



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

APPELLANT: Kenneth Johnson
DOCKET NO.: 20-06752.001-R-1
PARCEL NO.: 08-27-400-004

The parties of record before the Property Tax Appeal Board are Kenneth Johnson, the appellant; and the Knox County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **No Change** in the assessment of the property as established by the **Knox** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$5,750
IMPR.: \$77,290
TOTAL: \$83,040

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Knox 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.

Findings of Fact

The parties appeared before the Property Tax Appeal Board on January 8, 2024 for a hearing at the Knox County Courthouse Annex in Galesburg pursuant to prior written notice dated November 27, 2024. Appearing was the appellant Kenneth Johnson, and on behalf of the Knox County Board of Review were members Robert Bondi and J. West, along with the board of review's witnesses, Scott Terpening, a Certified General Real Estate Appraiser and Sonia Hochstetler, Chief County Assessment Officer for Knox County.

The subject property consists of a 1-story dwelling of vinyl siding exterior construction with approximately 1,710 square feet of living area.¹ The dwelling was constructed in 2019. Features of the home include one bedroom, an unfinished full walk-out basement, central air conditioning,

¹ The Board finds the best description of the subject's dwelling size was found in the appraisal, submitted by the board of review, which contains a more detailed sketch with dimensions and area calculations than is contained in the subject's property record card, also submitted by the board of review.

generator, and a 1,232 square foot garage. The subject property has a private well and septic sewer system. The property has an approximately 4.24-acre site that is improved with an approximately 1-acre pond and is located in Williamsfield, Victoria Township, Knox County.

Initially, Mr. Johnson testified that he and his wife were considering downsizing and that prior to constructing a new dwelling, requested an estimated property tax amount from assessing officials. Mr. Johnson testified he was told in 2018 that, based on building plans for his proposed dwelling, he could anticipate a tax bill ranging from \$3,800 to \$4,500. The appellant contended he decided to construct the new dwelling based, in part, on this estimated property tax information.

The appellant contends both overvaluation and assessment equity with respect to the improvement, as the bases of the appeal.²

In support of the overvaluation argument the appellant submitted information associated with the purchase of the subject site and detailed construction cost information for the subject dwelling. The appellant testified the subject site was purchased in May 2017 for \$14,000 and submitted evidence documenting costs of the subject dwelling totaling \$180,452, for a combined land and building cost of \$194,452 or \$113.71 per square foot of living area, land included. In response to questions from the hearing officer, the appellant disclosed additional costs of approximately \$25,000 were incurred to demolish a vacant dwelling which existed on the subject site at the time of purchase and to improve the subject site by clearing trees and overgrown vegetation and to improve the pond. Finally, the appellant indicated he acted as the general contractor for construction of the dwelling for which he estimated 300 hours at a rate of \$40.00 per hour or \$12,000. The Board finds the total cost for the subject land, site improvements, construction costs and expense as a general contractor total \$231,452 or \$135.35 per square foot of living area, land included.

As an alternate basis of the appeal, the appellant contends assessment inequity with respect to the improvement assessment. In support of the inequity argument, the appellant submitted four equity comparables located from across the road to 2.0 miles from the subject property. The comparables are improved with a 1-story or a 1.5-story dwelling of vinyl or brick and vinyl siding exterior construction ranging in size from 1,696 to 2,958 square feet of living area. The dwellings range in age from 7 to 10 years old. Each comparable has three or four bedrooms and a basement, with three having finished area. Each dwelling has central air conditioning and a garage ranging in size from 600 to 912 square feet of building area. One home has a fireplace. Comparables #1 and #2 each have city water and sewer service while comparables #3 and #4 have private well water and septic sewer systems. The properties have improvement assessments ranging from \$51,610 to \$97,400 or from \$30.06 to \$40.94 per square foot of living area.

The appellant argued his comparables #1 and #2 are most similar to the subject as these properties are located in the same county, same school district and are similar in dwelling size when compared to the subject. However, the appellant asserted these two best comparables are superior to the subject due to their finished basements, three bedrooms, presence of city water

² While the appellant's appeal petition checked only recent construction, the appellant also submitted four equity comparables, leading the Board to conclude a second basis of appeal to include assessment inequity.

and sewer services and are located on paved roads. The appellant also noted these two properties each have a smaller garage size when compared to the subject. Based on this evidence, the appellant requested the subject's total assessment be reduced to \$69,390 which reflects a market value of \$208,191 or \$121.75 per square foot of living area, land included, when applying the statutory level of assessment of 33.33%. The appellant's request reflects an improvement assessment of \$63,640 or \$37.22 per square foot of living area.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$83,040. The subject's total assessment reflects a market value of \$248,325 or \$145.22 per square foot of living area, land included, when using the 2020 three-year average median level of assessment for Knox County of 33.44% as determined by the Illinois Department of Revenue. The subject has an improvement assessment of \$77,290 or \$45.20 per square foot of living area.

In support of its contention of the correct assessment the board of review submitted an appraisal estimating the subject property had a market value of \$250,000 as of January 1, 2020. The appraisal was prepared by Scott Terpening, a Certified General Real Estate Appraiser with 21 years of appraisal experience in the Knox County area. The appraisal was ordered and paid for by Victoria Township with the appellant's consent and has the intended use to estimate the market value of the subject as of the effective date of the report. In estimating the market value of the subject property, the appraiser developed the cost and sales comparison approaches to value.

