



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

APPELLANT: Don Burke
DOCKET NO.: 20-06799.001-C-1
PARCEL NO.: 08-16-283-013

The parties of record before the Property Tax Appeal Board are Don Burke, the appellant; and the Hamilton 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 **Hamilton** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$7,092
IMPR.: \$51,241
TOTAL: \$58,333

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Hamilton 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 subject property consists of two multi-unit storage buildings with a combined 7,250 square feet of gross building area. Each building is constructed of light gauge steel and having the roof supported by the interior walls (no trusses). The buildings each have a concrete slab foundation. Building 1 measures 25' x 140' or 3,500 square feet of building area and was constructed in 2014. Building 2 was built in 2012, measure 25' x 150' or 3,750 square feet of building area and includes 500 square feet of office space. Additional site improvements include exterior security lighting. The property has a 27,540 square foot or 0.63-acre site, resulting in a land-to-building ration of 3.80:1 and is located in McLeansboro, McLeansboro Township, Hamilton County.

The appellant contends overvaluation as the basis of the appeal.¹ In support of the overvaluation argument the appellant submitted an appraisal estimating the subject property had a market value

¹ The appellant's appeal petition has both assessment equity and recent appraisal checked as bases of the appeal, however, the Board finds no equity information was submitted by the appellant in support of this argument.

of \$175,000 as of January 29, 2021. The appraisal was prepared by Dennis Crain, a certified general real estate appraiser. The appraisal was prepared for the client, Don Burke, to establish a current estimate of market value for the subject property.

In estimating the market value of the subject property, the appraiser developed the cost, sales comparison and income approaches to value.

Under the cost approach, the appraiser estimated the subject had a site value of \$6,900 using four suggested land sales. The appraiser estimated the replacement cost new of the improvements to be \$203,217. Physical depreciation of the improvements was estimated to total \$34,547 resulting in a depreciated improvement value of \$168,670. The appraiser also estimated the site improvements had a value of \$5,000. Adding the various components, the appraiser concluded the subject property had an estimated market value of \$180,570 under the cost approach to value.

Under the sales comparison approach, the appraiser selected six comparable sales of storage building properties located Jonesboro, Clay City, Vergennes, Benton and McLeansboro which have varying degrees of similarity to the subject in location, age, gross building area and other features. The comparables sold from January 2019 to November 2020 for prices ranging from \$25,000 to \$440,000 or from \$10.26 to \$29.73 per square foot of gross building area, land included.

The appraiser adjusted the comparables for differences with the subject in effective age, condition, other improvements and land-to-building ratio. This process resulted in adjusted sale prices ranging from \$36,960 to \$321,520 and adjusted sale price per square foot ranging from \$13.55 to \$24.53. Giving all the sales some consideration, with most weight given to comparable sales #2, #3 and #4, the appraiser arrived at an estimated opinion of market value for the subject of \$175,000 under the sales comparison approach to value.

Finally, the appraiser developed the income approach to value. The appraiser reported gross annual rental income of \$9,324.80 for the subject's two multi-unit storage buildings, reporting a 0% vacancy and collection loss. Reported management and maintenance/repair expense were estimated at \$745.94 resulting in Net Operating Income (NOI) for the subject of \$8,578.86. The appraiser then divided the subject's NOI by a capitalization rate of 11.50% to arrive at an estimated market value under the income approach of \$75,000, rounded.

In reconciling the three approaches to value, the appraiser opined the sales comparison approach to have a higher level of factual data available and that the estimated value under the cost approach appeared to provide added support for the sales comparison value estimate. Additionally, the appraiser stated the income approach did not appear to provide a reliable market value for the subject property. After consideration of all the approaches to value, the appraiser concluded the subject to have a market value of \$175,000 as of January 29, 2021.

During the course of reviewing the Board's records, the Board discovered correspondence from the Hamilton County Board of Review associated with this instant appeal, that had been submitted by the appellant as part of Docket 20-06798. In that correspondence, the Hamilton County Board of Review states that it decided to lower the assessment of the subject property to the appraised value plus 5%, which they explain is needed to account for differences in gross

building area between the subject and appraisal comparables. Based on this evidence, the appellant requested the subject's assessment be reduced to \$58,333 to reflect the appraised value of the subject property.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$61,250. The subject's assessment reflects a market value of \$184,544 or \$25.45 per square foot of building area, land included, when using the 2020 three-year average median level of assessment for Hamilton County of 33.19% as determined by the Illinois Department of Revenue.

