



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

APPELLANT: Rick & Brenda Humphrey
DOCKET NO.: 20-06458.001-F-1
PARCEL NO.: 18-08-13-100-006

The parties of record before the Property Tax Appeal Board are Rick & Brenda Humphrey, the appellants, and the Lee County Board of Review appearing at hearing by attorney Katie DiPiero of Robbins Schwartz, in Chicago.

On November 19, 2024, the Property Tax Appeal Board rendered a decision reclassifying of farmland to recognize waste contributory due to a creek/drainage in accordance with relevant provisions of the Property Tax Code. The DeKalb County Board of Review was ordered to compute a farmland assessment and certify said assessment to the Property Tax Appeal Board. The revised assessment was received on December 2, 2024.

After reviewing the board of review's revised assessment, the Property Tax Appeal Board finds that it is proper.

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 Lee County Board of Review is warranted. The correct assessed valuation of the property is:

F/Land:	\$16,131
Homesite:	\$0
Residence:	\$0
Outbuildings:	\$62,360
TOTAL:	\$78,491

Subject only to the State multiplier as applicable.

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: January 21, 2025



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

Rick & Brenda Humphrey
1556 US HWY 52
Dixon, IL 61021

COUNTY

Lee County Board of Review
Lee County Courthouse
112 E. Second Street
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PARCEL NO.: 18-08-13-100-006

The parties of record before the Property Tax Appeal Board are Rick & Brenda Humphrey, the appellants, and the Lee County Board of Review appearing at hearing by attorney Katie DiPiero of Robbins Schwartz, in Chicago.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **A Reduction**¹ in the assessment of the property as established by the Lee County Board of Review is warranted. The correct assessed valuation of the property is:

F/Land:	\$ TBC*
Homesite:	\$0
Residence:	\$0
Outbuildings:	\$62,360
TOTAL:	\$*

*To be certified

Subject only to the State multiplier as applicable.

Preliminary Matter

The appellants challenged denial of a “leasehold exemption” as part of this appeal. The subject parcel includes two apartments which originally housed horse farm employees. At the relevant time, the appellants’ son leased an apartment. At hearing, Mr. Humphrey argued that a property owner is entitled to the “homestead” exemption, even if the property is leased out, if certain documentation is provided to the board of review. The documentation was provided.

¹ The board of review reported that in March 2021, after a property inspection by Board of Review Chair Tom Mead, a Certificate of Error (COE) was processed reducing the original 2020 outbuilding assessment depicted on the Final Decision from \$153,081 to \$151,132. In this regard, the Property Tax Appeal Board takes notice that the Attorney General of the State of Illinois has asserted that a county board of review may not alter an assessment once its decision has been properly appealed to the Property Tax Appeal Board, nor may it alter an assessment by certificate of error or by any other procedure after the Property Tax Appeal Board has rendered its decision. 1977 Ill.Atty.Gen.Op. 188 (October 24, 1977), 1977 WL 19157 (Ill.A.G.). Since this Property Tax Appeal Board decision is based upon the Final Decision dated February 5, 2021, which was appealed, the decision takes into account the revised outbuilding assessment which has been further revised in accordance with this decision. As to the farmland, the board of review is being ordered to calculate a revised certified farmland assessment as ordered herein.

In accordance with procedural rules, the Property Tax Appeal Board is without jurisdiction to determine the exemption of real property from taxation. (86 Ill.Admin.Code §1910.10(f)). Furthermore, Section 16-70 of the Property Tax Code (PTC or Code) provides that the board of review decision regarding homestead exemptions is final (35 ILCS 200/16-70). Thus, in the absence of jurisdiction on the denial of an exemption as determined by the Lee County Board of Review, the Property Tax Appeal Board will not further address this claim.

Statement of Jurisdiction

The appellants timely filed this appeal by postmark date of February 26, 2021 from a decision of the Lee County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2020 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

Relevant farm provisions of the Property Tax Code & Guidelines

Pursuant to Section 10-115 of the Property Tax Code (35 ILCS 200/10-115):

Department [of Revenue, hereinafter IDOR] guidelines and valuations for farmland. The Department shall issue guidelines and recommendations for the valuation of farmland to achieve equitable assessment within and between counties. . . .

Guidelines established in accordance with this statute are found as *Publication 122, Instructions for Farmland Assessments* published by IDOR, January 2020.

As to land used for farming, the Code provides for assessment in accordance with the ‘type’ of farmland (35 ILCS 200/10-125):

Assessment level by type of farmland. Cropland, permanent pasture and other farmland shall be defined according to U.S. Census Bureau definitions in use during that assessment year and assessed in the following way:

(a) Cropland shall be assessed in accordance with the equalized assessed value of its soil productivity index as certified by the Department and shall be debased to take into account factors including, but not limited to, slope, drainage, ponding, flooding, and field size and shape.

(b) Permanent pasture shall be assessed at 1/3 of its debased productivity index equalized assessed value as cropland.

(c) Other farmland shall be assessed at 1/6 of its debased productivity index equalized assessed value as cropland.

(d) Wasteland shall be assessed on its contributory value to the farmland parcel.

In no case shall the equalized assessed value of permanent pasture be below 1/3, nor the equalized assessed value of other farmland, except wasteland, be below 1/6, of the equalized assessed value per acre of cropland of the lowest productivity index certified under Section 10-115.

