



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

APPELLANT: Kenneth Keating
DOCKET NO.: 22-03729.001-C-1
PARCEL NO.: 02-2-10977-000

The parties of record before the Property Tax Appeal Board are Kenneth Keating, the appellant, by attorney Tyler Weaver, of Geisler & Weaver in Charleston; and the Coles 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 **Coles** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$4,862
IMPR.: \$50,138
TOTAL: \$55,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Coles 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 subject property consists of a 2-story apartment building of frame exterior construction with 3,587 square feet of gross building area.¹ The building was constructed in 1985. Features of the building include 6 apartment units, consisting of 4 one-bedroom units and 2 two-bedroom units. The property has a 7,000 square foot site and is located in Charleston, Charleston Township, Coles County.

¹ The parties differ regarding the subject's building size. The Board finds the best evidence of building size is found in the appellant's appraisal which contains a sketch with measurements based on the appraiser's December 2022 inspection of the subject property. The board of review presented the subject's property record card which also contains a sketch with measurements but failed to identify the date of such measurements. The Board further recognizes the discrepancy is about 50 square feet.

The appellant contends both overvaluation and a contention of law as the bases of the appeal. In support of the overvaluation argument, the appellant submitted an appraisal estimating the subject property had a market value of \$165,000 as of January 1, 2022. The appraisal was prepared by Ronald C. Rardin, a certified general real estate appraiser, for ad valorem tax purposes. The appraiser inspected the subject property on December 9, 2022 and noted the units appear to be in a below average condition.

Under the sales comparison approach, the appraiser selected four comparable sales located in Charleston. The parcels range in size from 14,000 square feet to 1.06 acres of land area and are improved with one or two house or apartment buildings with a total combined building size ranging from 3,743 to 16,560 square feet of gross building area. The buildings are reported to have been constructed from 1972 to 2001. Each comparable has from 6 to 24 apartment units, four of which have two-bedroom units and one of which has two-bedroom units and a one-bedroom unit. The comparables sold from February 2019 to September 2021 for prices ranging from \$100,000 to \$714,500, from \$26.72 to \$58.08 per square foot of gross living area, or from \$16,666 to \$39,046 per unit, including land. The appraiser made adjustments to the comparables for differences from the subject, such as building size, site size, and condition, to arrive at adjusted prices ranging from \$25.38 to \$46.46 per square foot of gross living area, including land. Based on this analysis, the appraiser concluded a value for the subject of \$45.00 per square foot or \$161,415, or \$27,500 per unit or \$165,000, including land, under the sales comparison approach.

Under the income capitalization approach, the appraiser selected four rent comparables located in Charleston that feature two-bedroom units and rent for \$445 to \$625 per month. The appraiser estimated rents of \$550 for the subject's two-bedroom units and \$610 for the one-bedroom units, totaling \$37,680 in potential gross income. The appraiser then estimated a vacancy and collection rate of 12% or \$4,521 given the subject is a student rental property to compute effective gross income of \$33,159. The appraiser estimated expenses of \$13,454 including insurance, management fees, utilities, maintenance, repairs and reserves, or a 40.57% expense ratio based on similar properties with gross lease structures, not including real estate taxes. After subtracting expenses from the effective gross income, the appraiser calculated net operating income of \$19,705.

To develop the capitalization rate, the appraiser used the band of investments method to compute a loaded capitalization rate of 11.49%. Based on net operating income of \$19,705 and a loaded capitalization rate of 11.49%, the appraiser concluded a value for the subject of \$171,500 under the income capitalization approach.

In reconciliation, the appraiser gave the most weight to the sales comparison approach, with secondary weight given to the income capitalization approach. The appraiser did not develop the cost approach due to the age of the subject's improvements. The appraiser concluded a value for the subject of \$165,000 as of January 1, 2022.

