



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

APPELLANT: Mitchell King
DOCKET NO.: 19-02617.001-C-1 through 19-02617.002-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Mitchell King, the appellant, by attorney Bernard G. Segatto, of Barber Segatto Hoffee Wilke & Cate in Springfield; and the Morgan 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 **Morgan** County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
19-02617.001-C-1	09-22-300-007	50,820	142,577	\$193,397
19-02617.002-C-1	09-22-300-006	4,170	19,100	\$23,270

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Morgan 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 two parcels. Parcel #1 (09-22-300-007) is improved with three 2-story residential apartment buildings collectively containing 58 units and approximately 38,720 square feet of above-grade building area. Each building features central air conditioning and a basement that contains living units, coin-laundry, storage areas, and mechanicals. The three multi-unit buildings were built in 1969, 1971 and 1978. Parcel #2 is improved with a 1.5-story single-family dwelling of brick and aluminum siding with 1,777 square feet of living area. The dwelling was built in 1951 and features an unfinished basement, central air conditioning, and a 720 square foot detached garage. Both parcels combined contain 69,720 square feet of land area and are located in Jacksonville, Jacksonville Township, Morgan County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal estimating the subject property had a market value of \$650,000

as of January 1, 2019. The appraisal was prepared by Barry W. Taft, MBA, MAI, an Illinois Certified General Appraiser and the property rights appraised were fee simple. The purpose of the appraisal was to estimate the retrospective market value opinion of the subject property for ad valorem property tax appeal purposed. In estimating the market value of the subject property, the appraiser developed the income approach and the sales comparison approach to value.

Under the income approach to value, the appraiser utilized data from six comparable rentals located within the subject's market area. After making adjustments to the comparable rentals for differences from the subject property, the appraiser calculated the annual potential gross income (PGI) from all units combined to be \$297,780. Based on the subject's historical income and expense documentation, the appraiser subtracted \$74,445 or 25% of the PGI for annual vacancy and collection losses. He then added \$1,800 for miscellaneous income based again on historical income documentation to arrive at an effective annual gross income of \$225,135. Next, the appraiser subtracted annual operating expenses in the amount of \$139,764 for management, accounting, and legal fees, advertising, utilities, insurance, taxes, etc., and arrived at a net operating income (NOI) of \$85,371.

Next, to calculate the capitalization rate, the appraiser utilized the Band of Investment technique and data from multiple trade publications. A loaded capitalization rate was utilized by adding the effective tax rate of 0.030069 to the overall capitalization rate of 0.102169 to arrive at the final capitalization rate of 0.132239 or 13.25%, rounded. The higher calculated capitalization rate is due to negative characteristics of the subject property which affect the level of perceived risk to investors. Dividing the NOI of \$85,371 by the capitalization rate of 13.25% resulted in a retrospective market value for the subject property of \$645,000, rounded, under the income approach to value.

Under the sales comparison approach to value, the appraiser examined the data of five comparable sales consisting of multi-unit apartment buildings located in the subject's market area. The comparables have varying degrees of similarity to the subject property. The comparables sold from April 2016 to December 2017 for prices ranging from \$240,000 to \$839,999 or from \$11,667 to \$27,692 per unit, land included. After adjusting for factors such as location, number of units, basement, age, land-to-building ratio, condition, quality, and marketability, the appraiser calculated the subject's market value to be \$710,000 or \$12,000 per unit, land included, under the sales comparison approach to value.

In reconciling the two approaches to value, the appraiser gave most weight to the income approach to value because it most accurately reflects in this instance "what the market will pay for a property of similar attributes." The appraiser noted that the subject property is of significant age, has deferred maintenance present, and is not commensurate with current apartment complex designs. Moreover, the subject is "not well located on a stalled, older, east side of the city and it is situated along a major thoroughfare adding to noise and traffic congestion which are not favorable traits for a property intended for a private residential setting." Therefore, after considering the above factors, the appraiser concluded the retrospective market value of the subject to be \$650,000 as of January 1, 2019.

The appellant's submission included a copy of the Morgan County "Notice of Final Decision on Assessed Value by Board of Review" disclosing that Parcel #1 has a land assessment of \$50,820

and an improvement assessment of \$227,510 for a total assessment of \$278,330. The appellant's petition disclosed that Parcel #2 which contains the single-family residence has a land assessment of \$4,170 and an improvement assessment of \$19,860 for a total assessment of \$24,030. The two parcels combined have a total assessment of \$302,360. The subject's combined assessment reflects a market value of \$928,909 or \$15,744 per unit, land included, when using the 2019 three-year average median level of assessment for Morgan County of 32.55% as determined by the Illinois Department of Revenue.

Based on this evidence, the appellant requested a reduced total assessment for Parcel #1 of \$193,397 and Parcel #2 of \$23,270 for a combined assessment of \$216,667 which reflects an approximate appraised market value of \$650,000 at the statutory assessment rate of 33.33%.

The board of review did not submit its "Board of Review Notes on Appeal" nor any evidence in support of its assessed valuation of the subject property and was found to be in default by letter from the Property Tax Appeal Board dated February 4, 2021.

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 Board finds the board of review did not timely submit any evidence in support of its assessment of the subject property or to refute the evidence submitted by the appellant as required by Section 1910.40(a) of the Rules of the Property Tax Appeal Board and is in default pursuant to Section 1910.69(a) of the Rules of the Board. (86 Ill.Admin.Code §1910.40(a); 1910.69(a)).

The Board finds the only evidence of market value in this record to be the appraisal report submitted by the appellant estimating the market value of the subject property of \$650,000 or \$11,017 per unit, land included. The subject's assessment reflects a combined parcels market value of \$928,909 or \$15,744 per unit, land included, which is above the only evidence of market value in this record. On this record, the Board finds the subject property had a market value of \$650,000 for both parcels combined as of the January 1, 2019, the assessment date at issue. Since market value has been established, the 2019 three-year average median level of assessments for Morgan County of 32.55% as determined by the Illinois Department of Revenue 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:

September 20, 2022



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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