In accordance with Sec. 10-125, IDOR *Publication 122* sets forth the following definitions according to US Bureau of Census definitions. Relevant to this appeal are the following three types or classifications of farmland [emphasis in original]:

Permanent pasture includes any pastureland **except** woodland pasture and pasture qualifying under the Bureau of Census' cropland definition which includes rotational pasture and grazing land that could have been used for crops without additional improvements.

Other farmland includes woodland pasture, woodland, including woodlots, timber tracts, cutover, and deforested land; and farm building lots other than homesites.

Wasteland is that portion of a qualified farm tract that is not put into cropland, permanent pasture, or other farmland as the result of soil limitations and not as the result of a management decision.

(*Publication 122, Instructions for Farmland Assessments*, p.2).

The PTC also provides for the assessment of 'farm buildings' (35 ILCS 200/10-140):

Other improvements. Improvements other than the dwelling, appurtenant structures and site, including, but not limited to, roadside stands and buildings used for storing and protecting farm machinery and equipment, for housing livestock or poultry, or for storing feed, grain or any substance that contributes to or is a product of the farm, shall have an equalized assessed value of 33 1/3% of their value, based upon the current use of those buildings and their contribution to the productivity of the farm.

On page 37 of *Publication 122*, IDOR provides additional guidelines for the valuation of farm buildings noting, in part, that contribution in whole or in part to the operation of the farm is based on current use and then assessed at 33 1/3 percent of their contributory value. The guidance provides that even though a farm building may be in good condition, it may play a minor role in the operation of the farm and have little value. On the other hand, the same building on another farm may be vitally important to the farming operation.

At page 37 of *Publication 122*, the guideline addresses three forms of depreciation: Physical deterioration; Functional obsolescence and Economic obsolescence. As to the latter which was argued in this appeal [emphasis in original]:

Economic obsolescence is a loss in value due to changes in the economic environment of the farm. Economic obsolescence results from external influences such as land-use changes, government regulations, and farm market conditions. Economic obsolescence causes loss in desirability and utility.

Findings of Fact

The subject parcel of 87.82-acres receives a farmland assessment. (35 ILCS 200/1-60 & 10/110 through 10-150). As established by the assessing officials the farmland classifications for tax year 2020 consist of 67.3-acres of permanent pasture, 17.79-acres of other farmland and 2.73-acres of non-ag land (see board of review Exhibit D). The parcel also has many farm buildings which are outlined in this decision. The property is located in Dixon, South Dixon Township, Lee County.

The parties appeared for hearing before the Property Tax Appeal Board based on the hearing requests made both by the appellants and the board of review. The sole sworn witness was Rick Humphrey.

Appellants' Case in Chief

Since purchasing the subject property in 2013, the appellants have used the property for raising and selling cattle for profit. For this Farm Appeal petition, the appellants challenge the subject farmland classification and raise a contention of law regarding the farm outbuildings assessment.

1. Classification – Lack of/Removal of Contributory Wasteland

The appellants contend that the proper classifications of the 87.82-acre parcel should reflect 65.61-acres of pasture, 2.29-acres of wasteland, 2.73-acres of homesite (i.e., non-ag) and 17.19-acres of other farmland (see page 2 of Farm Appeal petition).

The appellants assert, without contradiction that historically, from tax year 2009 to tax year 2018, the subject parcel was afforded 2.29-acres classified as “waste contributory” (see tax year 2018 Attachment 1B). In tax year 2019, the area classified as contributory wasteland was reduced to 1.95-acres (Attachment 1A). As part of the 2020 township-wide revaluation of properties in South Dixon Township, no portion of the subject parcel was classified as contributory wasteland acreage. Instead, the disputed acreage was re-classified to permanent pasture. The appellants acknowledge that the property surrounding the waterway is properly classified as permanent pasture.

The appellants request that the land previously afforded the classification of contributory wasteland, which is an area the appellant testified at hearing is drainage that runs through the subject parcel toward an adjacent parcel, be re-classified as wasteland based on both the historical classification and the current conditions of this parcel. In the brief, the appellants asserted the aerial photograph of the parcel “clearly identif[ies] waterways protecting watershed from said property and adjacent property as well.” Given the layout of the water on the parcel, Mr. Humphrey testified that it is unfeasible and impractical to fence off the waterway which would make portions of the parcel inaccessible to the cattle for pasture. As it exists, the cattle do have the ability to cross the waterway.

To further delineate the area in dispute, at the Administrative Law Judge’s (ALJ) direction at hearing, Mr. Humphrey marked on an aerial photograph (Appellants’ Exhibit 1) with a yellow

highlighter delineating the area of the waterway(s) across the subject parcel. Appellants' Exhibit 1, an aerial photograph in black and white, is similar to the color aerial photograph of the subject marked as board of review Exhibit C. Both documents depict a "shaded" creek or other dissimilar land feature snaking through the parcel and branching in a jagged "Y" formation (see below).

marked image – portion of Attachment 1



In light of the foregoing evidence and argument, the appellants contend that a portion of the parcel is entitled to be classified as contributory wasteland. In the petition, the appellants requested that the total farmland assessment return to the 2019 total farmland assessment of \$15,334 which included wasteland where the water flows through the subject parcel.

