



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

APPELLANT: James Alex McGehee
DOCKET NO.: 19-02148.001-C-1 through 19-02148.002-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are James Alex McGehee, the appellant, by attorney Robert Alvine, of Alvine & Alvine, in Moline, and the Rock Island 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 **Rock Island** County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
19-02148.001-C-1	09-32-105-027	5,504	21,415	\$26,919
19-02148.002-C-1	09-32-105-014	2,403	0	\$2,403

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from decisions of the Rock Island 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 two-story building of concrete block and brick exterior construction built in 1930 which was formerly utilized and known as the Old City Hall Building. The building contains 7,696 square feet of building area with a basement.¹ The building has central air conditioning. First floor features include offices, old jail cells, restrooms and second floor features include two large rooms, a kitchen, office and restrooms. A 204 square foot one-story side addition covers a stairwell to the basement. The original building includes a fire department garage addition of 1,692 square feet of building area. The two parcels have a combined 17,600 square foot site with the vacant parcel used as a parking lot. The property is located in Silvis, Hampton Township, Rock Island County.

¹ The board of review alternately reported the basement contains 400 square feet and 4,000 square feet.

The appellant's appeal is based on overvaluation. In support of this argument, the appellant completed Section IV – Recent Sale Data of the Commercial Appeal petition along with a brief and supporting documentation. In the petition, the appellant reports the subject property, consisting of two parcels, were purchased on or about September 27, 2018 from the City of Silvis for a price of \$88,000 or \$9.17 per square foot of building area, including land. The appellant further noted the property was not advertised for sale and was not sold due to a foreclosure action. The appellant also reported that possession of the property was to occur on the closing date but was delayed "in part because Silvis Fire Department still occupies part of the premises."

As documentary support for the sale, the appellant provided Exhibit A, a copy of the Municipal Warranty Deed depicting the transfer of the property from the City of Silvis, a Municipal Corporation, to the appellant dated December 29, 2017 but recorded on September 27, 2018. Also provided was a copy of the Closing Statement reiterating the purchase date of September 25, 2018 and the price. Furthermore, the appellant submitted Exhibit B, a copy of the PTAX-203 Illinois Real Estate Transfer Declaration (RETD) recorded September 27, 2018. The RETD reiterates the sale date and price along with the assertions that the property was transferred by Warranty Deed and the property was not advertised prior to the sale. The seller displayed on the RETD is the City of Silvis, signed by the City Clerk, and the buyer is the appellant.

The appellant's submission also includes an 8-page brief with citations to the Property Tax Code provision concerning fair cash value and case law concerning court interpretations of fair cash value. In support of judicial interpretations of "fair cash value," the appellant submitted an Affidavit completed by Matt Carter, Mayor of the City of Silvis, averring, in part, that several years ago, the City of Silvis decided to build a new City Hall at a new location. The subject property, the old City Hall Building, was vacant for a substantial period of time since the city occupied the new City Hall Building. The only exception to total vacancy was a portion of the old building that continued to be occupied by the Silvis Fire Department. The mayor further averred that in 2017, the city began discussions with the appellant for the sale and purchase of the subject property. The transaction was completed on September 27, 2018 for the cash purchase price of \$88,000. At paragraph 6 of the Affidavit, the mayor stated:

The City of Silvis, Illinois, was a willing Seller in the sales transaction to James Alex McGehee, and the City of Silvis was under no duress or compulsion to sell the property to James Alex McGehee. This is an unequivocal statement, and, Affiant states that the City of Silvis, Illinois, was a willing Seller in said transaction, and chose to sell the property to James Alex McGehee, as its own independent business decision, without compulsion or duress of any kind.

The mayor further averred the parties to the sale were not related in any manner and "the City of Silvis has no kindred or sanguine relationship with James Alex McGehee." In conclusion in the affidavit, Carter stated the subject property was sold to the appellant "in the due course of business, not under duress, and as a willing Seller."

Based on the foregoing evidence and argument, the appellant requested a total assessment for the two parcels of \$29,333 or a "one-third" assessment, which would approximately reflect the purchase price of \$88,000.

