

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

PAAB Docket No. 2021-077-00377R

Parcel No. 060/04285-005-000

**Sam Sorden (Sheridan Rental LLC),**

Appellant,

vs.

**Polk County Board of Review,**

Appellee.

---

**Introduction**

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on December 7, 2021. Sam Sorden, owner of Sheridan Rental LLC, was self-represented. Assistant Polk County Attorney Dominic Anania represented the Board of Review.

Sheridan Rental LLC (Sorden) owns a residential property located at 3632 East Sheridan Avenue, Des Moines, Iowa. Its January 1, 2021, assessment was set at \$151,900, allocated as \$22,300 in land value and \$129,600 in dwelling value. (Ex. A).

Sorden petitioned the Board of Review contending the assessment was not equitable compared with the assessments of other like property in the taxing district and the property was assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(1)(a & b) (2021). (Ex. C). The Board of Review denied the petition. (Ex. B).

Sorden then appealed to PAAB reasserting his claims.

**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 1972. It has 840 square feet of gross living area, a full unfinished basement, and a deck. A 480-square-foot detached garage was built in 1978. The improvements are listed in above-normal condition with average quality construction (grade 4+00). The site is 0.145 acres. (Ex. A). The property record card lists a 2016 remodel; and the cost sheet lists the effective year built as 2005, resulting in 5% physical depreciation applied to the dwelling. (Ex. A).

Sorden testified Sheridan Rental LLC purchased the subject property in 2019 for \$126,060 as investment property. Thereafter he bought out his partners' interests. In mid-2020 Sorden attempted to sell the home. He testified he attempted to sell the home privately for a month or two before he put it on the multiple listing service (MLS). Sorden recalled a list price of \$145,000 starting in May 2020. The property was removed from the market in November 2020. Sorden stated he had three to four potential buyers, but according to their feedback, there was a concern with the home's proximity to a flood area. Only one offer was received, but was cancelled. He described his property as located near, but not in, a special flood hazard area that sometimes impacts his driveway and the street. (Ex. 5). Sorden acknowledged he was not required to have flood insurance at the time of purchase.

Sorden argued these are unique times with a supply and demand imbalance impacting what buyers are willing to pay and perhaps their willingness to overlook issues like proximity to flood areas. Sorden submitted a Comparative Market Analysis (CMA) prepared by Cody Greenfield of RE/MAX Real Estate Center. (Ex. 1). The CMA lists four 2021 sales and two listings of properties near the subject property. Sorden also submitted three properties that sold between 2019 and 2021. (Exs. 2-4). The Board of Review submitted the property record cards and cost sheets for the sales, which are summarized in the following table. (Exs. D-J).

Address	Year Built	Condition	Gross Living Area (SF)	Sale Date	Sale Price	2021 Assessed Value
Subject	1972	Above-Normal	840	NA	NA	\$151,900
1 – 2532 E 39th St	1959	Above-Normal	816	May-21	\$89,500	\$111,800
2 – 2801 E 37th St	1955	Above-Normal	720	Mar-21	\$107,000	\$95,900
3 – 2407 E 39th Ct	1933	Very-Good	730	May-21	\$119,000	\$78,700
4 – 2529 E 39th Ct	1961	Very-Good	880	May-21	\$142,000	\$128,900
5 – 4231 Grandview Ave	1972	Below-Normal	876	Nov-19	\$84,000	\$112,600
6 – 2404 E 37th Ct	1971	Above-Normal	840	Jun-20	\$85,000	\$125,000
7 – 551 S 34th Ct	1970	Normal	874	Nov-19	\$75,000	\$114,700

Sales 1 through 4 were identified in the Greenfield CMA. The comparables were not adjusted to account for differences from the subject. The unadjusted sale prices ranged from \$89,500 to \$142,000, and all but one property sold for more than their assessed values. Greenfield did not opine an opinion of value for the subject, but rather averaged the sale prices. We note these four sales were all older than the subject. Sales 1 and 3 had no detached garage, which accounts for \$9,169 of the subject's replacement cost new. Sales 2 and 4 had no basement and Sale 3 had a 100% dirt floor basement. Sale 3 also had no air conditioning. (Exs. D-G). These differences likely account for lower sale prices and assessed values as compared to the subject property.

Additionally we note Sale 1 previously sold twice in a short timeframe. It sold in February 2021 for \$70,000, and then again in May 2021 for \$89,500. This raises questions about potential improvements made to the property between sales.

Sales 5 through 7 were Sorden's additional comparables. He did not adjust the sales to account for differences from the subject. None of these properties has a

detached garage. Sale 5 is listed in below-normal condition. Sale 7 is located in a different neighborhood pocket than the subject. Sale 6 is the only 2020 sale in the record but it was an estate sale, and without additional information it is difficult to determine whether it would be considered a normal transaction under Iowa law. (Exs. 2-4, H-K).