2. Outbuildings

In challenging the farm buildings assessment, the appellants assert assessing officials have building size errors, cost per square foot/age errors, and/or have failed to properly consider economic obsolescence with regard to the structures. The appellants further note that building value has been a point of disagreement since purchasing the property. In support, the appellants cite to Attachment 4, a copy of the Final Administrative Decision issued by the Property Tax Appeal Board on May 21, 2019 in Docket No. 13-01182.001-F-1, reflecting a written decision on the merits of the appeal of this parcel and Attachment 5, a copy of the Final Administrative Decision issued by the Property Tax Appeal Board on January 21, 2020 in Docket No. 18-03762.001-F-1, reflecting a decision rendered on a stipulation entered by the parties as to the subject parcel.²

² Under the law, the Board finds it would be an error for the appellants to presume that any prior decision of the Property Tax Appeal Board as to a farm building assessment would remain unchanged for the life of the structure. (See 35 ILCS 200/10-140 and *Publication 122*). As set forth by statute and guideline, farm building assessments are based upon 33 1/3% of their contributory value (cost) considering depreciation and the building's contribution to the farming operation along with current use. Thus, valuation of farm buildings would never be a static figure but instead is likely to have changes made over time with market fluctuations and/or changes in use among other considerations. (see *Publication 122*, p. 37)

The subject was purchased in 2013 for approximately \$1.1 million and has some of the highest productive farm ground in the county. The appellants contend at that time farm ground sold for roughly \$13,500 per acre, which mathematically approximately equates to the purchase price, with nearly no value in the buildings. Mr. Humphrey's father previously owned this property and the appellants wanted to keep the legacy in the family. Mr. Humphrey stated the buildings are "overbuilt" and were built with stolen funds.³

Upon receipt of the tax year 2020 revaluation resulting in a 61% [assessment] increase, the appellants examined assessment records. The farm buildings detailed in the 2019 Farm Building List (Attachment 2) were compared to the revisions made to the tax year 2020 Farm Building List (Attachment 3):

Image – Appellant Attachment 2

18-08-13-100-006 Humphrey
2013 PTAB Decision

2019 Property Record
Attachment #2

Building Number	Building Type	Width	Length	Height	Foudation	Floor	Roof	Wall Material	Missing Wall	lights	Plog	Age	SF	\$ per SF	2013 PTAB Decision
1	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2003	1300	\$3.14	\$4,082
2	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2003	1300	\$3.14	\$4,082
3	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2003	1300	\$3.14	\$4,082
4	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2003	1300	\$3.14	\$4,082
7	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2008	1300	\$3.14	\$4,082
8	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2009	1300	\$3.14	\$4,082
11	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2011	1300	\$3.14	\$4,082
12	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	?	1300	\$3.14	\$0
13	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	?	1300	\$3.14	\$0
Total of 9, 20x65 sheds															
14	Loafing Shed	20	32		Pole	Dirt	Metal	Metal	32	N	Y	?	640	\$3.14	\$2,010
15	Loafing Shed	20	32		Pole	Dirt	Metal	Metal	32	N	Y	?	640	\$3.14	\$2,010
Total of 2, 20x32 sheds															
16	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$3.14	\$1,005
17	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$3.14	\$1,005
18	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$3.14	\$1,005
19	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$3.14	\$1,005
20	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$3.14	\$1,005
21	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$3.14	\$1,005
Total of 6, 16x20 sheds															
Total SF of Loafing Sheds													14900		
5	Horse Barn/Arena	272	72	18	Pole	Conc/Dt	Metal	Metal		Y	Y	2006	19584		\$88,520
6	Office	30	40	18	Wd Frame	Conc	Metal	Wood		Y	Y	2006	1200		\$23,040
9	Equipment Shed	48	96	18	Pole	Conc	Metal	Metal		Y	Unkn	2010	4608		\$91,999
9a	Lean-to	18	96	18	Pole	Gravel	Metal	Metal		Y	Unkn	2010	1728		Incl. w/9
22	2 - 1 bedroom apts	48	18		Wd Frame	Conc	Metal	Metal		Y	Y	?	864		\$9,878
23	Site Improvements (per appraisal)														\$25,000
														FCV	\$277,000
														AV	\$92,333

Note: WJR erroneously stipulated during PTAB hearing to remove loafing Sheds #12 and 13 as a result of relying on outdated aerial photography in the PTAB record. Will correct for future years.

As to the "note" [displayed above] at the bottom of Attachment 2, the Property Tax Appeal Board takes judicial notice that its Final Administrative Decision issued in Docket No. 13-01182 was dated May 21, 2019. (86 Ill.Admin.Code §1910.90(i); a copy of which is appellants' Attachment 4).

³ Sec. IV – Recent Sale Data of Farm Appeal petition, seller was US Marshals (Rita Crundwell forfeiture).

