



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

APPELLANT: Mike Milovanovic
DOCKET NO.: 18-00257.001-R-2
PARCEL NO.: 12-34-305-016

The parties of record before the Property Tax Appeal Board are Mike Milovanovic, the appellant, by attorney Andrew J. Rukavina, of The Tax Appeal Company in Mundelein, and the Lake County Board of Review.

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

LAND: \$164,178
IMPR.: \$269,791
TOTAL: \$433,969

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 2018 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 approximately 3,647 square feet of living area.¹ The dwelling was constructed in 2005 with a reported effective age of 10 years according to the appellant's appraiser. Features of the home include a full basement with 1,002 square feet of finished area, central air conditioning, two fireplaces and an attached two-car garage containing 629 square feet of building area. The property has a 13,591 square foot site and is located in Lake Forest, Shields Township, Lake County.

¹ The appellant's appraiser reports a dwelling size of 3,521 square feet which is supported by a schematic drawing. The assessing officials report a dwelling size of 3,647 square feet supported by the subject's property record card with a schematic drawing. The Board finds that slight size discrepancy of 126 square feet on this record does not prevent a determination of the correct assessment.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal prepared by Lawrence C. Klaus, a licensed appraiser, who estimated the subject property had a market value of \$1,000,000 or \$274.20 per square foot of living area, including land, as of January 1, 2018 based on a dwelling size of 3,647 square feet.

The intended use of the appraisal was for an appeal of the assessment of the subject property. The appraiser found the dwelling to be well maintained with no observable repairs necessary. He noted the kitchen and bathrooms were in original condition and typical quality for a home within this age range. He further found no functional or external inadequacies.

In estimating the market value of the subject parcel, the appraiser developed the sales comparison approach to value using six comparable sales. As part of the Addendum, Klaus noted the subject to be a "newer" style home located within an area of predominantly older style homes "which have been renovated and updated in a manner that equates their effective age with that of the subject; thus no condition adjustments were necessary." However, as comparable #2 was more than 100 years older than the subject, Klaus did make an age adjustment of 10% for this property.

The comparables were located from .24 of a mile to 1.65-miles from the subject where in the Addendum, Klaus noted the close proximity of appraisal sales #1 through #4 to the subject and reported comparables #5 and #6 were provided as additional supporting data. The parcels range in size from 17,859 to 63,038 square feet of land area with Klaus asserting the subject has a smaller lot "than the typical lot size within the area." The comparables are improved with either a Tudor, Victorian, Cape Cod or Colonial dwelling. Each home is of frame, brick or brick and frame exterior construction and ranges in age from 28 to 125 years old. The homes range in size from 3,517 to 4,176 square feet of living area. Each dwelling has a basement, five of which have finished areas, central air conditioning, one to five fireplaces and a two-car garage. Appraisal sale #4 has an inground swimming pool. These six comparables sold or were closed from August 2016 to March 2018 for prices ranging from \$950,000 to \$1,275,000 or from \$247.14 to \$334.09 per square foot of living area, including land. The appraiser made adjustments to each comparable for differences from the subject property in "superior" site size, to comparable #2 for age, adjustments for bathroom count, dwelling size, basement size, basement finish, garage size and/or other differences to arrive at adjusted prices ranging from \$942,000 to \$1,166,000. Due to their proximity to the subject, Klaus placed heavier emphasis on appraisal sales #1 through #4 as set forth in the Addendum and an estimated value for the subject under the sales comparison approach of \$1,000,000 was determined for an indicated value "within the lower end of the range" found by Klaus to be reasonable due to the subject's small lot than was typical for the area. Based on this evidence, the appellant requested the total assessment be reduced to \$333,300 to reflect the appraised value conclusion 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 \$433,969. The subject's assessment reflects a market value of \$1,311,877 or \$359.71 per square foot of living area, land included, when using the 2018 three year average median level of assessment for Lake County of 33.08% as determined by the Illinois Department of Revenue.

In response to the appellant's evidence, the board of review submitted a memorandum noting the lack of age adjustments to the majority of the appraisal sale comparables, despite significant differences in age for homes built in the 1950's through 1985 when the subject was built in 2005.

In support of its contention of the correct assessment, the board of review submitted information on five comparable sales along with copies of applicable property record cards. The comparables are located from .492 of a mile to 1.53-miles from the subject property with parcels that range in size from 8,750 to 20,893 square feet of land area. Each is improved with two, 1.75-story, two, 2-story or a 2.5-story dwelling. The comparables were built between 2003 and 2017 and range in size from 2,965 to 3,833 square feet of living area. One dwelling has a concrete slab foundation and four of the dwellings have full or partial basements with finished areas. Each dwelling has central air conditioning, one to four fireplaces and a garage ranging in size from 516 to 720 square feet of building area. The comparables sold from March 2016 to May 2018 for prices ranging from \$1,095,000 to \$1,400,000 or from \$365.25 to \$431.70 per square foot of living area, including land. Based on this evidence and argument, the board of review requested confirmation of the subject's assessment.

In written rebuttal, counsel for the appellant argued differences in location of the board of review comparables as compared to the subject and the appraisal sales submitted by the appellant. In addition, counsel remarked on the dates of sale, age of the dwellings, walkout style basements and/or other differences in features, recent rehabilitation and/or location when compared to the subject property.

Conclusion of Law

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

The appellant submitted an appraisal of the subject property and the board of review submitted five suggested comparable sales, along with criticizing the lack of age adjustments in the appellant's appraisal report, to support their respective positions before the Property Tax Appeal Board. Having thoroughly examined the appellant's appraisal report, the Board gives little weight to the value conclusion determined utilizing the sales comparison approach as the appraiser utilized comparables that differed significantly from the subject in age; the Board does not find the conclusory statement in the Addendum sufficient to justify the lack of age adjustments in the report. Given this concern related to the properties chosen by Klaus for the sales comparison approach analysis, the Board finds the appraiser's value conclusion is not a credible or reliable indicator of the subject's estimated market value as of the assessment date.

The courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill. App. 3d 207 (2nd Dist. 1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is market

data available. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill. App. 3d 9 (5th Dist. 1989), the court held that of the three primary methods of evaluating property for the purpose of real estate taxes, the preferred method is the sales comparison approach. The Board finds there are credible market sales contained in this record. As a consequence of the case law and the finding that the appraisal is not a reliable indicator of value, the most similar raw sales presented in the appraisal will be analyzed along with the best raw sales presented by the board of review.

The parties submitted a total of eleven comparable sales to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to appraisal sales #1 through #4 and #6 due to their substantially older ages when compared to the subject dwelling. The Board has given reduced weight to board of review comparables #4 and #5 due to their substantially newer ages when compared to the subject dwelling that was built in 2005.

The Property Tax Appeal Board finds the best evidence of market value in the record to be board of review comparable sales #1, #2 and #3. These comparables present varying degrees of similarity to the subject dwelling in location and design but were built in either 2003 or 2006 and bracket the subject dwelling in size with other similar features. These three board of review comparables sold from March 2016 to May 2018 for prices ranging from \$1,095,000 to \$1,400,000 or from \$365.25 to \$431.70 per square foot of living area, including land. The subject's assessment reflects a market value of \$1,311,877 or \$359.71 per square foot of living area, including land, which is within the range established by the best comparable sales in the record in terms of overall value and below the range on a per-square-foot basis. After considering adjustments to the comparables for differences when compared to the subject, the Board finds a reduction in the subject's assessment is not justified.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code. Pursuant to Section 1910.50(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:

December 15, 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

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