Lois Hand-Miller, Polk County Residential Deputy Assessor, testified on behalf of the Board of Review. She testified she ran a sales ratio analysis in the subject's neighborhood pocket and found a trend of 11% to 12% increases in values. In one specific sale, she noted the flood plain did not affect the market value. She reviewed the properties submitted in the Greenfield CMA and noted they were all 2021 sales which would not have been available for a sales ratio analysis for the January 1, 2021 assessment cycle.<sup>1</sup>

The Board of Review also submitted a new cost report for the subject based on Hand-Miller's analysis of the evidence and her review of additional sales. (Ex. M). In her opinion, the property's effective age for the 2021 assessment is overstated and should be returned to the actual age, which would increase the level of physical depreciation applied in the assessment. She also believed the property's condition should be changed from above-normal to very good. With these corrections to the listing she arrives at an assessed value of \$139,200, allocated as \$22,300 in land value and \$116,900 in dwelling value.

### **Analysis & Conclusions of Law**

Sorden claimed that the subject property's assessment was not equitable as compared with the assessments of other like property in the taxing district and that the subject property is assessed for more than the value authorized by law.

§ 441.37(1)(a)(1)(a & b).

---

<sup>1</sup> Hand-Miller also noted one of the two listings on the Greenfield CMA, 2712 E 36th Court, had since sold in 2021 for \$143,000. She noted the second listing, 2715 E 38th Street, now has a sale pending for \$174,900.

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). Sorden 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. There is only one 2020 sale from Polk County in the record. However, to succeed in an equity claim, more than one property must be analyzed. *Miller v. Property Assessment Appeal Bd.*, 2019 WL 3714988 (Iowa Ct. App. Aug. 7, 2019). Thus, the *Maxwell* ratio analysis cannot be completed and Sorden’s equity claim must fail.

Sorden also contends the property is assessed for more than authorized by law. In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(1)(b), 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). If PAAB determines Sorden has established the grounds for his protest, then PAAB must make an independent determination of the property’s correct value based on all of the evidence. *Compiano v. Polk Cnty. Bd. of Review*, 771 N.W.2d 392, 397 (Iowa 2009) (citations omitted).

In determining market value, “[s]ales 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 market value.” § 441.21(1) Using the sales price of the property, or sales of comparable properties, is the preferred method of valuing real property in Iowa. *Id.*; *Compiano*, 771 N.W.2d at 398; *Soifer*, 759 N.W.2d at 779 n. 2. “[A]bnormal 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 . . . .” § 441.21(1)(b). Abnormal transactions include, but are not limited to, foreclosure or other forced sales, contract sales, discounted purchase transactions, or purchases of adjoining land or other land to be operated as a unit. *Id.*

The first step in this process is determining if comparable sales exist. *Soifer*, 759 N.W.2d at 783 (emphasis added). If PAAB is not persuaded as to the comparability of the properties, then it “cannot consider the sales prices of those” properties. *Id.* at 782 (citing *Bartlett & Co. Grain Co. v. Bd. of Review of Sioux City*, 253 N.W.2d 86, 88 (Iowa 1977)). “Whether other property is sufficiently similar and its sale sufficiently normal to be considered on the question of value is left to the sound discretion of the trial court.” *Id.* at 783 (citing *Bartlett & Co. Grain*, 253 N.W.2d at 94). Similar does not mean identical and properties may be considered similar even if they possess various points of difference. *Id.* (other citations omitted). “Factors that bear on the competency of evidence of other sales include, with respect to the property, its ‘[s]ize, use, location and character,’ and, with respect to the sale, its nature and timing. *Id.* (other citations omitted). Sales prices must be adjusted “to account for differences between the comparable property and the assessed property to the extent any differences would distort the market value of the assessed property in the absence of such adjustments.” *Id.* (other citations omitted).

Sorden submitted the Greenfield CMA, but it did not conclude a value for the subject. Further, the sales contained therein were not adjusted for differences between them and the subject. We find the differences in these properties would require adjustments to make them comparable. Thus, we do not find the Greenfield CMA reliable evidence of the subject’s fair market value.

Similar issues exist with the additional sales Sorden submitted for consideration. They were not adjusted and possess various points of difference that would require

adjustment to make them reliable indicators of value for the subject property. For this reason, we conclude they do not support Sorden's claim.

Nonetheless, the Board of Review agreed the subject's assessed value should be less than the current assessment. The Board of Review submitted a corrected property cost report for the subject changing the condition from above normal to very good and lowering the effective age of the dwelling to its actual age. These changes result in a higher level of depreciation for the subject property and a resulting assessment of \$139,200.

We conclude the Board of Review's corrected valuation is the most credible evidence in the record of the subject's market value as of the assessment date and modify accordingly.

### **Order**

PAAB HEREBY MODIFIES the Polk County Board of Review's action and orders the subject property's January 1, 2021, assessment be set at \$139,200, allocated as \$22,300 in land value, and \$116,900 in dwelling value.

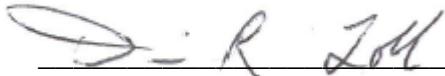
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

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:

Sam Sorden by eFile

Polk County Board of Review by eFile

Polk County Auditor  
111 Court Ave, Rm 230  
Des Moines, IA 50309