Image - Appellant Attachment 3

2020 General Assessment Year

Building Number	Building Type	Width	Length	Height	Foudation	Floor	Roof	Wall Material	Missing Wall	lights	Plbg	Age	SF	\$ per SF	RCN	Physical Depr	Funct Obs	Net Full Value
1	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2003	1300	\$6.04	\$7,852	85%	0%	\$1,178
2	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2003	1300	\$6.04	\$7,852	85%	0%	\$1,178
3	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2003	1300	\$6.04	\$7,852	85%	0%	\$1,178
4	Loafing Shed	20	65		Pole	Dirt	Metal	Metal	65	N	Y	2003	1300	\$6.04	\$7,852	85%	0%	\$1,178
7	Loafing Shed	26	65		Pole	Dirt	Metal	Metal	65	N	Y	2008	1690	\$6.04	\$10,208	60%	0%	\$4,083
8	Loafing Shed	26	65		Pole	Dirt	Metal	Metal	65	N	Y	2009	1690	\$6.04	\$10,208	55%	0%	\$4,593
11	Loafing Shed	26	65		Pole	Dirt	Metal	Metal	65	N	Y	2011	1690	\$6.04	\$10,208	45%	0%	\$5,614
14	Loafing Shed	18	24		Pole	Dirt	Metal	Metal	32	N	Y	?	432	\$6.04	\$2,609	45%	0%	\$1,435
15	Loafing Shed	18	24		Pole	Dirt	Metal	Metal	32	N	Y	?	432	\$6.04	\$2,609	45%	0%	\$1,435
16	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$6.04	\$1,933	45%	0%	\$1,063
17	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$6.04	\$1,933	45%	0%	\$1,063
18	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$6.04	\$1,933	45%	0%	\$1,063
19	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$6.04	\$1,933	45%	0%	\$1,063
20	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$6.04	\$1,933	45%	0%	\$1,063
21	Loafing Shed	16	20		Pole	Dirt	Metal	Metal	20	N	Y	?	320	\$6.04	\$1,933	45%	0%	\$1,063
12	Loafing Shed	12	40		Pole	Dirt	Metal	Metal	40	N	?	2015	480	\$6.04	\$2,899	25%	0%	\$2,174
13	Loafing Shed	12	40		Pole	Dirt	Metal	Metal	40	N	?	2015	480	\$6.04	\$2,899	25%	0%	\$2,174
5	Horse Barn/Arena	272	72	18	Pole	Conc/Dt	Metal	Metal		Y	Y	2006	19584	\$34.00	\$665,856	40%	20%	\$266,342
6	Office	30	40	18	Wd Fr	Conc	Metal	Wood		Y	Y	2006	1200	\$83.00	\$99,600	35%	20%	\$44,820
9	Equipment Shed	48	96	18	Pole	Conc	Metal	Metal		Y	Y	2010	4608	\$23.70	\$109,210	33%	0%	\$73,170
9a	Lean-to	18	96	18	Pole	Gravel	Metal	Metal	96	Y	Unkn	2010	1728	\$11.30	\$19,526	33%	0%	\$13,083
22	2 - 1 bedroom apts	48	18		Wd Fr	Conc	Metal	Metal		Y	Y	2012	864	\$49.75	\$42,984	32%	0%	\$29,229

FCV \$459,244
AV \$153,081

Corrected sizes per 2019 aerial map.

a. Building Sizes

Based on comparison of the foregoing documents, the appellants contend that multiple building sizes were changed “without doing any physical measurements.”⁴ Upon raising this issue with the Chairman of the Lee County Board of Review, the parties agreed physical measurements of each building on the subject parcel would be taken. (See also, Footnote 1 referencing a COE reducing the outbuilding assessment to \$151,132 from \$153,081). In the appellants’ brief, “We trust this will eliminate a portion of the increase once the correct sizes are implemented.” (Brief, pp. 1-2). No specific further evidence concerning building size was presented at hearing which is therefore deemed to be waived.

b. Cost per square foot/age errors

The appellants contend in their brief with the 2020 revaluation, the assessing officials “arbitrarily changed price per sq ft calculations, added price per sq ft calculations to buildings that had stipulated values from previous State Board of review [sic] rulings, and building age differences identified.” (Brief, p. 2; see also Footnote 2). As to the outbuildings, given *Publication 122*, each structure exceeds the value of the guideline, according to Mr. Humphrey.

At hearing, Mr. Humphrey used Building 5, Horse Barn/Arena, as an example, where in Attachment 2 this building has no stated square foot value. In Attachment 3, Building 5 with 19,584 square feet and 18’ eave height is depicted at \$34.00 per square foot, less 60% depreciation, resulting in a depreciated value of \$13.60 per square foot of building area. The appellant turned to *Publication 122* and found the “highest” price on the chart for a pole frame

⁴ The Board notes the image of Attachment 3, at the bottom, includes “Corrected sizes per 2019 aerial map.”

building was \$9.75 per square foot with the added features of insulation, concrete, electric, water and others to the base cost, Mr. Humphrey calculated a cost of \$14.40 per square foot as a 'starting point.'⁵ Next, the appellant testified that he did not believe depreciation was properly applied as a pole building has a 20 year "depreciation schedule" and Building number 5 was built in 2006. Therefore, he was of the opinion that 40% physical depreciation was insufficient as the building "should be almost fully depreciated."

Mr. Humphrey also asserted the parties had a prior stipulation for 20% functional obsolescence to Building 5. However, in reality, given that the doors to Building 5 are 12-foot wide and modern farm machinery is much wider; "the building is there because it was there." To make it useful, he would need to put on a 20 to 24-foot-wide door opening. "It provides really no use to the farm."

