



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

APPELLANT: Luis Zires
DOCKET NO.: 16-04380.001-R-1
PARCEL NO.: 07-19-204-016

The parties of record before the Property Tax Appeal Board are Luis Zires, the appellant, and the Lake County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **A Reduction** in the assessment of the property as established by the **Lake** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$19,046
IMPR.: \$66,866
TOTAL: \$85,912

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 2016 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject property consists of a two-story dwelling of wood siding exterior construction with 2,940 square feet of living area. The dwelling was constructed in 1997. Features of the home include a full unfinished basement, central air conditioning, a fireplace and a 704 square foot garage. The property has a 10,013 square foot site and is located in Gurnee, Warren Township, Lake County.

The appellant's appeal is based on overvaluation. In support of this argument, the appellant submitted evidence disclosing the subject property was purchased on May 12, 2016 for a price of \$234,001. The appellant completed Section IV – Recent Sale Data of the appeal petition reporting the property was purchased from the Lake County Sheriff, the parties to the transaction were not related and the property had been advertised for an unknown period of time on the Lake County website. The property was sold in settlement of a foreclosure action and the appellant reported that \$48,500 was expended on the property in renovations before occupying the

property in December 2016. In further support of the appeal, the appellant provided a page depicting five color photographs of "water damages" along with a receipt issued by the Lake County Sheriff's Office. The appellant also provided a copy of the PTAX-203 Illinois Real Estate Transfer Declaration associated with the sale reiterating the sale price, noting the sale was "court-ordered," transferred via Sheriff's Deed and that the property was advertised prior to sale.

Based on this evidence, the appellant requested a total assessment of \$85,912 which would reflect a market value of \$257,762 or \$87.67 per square foot of living area, including land, at the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$101,686. The subject's assessment reflects a market value of \$306,653 or \$104.30 per square foot of living area, land included, when using the 2016 three year average median level of assessment for Lake County of 33.16% as determined by the Illinois Department of Revenue.

In response to the appellant's reliance upon the recent purchase of the subject property, the board of review wrote this was a "Sheriff's sale" and "not a typical market transaction." The board of review also provided a copy of the PTAX-203 for the transaction which was identical to the one the appellant filed.

In support of its contention of the correct assessment, the board of review submitted information on four comparable sales located within .771 of a mile of the subject property. The comparable parcels range in size from 10,121 to 14,810 square feet of land area. Each parcel has been improved with a two-story dwelling of wood siding exterior construction that was built between 1994 and 1996. The homes range in size from 2,759 to 2,895 square feet of living area and feature full basements, two of which have finished areas. Each comparable has central air conditioning, one or two fireplaces and a garage ranging in size from 483 to 525 square feet of building area. The comparables sold between October 2014 and June 2016 for prices ranging from \$332,500 to \$372,500 or from \$118.46 to \$128.67 per square foot of living area, including land.

Based on the foregoing evidence and argument about the sale of the subject, the board of review requested confirmation of the subject's estimated market value as reflected by its assessment.

Conclusion of Law

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. 86 Ill.Admin.Code §1910.65(c). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The appellant contends the subject's assessment should be reduced based on the sale price of the subject and the board of review contends the sale was a "Sheriff's Sale" which is "not a typical market transaction."

The Property Tax Appeal Board finds provisions of the Property Tax Code are relevant in this proceeding. Namely, Section 1-23 of the Code defines compulsory sale as:

"Compulsory sale" means (i) the sale of real estate for less than the amount owed to the mortgage lender or mortgagor, if the lender or mortgagor has agreed to the sale, commonly referred to as a "short sale" and (ii) the first sale of real estate owned by a financial institution as a result of a judgment of foreclosure, transfer pursuant to a deed in lieu of foreclosure, or consent judgment, occurring after the foreclosure proceeding is complete. 35 ILCS 200/1-23.