In support of the contention of law, the appellant submitted a brief contending that the subject was non-uniformly reassessed in a non-general assessment tax year compared to other comparable properties, citing to Section 9-215 of the Property Tax Code (35 ILCS 200/9-215) and Albee v. Soat, 315 Ill. App. 3d 888 (2d Dist. 2000). The appellant asserted 2021 was the

first year of the general assessment period and there was no reason for the subject's assessment to be revised or corrected for the 2022 tax year pursuant to Section 9-75 of the Property Tax Code (35 ILCS 200/9-75), such as an incorrect assessment for the prior tax year or additions to the subject property. The appellant asserted the subject is a Class 0050 commercial property with six or more units and the appellant identified 171 Class 0050 properties in Coles County based on records obtained from the county. The appellant argued that 28 Class 0050 properties were not reassessed in Coles County for the 2022 tax year. The appellant argued that similar properties must be assessed using the same basis, citing to Walsh v. Property Tax Appeal Bd., 181 Ill. 2d 228 (1998).

The appellant presented a property information printout describing the subject's board of review equalized assessment for the 2021 tax year as \$27,900. The appellant also submitted property and assessment information regarding Class 0050 properties in Coles County, including a spreadsheet depicting the changes in assessments from 2021 to 2022.

Based on this evidence, the appellant requested a reduction in the subject's assessment to \$27,900, which would reflect a market value of \$83,708 or \$23.34 per square foot of gross building area, or \$13,951 per unit, including land, when applying the statutory level of assessment of 33.33%, or in the alternative a reduction in the subject's assessment to reflect the appraised value conclusion.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$55,000. The subject's assessment reflects a market value of \$165,017 or \$46.00 per square foot of gross building area, or \$27,503 per unit, land included, when applying the statutory level of assessment of 33.33%.²

In support of its contention of the correct assessment the board of review submitted information on five comparable sales located within 12 blocks from the subject.³ The parcels range in size from 19,800 to 71,787 square feet of land area and are improved with 2-story, part 2-story and part 3-story, and 3-story apartment buildings ranging in size from 16,884 to 40,066 square feet of gross building area. The buildings were constructed from 1988 to 2010. The comparables have from 15 to 34 apartment units. The comparables sold from March to December 2022 for prices ranging from \$1,000,000 to \$3,600,000, or from \$46.56 to \$89.85 per square foot of gross building area, or from \$62,500 to \$105,882 per unit, land included.

The board of review submitted a brief contending that all Class 0050 properties in Coles County were reassessed in 2022. However, the board of review acknowledged that fourteen properties were omitted from reassessment as Section 42 housing; three properties were omitted from reassessment due to being parking or vacant lots; six properties were omitted from reassessment due to being coded incorrectly as Class 0050 properties; and five properties received no assessment change due to being within the range of reassessment.

² Sec. 1910.50(c)(1) of the Board's procedural rules 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 § 1910.50(c)(1). As of the development of this Final Administrative decision, the Department of Revenue has not published figures for tax year 2022.

³ The comparables are presented in two grid analyses and are renumbered as comparables #1 through #5 for ease of reference.

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

In written rebuttal, the appellant argued the board of review's evidence demonstrates all properties of the same class were not reassessed in 2022. The appellant contended two parking lot properties have improvements that were not reassessed and six properties receiving classification changes were either not changed for the 2022 tax year or were incorrectly changed based on number of units given a Class 0050 property has six or more units. With regard to the fourteen Section 42 properties identified by the board of review, the appellant argued the board of review presented no legal authority to exempt these properties from reassessment, and five of those properties are not Section 42 properties. Furthermore, the appellant contended the board of review admitted it did not change the assessment for some Class 0050 properties. The appellant argued the assessments of these properties do not reflect their market values and/or were increased only by the application of an equalization factor.

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 record contains an appraisal presented by the appellant and five comparable sales presented by the board of review. The Board finds the best evidence of market value to be the appellant's appraisal. The appraiser selected appropriate comparables and made market based adjustments and estimations to conclude a value for the subject of \$165,000 as of January 1, 2022. The Board gave less weight to the board of review's comparables, four of which are considerably larger buildings than the subject and comparable #5 is significantly smaller than the subject.