Similarly, Building 9a, a Lean-to, on Attachment 3 of 1,728 square feet with 18' eave height, Mr. Humphrey asserted *Publication 122* goes out to 1,400 square feet at \$6.60 per square foot for a pole frame building. On Attachment 3, the assessing officials have a starting point for Building 9a of \$11.30 per square foot, almost double of what *Publication 122* says. Again, the appellant asserted the depreciation applied was incorrect as the building was constructed in 2010 with an 8-year life, depreciation should be 40% higher. After application of 33% depreciation, Building 9a depicts a square foot price of \$7.57. (Attachment 3)

Building 22, the two apartments, in Attachment 3 depict a date of construction of 2012 consisting of 864 square feet at \$49.75 per square foot; as to this assessment Mr. Humphrey referred to Attachment 4, the 2013 decision of the Property Tax Appeal Board where on page 15, the previous supervisor of assessments testified that there was no building permit related to the construction of the apartments.

In conclusion, Mr. Humphrey argued there is no verification or justification for the nearly doubling of farm building values "in a single year." He further asserted that he could use *Publication 122* to arrive at a "dollar value" for each building based on actual construction 'better' than is reflected in Attachment 3 where "somebody threw a number here" on the buildings. In summary, he asserted the depreciation schedule was inconsistent and the price per square foot was inconsistent.

c. Economic obsolescence

The appellants further argue, with citation to Sec. 10-140 of the Code, that farm building values are to be determined in part "based on external obsolescence." Based upon Mr. Humphrey's interpretation of the provision and recognition that "economic obsolescence is cyclical," the appellants provided Attachments 6 and 7 to address "contribution to the productivity of the farm" based on market conditions at the time.

⁵ No evidence was elicited as to which edition of *Publication 122* was being used by the appellants. Page 43 of *Publication 122* dated January 2020 depicts the 'high' base price of a "four sides closed pole frame building" to be \$10.78 per square foot not including other features.

Attachment 6 depicts a reduction in feeder cattle prices over a five-year period; highlighted in the document is the 2017 average per hundred weight of feeder cattle of \$165 and the 2020 average price was \$110. In summary, according to the appellants this data depicts a 33% drop in economic income producing abilities.

Attachment 7 depicts fat cattle average prices for 2013, when the parcel was purchased, compared to the 2020 assessment year at issue. The appellants report the data reflects a 14% drop in pricing. Additionally, the appellants' brief asserts that feed prices remained relatively low from 2013 to 2019, but in the latter half of 2020 corn prices, a main ingredient in cattle feed, rose 65%. Thus, the appellants assert that this combination of higher feed costs and lower prices hinder the ability of the farm and buildings to support any increase in assessment and "in fact, warrants an actual decrease from the last paid tax bill based upon the 2019 assessment due to economic obsolescence." (Brief, p. 3).

In conclusion, the appellants request an assessment based on law and to establish "the fair assessed building value *once and for all*."⁶ [Emphasis added.]

Based on the foregoing evidence and argument, the appellants requested the 2020 tax year farm building assessment be reduced to \$83,640. Based on the record, the Board finds this request is \$8,693 less than the outbuilding assessment decision issued by the Board for tax year 2013; \$10,798 less than the tax year 2018 stipulation of the parties as to outbuildings; and \$6,000 less than the 2019 outbuilding assessment.

Board of Review Case in Chief

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$169,479. The subject's assessment reflects a farmland assessment of \$16,398 and a farm building or outbuildings assessment of \$153,081, subsequently revised to \$151,132 (see Footnote 1).

Besides counsel, present on behalf of the board of review at hearing were Jennifer Boyd, Lee County Supervisor of Assessments, and the current Chair of the Lee County Board of Review. No witnesses were called for testimony by the board of review.

At hearing, counsel for the board of review argued the appellants' contentions are largely based on business decisions that have been made with regard to the property. Counsel stated there is no legal or financial backing to the assessment reductions that are being requested.

In a three-page narrative (Assessor memo) submitted with the board of review evidence, the assessing officials report the subject farmland parcel includes buildings which were originally constructed and used as horse stables, show barns, arena, equipment shed, loafing sheds, and office. Tax year 2020 was the first year of the general assessment cycle in South Dixon Township and thus all properties were reviewed and revalued, if necessary. In this process, the

⁶ Based upon the statutory provisions and farmland guidelines set forth above in this decision concerning both farmland and farm buildings, the Board finds nothing in those provisions suggest that no changes can be made to assessments of farmland and/or buildings as necessary over the course of time. (See also Footnote 2)

2. *Outbuildings*

Counsel noted the legislature provided that farm buildings are to be assessed in accordance with their contribution to the farm and, if they are used for an alternate purpose, the appropriate value should be placed on them. The foregoing is the goal of the county in making an assessment of farm buildings. As set forth at page 2 of the Assessor memo, development of farm building valuations use the cost approach which subtracts depreciation from the current replacement cost [new] of an existing structure. The board of review reported the 2019 Marshall & Swift Valuation Service was used in developing the 2020 replacement cost of the subject farm buildings. In addition, physical depreciation was applied to all buildings based on the recommended typical life expectancies of individual buildings. The assessing officials also applied “functional depreciation” to Buildings 5 and 6 “to reflect the super adequacies of the original construction as a horse show barn, arena, and office.” (Id.)