The board of review addressed the appellant's appraisal evidence arguing five of the six comparables used in the report were inferior to the subject in gross building area. The board of review offered four comparables which they contend are more similar to the subject property in gross building area and other features than the comparable properties selected by the appraiser. These four comparables located in Jefferson, Franklin, Clay or Wayne counties, have varying degrees of similarity to the subject in location, age, gross building area, site size and other features. Board of review comparable #2 is the same property as the appraisal comparable #4.² The comparables sold from May 2016 to November 2020 for prices ranging from \$83,000 to \$440,000 or from \$29.73 to \$44.45 per square foot of building area, land included.

With respect to the subject's land value, the board of review submitted two sales of vacant land which occurred in October 2019 and were subsequently developed with a *Dollar General* store. The board of review contended the appellant has two parcels listed for sale at a price of \$20,000 each and opined these parcels are either overpriced or support a higher land value for the subject site. Based on this evidence, the board of review requested the subject's assessment be confirmed or "even be raised to the appropriate amount" but argued the board of review firmly believed no reduction was warranted.

In rebuttal, the appellant addressed the discrepancy in sale prices for appraisal comparable #2 and board of review comparable #3. The appellant submitted the Multiple Listing Service (MLS) sheet on appraisal comparable #2 along with a copy of the PTAX-203 Real Estate Transfer Declaration noting the MLS reflects the sale of one parcel with a price of \$66,400 while the PTAX-203 reflects a sale comprised of four total parcels, including the parcel sold and identified as appraisal comparable #2, at a price of \$83,000. The appellant critiqued the board of review's comparable #4 as being an older sale. The appellant also submitted several land sale comparables not previously submitted. Pursuant to Section 1910.66(c) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code 1910.66(c)) the Property Tax Appeal Board finds the new land comparables submitted by the appellant are improper rebuttal evidence and will not be considered by the Board in its determination of the correct assessment.

² Board of review comparable #3 and appraisal comparable #2 appear to be the same property, however, the parties report different sale prices. The appraisal reports a sale price of \$66,400 while the board of review reports a sale price of \$83,000.

In sur-rebuttal, the board of review questioned the parcel number associated with the appellant's rebuttal comments.³ It addressed the sale price discrepancies for the common property noting the appellant's evidence reports a 0.33-acre site size while the board of review's PTAX-203 evidence reports a site size of 0.56-acres. The Board questioned whether the \$16,600 difference in sale price truly reflects the value of the remaining 0.23-acre. The board of review concluded by stating its comparable sales more accurately reflect the value of the subject property and that the subject's assessment has "been lowered enough and should not be lowered to the appraised 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.

The appellant submitted an appraisal and the board of review submitted four comparable sales for the Board's consideration, where one board of review comparable was also presented in the appellant's appraisal report. The Board finds both parties submitted comparables from outside the subject's immediate market area that have varying degrees of similarity to the subject in location, age, gross building area, site size, utilities and other features.

The Board finds no market evidence in the record which explains or supports a 5% upward adjustment to the subject's appraised value. The appellant submitted an appraisal prepared by a licensed appraiser who developed the three approaches to value and made market-based adjustments to the comparable sales when compared to the subject property. The board of review submitted unadjusted raw sales of four comparables, one of which was also selected by the appraiser. These four comparables have varying degrees of similarity to the subject in location, age, gross building area, site size, presence of utilities and other features. In support of a higher land value for the subject property, the board of review submitted information on two land sales where the buyer represented a nationally recognized corporation. The board of review also claimed the appellant had two vacant lots listed for sale but no submitted documentation to support this claim.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant. The subject's assessment reflects a market value of \$184,544 or \$25.45 per square foot of building area, including land, which falls above the appraised value. The Board finds the subject property had a market value of \$175,000 as of the assessment date at issue and a reduction in the subject's assessment is justified.

³ The Board finds the appellant submitted rebuttal evidence for three separate parcels but labeled for this appeal, Docket 20-06799. Rebuttal comments for parcel number 08-16-283-006 associated with Docket 20-06800 was forwarded to the board of review.

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 17, 2023



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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