The subject's assessment reflects a market value of \$165,017, which is just slightly above the appraised value. The Board finds the subject property had a market value of \$165,000 as of the assessment date at issue. Based on this evidence, the Board finds a reduction in the subject's assessment for overvaluation is not justified.

The appellant's appeal is also based on a contention of law regarding a violation of the uniformity clause of the Illinois Constitution. The standard of proof when asserting a lack of uniformity is clear and convincing evidence. Walsh v. Property Tax Appeal Bd., 181 Ill. 2d 228, 234, 692 N.E.2d 260, 229 Ill. Dec. 487 (Ill. 1998) (citing Kankakee County Bd. of Review v. Property Tax Appeal Bd., 131 Ill. 2d 1, 20, 544 N.E.2d 762, 136 Ill. Dec. 76 (Ill. 1989)).

The appellant contended that the subject was reassessed in a non-general assessment year, but that all properties of the same class were not also reassessed using the same method. The Board finds Section 9-75 of the Property Tax Code grants county and township assessing officials the authority to "revise and correct an assessment as appears to be just." (35 ILCS 200/9-75). The Board further finds Section 9-160 of the Property Tax Code is applicable in non-general assessment years and provides in relevant part:

[T]he 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.

(35 ILCS 200/9-160). The Board further finds Section 9-205 of the Property Tax Code is applicable and provides further authority to assessing officials to reassess a class of properties:

When deemed necessary to equalize assessments between or within townships or between classes of property, or when deemed necessary to raise or lower assessments within a county or any part thereof to the level prescribed by law, changes in individual assessments may be made by a township assessor or chief county assessment officer, under Section 9-75, by application of a percentage increase or decrease to each assessment.

(35 ILCS 200/9-205).

The Board finds assessing officials have broad discretion and authority in any year to review the assessment of any property and to revise and correct that assessment as appears to be just. However, the reassessment of a property may not result in the property being assessed at a higher percentage of fair cash value than the other similar properties.

The cornerstone of uniform assessments is the fair cash value of the property and uniformity is achieved when all properties with similar fair cash values are assessed at a consistent level. Kankakee County Bd. of Review v. Illinois Prop. Tax Appeal Bd., 131 Ill. 2d 1, 16, 20-21, 544 N.E.2d 762, 136 Ill. Dec. 76 (Ill. 1989). The Illinois Constitution requires both uniformity in the level of taxation and in methodology.⁴ Assessing officials may not use a different basis to assess or revise the assessment of one property to achieve uniformity, such as a recent sale of that property. Walsh v. Property Tax Appeal Bd., 181 Ill. 2d 228, 236, 692 N.E.2d 260, 229 Ill. Dec. 487 (Ill. 1998).

The Board finds the board of review acknowledged that all Class 0050 properties were not reassessed, but it did not present any legal authority for its omissions. Furthermore, the Board finds the board of review did not present any evidence to refute the appellant's contention that Class 0050 properties were reassessed using different methods, with the subject property

⁴ Section 4 of Article IX of the Illinois Constitution provides that real estate taxes "shall be levied uniformly by valuation ascertained as the General Assembly shall provide by law." Ill. Const., Art. IX, § 4(a).

receiving a substantial increase in its assessment, whereas other properties were increased only by the equalization factor.

Furthermore, the Board finds it is unclear how the reassessment served to achieve uniformity in assessment. The board of review's comparables are Class 0050 properties, which were presumably reassessed in 2022 like the subject, but two of these comparables are under-assessed compared to their sale prices and one comparable is over-assessed compared to its sale price.

Although the evidence in this record demonstrates the subject's reassessment appears to have been inconsistent with other similar Class 0050 properties, the Board finds the subject's assessment is supported by the market value evidence in this record. The Board further finds the appellant's request for a reduction in the subject's assessment to \$27,900, which would reflect a market value of \$83,708, is not supported by the appellant's own appraisal estimating a value for the subject of \$165,000 as of January 1, 2022. Therefore, based on equity and the weight of the evidence, the Board finds no reduction in the subject's assessment is 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: March 26, 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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