

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**Corrigan Investments,**  
Petitioner-Appellant,

v.

**Polk County Board of Review,**  
Respondent-Appellee.

**ORDER**

**Docket No. 11-77-1088**  
**Parcel No. 312/00302-117-000**

On January 15, 2013, the above-captioned appeal came on for 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 Corrigan Investments was represented by Brandon Corrigan. Assistant County Attorney Ralph Marasco, Jr. is counsel for the Board of Review and represented it at hearing. Both parties submitted documentary evidence in support of their position. The Appeal Board now having examined the entire record, heard the testimony, and being fully advised, finds:

*Findings of Fact*

Corrigan Investments, owner of property located at 5916 Sutton Place, Apartment 5, Urbandale, Iowa, appeals from the Polk County Board of Review decision reassessing its property. According to the property record card, the subject property is a one-story, second-floor, condominium unit having 902 total square feet of living area, a deck, and a 264 square-foot detached garage. The property was built in 2002. It is in normal condition, has a 4+10 (average) quality construction grade, and is located in the Foxdale Condominium complex.

The real estate was classified as residential on the initial assessment of January 1, 2011, and valued at \$83,200, representing \$14,000 in land value and \$69,200 in dwelling value.

Corrigan Investments protested to the Board of Review on the ground that the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2).

The Board of Review denied the protest.

Corrigan Investments then appealed to this Board and sought an assessment of \$60,100, representing \$14,000 in land value and \$46,100 in dwelling value.

Brandon Corrigan testified that Corrigan Investments purchased the property from the Federal Home Loan Mortgage Corporation in November 2010, for \$60,100 in an “as is” condition. He testified the property was in pretty good shape at the time of purchase, except it lacked appliances. Corrigan testified no appraisal was completed for the purchase. Because this is a distress sale and not a normal sales transaction, we do not find it indicative of the property’s fair market value without adjustment for this distorting factor. § 441.21(1)(b)(1); *Riley v. Iowa City Board of Review*, 549 N.W.2d 289, 290 (Iowa 1996).

Corrigan submitted a list of seventeen sales of what he considered comparable condominiums that occurred between 2010 and 2013 (Exhibit A). Upon this Board’s request, the Board of Review provided information confirming the sale conditions for the 2010 through April 2011 transactions. The properties ranged from 864 square feet to 902 square feet and were built between 1999 and 2004. Excluding the subject property, sale prices ranged from \$60,000 to \$74,500, with a median of \$68,000. The subject property and six of the seven sale properties were not considered normal arm’s length transactions under Department of Revenue guidelines. The subject property and four of the sales were foreclosures and two of the sales were by estates. Because of these sales conditions, the sale prices may not be an accurate indication of their fair market values. No adjustments were made for sale conditions to remove the distorting effects of the abnormal transactions. The only transaction that was normal (10131 Sutton Dr. #2) had an April 14, 2011, sale price of \$74,500.

The Board of Review appraiser Rick Colgrove provided three normal sales of condominiums with the same square feet of living area. Colgrove testified the properties sold for \$80,000, \$85,000 and \$88,000 respectively. The mean sale price was \$94.24 per square foot, while the subject property sold for \$66.63 per square foot.

While there is some support for Corrigan Investments' claim of over-assessment, it provided insufficient evidence to establish the property's fair market value.

### ***Conclusion of 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

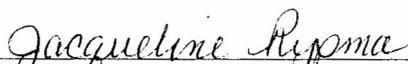
be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

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). Corrigan Investments relied upon mostly abnormal sales as an indication of its property's fair market value. Section 441.21(1)(b) provides that a sales price in an abnormal transaction is not to be taken into account unless the distorting factors can be clearly accounted for. *Riley*, 549 N.W.2d at 290. Because most of the comparable properties Corrigan Investments listed were sold as distress sales and this distorting factor was not clearly accounted for, we find them to be unreliable as indicators of the subject property's market value. Viewing the record as a whole, Corrigan Investments failed to prove by a preponderance of the evidence its property is assessed for more than authorized by law.

Therefore, we affirm Corrigan Investments' property assessment as determined by the Board of Review. The Appeal Board determines the property assessment value as of January 1, 2011, is \$83,200, representing \$14,000 in land value and \$69,200 in dwelling value.

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

Dated this 4 day of February 2013.

  
\_\_\_\_\_  
Jacqueline Rypma, Presiding Officer

  
\_\_\_\_\_  
Stewart Iverson, Board Chair

  
\_\_\_\_\_  
Karen Oberman, Board Member

Copies to:

Corrigan Investments  
5663 Foxboro Road  
Johnston, IA 50131-8803  
APPELLANT

Ralph Marasco, Jr.  
Assistant Polk County Attorney  
111 Court Avenue, Room 340  
Des Moines, IA 50309-2218  
ATTORNEY FOR APPELLEE

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>7-4</u> , 201 <u>3</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	<u><i>[Handwritten Signature]</i></u>