purposes, the land underlying improvement #1 is properly classified as homesite.

Beilfuss' acknowledgement that he has not yet done anything with the white pine trees and simply is desirous of selling the trees for use as Christmas trees in the future detracts from his argument that this portion near improvement #1 is farmland. The appellant failed to submit any photographs of the disputed "farmland" area of Christmas trees and provided no receipts or documentation establishing any sales nor any other evidence beyond the appearance that the trees are part of the homesite yard. Moreover, the Board finds that the height of the trees and their apparent overgrowth



into one another appears to further detract from the appellant's claim that these are a Christmas tree crop. Additionally, the undisputed testimony that the trees currently act as a wind screen for improvement #1 also detract from the claim the trees are to be sold as Christmas trees. Therefore, the Board finds that the appellant did not **use or harvest** the white pine tree crop in any meaningful manner for any agricultural purpose within Section 1-60 of the Property Tax Code (35 ILCS 200/1-60).

As to the "homesite" acreage for which the appellant seeks to obtain a farmland assessment, the Board finds that the appellant at hearing did not articulate a specific farmland use for this portion of the parcel classified as residential/homesite. Additionally, multiple uses of a parcel may be made so long as the uses are not inconsistent with and are incidental to the primary purpose. McLean County Board of Review v. PTAB, 286 Ill.App.3d 1076, 1078, 222 Ill.Dec. 701, 678 N.E.2d 313 (1997).

Furthermore, the Board recognizes that this portion of the appellant's contention of law is related solely to the purported "conversion" of the old farmhouse (improvement #1) to an assembly hall or Grangette as termed by the appellant. Since this portion of the appellant's farmland classification request is wholly dependent upon the determination of the proper classification of improvement #1, the Board now finds that having determined that improvement #1 (the Grangette) is not entitled to a farm building assessment, the Board finds it emblematic that the underlying land associated with the historic farmhouse (improvement #1) is likewise not entitled to preferential farmland assessment treatment. Therefore, the Board finds on this record that no change in the subject's land 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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) 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: October 19, 2021



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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