



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

APPELLANT: Stan Wrzosek
DOCKET NO.: 22-03732.001-C-2
PARCEL NO.: 02-2-11005-000

The parties of record before the Property Tax Appeal Board are Stan Wrzosek, 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 A Reduction 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: \$12,989
IMPR.: \$127,011
TOTAL: \$140,000

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 brick exterior construction with 7,856 square feet of living area.¹ The building was constructed in 1978. Features of the subject include a concrete slab foundation, 10 apartment units (consisting of three 1-bedroom units and seven 2-bedroom units) and a parking lot with 20 parking spaces. The property has an approximately 18,700 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 inspection prior to the date of the report (June 7, 2023). The board of review presented the subject's property record card which also contains a sketch with measurements but does not identify the date of such measurements. The Board further recognizes the discrepancy is 900 square feet.

The appellant contends both a contention of law and overvaluation as the bases of the appeal. 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 further asserted the subject's assessment for the 2021 tax year was \$52,320. The appellant argued that if similar properties were also reassessed for the 2022 tax year, the assessor may not use a different basis to assess these properties, 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 and property and assessment information regarding Class 0050 properties in Coles County, including a spreadsheet depicting the changes in assessments from 2021 to 2022.

In support of the overvaluation argument the appellant submitted an appraisal estimating the subject property had a market value of \$420,000 as of January 1, 2022. The appraisal was prepared by G. Daniel Corrie, a certified general real estate appraiser, for ad valorem tax purposes. The appraiser made a limited inspection of the exterior and interior of the subject.

Under the sales comparison approach, the appraiser selected six leased fee sales located in Charleston. The parcels range in size from 12,632 to 87,120 square feet of land area and are improved with apartment buildings ranging in size from 4,520 to 39,045 square feet of gross building area that were built from 1967 to 2008. Each comparable has from 6 to 34 units. The comparables sold from September 2021 to December 2022 for prices ranging from \$280,000 to \$3,600,000, or from \$38.65 to \$107.55 per square foot of gross building area, or from \$26,667 to \$105,882 per unit, land included. The appraiser made adjustments to the comparables for market conditions and for differences in condition, age, quality, and amenities from the subject to arrive at adjusted sale prices ranging from \$40.85 to \$61.34 per square foot of gross building area, including land. Based on the foregoing, the appraiser concluded value for the subject of \$56.00 per square foot, or \$440,000 rounded under the sales comparison approach.

Under the income approach, the appraiser stated the subject's rents (\$530 per month for 1-bedroom units and \$700 per month for 2-bedroom units on a gross lease basis) are market rents based on the appraiser's knowledge of the market. The appraiser calculated gross potential income of \$80,280, which includes \$2,400 of other income.² Based on a review of market conditions and the subject's historical expenses, the appraiser next concluded a vacancy and collection loss of 7.50% or \$6,021, resulting in effective gross income of \$74,259.

The appraiser estimated expenses of \$36,270, including taxes, insurance, management fees, repairs and maintenance, and utilities, based on the appraiser's records on file and historic

² The Board notes the appraiser misstated potential gross income as \$82,680 in the report but used \$80,280 for the analysis.

information for the subject. After subtracting expenses from the effective gross income, the appraiser computed net operating income of \$37,989.

For the income capitalization analysis, the appraiser computed a capitalization rate of 9.00% based on rates developed through a band of investments analysis (9.26%) and a debt coverage ratio analysis (7.83%). Based on this analysis, the appraiser calculated a value for the subject of \$422,000, rounded.

Next, the appraiser prepared an effective gross income multiplier analysis using the same effective gross income of \$74,259 and developing an effective gross income multiplier (EGIM) from the comparable sales, which have EGIMs ranging from 5.44 to 10.25 with an average of 7.22. The appraiser concluded an EGIM for the subject of 6.30 and calculated a value for the subject of \$468,000 rounded ($\$74,259 \times 6.30$).

The appraiser also prepared a net income multiplier analysis using the same net operating income of \$37,989 and developing a net income multiplier (NIM) from the comparable sales, which has NIMs ranging from 9.27 to 12.70 with an average of 10.77. The appraiser concluded a NIM for the subject of 10.50 and calculated a value for the subject of \$399,000 rounded ($\$37,989 \times 10.50$).

In conclusion, with these three conclusions using the income approach together with the sales comparison approach, the appraiser opined a market value of the leased fee interest of the subject of \$420,000 as of January 1, 2022.

