

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Alexis Doohen,
Petitioner-Appellant,

v.

Sioux City Board of Review,
Respondent-Appellee.

ORDER

Docket No. 11-107-1399
Parcel No. 8847-06-428-029

On March 4, 2013, the above-captioned appeal came on for telephone hearing before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioner-Appellant Alexis Doohen was self-represented. Attorney Jack A. Faith is counsel for the Board of Review. Both parties submitted evidence in support of their position. Both parties participated by telephone. The Appeal Board now having examined the entire record, heard the testimony, and being fully advised, finds:

Findings of Fact

Alexis Doohen, owner of property located at 4223 Eldorado Court, Sioux City, Iowa, appeals from the Sioux City Board of Review decision reassessing her property. According to the property record card, the subject property consists of a one-story, two-family conversion having 998 total square feet of living area built in 1974. The dwelling has a full basement with 800 square feet of standard finish. It has a 4+05 quality grade and is in normal condition. The property is also improved by a 484 square-foot, attached garage. The improvements are situated on 0.233 acres.

The real estate was classified as residential on the initial assessment of January 1, 2011, and valued at \$130,400, representing \$32,800 in land value and \$97,600 in dwelling value. The real estate assessment notice indicates there was a citywide revaluation of residential property in 2011. The prior assessment was \$94,800.

Doohen protested to the Board of Review on the grounds that the property assessment is not equitable compared to like properties in the taxing jurisdiction under Iowa Code section 441.37(1)(a)(1), that the property is assessed for more than authorized by law under section 441.37(1)(a)(2), that there was an error in the assessment under section 441.37(1)(a)(4), and that there was a downward change in value since the last assessment under sections 441.37(1)(b) and 441.35(2). She claimed \$95,000 was the actual value and a fair assessment of the property. The Board of Review granted the protest, in part, and reduced the assessment to \$125,900, representing \$32,800 in land value and \$93,100 in improvement value.

Doohen then appealed to this Board with the same claims. Because the ground of downward change is only appropriately pled in a non-assessment or “interim” year, we do not consider this basis for relief. *Eagle Food Ctrs., Inc. v. Bd. of Review of Davenport*, 497 N.W.2d 860, 862 (Iowa 1993). However, we note that Doohen’s claim of downward change in value in an assessment year is akin to an over-assessment claim, a ground she already pled. Doohen seeks an assessed value of \$90,000, allocated \$14,000 to land value and \$76,000 to dwelling value.

Doohen testified she purchased the house in 1992 for \$87,200. She reports it has basement water problems because of the water table. She described the site as a fish bowl and provided a contour map to demonstrate the terrain of her property which contributes to the water problems. Doohen reports annual flooding in the basement. She installed a sump pump, but it doesn’t eliminate the problem and another is needed. Her documentation indicates the water problem requires \$1000 in annual expenses to repair walls in the basement. Doohen believes it would cost in the range of \$5000 to \$10,000 to fix the problem. The assessor did a physical inspection of the subject and disputes any drainage issues beyond a need to divert roof runoff.

Doohen also testified that the brick veneer is falling off the home, the roof in the garage leaks and needs to be replaced, and the property needs lots of repairs. Doohen submitted a 2008 Notice of

Violation following a rental unit inspection by the City indicating the need for electrical repairs and noting an illegal bedroom. This has no relevance to the building value in 2011. Doohen also submitted an affidavit from her tenant listing the annual flooding problems in the basement, the history of repairs and expenses, and needed future repairs. She also provided photographs to demonstrate the need for repairs and replacement of the roof, brick veneer, windows, and front door.

Doohen submitted an appraisal completed by Scott Hansen of RL-EST8 Appraisal Services, Hinton, Iowa. Hansen concluded a market value of \$88,000 as of February 2004. Because the appraisal was prepared seven years prior to the assessment date, we give it no consideration in determining the 2011 value.

Doohen provided web printouts for seven properties in the area that she believes are representative of her property's value.¹ None of the properties were recently sold and only the assessments were available for comparison. The properties are all one-story ranches or bungalows on the same street as the subject.

Address	Year Built	Quality Grade	TSFLA	Basement Finish	Garage SF	2011 Assessment
Subject	1974	4+05	998	800	484	\$125,900
2504 S Cleveland	1957	4+00	956	None	None	\$77,700
2508 S Cleveland	1905	5+10	1229	None	None	\$73,600
2516 S Cleveland	1953	4+05	1210	None	528	\$94,400
2524 S Cleveland	1951	4+00	984	None	528	\$101,000
2532 S Cleveland	1951	4-10	926	None	480	\$69,400
2536 S Cleveland	1964	4-05	816	None	None	\$65,300
2540 S Cleveland	1915	5+10	1201	None	490	\$68,900

The subject property is considerably newer than the identified properties, some do not have garages, all but one property has a lower quality construction grade, and none of them have basement

¹ The Board of Review evidence included information on four properties labeled Owner Equity Comparables located at 2501, 2533, 2545 and 2551 S Cleveland. These are different from those listed by Doohen above.

finish. For these reasons, they do not appear suitable for comparison without adjusting for these differences.

