

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

PAAB Docket No. 2021-077-10061R

Parcel No. 100/06090-000-000

Lynnette Wall-Slechta,

Appellant,

vs.

Polk County Board of Review,

Appellee.

Introduction

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on November 17, 2021. Lynnette Wall-Slechta was self-represented. Assistant Polk County Attorney Dominic Anania represented the Board of Review.

Lynnette Wall-Slechta owns a residential property located at 3611 Franklin Avenue, Des Moines, Iowa. Its January 1, 2021, assessment was set at \$142,400, allocated as \$34,600 in land value and \$107,800 in building value. The assessment also has a \$7,590 credit for Urban Revitalization applied to the buildings, resulting in a total 2021 assessed value of \$134,810. (Ex. A & B).

Wall-Slechta petitioned the Board of Review claiming the property's assessment was not equitable as compared with the assessments of other like property in the taxing district. Iowa Code § 441.37(1)(a)(1)(a) (2021). She wrote "My property does NOT have a basement as all of the properties listed above DO have" in the space reserved for a claim that there is an error in the assessment. *Id.* 441.37(1)(a)(1)(d) (2021). It appears this was solely to reference other properties for her equity claim. (Ex. C.) The Board of Review modified the assessment to \$135,000, by reducing the building value to \$100,400; after the revitalization credit, the total adjusted value is \$127,410. (Exs. B & C).

Wall-Slechta then appealed to PAAB reasserting a claim that the property's assessment is not equitable.

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 one-story home built in 1947. It has 848 square feet of gross living area, an enclosed porch, and a one-car detached garage. The improvements are listed in normal condition with a 5+05 grade (below-average quality). The residence and garage has 26% and 18% physical depreciation respectively applied to the assessed value. The site is 0.153 acres. (Ex. A).

Wall-Slechta submitted nine properties to support her claim, which are summarized in the following table. (Exs. 1 & D - M).

Address	Year Built	Gross Living Area (SF)	Basement Area (SF)	Assessed Value of Garage	Residence Physical Depreciation %	2021 Assessed Value
Subject	1947	848	0	\$11,669	26%	\$135,000
1 – 2209 37th St	1925	708	708	\$3,801	50%	\$108,000
2 – 2205 37th St	1923	660	660	\$0	40%	\$115,600
3 – 2022 36th St	1915	646	576	\$1,892	55%	\$89,200
4 – 2210 37th St	1924	760	279	\$0	50%	\$101,000
5 – 2212 37th St	1924	496	223	\$2,784	50%	\$86,000
6 – 2122 36th St	1921	836	149	\$6,523	41%	\$115,000
7 – 2114 36th St	1913	526	263	\$2,788	41%	\$82,600
8 – 2201 37th St	1922	660	660	\$10,442	40%	\$126,000
9 – 1910 37th St	1928	834	834	\$9,334	40%	\$138,000

Wall-Slechta summarized her comparables at hearing. Wall-Slechta questioned why the subject is shown to have concrete block foundation when it does not have a basement. She believes a property with a concrete block foundation must have a basement. She asserts the gross living area and basement area should be added together to determine the total size of a home. She testified that she “absolutely” believes that basement area has equal value to above-grade finish. She noted you can use basement area for storage or you can finish into living area, and her property only has the above-grade area. Lois Hand-Miller, Deputy Assessor for the Polk County Assessor’s Office testified on behalf of the Board of Review. She explained the subject is not valued as having a basement and the listing of a concrete block foundation has no effect on the property’s assessed value. The cost report (Ex. A) supports this statement. Additionally, Hand-Miller explained that the above-grade finish has a much higher unit price than basement area. Therefore, she asserts you cannot combine the two areas. We agree with Hand-Miller and note the addition of basement and above-grade finish to determine a property’s total area is not a typical or recognized method of analyzing properties.

