



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

APPELLANT: Lyubomir Alexandrov
DOCKET NO.: 22-02521.001-R-1
PARCEL NO.: 05-01-302-091

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

LAND: \$9,031
IMPR.: \$25,205
TOTAL: \$34,236

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Lake County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2022 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 March 4, 2024 for a hearing at the Lake County Board of Review in Waukegan pursuant to prior written notice dated January 19, 2024. Appearing was the appellant, Lyubomir Alexandrov, his spouse Milena Alexandrova, and on behalf of the Lake County Board of Review was Jack Perry, Mass Appraisal Specialist.

The subject property consists of a partially constructed part one-story and part two-story dwelling of frame exterior construction with 1,620 square feet of unfinished living area. Construction of the dwelling began in approximately 2008 and includes an unfinished basement. The interior of the subject property remains unfinished and has stud walls and rough-ins for

plumbing fixtures and a fireplace stack.¹ The property has an approximately 6,620 square foot site and is located in Lake Villa, Lake Villa Township, Lake County.

The appellant argued a contention of law based on Section 9-160 of the Property Tax Code as the basis of the appeal. In support of this argument the appellant submitted a brief, two interior photographs of the subject property, a copy of the subject's property record card, and a printout from the Lake County website with property details.

The appellant explained construction of the subject dwelling began in 2008 and has not been completed. He stated the improvement includes framing, roof, siding, windows and subfloor but the interior elements only include stud walls with rough-ins for plumbing and a fireplace. The appellant noted the subject's property record card and other property details on record with the board of review report the subject as average in condition, with three bedrooms, three plumbing fixtures, heating and cooling, a fireplace, a full basement and 1,620 square feet of living area. Mr. Alexandrov argued the subject dwelling has no interior finish and therefore no living area further contended the subject is not habitable, stating no occupancy permit was issued for the subject property.

The appellant's brief was comprised of one sentence from the second paragraph of Section 9-160 of the Property Tax Code (35 ILCS 200/9-160) which provides, "The chief county **assessment officer shall include in the assessment** of the property for the current year the proportionate value of new or added improvements on that property **from the date the occupancy permit was issued** or from the date the new or added improvement was inhabitable and fit for occupancy or for intended customary use..." [Emphasis by appellant]

Based on this language, the appellant asserted that, since no occupancy permit has been issued for the subject property, the existing improvement is not assessable. The appellant also stated the assessor "claims only 67% of the building value" is used for assessment purposes and noted that two recent sales in the subject's neighborhood sold for \$225,000 and \$203,000. Based on the foregoing, the appellant requested the subject's total assessment be reduced to \$9,032 which reflects a market value of \$27,123 or \$16.74 per square foot of building area when applying the statutory level of assessment of 33.33%. The appellant's assessment request reflects an improvement assessment of \$1.00.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$34,236. The subject's assessment reflects a market value of \$102,718 or \$63.41 per square foot of building area, land included, when using the statutory level of assessment of 33.33%² The subject has an improvement assessment of \$25,205 or \$15.56 per square foot of building area.

¹ As part of the appellant's appeal and at hearing, the appellant raised the issue of discrepancies in the subject property details as reported in the subject's property record card. At hearing the board of review requested the appellant compile a list of specific items in order for the board of review to investigate and correct as appropriate.

² Procedural rule Sec. 1910.50(c)(1) provides that in all counties other than Cook, the three-year county wide assessment level as certified by the Department of Revenue will be considered. 86 Ill.Admin.Code Sec. 1910.50(c)(1). Prior to the drafting of this decision, the Department of Revenue has yet to publish figures for tax year 2022.

In support of its contention of the correct assessment the board of review submitted a brief with permit and cost information for the subject improvement along with Multiple Listing Service (MLS) sheets on six comparable sales in the subject's subdivision. The board of review asserted a negative 67% value factor has been utilized to value the existing shell each year since 2008. The board of review submitted a copy of the subject's original building permit which was issued in 2006 and had a permit value of \$150,000. The board of review noted the appellant did not submit any cost information associated with the subject property. Given the subject's permit history and Marshall and Swift cost information, the board of review asserted the subject's existing improvement adds contributory value to the subject site.

Under questioning by the ALJ regarding Lake County's assessment practices for new or partially completed structures, Mr. Perry stated it was customary for Lake County to assess partially completed structures based on the portion of the structure that was determined to be complete. With respect to the cost of the subject's improvements, the appellant explained he purchased the property for unpaid taxes and had no knowledge of the costs associated with the subject's improvement.

The board of review also submitted MLS sheets for six comparable properties located in the subject's subdivision which sold from July 2020 to March 2023 for prices ranging from \$203,000 to \$239,900 or from \$126.40 to \$189.74 per square foot of living area, land included.

Based on this evidence, the board of review requested the subject's assessment be sustained.