As to the appellants’ argument that county values on the building(s) are wrong, counsel argued there is no support for “what might be right.” Therefore, counsel claimed the appellants have not met their burden of proof. Ms. DiPiero argued that the subject was constructed as a modern horse stabling and showing facility and the appellants “choose” to use it for a cattle operation. She stated, “This is a business decision.”

a. *Building size error(s)*

Since building sizes were reviewed in May 2021, the board of review argues there is no longer an issue. (Assessor memo, p. 1)

b. *Cost per sq ft/age errors*

In response to the appellants’ claims, the Assessor memo at page 1 states building ages were reviewed, adjusted, and/or confirmed by existing building permits, historical property record cards, and/or Google Earth historical aerial photography. As the 2020 tax year was the start of the general assessment cycle, the board of review argues review/revaluation consisted of updating the record to reflect current replacement costs, uses, and depreciation. (Assessor memo, p. 2). At hearing, counsel argued appellants have failed to provide any evidence of the allegedly correct information.

The Assessor memo at page 1 addressed the historical 2019 assessment of this parcel reflecting the uses, conditions, and an appraiser’s opinion of value – which were developed for the 2013 purchase transaction. “The 2013 Board of Review decision, largely based on the 2013 appraisal, has remained in place pending a decision on the 2013 [Property Tax Appeal Board] case. (With the exception of buildings added or removed.)” (Id., pp. 1-2; see also Appellants’ Attachment 4) Counsel also argued the differences in farm building assessments between 2019 and 2020 were “clearly” related to the 2013 decision of the Property Tax Appeal Board as further shown on the bottom of Appellants’ Exhibit 2, as well as the last column on the document entitled “2013 PTAB decision.”

Assessing officials further asserted in the memorandum, they are entitled to reassess property in a general assessment year; besides using *Publication 122*, the officials also use Marshall & Swift

cost manual data. (Assessor memo, p. 2) Ultimately there are different ways to value farm buildings, but as argued by counsel, it must be based upon contribution to the property. In light of this, counsel asserted there is no evidence here of income or expense data provided by the taxpayer. Thus, assessing officials are limited to using the information they have on hand, which was supplemented by the physical inspection that was subsequently performed (see Footnote 1). Counsel asserted there were no changes to building ages, just some supplemented information. In closing, ultimately there is no other information to support the appellants' contentions that any of the farm building information is incorrect.

c. Economic Obsolescence

The board of review contends the appellants' analysis using Attachments 6 and 7 for economic obsolescence has several flaws as outlined on page 1 of the Assessor memo. As an initial matter, the attachments depict changes in the cattle market due to regular fluctuations in supply and demand of beef cattle. This data does not indicate application of economic obsolescence due, for example, by changing government regulations that impact the long-range viability of cattle farming in the Midwest or Lee County. Counsel at hearing further argued, based on this data from the appellants, "what is missing was the actual applicability to the subject property and the corresponding data that is supposed to go along with that." In other words, there is no information regarding the true economic impact of those conditions in that there has been no submission of taxpayer expenses, no appraisal, and no information as to types of cattle and distribution allocations regarding even corn pricing is completely unsupported. In closing on this issue, counsel stated there is insufficient evidence to make any quantitative reductions to the building assessments based on purported economic obsolescence.

The assessing officials considered "economic obsolescence," but did not apply any as "there is no evidence of external factors, such as changes to government regulations, that have impacted the use of the subject property's buildings, or cattle buildings in general." (Id.) Also, contrary to appellants' argument concerning application of depreciation, the board of review contends the 2019 assessment "already considered all forms of depreciation." Therefore, applying additional depreciation (in any form) for a subsequent year, would result in compounding of depreciation calculations. (Assessor memo, p. 2) At hearing, counsel also argued economic obsolescence is something that applies to all of the properties in the area or affects the property from an external force. The BOR counsel memo, page 3, gave a hypothetical: if the government were to suddenly prohibit the butchering of cattle, that would render cattle barns economically obsolete. The memo also argued the calculation of economic obsolescence due to outside factors, even of the economic type, would involve analysis of complicated market trends before arriving at any conclusion. (Exhibit 2, a portion of *The Appraisal of Real Estate, 14th Edition*, pp. 632-636 attached to BOR counsel memo).

In closing, the board of review requested confirmation of the subject's farmland classifications and the outbuilding assessment of the subject property for tax year 2020.

On cross examination, Mr. Humphrey made several inquiries related to the characteristics of land and 'erodible land.' The board of review reiterated its opinion that the 'waterway' at issue is properly characterized as permanent pasture in accordance with the IDOR definition in *Publication 122* as grazing land.

Appellants' Written Rebuttal

In rebuttal, the appellants reversed or 'flipped' the burden of proof when they allege that neither counsel nor the assessing officials have "ever provided any evidence that the buildings have added any additional productivity or value to the farm in support of the 61% [assessment] increase from the 2019 assessed value of \$89,540 to the current 2020 building assessed [value] of \$153,081 [subsequently corrected to \$151,132]."

In addition, appellants contend depreciation has not been applied equitably. As an example, in Attachment 3, Buildings 9 and 9A, both built in 2010, with similar construction each have 33% depreciation as compared to Building 11, built in 2011, has 45% depreciation. Next, appellants compare and contrast, Building 5 to Buildings 7 and 8, where Building 5 is older and similar in construction but differs in depreciation applied. Furthermore, the cost per square foot (RCN – replacement cost new) of Building 9A, a lean-to, is \$11.30 as compared to 'exact replica' loafing sheds on the parcel with RCN of \$6.04 per square foot of building area.

