

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Eugene Knopf,
Petitioner-Appellant.

v.

Jasper County Board of Review,
Respondent-Appellee.

ORDER

Docket No. 11-50-0283
Parcel No. 08.33.430.005

On February 13, 2012, the above-captioned appeal came on for hearing before the Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2) and Iowa Administrative Code rules 701-71.21(1) et al. The Appellant Eugene Knopf was self-represented. Jasper County Attorney Michael K. Jacobsen represented the Board of Review. The Appeal Board having reviewed the record, heard the testimony, and being fully advised, finds:

Findings of Fact

Eugene Knopf is the owner of a residential, single-family property located at 710 S 7th Avenue W, Newton, Iowa. The property is reported as a one-story, brick home, built in 1957, with a finished attic. Essentially, the subject property is like a one-and-a-half-story home. The property has 2936 square feet of total living area. The property has a full basement with 750 square feet of rec-room quality finish. Additionally, the dwelling has an 852 square-foot, attached garage; a 330 square-foot enclosed porch; and two concrete patios of 492 square feet and 176 square feet. The site is 0.594 acres.

Knopf protested to the Jasper County Board of Review regarding the 2011 assessment of \$286,650, allocated as \$51,250 in land value and \$235,400 in improvement value. His claim was based on the following grounds: 1) that the assessment was not equitable as compared with the assessments of other like property under Iowa Code section 441.37(1)(a); 2) that the property was

assessed for more than the value authorized by law under section 441.37(1)(b), asserting the correct value was between \$200,000 to \$215,000; and 3) that there has been a change in the value since the last assessment under sections 441.37(1) and 441.35(3). In a re-assessment year, a challenge based on downward change in value is akin to a market value claim. *See Dedham Co-op. Ass'n v. Carroll County Bd. of Review*, 2006 WL 1750300 (Iowa Ct. App. 2006). Accordingly, we do not consider change in value as a separate claim.

The Board of Review granted the protest in part. It reduced the assessment to a total value of \$251,340, allocated as \$51,250 in land value and \$200,090 in improvement value.

Knopf then appealed to this Board, reasserting his claims of inequity and over-assessment. He asserts the correct value is \$215,000. Knopf did not provide an allocation of his total value.

Knopf provided five properties, all located in Newton, as equity comparables to the Board of Review. Information about these properties was on his protest form.

<u>Address</u>	<u>Assessed Value</u>
1103 S 12th Ave W	\$187,060
1127 S 12th Ave W	\$227,250
1109 S 5th Ave W	\$180,720
1013 S 6th Ave W	\$177,000
1109 S 12th Ave W	\$145,580

The assessment Knopf listed of 1127 S 12th Avenue W is its 2011 value, and we assume the assessed values reported for the other properties are also January 1, 2011, values. Knopf only provided a property record card for 1127 S 12th Avenue W. He offered no other evidence regarding the other properties he listed for his equity claim. As such, we give this data no consideration.

Knopf submitted five properties as comparables for his market value claim. He had previously listed 1127 S 12th Avenue W in his equity claim, but he also considered it comparable for his market value claim. Knopf provided a multiple listing service (MLS) sheet, as well as, the property record card for each property. The following chart summarizes the information.

Address	Style	Brick/Frame	Total Living Area (TLA)	Year Built	Garage SF	Sale Date	Sale Price	Last Listed Price
Subject	1 Sty ¹	Brick	2936	1957	852	N/A	N/A	N/A
930 W 18th St S	1.5 Sty	Frame	2869	1992	664	11/7/2011	\$215,000	\$225,000
1127 S 12th Ave W	1 Sty	Brick	2816	1964	576	9/9/2010	\$216,000 ²	\$225,000
1205 S 15th Ave W	1 Sty	Frame	2896	1958	528	N/A	N/A	\$224,900
912 S 11th Ave W	1 Sty	Frame	2570	1951	441	N/A	N/A	\$198,000
1448 S 20th Ave W	1.5 Sty	Frame	2466	1994	576	1/10/11	\$184,000	\$199,900

Knopf believed this information demonstrates his property should not be valued for more than \$215,000, based on the three sales, and the two listings. He asserts all of the properties are in similar locations to his property and would be considered by the market as substitute properties. Knopf did not make any adjustments to the properties for differences in features such as garage size, brick or frame exteriors, or basement finish.

Jasper County Deputy Assessor Pete Scarnati testified for the Board of Review. He was critical of the comparables submitted by Knopf, generally indicating they did not offer similar brick exteriors, expanded garage sizes, similar basement finish, or other amenities.

