

**PT 99-59**  
**Tax Type: Property Tax**  
**Issue: Charitable Ownership/Use**

**STATE OF ILLINOIS**  
**DEPARTMENT OF REVENUE**  
**OFFICE OF ADMINISTRATIVE HEARINGS**  
**SPRINGFIELD, ILLINOIS**

---

<b>CAMPBELL CENTER FOR HISTORIC PRESERVATION STUDIES</b>	)		
<b>Applicant</b>	)	<b>Docket #</b>	<b>97-8-5</b>
	)	<b>A.H. Docket #</b>	<b>98-PT-0021</b>
<b>v.</b>	)	<b>Parcel Index #</b>	<b>05-000-536-10</b>
	)		
<b>THE DEPARTMENT OF REVENUE OF THE STATE OF ILLINOIS</b>	)	<b>Barbara S. Rowe</b>	
	)	<b>Administrative Law Judge</b>	

---

**RECOMMENDATION FOR DISPOSITION**

Appearances: Robert Weissmiller, Attorney at Law, for Campbell Center for Historic Preservation Studies.

Synopsis:

The hearing in this matter was held at the Illinois Department of Revenue, (hereinafter the "Department"), Chicago, Illinois, on July 2, 1998, to determine whether or not Carroll County Parcel Index No. 05-000-536-10 qualified for exemption during the 1997 assessment year.

Ms. Mary Wood Lee, Director of Campbell Center for Historic Preservation Studies, (hereinafter referred to as the "Applicant"), Ms. Catherine Sease, Conservator for the Chicago Field Museum, and Ms. Carol Turchan, Conservator for the Chicago Historical Society, were present and testified on behalf of the applicant.

The issues in this matter include, first, whether the applicant was the owner of the parcel during the 1997 assessment year; secondly, whether the applicant is an educational organization;

and lastly, whether the parcel was used by the applicant for educational purposes during the 1997 assessment year. Following the submission of all the evidence and a review of the record, it is determined that the applicant owned this parcel during a portion of the 1997 assessment year. It is also determined that the applicant is an educational organization. Finally, it is determined that the applicant did not use the subject parcel for educational purposes during the 1997 assessment year.

Findings of Fact:

1. The jurisdiction and position of the Department that Carroll County Parcel Index No. 05-000-536-10 did not qualify for a property tax exemption for the 1997 assessment year was established by the admission into evidence of Dept. Ex. Nos. 1 through 5. (Tr. p. 13)

2. On November 25, 1997, the Department received a property tax exemption application from the Carroll County Board of Review for Permanent Parcel Index No. 05-000-536-10. The applicant had submitted the request and the board recommended granting a partial exemption from November 7, 1997, through December 31, 1997. The Department assigned Docket No. 97-8-5 to the application. (Dept. Grp. Ex. No. 2)

3. On February 13, 1998, the Department denied the requested exemption application, finding that the property was not in exempt use. (Dept. Ex. No. 3)

4. The applicant timely protested the denial of the exemption and requested a hearing in the matter. (Dept. Ex. No. 4)

5. The hearing conducted at the Department's offices in Chicago, Illinois, on July 2, 1998, was held pursuant to that request. (Dept. Ex. No. 5)

6. The applicant acquired the subject parcel by a warranty deed dated November 7, 1997. The street address of the subject parcel is 203 E. Seminary Street, Mt. Carroll, Illinois. (Dept. Grp. Ex. No. 2 pp. 4-6)

7. The parcel at issue is approximately ½ an acre. Located on it is a two-story 6,750 square foot house that was used as the residence of the director of the applicant. The house is

commonly known as Sawyer House. (Dept. Grp. Ex. No. 2 pp. 1-3)

8. Sawyer House was constructed in 1925 as the home of the President of Shimer College. Shimer College closed in the late 1970's. In 1978 the campus was sold at auction. The applicant purchased the campus in 1979 and began the first courses in 1980. (Dept. Grp. Ex. No. 2 p. 3; Tr. p. 19; applicant's Ex. No. 3)

9. The applicant does mid-career training for persons in the museum field. They offer collections care courses for persons at the curatorial level. They have courses for architectural preservation as well as a series of courses for conservators. (Tr. pp. 19-20; Applicant's Ex. Nos. 3, 4; Tr. pp. 20-23)

10. Courses are offered in the Campbell Center from mid-May to mid-October. The courses range in length from four days to four weeks. The applicant does not maintain a resident faculty. Instructors are practicing professionals who are selected by the applicant for their expertise and teaching ability. The teachers and students come to the campus from museums and historic sites across the country. Since 1990, the Campbell Center has provided training for 1,535 students from 641 museums, libraries, archives, and historic sites. (Applicant's Ex. Nos. 3, 4, & 6; Tr. pp. 20-23, 35-39, 48-49)

11. On May 20, 1989, Mary Wood Lee entered into a contract agreement with the board of directors of Restoration College Association for the position of Executive Director of the applicant. The agreement stated the compensation that the executive director was entitled to and also gave Ms. Lee the right to occupy the residence known as Sawyer House on a full-time basis. All utilities are to be paid by Ms. Lee. Ms. Lee does the cleaning. The applicant does general maintenance. If a major problem occurs, it is handled by outside help that is sometimes paid for by the applicant and sometimes paid for by Ms. Lee. Some of the furnishings in the house belong to Ms. Lee and some were there when she moved in. Ms. Lee pays no rent for the use of the house. The terms of the contract agreement were still in force at the time of the hearing. (Applicant's Ex. No. 8; Tr. pp. 27, 40-42)

