



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

APPELLANT: Ronald & Mary Kay Paja
DOCKET NO.: 18-04254.001-R-1
PARCEL NO.: 09-25-454-024

The parties of record before the Property Tax Appeal Board are Ronald and Mary Kay Paja, the appellants; and the Winnebago 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 **Winnebago** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$4,274
IMPR.: \$46,226
TOTAL: \$50,500

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellants timely filed the appeal from a decision of the Winnebago 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 is improved with a one-story townhouse/condominium of frame and brick construction with 1,940 square feet of living area. The dwelling was built in 1997. Features of the home include a full unfinished basement, central air conditioning, one fireplace and a two-car attached garage. The property has a 5,676 square foot site and is located in Winnebago, Pecatonica Township, Winnebago County.

The appellants' appeal is based on overvaluation and assessment inequity. In support of the overvaluation argument the appellants submitted evidence disclosing the subject property was purchased on June 30, 2016, for a price of \$133,000. The appellants identified the sellers as Aron and Nicole Carlson and indicated the parties to the transaction were not related. The appellants indicated the property was advertised for sale in the Multiple Listing Service (MLS) and had been on the market for approximately six months. To document the transaction the appellants submitted a copy of the Contract for Purchase and Sale dated May 5, 2016. The

appellants also submitted a copy of the PTAX-203 Illinois Real Estate Transfer Declaration associated with the sale disclosing that the property had not been advertised for sale. The transfer declaration indicated the full consideration was \$136,000; \$3,000 of personal property was included in the full consideration; and the net consideration for the real property was \$133,000. Also submitted was a copy of the settlement statement disclosing a sale price of \$136,000. The settlement statement did not include any notation that a broker's fee was paid. However, the appellants submitted a copy of an MLS listing for the subject by Gambino Realtors with a price of \$159,900 and a printout date of June 12, 2015. The appellants also submitted a copy of a lease between the sellers, Aron Carlson and Nicole Carlson, and the buyers/appellants, Mary Kay Paja and Ronald Paja, dated November 1, 2015. The lease term was from November 1, 2015 to April 30, 2015 (sic) with the proviso that either party could terminate the lease upon sixty days written notice after the initial six-month lease term. Paragraph 13 of the lease granted the appellants the right of first refusal should Aron Carlson and Nicole Carlson receive an offer to purchase the property from a third party. The appellants explained in a letter that if they bought the property the seller agreed to give them credit against the purchase price for part of the rent paid. The appellants also submitted a copy of the warranty deed to document the sale.

As an alternative argument, the appellants contend assessment inequity as the basis of the appeal. In support of this argument the appellants submitted information on four comparables improved with one-story townhomes of frame and brick construction that range in size from 1,334 to 1,540 square feet of living area. Each dwelling was built in 2006 with a full partially finished basement, central air conditioning, one fireplace and an attached two-car garage with 484 square feet of building area. These properties have sites ranging in size from 7,084 to 9,219 square feet of land area. The comparables have land assessments ranging from \$4,135 to \$4,279 or from \$.46 to \$.68 per square foot of land area. The improvement assessments range from \$38,176 to \$42,928 or from \$26.05 to \$29.83 per square foot of above ground living area.

The appellants requested the subject's total assessment be reduced to \$45,800.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$58,142. The subject's assessment reflects a market value of \$174,391 or \$89.89 per square foot of living area, land included, when using the 2018 three-year average median level of assessment for Winnebago County of 33.34% as determined by the Illinois Department of Revenue. The subject property has a land assessment of \$4,274 or \$.75 per square foot of land area, and an improvement assessment of \$53,868 or \$27.77 per square foot of above ground living area.

In support of its contention of the correct assessment the board of review submitted information on five comparable sales identified by the township assessor that are improved with one story dwellings of brick and frame construction that range in size from 1,541 to 1,960 square feet of living area. The dwellings were built from 1997 to 2007. Each property is described as having two bedrooms, two bathrooms and a one-car attached garage. The sales occurred from April 2016 to August 2017 for prices ranging from \$142,500 to \$265,000 or from \$86.52 to \$139.47 per square foot of living area, including land. The analysis noted that four of the five sales are located along a lake. The assessor opined the subject property was correctly assessed.

The board of review also argued the subject property had not been exposed on the open market.

In rebuttal the appellant, Ronald Paja, responded asserting the sale was an arm's length transaction explaining the parties were not related and the property had been listed by Gambino Realtors in the Fall of 2015 for a price of \$159,900. The appellant stated that they began negotiating the purchase in the Spring of 2016 and contends the fact that there was no commission paid demeans the integrity of a for sale by owner "FSBO" transaction. The appellant further asserted that four of the board of review comparables are "on the lake" with fully finished lower levels.

Conclusion of Law

The appellants contend in part 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 construction costs. 86 Ill.Admin.Code §1910.65(c). The Board finds the appellants met this burden of proof and a reduction in the subject's assessment is warranted.

The appellants presented evidence that the subject property was purchased in June 2016 for a total consideration of \$136,000. The parties to the transaction were not related family members but had a landlord-tenant relationship at the time the property was purchased. The evidence further disclosed that the seller had previously listed the property with a Realtor in June 2015 for a price of \$159,900, however, it was not disclosed when the listing expired. The Board further finds the sale occurred approximately 18 months prior to the assessment date, which may require an upward adjustment for time. To document the transaction the appellants submitted a copy of the sales contract, settlement statement, the PTAX-203 Illinois Real Estate Transfer Declaration, a June 2015 MLS listing and warranty deed. The Board finds the purchase price is below the market value reflected by the assessment. The Board finds some weight should be given the purchase price even though the property may not have been actively listed when purchased and the parties had a landlord-tenant relationship at the time of sale.

The board of review provided five comparable sales which appear to be superior to subject in location, with four being located along a lake, and features, having full finished basements. These superior attributes suggest downward adjustments would be warranted to make these properties more equivalent to the subject property.

Alternatively, the appellants contend assessment inequity as the basis of the appeal. When unequal treatment in the assessment process is the basis of the appeal, the inequity of the assessments must be proved by clear and convincing evidence. 86 Ill.Admin.Code §1910.63(e). Proof of unequal treatment in the assessment process should consist of documentation of the assessments for the assessment year in question of not less than three comparable properties showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property. 86 Ill.Admin.Code §1910.65(b). The Board finds the appellants met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the only evidence of assessment equity to be the comparables submitted by the appellants. From the record it appears that the land assessments are done on a site basis with the

subject's land assessment being within this range. Therefore, the Board finds a reduction in the subject's land assessment is not justified.

The comparables are improved with dwellings that are smaller, newer and have more features (finished basement area) than the subject. Typically, considering economies of scale, a larger dwelling should have a lower assessment per square foot of living area, all other things being equal. In this appeal, however, the comparables are smaller, newer and have superior features, yet the subject's improvement assessment is within the range on a square foot basis. Considering these facts, the Board finds a reduction in the subject's improvement assessment is appropriate.

After considering the sale of the subject property, the comparable sales provided by the board of review, and the equity comparables presented by the appellants, the Property Tax Appeal Board finds the subject's assessment should be reduced to \$51,000 to reflect a market value of approximately \$153,000, which also results in an equitable land and improvement assessment.

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:

February 16, 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

AGENCY

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