The Board of Review was critical of the sale located at 1127 S 12th Avenue W because of back-to-back transactions. It sold on September 9, 2010 for \$216,000 (and this is the listing Knopf provides) and sold again on September 10, 2010, on contract for \$223,000.

We also note that of the three sales Knopf submitted, two are assessed roughly 30-38% higher than their sales prices. The 2010 sale of 1127 S 12th Ave W has a current assessed value/sale ratio of 105%. However, Scarnati testified the assessed value of this property was lowered after the sale occurred to reflect the market. The other two sales occurred in 2011, and thus would not have been adjusted for the 2010 assessment. The property at 903 W 18th Street S sold for \$215,000 in November 2011, but the 2010 assessment was \$279,220. This results in a 130% ratio. We note this property also

¹ The property record card reports this as a one-story home, although it also indicates a finished attic.

² The property also is listed as transferring on contract one day later than the listed sale at \$223,000.

sold in 2008 for \$278,500. It is unknown why there was over a \$60,000 drop in price in only a three-year period.

Likewise, the property at 1448 S 20th Ave W, which sold in January 2011 for \$184,000, had a 2010 assessment of \$254,100; a 138% ratio. Like the previous property, this property also had another recent transaction. It sold in 2009 for \$255,000, over a \$70,000 difference in only two years. While it may be due to the economy in the area, the sales were not verified and there is no evidence in the record to support this theory as an explanation for the dramatic shifts. Because the assessor reviewed other properties and adjusted their values as a result of their sales, it may be that this will also occur with these sales for the 2012 assessment. Additionally, because they are 2011 sales, they would not typically be considered for an equity ratio analysis of a 2011 assessment.

Because the sales are unadjusted we give the evidence limited consideration.

Knopf supplied several photographs of surrounding properties, claiming that his property is located on the fringe of a nicer area, but faces smaller, lower quality residences. Knopf also testified his basement finish was only average and he had indoor/outdoor carpet in the lower level due to occasional dampness and water seepage. He stated he had a sump pump in every corner. Lastly, Knopf asserted his attic finish was 650 to 700 square feet compared to the 905 square feet of finish listed on the property record card.

Knopf also stated he did not believe the assessor's office has ever inspected his property. The property record card, however, indicated his property was last inspected in 1995. At this Board's request, an original copy of the "hard" property record card was requested to verify if an interior inspection was made at this time, as Knopf did not believe either he or his wife authorized an inspection. The hard copy property record card does in fact have the signature of "Debbie Knopf" giving permission to inspect the property on November 28, 1995.

Based on the foregoing, we find the preponderance of the evidence does not demonstrate the subject property is over-assessed. However, we recommend the Board of Review request an

inspection of the improvements to verify Knopf's concerns, primarily the quality of his basement finish and the amount of living area attributed to the second level, and make adjustments as necessary for the next assessment cycle. This would also be prudent since it has been nearly 20 years since an inspection of the property.

Conclusions 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 (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. 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 related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But 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 that the assessed value is correct. § 441.37A(3)(a).

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. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). 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, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property "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. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (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 gist of this test is the ratio difference between assessment and market value, even though Iowa law now requires assessments to be 100% of market value. § 441.21(1). Knopf did not provide sufficient evidence to support a claim of inequity.

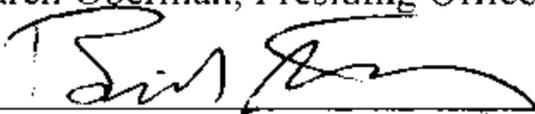
In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Knopf offered five properties as comparables, but only three had sold and none were adjusted for differences. A preponderance of the evidence does not support the claim that the property is assessed for more than authorized by law.

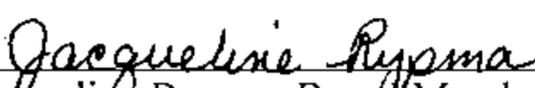
We therefore affirm the assessment of Eugene Knopf’s property as determined by the Jasper County Board of Review, as of January 1, 2011.

THE APPEAL BOARD ORDERS the assessment of Eugene Knopf's property located at 710 S 7th Avenue W, Newton, Iowa, of \$251,340, as of January 1, 2011, set by Jasper County Board of Review, is affirmed.

Dated this 15 day of March, 2012.


Karen Oberman, Presiding Officer


Richard Stradley, Board Chair


Jacqueline Rypma, Board Member

Cc:

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APPELLANT

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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>3-15</u> , 2012	
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	