Based on this evidence, the appellant requested a reduction in the subject's assessment to \$49,995 which would reflect a market value of \$150,000, or \$19.09 per square foot of gross building area, or \$15,000 per unit, land included, when applying the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$171,076. The subject's assessment reflects a market value of \$513,279 or \$65.34 per square foot of gross building area, or \$51,328 per unit, land included, when applying the statutory level of assessment of 33.33%.³

In support of its contention of the correct assessment the board of review submitted information on four comparable sales located within 13 blocks from the subject. Comparable #1 is the same property as appraisal sale #5. The parcels range in size from 11,154 to 20,880 square feet of land are and are improved with apartment buildings of frame exterior construction ranging in size from 4,524 to 11,826 square feet of gross building area that were built from 1972 to 1995. Each comparable has six or more apartment units.⁴ The comparables sold from May 2019 to September 2022 for prices ranging from \$254,000 to \$450,000 or from \$38.05 to \$61.89 per

³ 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.

⁴ Data from the board of review indicated a classification of "six or more units" but lacked further specificity as to the number of units of each property.

square foot of gross building area, land included. Comparable #5 sold for \$46,667 per unit, including land. The comparables have total assessments ranging from \$79,050 to \$240,045, or from \$15.75 to \$19.47 per square foot of gross building area, including land, which would reflect market values ranging from \$237,173 to \$720,207 or from \$47.25 to 60.90 per square foot of gross living area, including land, when applying the statutory level of assessment of 33.33%. Comparable #5 has a total assessment that reflects a market value of \$39,529 per unit, including land.

The board of review submitted a brief contending that all Class 0050 apartment buildings in Coles County were reassessed in 2022 and the subject was also reassessed to include 2,416 square feet of asphalt. 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. Based on this evidence, the board of review proposed to stipulate to an assessment of \$140,000.

The appellant rejected the board of review's offer. 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 the appellant's appraisal and the board of review's four comparable sales for the Board's consideration. The Board gives less weight to the value conclusion presented in the appraisal as the appraiser valued the subject's leased fee interest, rather than the subject's fee simple interest as is needed for ad valorem tax purposes. Furthermore, under the sales comparison approach, the appraiser failed to make logical adjustments to the comparables for differences from the subject, although four of the six comparables are substantially larger buildings than the subject with significantly more apartment units than the subject. Under the income approach, the appraiser determined the subject's rents were equivalent to market rents without presenting any rent comparables to substantiate this conclusion. For these reasons, the

Board finds the appraisal states a less credible and/or reliable opinion of value and the Board shall instead consider the raw sales data presented by both parties.

The Board gives less weight to appraisal sales #1, #3, #4, and #6 and the board of review's comparable #2, due to substantial differences from the subject in building size and/or age. The Board finds the best evidence of market value to be appraisal sale #2, appraisal sale #5/board of review's comparable #1 and the board of review's comparables #3 and #4, which are more similar to the subject in building size, age, and location although these comparables have varying degrees of similarity to the subject in site size and are newer buildings than the subject, suggesting adjustments to these comparables would be needed to make them more equivalent to the subject.

These most similar comparables sold for prices ranging from \$254,000 to \$714,500, or from \$38.05 to \$61.89 per square foot of gross building area, including land, respectively. The subject's assessment reflects a market value of \$513,279 or \$65.34 per square foot of gross building area, including land, which is within the range established by the best comparable sales in terms of total market value and above the range on a price per square foot basis. Moreover, appraisal sale #2 and appraisal sale #5/board of review's comparable #1 sold for \$39,694 and \$46,667 per unit, including land, respectively. The subject's assessment reflects a market value of \$51,328 per unit, including land, which falls above these two comparables. Based on this evidence, and after considering appropriate adjustments to the best comparables for differences from the subject, the Board finds a reduction in the subject's assessment for overvaluation is 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.⁵ 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 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 over-assessed compared to their sale prices and one comparable is under-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 as reduced herein 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 \$49,995, which would reflect a market value of \$150,000, or \$19.09 per square foot of gross building area,

⁵ 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).

or \$15,000 per unit, land included, is not supported by the appellant's own appraisal estimating a value for the subject of \$420,000 as of January 1, 2022. Therefore, based on equity and the weight of the evidence, the Board finds no further 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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