The Board of Review identified three comparable sales located in the Morningside South neighborhood that occurred in 2009 and 2010 to support the assessment. The properties have approximately the same living area, age, garage size, quality grade, and design as the subject. The median sale price per-square foot was \$112.90 and the average sale price per-square foot was \$113.11. The subject property is assessed at \$126.15 per square foot. The following summarizes the information provided by the Board of Review.

Address	TSFLA	Quality Grade	Basement Finish	Sale Date	Sales Price	\$/SF
Subject	998	4+05	800			
2611 S Royce St	1028	4+05	250	08/12/2009	\$108,000	\$105.06
4401 Applewood	1178	4+10	425	04/25/2010	\$133,000	\$112.90
4300 Seger Ave	1104	4+05	450	09/01/2010	\$134,000	\$121.38

Although the sale properties appear reasonably similar to the subject property, we note no adjustments were made to account for differences between the subject property and the sales comparables. Therefore, we give this data limited weight.

The Board of Review also prepared an equity comparison of the subject and comparable properties. These properties were of similar age and condition as the subject. The assessed values between the subject property and the comparables were adjusted to account for site size, living area, and garage size differences. We note the comparable properties were all one-story, whereas the subject is a split-foyer. The analysis indicates this difference was accounted for in the living area adjustment. The indicated value range was \$124,650 to \$133,950, which the Board of Review believes supports Doohen’s assessment. Because the adjustments were cost-based and applied to the assessed values, this is an incomplete equity analysis and we give it little weight. The following chart summarizes the property data.

Address	TSFLA	Basement Finish	Assessed Value	Adjusted AV
Subject	998	800	\$125,900	
2501 S Cleveland	936	None	\$109,500	\$133,950
2533 S Cleveland	936	300	\$99,900	\$124,650
2545 S Cleveland	960	550	\$104,800	\$125,299
S Cleveland	960	650	\$104,700	\$126,099

Doohen claimed that the lower level rental apartment can only be legally rented as a one-bedroom unit because of egress issues to support her claim of error in the bedroom count. We note the Board of Review was aware of Doohen's concerns about the condition of the property, yet no interior inspection was made. We recommend it arranges for an inspection before the 2013 assessment to confirm the number of bedrooms and the property's condition.

We find the preponderance of the evidence does not support Doohen's claims of inequitable assessment, over-assessment, or error in the assessment as of January 1, 2011.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board 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. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the

taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 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 properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

To prove inequity, a taxpayer may show that 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 show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

"(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination."

Id. at 579-580. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa law requires assessments to be at one hundred percent of market value. § 441.21(1). Nevertheless, in some rare instances, the test may be satisfied.

Here, Doohen simply compared the assessed values per-square foot of the properties she deemed comparable with the subject property's assessed value per-square foot. Further, she did not supply any

evidence that the assessor applied an assessment method in a non-uniform manner to the subject property. For these reasons, we find Doohen failed to meet the evidentiary burden to succeed in her inequity claim.

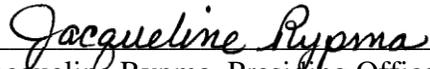
In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Doohen provided a 2004 appraisal that was not relevant to the claim of over-assessment in 2011 and did not submit other evidence of the property's market value as of the assessment date. The Board of Review offered three sale properties. The sale prices were not adjusted to account for differences between these properties and the subject property. Therefore, we give this evidence limited consideration. Ultimately, we find Doohen did not submit sufficient evidence to support her claim that the property is assessed for more than authorized by law as of January 1, 2011.

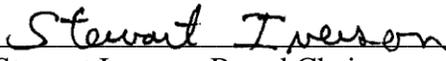
Section 441.37(1)(a)(4) is not limited solely to clerical or mathematical errors. The plain language of section 441.37(1)(a)(4) allows a protest on the ground "[t]hat there is an error in the assessment." § 441.21(1)(a)(4). Doohen indicated on her Board of Review petition form that the property record card incorrectly lists the subject property as having five bedrooms when it only has four. We suggest the Board of Review conduct an exterior and interior inspection of the subject property to verify the number of bedrooms and the property's condition. There was not sufficient evidence, however, to support a claim of error in assessment.

Viewing the record as a whole, we determine the preponderance of the evidence does not support Doohen's claims of inequitable assessment, over-assessment, or error in the assessment as of January 1, 2011. Therefore, we affirm the property assessment as determined by the Board of Review. The Appeal Board determines the assessed value of Doohen's property located at 4223 Eldorado Court, Sioux City, is \$125,900, representing the \$32,800 in land value and \$93,100 in improvement value, as of January 1, 2011.

THE APPEAL BOARD ORDERS that the January 1, 2011, assessment as determined by the Sioux City Board of Review is affirmed.

Dated this 1st day of April, 2013.


Jacqueline Rypma, Presiding Officer


Stewart Iverson, Board Chair


Karen Oberman, Board Member

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>April 1, 2013</u> .	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX <input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier <input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	