Appellants' Rebuttal at Hearing

In light of the statements of counsel, Mr. Humphrey stated he was unsure what more he could have provided regarding economic obsolescence for the downturn in the value that is received for the product that is sold and the costs of the inputs of what drives and feeds the cattle. He also pointed out obsolescence was not the entirety of the argument, but "just a part of the puzzle in valuing the farm buildings."

Conclusion of Law

Given the appellants' repeated references to prior year assessments and/or prior tax year decisions of this Board concerning this parcel in comparison to the tax year 2020 revaluation, the Board finds it necessary to emphasize a provision of the Code. As shown below, assessing officials have a duty to perform 'valuation' of property in general assessment years (typically once every four years or three years, depending upon jurisdiction). There is no dispute that 2020 was the first year of a new general assessment cycle in South Dixon Township. Therefore, the assessing officials were required to:

On or before June 1 in each general assessment year in all counties with less than 3,000,000 inhabitants, . . . , the assessor, in person or by deputy, shall actually view and determine as near as practicable the value of each property listed for taxation as of January 1 of that year, or as provided in Section 9-180, and assess the property at 33 1/3% of its fair cash value, or in accordance with Sections 10-110 through 10-140 and 10-170 through 10-200,

(35 ILCS 200/9-155). With the foregoing provision in mind, the Board will not further address arguments related to prior year assessments of the subject property, prior tax year "stipulations" which are not in the record and not reportedly 'permanent,' and/or previous decisions of the Property Tax Appeal Board related to this property, unless there is a specific reason to do so.

In summary, the appellants appealed the farmland classification of 2.29-acres of the subject parcel and farm outbuildings assessments under the category of a contention of law for tax year 2020. Section 10-15 of the Illinois Administrative Procedure Act (5-ILCS 100/10-15) provides:

Standard of proof. Unless otherwise provided by law or stated in the agency's rules, the standard of proof in any contested case hearing conducted under this Act by an agency shall be the preponderance of the evidence.

The rules of the Property Tax Appeal Board are silent with respect to the burden of proof associated with an argument founded on a contention of law. See 86 Ill.Admin.Code §1910.63.

1. Classification

The land assessment issue was raised solely as a question of proper classification seeking a wasteland assessment for 2.29-acres. The present use of the land determines whether it is entitled to a farmland classification for assessment purposes. Bond County Board of Review v. Property Tax Appeal Board, 343 Ill.App.3d 289, 292 (5th Dist. 2003). While the subject parcel is assessed under the farmland assessment provisions of the PTC, the appellants contend there is an approximately 2.29-acre portion of the subject property (image of Attachment 1) that should be assessed as contributory wasteland as it had been historically assessed in the past since this is water drainage for the area. The disputed area had been assessed since 2009 as “waste contributory.” In 2019, the land area was reduced to 2.19-acres, but retained the “waste contributory” designation. As of tax year 2020, this disputed approximately 2.29-acre portion of the subject parcel, was classified as permanent pasture. In addition, the appellants contend that this land remains unchanged since those past classification determinations and water still flows through the subject parcel as identified at hearing.

In part, in response to the appellants' appeal, the Lee County Board of Review through retained counsel (BOR counsel memo, p. 2) contends that the “waterways” through the subject parcel “could not be used for crops without additional improvements” and therefore are classified as permanent pasture in accordance with IDOR guidelines.

The Board finds that the applicable IDOR definition provides, in pertinent part, that in order to be classified as permanent pasture the land “could have been used for crops *without additional improvements*.” [Emphasis added.] In *Publication 122*, the Board finds there are two references to “grazing land”: (1) within the “cropland” definition and (2) in the “permanent pasture” definition (see *supra*). In each instance, the guideline in both uses provides the ‘grazing land that could have been used for crops without additional improvements.’ Not only did the BOR’s retained counsel state that the disputed land could not have been used for crops without additional improvements, but the Board finds logically, given the aerial photograph depicting the waterway bisecting the subject parcel, without additional improvements it would be futile to pursue growing crops through the waterway area without additional improvements.

Thus, the Property Tax Appeal Board, first, finds the affirmative statement by counsel for the board of review is an admission that crops could not grow in the waterways. Second, the Property Tax Appeal Board finds based on the IDOR definition combined with the admission made by counsel, **the appellants are entitled to a reclassification of the disputed area in**

appellant Attachment 1 be reclassified and recalculated for tax year 2020 as contributory wasteland. The board of review is hereby ordered to submit the revised farmland assessment to the Property Tax Appeal Board **within 30 days from the date of this decision** with a copy simultaneously sent to the appellants.

2. Outbuildings Assessment

The appellants did not specify in Section 2d of the Farm Appeal and/or by accompanying brief or documentation, the basis for challenging individually the assessments of any specific outbuildings. As noted above, there was no presentation of “corrected” building size data, which may have been due to the subsequent COE correcting the farm building size(s). The building size issue was not raised at hearing. On this record, the appellants waived this argument.

The appellants did not specify in this appeal, which, if any farm buildings included wrong age information and/or what the correct age should be for any individual building. Thus, the Board finds that no determination can be made on this record that any age of any farm building on the subject parcel has incorrect age information and no age change for any farm building can be ordered by the Board with this record evidence.