The board of review submitted two sets of "Board of Review Notes on Appeal." The appellant supplied copies of the two Final Decisions issued by the Rock Island County Board of Review for tax year 2019 disclosing the total assessment for the subject parcels of \$31,663. The subject's total assessment reflects a market value of \$95,027 or \$9.91 per square foot of building area, land included, when using the 2019 three-year average median level of assessment for Rock Island County of 33.32% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review submitted a detailed four-page letter outlining the evidence and its position. The board of review contends that since the subject property was not advertised for sale in the open market, the subject's sale price "does not meet the definition of 'due course of business and trade'" to qualify as depicting fair cash value. In further support, the board of review submitted Exhibit 2, a copy of the affidavit of the mayor of the city of Silvis (see above) and arguing the mayor does not claim the property was "listed for sale to the general public." The board of review further contends, without documentary support and based upon "evidence obtained after the hearing," that the appellant was the only person contacted by the city to inquire about purchasing the subject property.

The board of review also submitted a three-page letter prepared by Larry Wilson, Rock Island County Supervisor of Assessments and Clerk to the Board of Review. Wilson summarized various provisions of the Property Tax Code concerning the assessment of real property in Illinois and applicable case law along with Property Tax Appeal Board procedural rules related to an overvaluation appeal.

Wilson then stated, "The [board of review] requests that the PTAB also consider the Uniform Standards of Professional Appraisal Practice definition of market value" as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Wilson further argued that implicit in the foregoing definition was the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions where the buyer and seller were typically motivated; both parties were well informed or well advised and acting in what they consider their own best interest; a reasonable time was allowed for exposure in the open market; payment was made in cash or comparable arrangement; and the price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions.

Additionally, the board of review submitted a letter prepared by the Hampton Township Assessor's Office dated prior to the filing of the instant appeal and which was directed to the Rock Island County Board of Review. In the letter signed by township assessor Andrea J. Pancrazio, she wrote in pertinent part "we do dispute that the city in its best interest would want to sell the properties." The assessor further contended that several factors concerning the subject's sale transaction "would exclude it from use in the sales ratio studies" and provided further support for that conclusion.

Next, Pancrazio wrote that the subject's original valuation was re-examined "due to the state of the building in its current condition that the cost table for a Shell Storage Building (14/35 454) would more appropriately reflect the current use." As a consequence of the building cost tables and application of depreciation, the township assessor indicated a proposed total stipulation for the subject property of \$34,160. The assessor concluded her letter with the observation that once the subject building has been rehabilitated that changes its occupancy or use, those facts may trigger use of a different cost table in the future by the assessor for valuation purposes.

In support of its contention of the correct assessment, the board of review submitted information on four comparable sales located from .9 of a mile to 7-miles from the subject property in the communities of either East Moline or Moline along with accompanying property record cards. Comparable #1 is described as a warehouse and the property record card indicates the use is "Building Contractor." Comparable #2 is described as a shop and the property record card indicates use as "Retail-Misc." Comparable #3 is described as retail/apartments with a business downstairs and three apartments upstairs. Comparable #4 is described as tavern/apartments with a restaurant and four apartments according to the property record card. The comparables have lots ranging in size from 2,244 to 9,779 square feet of land area and were improved with either one-story or two-story buildings of concrete block and masonry exterior construction. The comparables were built between 1900 and 1940 and range in size from 3,132 to 17,648 square feet of building area. Comparable #4 has a partial basement and comparables #2, #3 and #4 are each described as having one-bedroom, two-bedrooms and eight-bedrooms, respectively. Comparables #1 and #4 each have central air conditioning. The comparables sold from July 2016 to January 2020 for prices ranging from \$72,000 to \$220,000 or from \$12.47 to \$26.73 per square foot of building area, including land.

Based on the foregoing evidence and argument, the board of review proposed and requested an increase the total assessment of the subject parcels. As set forth by the board of review, the proposed new total assessment for the subject should be \$34,160, which would reflect a market value of \$102,521 or \$10.69 per square foot of building area, including land.

In written rebuttal, the appellant counsel reiterated the contention that case law established by the Illinois Supreme Court supports the proposition that fair market value for real estate is what the property would bring at a voluntary sale, where the owner is ready and willing to sell but not compelled to do so, and where the buyer is ready and willing to buy, but not forced to do so. People ex rel. Rhodes v. Turk, 391 Ill. 424, 63 N.E.2d 513 (1945). The appellant further argued that there has been no Illinois Supreme Court case mandating that a property be advertised in order for a recent sale to be determined to be reflective of fair market value.