In developing the cost approach to value, the appraiser opined the subject's site had a value of \$21,200 or \$5,000 per acre, based on sales of vacant land in Knox County within the prior four year period. The appraiser utilized the Core Logic-Swift Estimator to determine the total replacement cost of the subject improvements assuming a "3.0" or average quality rating, of \$269,736. Mr. Terpening noted these cost values include labor expenses. The appraiser estimated physical depreciation of \$4,900 and functional depreciation of \$53,947. In the Supplemental Addendum the appraiser explained that based on market extraction, functional obsolescence of 10% was applied to account for the subject's one bedroom design and 10% was applied to reflect the subject's larger than typical garage size, atypical floor plan and larger amounts of concrete infrastructure than is typically found in the subject's market. The "As-Is" value of the site improvements were estimated at \$20,000. Adding the land value, replacement costs less physical and functional depreciation and site improvements, the appraiser arrived at an indicated value for the subject, under the cost approach, of \$252,080.

For the sales comparison approach, the appraiser selected three comparable sales located from 2.85 to 15.03 miles from the subject property. Mr. Terpening testified that at the time the appraisal was prepared the number of comparable sales were very limited for homes similar to the subject. The comparables have sites that range in size from 1-acre to 5.71-acres of land area and are improved with ranch or 2-story dwellings with either an inferior, similar or superior quality of construction. The homes range in age from 9 to 20 years old. The homes range in size from 1,751 to 2,912 square feet of living area and are either similar or inferior in condition when compared to the subject. Each comparable has three or four bedrooms and a basement, two of which are reported to have minimal finish. Each dwelling has central air conditioning and a 2-car or a 3-car garage. One comparable has a generator. The comparables sold from March to

December 2019 for prices of \$216,000 to \$315,000 or from \$97.87 to \$132.41 per square foot of living area, land included.

The appraiser adjusted the comparables for differences with the subject in site size, quality of construction, condition, bathroom count, dwelling size, basement amenities and other features. Additionally, the appraiser adjusted each of the comparable sales downward by 9% in the functional utility line to account for the subject's one bedroom design. Under questioning by the ALJ, the appraiser explained that no adjustments were made for design or age based on the subject's market. Mr. Terpening testified that the subject's market reacts to dwelling size and condition and therefore, adjustments for design are assumed in the dwelling size adjustments while age adjustments are reflected in condition adjustments. After adjustments, the appraiser arrived at adjusted sale prices of the comparables ranging from \$233,860 to \$252,826. The appraiser gave only comparables #2 and #3 significant weight as these sales required the least amount of adjustment and were located in rural areas similar to the subject and arrived at an opinion of market value for the subject under the comparable sales approach of \$250,000.

In reconciling the two approaches to value, the appraiser stated the sales comparison approach was given greatest emphasis as it reflects the actions of typical buyers and sellers in the market arriving at an estimated opinion of market value for the subject of \$250,000. Based on this evidence, the board of review requested the subject's assessment be confirmed.

Ms. Hochstetler asked Mr. Johnson how much he thought he could sell his home for today. Mr. Johnson replied that he wasn't sure although given its one bedroom design, opined that \$220,000 could be a struggle. Board member Bondi asked if any of the parties' comparables had a pond to which Mr. Johnson and Mr. Terpening replied they did not. Mr. Terpening also clarified that all of the appraisal comparables have private well and septic sewer systems.

In conclusion, Mr. Johnson stated that he feels he is being penalized because he has a new house when older homes that are essentially the same as the subject are assessed at a substantially lower rate.

Conclusion of Law

The appellant contends, in part, the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. 86 Ill.Admin.Code §1910.63(e). Proof of market 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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The appellant submitted evidence supporting the purchase of land and cost to construct the subject dwelling while the board of review submitted an appraisal for the Board's consideration.

The Board finds that in addition to the appellant's initial costs of land and construction, additional costs associated with demolition, site improvements and an estimated cost for his role as a general contractor were incurred all of which total \$231,452 or \$135.35 per square foot of

living area, land included. The Board gives less weight to the appellant's construction costs which reflect a somewhat dated site value and since the appellant acted as his own general contractor may not reflect the true costs to a typical buyer for a new construction dwelling.

The Board finds the best evidence of market value to be the appraisal submitted by the board of review. The appraiser testified that the comparable properties selected were the best properties available at the time the report was prepared and made reasonable adjustments which were explained including an adjustment to account for the subject's one bedroom design. Furthermore, the appraiser developed the cost approach to value for the subject and applied a 20% depreciation to account for the subject's atypical functional elements. The subject's assessment reflects a market value of \$248,325 or \$145.22 per square foot of living area, including land, which falls below the appraised value of \$250,000. Therefore, based on the evidence in the record, the Board finds the subject's assessment is supported and no reduction in the subject's assessment is warranted, based on the overvaluation argument.

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

The Board finds the only evidence of assessment equity to be the four comparables submitted by the appellant. These properties have varying degrees of similarity to the subject in location, age, design, dwelling size and other features and have improvement assessment ranging from \$51,610 to \$97,400 or from \$30.06 to \$40.94 per square foot of living area. The subject has an improvement assessment of \$77,290 or \$45.20 per square foot when using a dwelling size of 1,710 square feet of living area which falls within the range on an overall improvement assessment basis and above the range on a per square foot basis. Given the subject's dwelling size and 2019 construction date relative to the four equity comparables, a higher per square foot improvement assessment appears to be logical. Therefore, after considering adjustments to the comparables for differences with the subject, the Board finds the subject's assessment is supported and a reduction, based on lack of uniformity, is not warranted.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.



Chairman



Member



Member



Member



Member

DISSENTING: _____

CERTIFICATION

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: February 20, 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.

PARTIES OF RECORD

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