

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

PAAB Docket No. 2022-025-00205R

Parcel No. 1213179012

**Kevin & Kimberly Baeth,**

Appellant,

vs.

**Dallas County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on November 14, 2022. Kevin Baeth was self-represented. Dallas County Assessor Steve Helm represented the Board of Review.

Kevin and Kimberly Baeth own a residential property located at 14947 Northview Drive, Urbandale, Iowa. Its January 1, 2022, assessment was set at \$1,101,030, allocated as \$125,000 in land value and \$976,030 in improvement value. (Ex. A).

Baeth petitioned the Board of Review claiming his assessment is not equitable as compared with the assessments of other like property in the taxing district. (Ex. C.) Iowa Code § 441.37(1)(a)(1)(a). The Board of Review denied the petition. (Ex. B).

Baeth then appealed to PAAB reasserting his claim of inequity.

**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.

701-115.2(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 0.66-acre site improved with a two-story home built in 2006. It has 4333 square feet of gross living area, a full walk-out basement with 1943 of living-quarter high-quality finish, three open porches, two patios, a deck, geo-thermal heating, and a three-car attached garage. The home is listed in normal condition with an E+00 grade (executive quality). The property is also improved with a 943-square-foot inground pool and a 720-square-foot pool shed. (Ex. A).

Baeth testified there have been no updates to his property. He explained there is a retaining wall and some exterior stone work needing repair, and the interior carpet is dated. Additionally, he reported a natural privacy barrier of trees behind his home has been decimated due to a new housing development. (Ex. 3). He believes these issues will negatively impact the appeal of his home. And further that his value should have decreased last year due to the loss in privacy. Baeth did not offer an appraisal or any other evidence to support an opinion of value as of January 1, 2022.

Baeth also asserts his assessment has increased at a higher rate than other properties on his street and in the immediate area. He listed five properties, their assessments and assessment increases, which are summarized in the following table. (Exs. 1, 4-8).

Address	Sale Date	Sale Price	Year Built	Grade	Gross Living Area (SF)	Basement Finish (SF)	2021 Assessed Value	2022 Assessed Value	% Change '21-'22 <sup>1</sup>
Subject			2006	E+00	4333	1943 LQ W/O	\$900,610	\$1,101,030	22.25%
1 - 15015 Northview Dr	May-20	\$700,000	2005	1+05	3585	1625 LQ W/O	\$709,540	\$747,720	5.38%
2 - 15300 Hickory Dr	Aug-20	\$715,000	2015	1+00	3497	975 LQ W/O	\$746,040	\$784,110	5.10%
3 - 15401 Plum Dr	Sep-20	\$714,900	2012	E-05	2123	1840 LQ W/O	\$668,630	\$728,350	8.93%
4 - 14624 Brookview Dr	Sep-19	\$735,000	2012	1+00	3147	1790 LQ W/O	\$732,290	\$741,910	1.31%
5 - 4802 155th St	Aug-20	\$656,500	2005	1+00	3806	1600 LQ	\$626,260	\$669,800	6.95%

In Baeth's opinion, these properties are located very near his home and offer similar characteristics and appeal to his property. (Ex. 1). He testified he viewed the interior of each home through Zillow listings. Baeth compared the last five years of assessment history of the five properties in his analysis. (Ex. 1). Baeth questioned why his property's year-over-year assessment increase is much higher than the other properties' increases over the same period. All of the properties sold in either 2019 or 2020.

We note all of the properties are smaller than the subject in gross living area and basement finish. Comparable 3 has the most similar grade (quality) and is the only property with a swimming pool like the subject. However, it is a one-story home compared to the subject's two-story design and only half the gross living area. Subsequently, we do not find this property sufficiently similar.

Comparables 1, 2, 4, and 5 are all two-story homes like the subject property but are all roughly 500 to 1200 square feet smaller in gross living area. Additionally, these properties are a full grade lower in quality compared to the subject. All else being equal, a lower grade will result in lower improvement values on a per-square-foot basis. None of these comparable properties have a pool or pool house. The differences in gross living area, quality, and amenities explain the disparity between the subject's assessed values compared to these properties.

Ultimately, Baeth's property appears superior to all of the properties he selected for comparison.

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<sup>1</sup> Baeth's calculations included in Exhibit 1 do not accurately reflect the year-over-year percentage increase; moreover, his calculations focus on multiple assessment years. In this table we report the correct percentage increase from 2021 to 2022.

Lastly, Baeth believes the increase in interest rates from November 2021 to November 2022 will have a significant impact on the affordability of his home. Baeth acknowledged that the interest rates would not have had a significant impact on his property as of January 1, 2022.

### **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.*

Baeth claims that the subject property's assessment is not equitable as compared with the assessments of other like property in the taxing district. § 441.37(1)(a)(1)(a).

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).

Alternatively, a taxpayer may demonstrate inequity by showing 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 (2021) and assessed (2022) 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 (2021) and current year assessments (2022) of the subject property and comparable properties.

Baeth submitted five properties and compared year-over-year rate of increase of these properties to his own. First we note the comparability of the properties Baeth selected are questionable. The properties Baeth selected bore multiple dissimilarities from the subject property. One of the properties was a one-story dwelling. The remaining properties are similar style two-story homes, but all are smaller than the subject property, of lower quality, and lack exterior features like a pool and pool shed. All of these differences bear out in the differences in assessments.

Second, simply comparing assessments, or the rate of increase, of other properties to the subject's is not sufficient evidence to prevail in an equity claim under Iowa law. Although Baeth's assessment increased at a higher rate relative to the properties he selected, they ultimately bear dissimilarities, we find no evidence in the record that the Assessor applied an assessment method in a non-uniform manner.

Finally, although Baeth submitted five 2020 and 2019 sales, he did not submit any 2021 sales. Without 2021 sales, an assessment-to-sales-price ratio analysis cannot be completed. In addition to developing a sales ratio for comparable properties, a ratio for the subject property must also be developed. The subject's market value must be shown. Because the subject has not recently sold and Baeth did not provide evidence of the January 1, 2022, market value of his home, this ratio cannot be completed.

Based on the foregoing, Baeth failed to show inequity in the assessment under either *Eagle Foods* or *Maxwell*. Viewing the record as a whole, we find Baeth failed to prove his claim.

## **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 (2022).

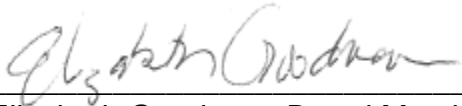
Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB

administrative rules. Such application will stay the period for filing a judicial review action.

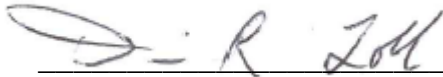
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Karen Oberman, Board Member



Elizabeth Goodman, Board Member



Dennis Loll, Board Member

Copies to:

Kevin Baeth by eFile

Dallas County Board of Review by eFile