Wall-Slechta also has a one-bedroom home and believes most homes in the area are two-bedrooms with greater market appeal and value. Hand-Miller explained that bedroom count is not a value driver and does not affect the assessment.

Regarding Wall-Slechta’s comparables, we note the subject property actually has the largest above-grade finished area and is the newest of the properties. Because of

the subject's age, it has less physical depreciation as compared to the properties she submitted as comparables that have nearly twice or over twice as much as the subject. Subject property also has a newer garage with the largest contributory value to its assessment compared to the other properties. Additionally, we note only one of the nine properties submitted by Wall-Slechta sold during 2020.

Hand-Miller also testified explaining the procedure the Assessor's Office followed for the 2021 revaluation. She testified that properties located in the subject's neighborhood were adjusted between 9% and 9.5% to reflect increases in market conditions based on the sales in the area.

Analysis & Conclusions of Law

In Iowa, property is to be valued at its actual value. § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* "Sale prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, shall be taken into consideration in arriving at its market value." *Id.* "In arriving at market value, sale prices of property in abnormal transactions not reflecting market value shall not be taken into account, or shall be adjusted to eliminate the effect of factors which distort market value, including but not limited to sales to immediate family of the seller, foreclosure or other forced sales, contract sales, discounted purchase transactions or purchase of adjoining land or other land to be operated as a unit." *Id.*

On her appeal form, Wall-Slechta selected the claim that the subject property's assessment was not equitable as compared with the assessments of other like property in the taxing district. § 441.37(1)(a)(1)(a).

Under section 441.37(1)(a)(1)(a), a taxpayer may claim that their "assessment is not equitable as compared with assessments of other like property in the taxing district." To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v.*

Bd. of Review of the City of Davenport, 497 N.W.2d 860, 865 (Iowa 1993). Wall-Slechta failed to show any improper variation in assessment methodology among comparable properties.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like properties using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709, 711 (Iowa 1965). The *Maxwell* test provides inequity exists when, after considering the actual (2020) and assessed (2021) values of similar properties, the subject property is assessed at a higher proportion of its actual value. *Id.* This is commonly done through an assessment/sales ratio analysis comparing prior year sales (2020) and current year assessments (2021) of the subject property and comparable properties. It is insufficient to simply compare the subject property's assessed value to the assessments of other properties or the rate of change of property assessments to demonstrate inequity.

Wall-Slechta submitted nine properties for comparison to her property, but only one is a 2020 sale. However, to succeed in an equity claim under *Maxwell*, more than one property must be analyzed. *Miller v. Property Assessment Appeal Bd.*, 2019 WL 3714977 (Iowa Ct. App. Aug. 7, 2019).

In addition to showing the ratios of comparable properties, Wall-Slechta must show the subject's actual value. Wall-Slechta did not submit any other evidence of the subject property's fair market value as of January 1, 2021. Typically, this evidence is a competent appraisal or comparative market analysis or, at a minimum, recent sales of comparable properties adjusted for differences between them and the subject property. Because of the lack of the foregoing required evidence, an assessment-to-sale-price ratio analysis could not be developed. As a result, the *Maxwell* equity analysis cannot be completed either and Wall-Slechta's claim must fail.

Wall-Slechta's support for her claim was based on her analysis of the nine comparables and their total assessed value compared to her assessment. Although simply comparing assessment is not a recognized method for establishing inequity, we find there are differences in age, size, basement, and garage that explains the variance between these properties' total assessed values and the subject's total assessed value.

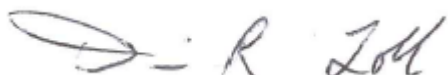
Viewing the record as a whole, we find Wall-Slechta has failed to prove her claims.

Order

PAAB HEREBY AFFIRMS the Polk County Board of Review's action. This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2021).

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.



Dennis Loll, Board Member



Karen Oberman, Board Member



Elizabeth Goodman, Board Member

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Polk County Board of Review by eFile