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. Contrary to the request

of the board of review, an increase in the subject's assessment has not been supported on this record.

The Property Tax Appeal Board is to determine the correct assessment of any parcel of real property which is the subject of an appeal, based upon the facts, evidence, exhibits and briefs submitted to or elicited by the Board. 86 Ill.Admin.Code §1910.10(b). The Board is to make a decision in each appeal or case appealed to it, the decision shall be based upon equity and the weight of evidence . . . and shall be binding upon the appellant and officials of government. 35 ILCS 200/16-185. The Property Tax Appeal Board is not to afford *prima facie* correctness to the decision of the board of review. Western Illinois Power Co-op. v. Property Tax Appeal Board, 29 Ill.App.3d 16, 23 (4th Dist. 1975). A taxpayer seeking review before the Property Tax Appeal Board from a decision of the board of review does not have the burden of overcoming any presumption that the assessed value was correct. Mead v. Board of Review of McHenry County, 143 Ill.App.3d 1088, 1094 (2nd Dist. 1986).

When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). The Board gives little weight to the assessor's argument concerning the inability to use the sale of the subject property within the sales ratio study performed by the assessing officials due to the fact the subject property was not advertised. The manner in which an assessing official arrives at an assessment determination is a different process than the question on appeal whether the assessment of the subject property is appropriately reflective of market value. Additionally, the Board has placed little relevance upon the assessor's efforts to develop a cost approach for the subject property. The courts have stated that where there is credible sales evidence the 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. Furthermore, 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 issue before the Property Tax Appeal Board is the determination of the market value for the subject property as of January 1, 2019, for *ad valorem* tax purpose. The appellant submitted evidence of the subject's 2018 purchase price when seeking a decrease in the subject's assessment whereas the board of review submitted four suggested comparable sales along with additional arguments in seeking an increase in the assessment of the subject property.

The Board has given little weight to the four suggested comparable sales presented by the board of review as the properties are dissimilar to the subject in location, land area, design, building size, foundation and/or use when compared to the subject, a former old City Hall structure. Comparable #1, a warehouse, is dissimilar in building size and a 2016 sale for purposes of valuation as of January 1, 2019 is somewhat dated. Comparables #2 and #3 differ in lot size, story height, building size and use. Comparable #4 differs from the subject in use as a tavern and apartments.

The Board finds the best evidence of market value to be the purchase of the subject property in 2018 for a price of \$88,000, including land. The Board finds the board of review presented insufficient evidence to challenge the arm's length nature of the transaction or to refute the contention that the purchase price was reflective of market value. Except in counties with more than 200,000 inhabitants that classify property, property is to be valued at 33 1/3% of fair cash value. (35 ILCS 200/9-145(a)). Fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). The Supreme Court of Illinois has construed "fair cash value" to mean what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing, and able to buy but not forced to do so. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970). A contemporaneous sale between two parties dealing at arm's length is not only relevant to the question of fair cash value but practically conclusive on the issue on whether the assessment is reflective of market value. Korzen v. Belt Railway Co. of Chicago, 37 Ill.2d 158 (1967). Furthermore, section 1-50 of the Property Tax Code defines fair cash value as:

The amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller. (35 ILCS 200/1-50)

Additionally, the board of review's request to apply the definition of market value as utilized within the Uniform Standards of Professional Appraisal Practice (USPAP) is not supported by the Property Tax Code and/or by the existing Illinois case law.

Even though the subject property may not have been advertised, the evidence in this record indicates the subject's sale transaction was a voluntary sale, where the seller, the city of Silvis, as shown by the affidavit of the mayor, was ready, willing, and able to sell but not compelled to do so, and the buyer, the appellant, was apparently ready, willing and able to buy but not forced to do so. The board of review did not establish otherwise as to either the seller or the buyer. Furthermore, the Board finds that the township assessor's opinion that it was not in the "best interest" for the City of Silvis to want to sell a long-vacant former City Hall Building lacks any factual support.

In conclusion, the Board finds the purchase price of \$88,000 is below the market value reflected by the assessment of \$95,027. Based on this record, the Board finds the subject property had a market value of \$88,000 as of January 1, 2019. Since market value has been determined the 2019 three-year average median level of assessment for Rock Island County of 33.32% shall apply. 86 Ill.Admin.Code §1910.50(c)(1).

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:

April 20, 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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