

**Hasselberg Grebe Snodgrass
Urban & Wentworth**
Attorneys and Counselors

AGRI-BUSINESS LEGAL NEWS



September 2015

Volume IV, Issue I

GRAIN BINS IN ILLINOIS: TO TAX, OR NOT TO TAX?

Are portable grain storage bins real or personal property? And why does it matter? In Illinois, each county has the authority to tax the real estate situated within its jurisdiction; however, these bodies are prohibited from levying taxes against personal property. Although each county in Illinois can establish its own procedures for assessing and taxing real estate, many similarly treat grain storage bins as real property. Yet, the characteristics of most grain storage bins do not fit notion of real property as permanent improvements or structures that run with the land. Typically, grain bins are assembled from corrugated metal sheets temporarily bolted to a permanent foundation making them temporary, modular structures that can be moved from one facility to another, if so desired. Now, some grain storage structures are more permanent in nature such as flat storage buildings and concrete silos. However, grain bins are generally still included in property taxes along with their more permanent counterparts.

Recently, the Supreme Court of Ohio issued a decision definitively declaring that grain storage bins are personal property under Ohio law and not subject to real estate assessment and taxation. *Metamora Elevator Co. v. Fulton County Board of Revision*, Slip Op. 2015-Ohio-2807. This decision affirmed a reduction of over \$1 million in the real

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WE HAVE A NEW HOME!

Since its founding in 1997, our firm has had a steady vision to provide high quality and comprehensive legal services to our clients. We have focused on creating and maintaining a full service law firm, which allows us to meet almost any legal need our clients may have. We have developed strong and long-lasting relationships with many people and businesses throughout the State of Illinois and beyond, which we believe provides a unique benefit to our clients. From our firm's inception until May 1 of this year, we have built these relationships and served our clients based out of our office at 124 S.W. Adams Street, in downtown Peoria. Although this space served us well for almost two decades, we are very pleased to announce that we have moved to a new downtown Peoria location. **(Continued on Page 2)**

Hasselberg Grebe Snodgrass Urban & Wentworth is a proud member of the Grain and Feed Association of Illinois and the National Grain and Feed Association. We have extensive experience in agricultural law representing grain elevators, cooperatives and other agricultural businesses throughout the State of Illinois, including: grain contracts; grain industry commercial litigation; Illinois Grain Code and Illinois Department of Agriculture matters; and arbitrations before the National Grain and Feed Association. **Jim Grebe** has been practicing law and been an active member of the agri-business community for more than 30 years. Jim, along with **Bill Streeter**, **Chuck Urban** and **Dave Wentworth**, lead our firm's Agri-Business Law Practice Group.

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estate value of Metamora Elevator Company's grain storage facility. Although it appears that Ohio is the first jurisdiction to definitively conclude grain storage bins are not subject to real estate taxes, it is not alone in holding grain bins are pieces of personal property as several other jurisdictions, including Nebraska and Tennessee, have apparently held that grain storage bins constitute personal property albeit in different contexts.

The issue of whether grain storage bins are subject to property taxation has not been conclusively decided by Illinois courts. However, some case law supports the notion that storage bins can be characterized as temporary, portable pieces of property as opposed to permanent fixtures to land. What is the importance of this distinction? It leaves the door open for a court to hold that under some circumstances, grain storage bins are personal property and are not subject to real estate taxation in Illinois. A holding such as this could mean significant real estate assessment reductions and tax savings for the many grain elevator facilities throughout Illinois. Moreover, at least one court in Illinois has held that grain elevator equipment such as portable dryers and legs are not permanent and valuable improvements to the real estate and thus constitute personal property, not subject to real estate assessment and taxes. As such, an analogous argument could be made for grain bins.

Here at Hasselberg Grebe Snodgrass Urban & Wentworth, we are committed to staying up to date on issues of utmost importance for our clients. As such, following the recent decision in Ohio, there is a renewed interest in the lawful classification of grain storage bins as real or personal property and how they should be taxed. If you would like to discuss this issue further, please contact Jim Grebe, Kyle Tompkins or Bill Streeter of our firm.

Our New Home (Continued from Page 1)

Our office is now located in the Becker Building, 401 Main Street, Suite 1400, Peoria, IL 61602. Our modern and efficient new office provides many spectacular views of the City of Peoria and the surrounding areas that we are proud to serve. If you would like to see our new offices and discuss any potential legal issues with which we may be able to assist, please contact us at (309) 637-1400.



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