Section 16-183 of the Code also provides that the Property Tax Appeal Board is to consider compulsory sales in determining the correct assessment of a property under appeal stating:

Compulsory sales. The Property Tax Appeal Board shall consider compulsory sales of comparable properties for the purpose of revising and correcting assessments, including those compulsory sales of comparable properties submitted by the taxpayer. 35 ILCS 200/16-183.

Based on these statutes, the Property Tax Appeal Board finds it is appropriate to consider the sale of the subject property in revising and correcting the subject's assessment.

The evidence disclosed that the subject sold in May 2016 for a price of \$234,001 or \$79.59 per square foot of living area, including land. The information provided by the appellant also indicated the sale had elements of an arm's-length transaction in that the property was advertised prior to the sale and the sale occurred a mere five months after the assessment date at issue of January 1, 2016. The Property Tax Appeal Board further finds that the board of review's responsive evidence, including the submission of the transfer declaration, did not sufficiently contest the arm's-length nature of the sale of the subject property in light of the provisions of the Property Tax Code referenced above concerning the sale of property after foreclosure.

Furthermore, ordinarily property is valued based on its fair cash value (also referred to as fair market value), "meaning the amount the property would bring at a voluntary sale where the owner is ready, willing, and able to sell; the buyer is ready, willing, and able to buy; and neither is under a compulsion to do so. " Illini Country Club, 263 Ill. App. 3d at 418, 635 N.E.2d at 1353; see also 35 ILCS 200/9-145(a). The Illinois Supreme Court has held that a contemporaneous sale of the subject property between parties dealing at arm's length is relevant to the question of fair market value. People ex rel. Korzen v. Belt Ry. Co. of Chicago, 37 Ill. 2d 158, 161, 226 N.E.2d 265, 267 (1967). A contemporaneous sale of property between parties dealing at arm's-length is a relevant factor in determining the correctness of an assessment and may be practically conclusive on the issue of whether an assessment is reflective of market value. Rosewell v. 2626 Lakeview Limited Partnership, 120 Ill. App. 3d 369 (1st Dist. 1983), People ex rel. Munson v. Morningside Heights, Inc., 45 Ill. 2d 338 (1970), People ex rel. Korzen v. Belt Railway Co. of Chicago, 37 Ill. 2d 158 (1967); and People ex rel. Rhodes v. Turk, 391 Ill. 424 (1945). In light of this holding, the comparable sales submitted by the board of review have been given less weight; comparable sales #3 and #4 submitted by the board of review are superior to the subject with finished basement areas and comparable #4 sold in October 2014, a

date remote in time to the valuation date at issue in this proceeding. Furthermore, the Board finds comparables #1 and #2 suggested by the board of review do not overcome the recent purchase price of the subject property.

The Board finds the best evidence of the subject's fair market value in the record is the May 2016 purchase price of \$234,001. The Property Tax Appeal Board finds the sale was not a transfer between family or related parties and the property was advertised for sale. The appellant did, however, also report that renovations for a cost of \$48,500 were performed before the occupying the subject property in December 2016. Thus, the appellant invested additional money in the subject property, however this investment was subsequent to both the purchase date and to the assessment date of January 1, 2016. Therefore, the Board finds those alterations should not be added to the purchase price for tax year 2016 in terms of establishing the market value of the subject as of January 1, 2016. The subject was reportedly in "water damaged" condition as of January 1, 2016 and thus, the Property Tax Appeal Board finds that the purchase price in May 2016 was reflective of the subject's total market value on January 1, 2016 in damaged condition.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of approximately \$234,001 on January 1, 2016. The subject's assessment reflects an estimated market value of \$306,653, which is higher than its arm's-length sale price in May 2016. Therefore, a reduction in the subject's assessment is warranted commensurate with the appellant's request.

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



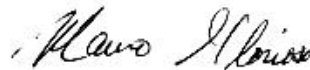
Member

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: January 21, 2020



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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