In rebuttal, the appellant contended the board of review did not address the contention of law argument. Mr. Alexandrov reiterated his interpretation of Section 9-160 of the Code, asserting the subject property is not habitable, and no occupancy permit has been issued, therefore, the improvement should not be assessed. The appellant stated he has seen other instances where a partially completed improvement is not assessed.

Conclusion of Law

The appellant raised a contention of law asserting the subject's improvement assessment goes against the provisions of Section 9-160 of the Property Tax Code. When a contention of law is raised the burden of proof is a preponderance of the evidence. (See 5 ILCS 100/10-15). After considering the record and arguments, the Property Tax Appeal Board finds the appellant did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The appellant contends that under Section 9-160 of the Property Tax Code a residential property must have an occupancy permit or be habitable for the property to be assessable and argued the subject's partially completed dwelling is not an assessable improvement. The board of review provided evidence of a \$150,000 building permit for the subject issued in 2006 and asserted the board of review has applied a 67% value factor to their estimate of the replacement cost new less depreciation for the subject improvement since 2008.

Section 9-160 of the Property Tax Code (35 ILCS 200/9-160) authorizes the assessor to assess any new improvements and to determine the value they have added to the property providing:

On or before June 1 in each year other than the general assessment year...the assessor shall list and assess all property which becomes taxable and which is not upon the general assessment, and also make and return a list of all new or added buildings, structures or other improvements of any kind, the value of which had not been previously added to or included in the valuation of the property on which such improvements have been made, specifying the property on which each of the improvements has been made, the kind of improvement and the value which, in his or her opinion, has been added to the property by the improvements. The assessment **shall also include or exclude, on a proportionate basis in accordance with the provisions of Section 9-180, all new or added buildings, structures or other improvements, the value of which was not included in the valuation of the property for that year**, and all improvements which were destroyed or removed.

The second paragraph of Section 9-160 of the Code provides that a local taxing body shall notify the chief county assessment officer when a full or partial occupancy permit has been issued as follows:

Beginning January 1, 1996, the authority within a unit of local government that is responsible for issuing building or occupancy permits shall notify the chief county assessment officer, by December 31 of the assessment year, when a full or partial occupancy permit has been issued for a parcel of real property. The chief county assessment officer shall include in the assessment of the property for the current year the proportionate value of new or added improvements on that property from the date the occupancy permit was issued or from the date the new or added improvement was inhabitable and fit for occupancy or for intended customary use until December 31 of that year.

Section 9-180 of the Property Tax Code (35 ILCS 200/9-180) addresses pro-rata improvement assessments as follows:

The owner of property on January 1 also shall be liable, on a proportionate basis, for the increased taxes occasioned by the construction of new or added buildings, structures or other improvements on the property from the date when the occupancy permit was issued or from the date the new or added improvement was inhabitable and fit for occupancy or for intended customary use to December 31 of that year. The owner of the improved property shall notify the assessor, within 30 days of the issuance of an occupancy permit or within 30 days of completion of the improvements, on a form prescribed by that official, and request that the property be reassessed. The notice shall be sent by certified mail, return receipt requested and shall include the legal description of the property.

The appellate court in Brazas v. Property Tax Appeal Bd., 339 Ill. App. 3d 978, 983 (2d Dist. 2003) discusses Sections 9-160 and 9-180 of the Property Tax Code, quoting Long Grove Manor v. Property Tax Appeal Board., 301 Ill. App. 3d 654, 235 Ill. Dec. 299, 704 N.E.2d 872 (1998):

Here, section 9-160 requires the assessor to record any new improvements and to determine the value they have added to the property. By its terms, section 9-180, applies only after a building has been substantially completed and initially occupied. Reading these two sections together, section 9-160 clearly requires the assessor to value any substantially completed improvements to the extent that they add value to the property. Section 9-180 then defines the time when the improvement can be fully assessed. This occurs when the building is both substantially completed and initially occupied.

In clarifying the Long Grove Manor court's holding, the Brazas court further stated that "[S]ection 9-160 allows the assessor to value any partially completed improvement to the extent that it adds value to the property, regardless of whether the improvement is "substantially complete." Brazas, 339 Ill. App. 3d at 983.

The Board finds the board of review demonstrated the subject improvement has contributory value to the subject site based on the issuance of a \$150,000 building permit in 2006 and replacement cost estimates disclosed in the subject's property record card. The board of review disclosed the subject improvement has been estimated to be 67% complete since 2008 and assessed accordingly. The appellant did not submit any documentary evidence demonstrating the subject's improvement to have zero or nominal value, nor any costs associated with the existing improvements or documentation refuting the board of review's estimated completion percentage.

The Appellate Court confirmed in Brazas v. Property Tax Appeal Bd. that Section 9-160 of the Code requires the assessor to value any substantially completed improvements to the extent that they add value to the property. Therefore, after considering the evidence in the record and applicable statutes and case law, the Board finds a reduction in the subject's assessment, based on a contention of law, is not justified.

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



Chairman



Member



Member



Member



Member

DISSENTING: _____

CERTIFICATION

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

Date:

April 16, 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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