12. The house was used by the executive director as her residence from 1989 through

the date of the hearing. During a difficult financial time of the applicant, the house was sold to a board member in order to raise money. The house was transferred back to the applicant in the fall of 1997 at a time when the applicant was more financially secure. (Tr. p. 23-24)

13. The house has been continually used as the residence of the director and for no other purpose. There have been a very limited number of functions held in the house. The director basically just lives in the house. She has an office on the campus. (Tr. pp. 24-26, 35)

14. The house is an integral part of the campus of the applicant. (Tr. p. 26)

15. The Campbell Center and its programs are unique because there is space available for laboratory work as well as dormitory housing space. Other similar training programs usually have to be fitted around an on-going museum, conservation lab, or university program. (Tr. p. 22-23, 50)

16. On May 14, 1998, the applicant received a grant from the National Endowment for the Humanities in the amount of \$299,000.00 for "Collections Care Training." (Applicant's Ex. Nos. 5 & 7)

17. The applicant was incorporated under the General Not-for-Profit Corporation Act of the State of Illinois as Restoration College Association. The applicant filed Articles of Amendment to the Articles of Incorporation on July 18, 1995, changing the name of the organization from Restoration College Association to The Campbell Center for Historic Preservation Studies. (Dept. Grp. Ex. No. 2 pp. 12-14)

18. I take administrative notice of the fact that the Department on February 11, 1993, granted a partial property tax exemption to Restoration College Association, Inc. pursuant to Docket No. 92-8-3 for a portion of Carroll County Parcel Index No. 05-000-900-00. (Applicant's Ex. No. 1)

19. The Department has found that Restoration College Association of Mt. Carroll, Illinois is organized and operated exclusively for educational purposes and, therefore, sales to the organization are exempt from the imposition of Retailers' Occupation Tax and related taxes. (Applicant's Ex. No. 2)

Conclusions of Law:

Article IX, §6 of the Illinois Constitution of 1970, provides in part as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

This provision is not self-executing but merely authorizes the General Assembly to enact legislation that exempts property within the constitutional limitations imposed. City of Chicago v. Illinois Department of Revenue, 147 Ill.2d 484 (1992)

It is well settled in Illinois that when a statute purports to grant an exemption from taxation, the tax exemption provision is to be construed strictly against the one who asserts the claim of exemption. International College of Surgeons v. Brenza, 8 Ill.2d 141 (1956) Whenever doubt arises, it is to be resolved against exemption and in favor of taxation. People ex. rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1941). Further, in ascertaining whether or not a property is statutorily tax exempt, the burden of establishing the right to the exemption is on the one who claims the exemption. MacMurray College v. Wright, 38 Ill.2d 272 (1967)

The property tax code, at 35 ILCS 200/15-35, exempts certain property from taxation in part as follows:

All property donated by the United States for school purposes, and all property of schools, not sold or leased or otherwise used with a view to profit, is exempt, . . . . Also exempt is: . . . .

(b) property of schools on which the schools are located and any other property of schools used by the schools exclusively for school purposes, including, but not limited to, student residence halls, dormitories and other housing facilities for students and their spouses and children,

staff housing facilities, and school owned and operated dormitory or residence halls occupied in whole or part by students who belong to fraternities, sororities, or other campus organizations.

Based upon the exemption granted by the Department in Docket No. 92-8-3, I find that the applicant is a school. The remaining issue is whether the use of the subject parcel qualifies for an exemption under the above statute.

The Illinois Supreme Court had an opportunity to address the constitutionality of the portion of the above statute dealing with staff housing and residence halls in MacMurray College v. Wright, *supra*, (hereinafter MacMurray). The Court found that the exemption was constitutional as long as the primary use of the property was for school purposes and is reasonably necessary for the accomplishment and fulfillment of the educational objectives or the efficient administration of the particular institution. *Id.* at 278. The Court went on to find that the two colleges at issue, MacMurray College of Jacksonville, and Rockford College of Rockford, had failed to show that the faculty and staff housing at issue were primarily used for purposes that were reasonably necessary for the carrying out of the schools' educational purpose. *See also*, In re County Collector, 41 Ill.App.3d 633 (5<sup>th</sup> Dist. 1976), Knox College v. Board of Review, 308 Ill. 160 (1923).

The applicant was given the opportunity to distinguish the above cases from the facts at issue and did not do so. As in MacMurray, I find that the applicant has failed to show that the faculty housing at issue was primarily used for purposes that were reasonably necessary for the carrying out of the schools' educational purpose or the efficient administration of the applicant. As was the use of the President's house at MacMurray College, I find that the use by the applicant of the subject parcel was residential and private.

It is therefore recommended that Carroll County Parcel Index No. 05-000-536-10 remain on the tax rolls for the period of November 7, 1997, through December 31, 1997, or for 15% of the 1997 assessment year, the time that the applicant owned the parcel.

Respectfully Submitted,

---

Barbara S. Rowe

Administrative Law Judge

April 7, 1999