



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

APPELLANT: Hawk Properties, Inc.
DOCKET NO.: 19-02061.001-R-1
PARCEL NO.: 01-35.0-307-007

The parties of record before the Property Tax Appeal Board are Hawk Properties, Inc., the appellant, by Thomas Benedick, Attorney at Law, in O'Fallon, and the St. Clair 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 **St. Clair** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$1,236
IMPR.: \$4,424
TOTAL: \$5,660

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the St. Clair County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2019 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 one-story single-family dwelling of masonry exterior construction with 952 square feet of living area.¹ The dwelling was constructed in 1951. Features of the home include a concrete slab foundation, central air conditioning and an attached one-car garage. The property has a 9,272 square foot site and is located in Cahokia, Centreville Township, St. Clair County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted information on three comparable sales located in Cahokia and from 1.3 to 4.2-miles from the subject. Listing sheets and property record cards for the properties were also submitted. The three comparable parcels range in size from 6,316 to 10,019 square feet of land

¹ All descriptive data is drawn from the appellant's evidence; the board of review failed to provide a copy of the subject's property record card as required. (86 Ill.Admin.Code §1910.40(a)).

area and have each been improved with a one-story frame dwelling built between 1951 and 1964. The comparables range in size from 888 to 1,018 square feet of living area. Each dwelling has central air conditioning and two of the comparables have a 240 square foot garage and a 264 square foot carport, respectively. The comparables sold in July and August 2019 for prices of \$12,750 to \$16,900 or from \$14.36 to \$16.60 per square foot of living area, including land.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total equalized assessment for the subject of \$7,885. The subject's assessment reflects a market value of \$23,594 or \$24.78 per square foot of living area, land included, when using the 2019 three year average median level of assessment for St. Clair County of 33.42% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment, the board of review noted that the attached "bond for Deed Contract is much higher" than the subject's assessment. A copy of the four-page recorded Agreement for Deed was also submitted depicting payment over time of \$42,900. The terms of the Agreement indicate it was entered into on December 31, 2018 between Freddie Allen and the appellant, Hawk Properties, Inc. After an earnest money payment of \$1,200, Allen is to pay \$600 per month on the 28th of each month from January 2018 to November 30, 2019, at which time the remainder is due in full. Based on this evidence, the board of review requested confirmation of the subject's estimated market value as reflected by its assessment.

In written rebuttal, counsel for the appellant argued that an Agreement for Deed is not considered an arm's length transaction and should not be used to establish property value, although no citation was provided for this proposition. Besides reiterating that the basis of this appeal by the appellant was comparable sales, counsel further summarily asserted that if the property were to be sold on the open market "we would only receive approximately 50% of the price owed on the contract."

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 record contains three comparable sales submitted by the appellant in support of a reduction request for the subject property; the board of review solely relied upon a recorded Agreement for Deed as purportedly establishing the subject's estimated market value greater than reflected by its assessment. The Board has given little weight to the board of review's reliance upon the Agreement for Deed documentation submitted herein.

The initial question raised by the board of review is whether the Agreement for Deed documentation is equivalent to an arm's length sale transaction of the subject property for purposes of ad valorem assessment. American Jurisprudence Trials, Liability of Agreement for Deed Principal for Failure to Honor Deed Obligations (67 Am.Jur. Trials 213, 1998 (April 2018

update)), at Section 1, outlined the following general information concerning an agreement for deed or 'contract for deed' transaction:

An agreement (or contract)-for-deed transaction is a contract for the sale of land in which the subject property is used to secure the purchasing party's payment. This type of contract or agreement is essentially a security instrument that takes the place of the more traditional purchase-money mortgage. The subject of the transaction is the real property (including appurtenances), which is deemed to be owned by the vendee (buyer, or mortgagor), although the legal title in the land is usually retained by the seller (mortgagee, or vendor) as security. In theory as well as substance, the buyer is the equitable owner of the property, and the seller, through legal title retained in the property, is in the position of a mortgagee.

Because of the nature and scope of such contracts, and because the transaction itself may be properly termed a less common method of effecting a time-payment sale of land, an agreement-for-deed (whether called a contract for deed, installment sales contract, land contract, retained title, or conditional-sale contract) is considered to be an executory contract for the sale of land, wherein the buyer agrees and is obligated to pay the purchase price (usually in a series of payments over an extended period of time) until the debt has been satisfied in full. As in a mortgagor-mortgagee transaction, the buyer under an agreement-for-deed is usually accorded title to and possession of the land; and the seller agrees that when the purchase price has been paid in full, the seller will convey the full legal interest to the buyer, usually via warranty deed.

This treatise further characterized the agreement for deed as a transaction for the sale of land in which the buyer agrees to pay the purchase price, usually in a series of payments over a relatively long period of time and the seller agrees to allow the buyer quiet enjoyment of the land in the intervening days between the agreement's consummation and the final payment date. (Id. at Section 3)

Based on the foregoing guidance of an Agreement for Deed along with the pertinent terms of the agreement that are set forth in this decision, the Property Tax Appeal Board finds that the Agreement for Deed is a contract for the sale of the subject parcel with a payment schedule to occur over a period of time as specified in the agreement. However, the Property Tax Appeal Board gives no weight to the argument of the St. Clair County Board of Review that the document was reflective of an arm's length sale transaction since there is nothing to indicate whether the subject property actually sold for the contracted price. This arrangement via the Agreement for Deed is more in the nature of a financial arrangement or financing tool rather than a typical transaction involving a cash purchase or a mortgage. In other words, should Allen fail to follow through with the Agreement for Deed, he will not be the property owner and will have to relinquish his quiet enjoyment of the subject property and all funds paid to that time at which point the appellant, Hawk Properties, Inc. will again have the ability to sell the subject property. Thus, given these unknowns, the Property Tax Appeal Board finds in this matter that a contract for deed executed years prior to the valuation date at issue may not be an accurate reflection of market value. In addition, the St. Clair County Board of Review chose not submit any sale comparables to show that the "sale" of the subject via the Agreement for Deed executed in

December 2018 for \$42,900 was at its fair cash value or even that the current assessment of the property reflects its market value based upon comparables.

Therefore, on this record, the Board finds the best and only competent evidence of market value consists of the appellant's comparable sales which are similar to the subject in design, exterior construction, age, size and some features. The Board also recognizes the necessity for an upward adjustment to appellant's comparable sale #1 due to its lack of a garage which is a feature of the subject property. These three most similar comparables sold in July and August 2019 for prices of \$12,750 to \$16,900 or from \$14.36 to \$16.60 per square foot of living area, including land. The subject's assessment reflects a market value of \$23,594 or \$24.78 per square foot of living area, including land, which is above the best and only comparable sales data in this record. Based on the comparable sales evidence in this matter, the Property Tax Appeal Board finds a reduction in the subject's assessment commensurate with the appellant's total request is 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: November 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

State of Illinois
Property Tax Appeal Board
William G. Stratton Building, Room 402
401 South Spring Street
Springfield, IL 62706-4001

APPELLANT

Hawk Properties, Inc., by attorney:
Thomas Benedick
Attorney at Law
1004 South Lincoln Avenue
Suite 12
O'Fallon, IL 62269

COUNTY

St. Clair County Board of Review
St. Clair County Building
10 Public Square
Belleville, IL 62220