

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2021-025-00017R

Parcel No. 08-22-400-006

Caryn Brown,

Appellant,

vs.

Dallas County Board of Review,

Appellee.

Introduction

This appeal came on for written consideration by the Property Assessment Appeal Board (PAAB) on August 9, 2021. Caryn Brown was self-represented. Dallas County Assessor Steve Helm represented the Board of Review.

Caryn and Mathew Brown own a residential property located at 21861 W Avenue, Grimes, Iowa. Its January 1, 2021, assessment was set at \$335,700, allocated as \$103,130 land value and \$232,570 in dwelling value. (Ex. A).

Caryn Brown petitioned the Board of Review contending the property was assessed for more than the value authorized by law and there was an error in the assessment a. Iowa Code § 441.37(1)(a)(1)(b & d) (2021).(Ex. C). The Board of Review denied the petition. (Ex. B).

Brown then appealed to PAAB re-asserting her claims, and also asserting the assessment was not equitable as compared with assessments of other like property in the taxing district under section 441.37(a)(1)(a). We note her plain statement of her claims focuses only on her market value and error claims and provides no basis for consideration of an inequity claim.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a two-story home built in 1895. It has 1704 square feet of gross living area, an enclosed porch, a deck, and a full unfinished basement. It has two detached garages built in 1997 and 2005. The home is listed in excellent condition with a 3-05 Grade (good quality). The home receives a 20% physical depreciation in the assessment. The site is 4.57 acres. A 3600-square-foot steel utility building was constructed in 2020. The site is also improved with a grain bin that is not valued in the assessment. (Ex. A).

The Browns purchased the subject property for \$350,000 in November 2019. (Ex. F). The property record card indicates the sale was a normal arm's-length transaction.¹ Subsequent to the sale, the Browns demolished an old barn on the property and constructed a new steel utility building in 2020.

Brown's appeal statement provides:

¹ The sale is coded "D0" which indicates a normal sale. *Iowa Dep't. of Revenue, Sale Condition Codes*, available at <https://tax.iowa.gov/sites/default/files/2021-01/NUTCSalesConditionCodes-v5.pdf>.

We tore down a barn and replaced it with a new metal building that is the same size. This is not an addition to the property, but a replacement. The original barn should have already been included in the assessment during the prior years, so the increase of \$66,630 seems more than just an 'increased value and appreciation'. The land did not increase, so it was just the dwelling value. The original barn included a water faucet, electricity, and concrete floors. The metal building was \$48,000 to build and includes electricity, rook flooring, and no water faucet. It should not be full value plan an additional increase, as it was just replacing a building already there. Aside from the metal building, no improvements have been made to the house or other outbuildings on the property. (Appeal attachment).

Brown submitted no other evidence in support of her claims.

The Board of Review submitted interior and exterior photos of the subject property's improvements, as well as aerial photos of the old barn and the new steel utility building. (Exs. G- I). The Board of Review noted the old barn was only 1800 square feet of gross building area, roughly one half the size of the new utility building. It also noted the construction types and the functional utility of the structures were completely different. Further, it stated the old barn was valued at \$8630 on previous assessments before the barn was removed, and this value likely included significant depreciation. (Ex. D).

The Board of Review also noted the Assessor's Office staff inspected the subject property on July 7, 2021. The Office found several errors in the property's listing, including an understatement of square footage – an enclosed porch is now living area; the master bath has not been correctly listed; missing appliances in the dwelling;² missing pricing for electricity in the utility building, and inaccurate concrete floor pricing in the utility building – only half of the building has concrete and the remainder is gravel. The correction of these items will impact the assessment in the future. (Ex. D). The Board of Review states these changes would increase the assessment to \$341,460.

Finally, the Board of Review submitted a financing appraisal of the subject property completed in 2019 by Judy Lundy of Lundy Appraisal Services, Inc., Johnston. (Ex. E). Lundy developed only the sales comparison approach to value and relied on

² We note that appliances, while listed on the property record card, are not typically assigned any value in the assessment because most are considered personal property.

three 2019 sales in neighboring communities. Lundy adjusted the sales for site size, gross living area, basement finish, and other features including outbuildings. She gave weight to all of the sales and concluded an opinion of value of \$350,000 as of November 26, 2019. We note as of this date, the old barn was present on the subject property and the steel utility building had yet to be constructed.

The Board of Review contends the 2021 assessment of the subject property is still below the 2019 purchase price and appraised value, despite the addition of the new utility building that has more value than the old barn. It asserts Brown has failed to support her claims.

Analysis & Conclusions of Law

Brown claims there is an error in the assessment. She also contends her property is assessed for more than market value. Brown bears the burden of proof. § 441.21(3).

An error may include, but is not limited to, listing errors or erroneous mathematical calculations. Iowa Admin. Code R. 701-71.20(4)(b)(4). Brown contends her assessment was increased primarily due to the construction of a new metal utility building on the subject property. She asserts it was merely a replacement of a prior structure and should not result in such a large increase in the assessment. The only evidence she offered was her statement that the cost to build the structure was \$48,000. No independent evidence of these costs or the correct market value of the structure was provided.

The Board of Review responded noting the barn structure that was removed from the assessment was not only older, but smaller, and of different construction and utility. It did acknowledge that several errors were found in the dwelling and utility building after inspection, but concluded overall these errors would likely increase the assessment of the subject. We agree the value of the new utility building would reasonably be valued higher than the previous barn.

While Brown's focus on this appeal is the value attributable to the new utility building, our analysis requires consideration of whether the assessment as a whole is

correct. *White v. Bd. of Review of Polk Cnty.*, 244 N.W.2d 765, 769 (Iowa 1976) (in evaluating taxpayer's error claim that assessment included non-existent property, the Court states, "the question should logically remain to be whether the assessments as a whole and as approved by the Board are sustainable."). Considering the evidence in the record, we conclude Brown has failed to show an error in the property's valuation.

Brown also appears to assert a claim that the property is assessed for more than market value due to the increase in the assessment from the previous year. In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted). Sales prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b).

Aside from the assessment, the purchase price and a 2019 appraisal of the property is the only evidence in the record of the property as a whole. Both the purchase price and the appraisal indicate a 2019 value of \$350,000 for the subject property, which is higher than the current assessment. This is also prior to the demolition of the old barn and construction of the new utility building, which as noted above added value to the property. Brown stated the building cost \$48,000 to construct and it is currently assessed at \$52,200 whereas the old barn was only valued at \$8630. This evidence contradicts Brown's claim that the value should not have increased to the extent it did in 2021.

Viewing the record as a whole, we find Brown has failed to demonstrate the subject property is over assessed.

Order

PAAB HEREBY AFFIRMS the Dallas County Board of Review's action.

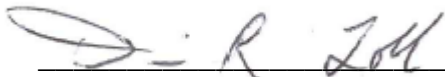
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Elizabeth Goodman, Board Member



Dennis Loll, Board Member



Karen Oberman, Board Member

Copies to:

Caryn and Matthew Brown by efile

Dallas County Board of Review by efile