Finally, perhaps most importantly, given the extensive discussion of *Publication 122* and related cost manual/chart data concerning building cost per square foot, the Board finds Mr. Humphrey did not establish his own qualification(s) by education, training and/or experience related to farm building valuation, methodology, appraisal or any other like field to have the knowledge and expertise to arrive at building cost information accurately. The Board finds Mr. Humphrey did not establish skill, knowledge or expertise in the use and/or interpretation of published cost schedules such as those set forth in *Publication 122*. In fact, in the course of the hearing, the Board finds that Mr. Humphrey made numerous assertions about the nature of the cost data in *Publication 122* that were simply wrong. As an example, the Board finds that for valuation purposes, cost charts do not ‘top out’ at a certain price per square foot. Instead, knowledgeable users of cost manuals use the available chart data and then ‘interpolate’ the chart or have other techniques to value structures that do not fit within the parameters of the chart. Given the foregoing findings, the Board has given no weight to Mr. Humphrey’s testimony related to purported “beginning” per square foot values of various buildings as the record establishes the witness had a lack of knowledge and expertise in arriving at value conclusions.

The Board finds similarly that Mr. Humphrey displayed a lack of training, education and/or expertise in the application and/or calculation of economic obsolescence. As an example, given the age of one of the buildings, he suggested it should be ‘fully’ depreciated, implying that a still standing structure, given its age would have no value whatsoever, due to depreciation for time. Again, the Board finds this application of the theory of depreciation is erroneous.

As stated in the IDOR guideline, external or economic obsolescence "results from external influences such as land-use changes, government regulations, and farm market conditions." Nothing presented in this record by the appellants supports the argument that external obsolescence has affected an actual loss in the value of the subject property. As stated above, Mr. Humphrey did not establish his own training, knowledge and/or expertise in the calculation or determination of economic obsolescence nor did he provide any expert in the field to provide

such information. On this record, the Board finds that the appellants failed to provide probative evidence of the cause of the claimed external obsolescence, the quantity of such external obsolescence and that the asserted cause of the external obsolescence actually affected the subject property. (See *Eurofresh, Inc. v. Graham County*, 218 Ariz. 382 (2007)).

To reiterate, in summary, as mandated by the Code in Section 10-140, for a cattle farming operation, such as the subject, farm buildings that store and protect farm machinery and equipment; that house livestock; or store feed or grain; shall have an equalized assessed value of 33 1/3% of their value, “based upon the current use of those buildings **and their contribution to the productivity of the farm.**” (35 ILCS 200/10-140) [Emphasis added.]

In light of the foregoing statutory mandate, the Board finds counsel for the board of review was in error when implying there was a property tax consequence for the appellants’ business choice to operate a cattle farming business on a property that was built for the purpose of horse stabling and showing. Nothing in the provisions of the Code discourage or prohibit changing the focus or emphasis of a farming operation from one type to another, but for the requirement that the property be used as a farm for the 2 preceding years (35 ILCS 200/10-110). Moreover, the Board finds such an interpretation of the Code as implied by counsel is instead completely inapposite of the clear legislative intent of the mandated valuation methodology to be applied to other improvements located on a qualified farm property based upon their contribution to the farming operation.

Guidance for the assessment of farm outbuildings is somewhat limited. Where farm structures do not contribute to the productivity of the farm, then the buildings would add nothing to the value of the farm. *O'Connor v. A&P Enterprises*, 81 Ill. 2d 260, 267-68 (1980); see also *Peacock v. Illinois Property Tax Appeal Board*, 399 Ill. App. 3d 1060, 1071-1073 (4th Dist. 2003). In *O'Connor*, the Illinois Supreme Court discussed Section 10-140 of the Code concerning 'other improvements,' in pertinent part, as:

The legislature has provided that these buildings should be valued on the basis of their contribution to the farm operation. If they are used for either their intended purpose, or for a substitute purpose, the appropriate value can be placed on them. Section 1(25) of the Revenue Act of 1939 [since replaced by the Property Tax Code] provides that these buildings shall continue to be valued as a part of the farm. If they contribute nothing to the productivity of the farm then, of course, the buildings would add nothing to the value of the farm. Being valued as a part of the farm, the failure to place a value on these buildings is a method or procedure of valuation and not an exemption from taxation. Just as a well that is no longer usable or a shade tree that is dead does not enhance the value of the farm, a barn or a corncrib that is not usable adds nothing to the value of a farm.

O'Connor at 269.

In Mr. Humphrey’s testimony, he stated Building 5, Horse Barn/Arena, “[i]t provides really no use to the farm.” This testimony was not cross-examined and not questioned in any further manner. Furthermore, his testimony was not rebutted with any witness who observed the property in order to ascertain how and whether Building 5 was being used in the appellants’

farming operation. As such, Mr. Humphrey's testimony stands un rebutted and unrefuted. On this record, the Board finds that Building 5, Horse Barn/Arena, for tax year 2020 has a 'zero' contributory value to the appellants' farming operation as it "provides really no use to the farm."

The Board finds no other substantive testimony or evidence of any type concerning the 'contributory value' of any other specific individual farm buildings with respect to the appellants' cattle farming operation was provided. Therefore, the Board finds no other factual basis upon which to alter the 2020 outbuilding assessments of the remaining subject farm buildings, except only as to Building 5.

Therefore, based on this record, the Board has applied the COE outbuilding determination of \$151,132 less the Board finding that the 33 1/3% assessment of Building 5 (\$88,772) must be deducted to arrive at the correct outbuilding assessment for tax year 2020.

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 19, 2024



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.

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