

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

David A. & Tanya R. Reynolds,
Petitioner-Appellant,

v.

Polk County Board of Review,
Respondent-Appellee.

ORDER

Docket No. 11-77-1099

Parcel No. 280/00300-001-000

On October 2, 2012, 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) and Iowa Administrative Code rules 701-71.21(1) et al. The Appellants were self-represented. The Polk County Board of Review was represented by Assistant County Attorney David Hibbard. The Appeal Board having reviewed the record, heard the testimony, and being fully advised, finds:

Findings of Fact

David A. and Tanya R. Reynolds (Reynolds), owners of residential property located at 13040 NW 146th Avenue, Madrid, Iowa, appeal from the Polk County Board of Review (Board of Review) decision regarding their 2011 property assessment. The January 1, 2011, assessment is allocated at follows: \$63,300 in land value and \$283,200 in improvement value, for a total assessment of \$346,500.

Reynolds protested to the Board of Review that the subject property's assessment was not equitable as compared with the assessments of other like property under Iowa Code section 441.37(1)(a)(1). The Board of Review reduced Reynolds' assessment to \$331,900, allocated \$63,300 to land and \$268,600 to improvements.

Reynolds then appealed to this Board reasserting their equity claim. They assert the correct value is \$316,900.

The subject property is a one-story, single-family home built in 2003. The improvements include 1964 square feet of main living area, with a 768 square-foot attached garage. The property has a 600 square-foot deck and is above quality construction (3+10 grade), in normal condition. The site consists of 3.627 acres.

Tanya Reynolds testified at hearing that, in her opinion, the county is out to get them because of complaints the Reynolds made regarding the property across the street from the subject property. That property, located at 12962 NW 146th Ave, Madrid, Iowa, is assessed at \$241,600. Reynolds testified that the home is not finished, although it is inhabited, and needs repair. She stated that the subject property's location near this property decreases the subject property's market value. Beyond this assertion, however, Reynolds provided no evidence to support this claim.

Reynolds offered the property record cards for several properties they believe are comparable. In particular, Reynolds believes that a property located at 12971 NE 14th Street, Alleman, Iowa, is exceptionally comparable to the subject property. This property consists of a one-story, single-family residence with a full, unfinished walkout basement built in 2006 and located on 5.370 acres. This property has 2000 square feet of main living area, an 832 square-foot attached garage, and above quality construction (3+05 grade). This property also contains a "Morton" building built in 1980. The January, 1, 2011, assessment for this property was \$288,900. Reynolds notes the property is owned by a Polk County employee and suggests the lower assessed value may be the result of favorable treatment. We note that the subject property and this comparable property are located in two different neighborhoods, with the subject located in Union township and the comparable located in Lincoln township. The variation in assessed values between the properties may be attributable to the differing locations, but Reynolds did not offer any adjustments to account for this or any other differences between the properties.

Reynolds testified that the Board of Review erroneously considered the property located at 11270 NW 146th Ave, Madrid, Iowa to arrive at the subject property's assessment. This 19.5 acre property is classified agricultural with a total assessment of \$326,820, allocated \$27,620 to land and \$299,200 to improvements. It consists of a 2692 square-foot home built in 1977 with a 1092 square-foot attached garage and above quality construction (3-05 grade), in normal condition. We note that the subject property's improvements are assessed at \$268,600, more than \$30,000 less than this property's improvements. Further, it is not reasonable to compare the site or total assessed values because they have different classifications.

To support their equity claim, Reynolds also submitted sales data from ten comparable properties gathered by Realtor Charlie Fazio. These sale properties are located in Bondurant, Madrid, Ankeny, and Huxley, with sale dates ranging from October 22, 2010, to June 6, 2012. Based on this data, Fazio offered his opinion that the subject property's correct market value would be \$315,000 to \$320,000 and a correct assessment would be from \$310,000 to \$320,000. Fazio arrived at this opinion without inspecting or viewing the subject property. Neither Fazio nor Reynolds made any adjustments to these properties to account for differences in size, age, time of sale, or location. For these reasons, we give this evidence no weight.

Reynolds points out that the subject property's assessment has risen more than any other property in the area. Reynolds testified that others who protested their property assessments to the Board of Review were reduced from \$33,000 to \$35,000, and were notified of this reduction on the hearing date. Reynolds states that they have communication problems with the county and did, in fact, refuse to allow a county official to inspect the property. It is not clear if the official was from the assessor's office or zoning board, but based on Reynolds testimony, it appears to have been an official from the zoning board.

The Board of Review did not offer any additional evidence.

Based upon the foregoing, we find the Reynolds failed to provide sufficient evidence to support their equity claim. Therefore, we affirm the assessment of the Polk County Board of Review.

Conclusions of 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. § 441.21(1)(b). "Market value" essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sales 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*

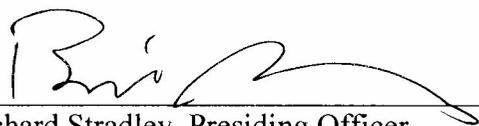
v. Shivers, 257 Iowa 575, 133 N.W.2d 709 (1965). The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* at 579-580. The *Maxwell* test may have 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.

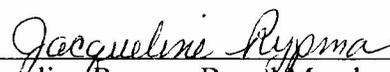
We find that Reynolds failed to satisfy their burden under both the *Eagle Foods* and the *Maxwell* tests. Here, Reynolds presented no evidence that the assessor applied assessment methodology in a non-uniform manner. Further, the evidence submitted by Reynolds failed to demonstrate that the property was inequitably assessed under the *Maxwell* test. The evidence submitted by Reynolds does not reliably show the subject property is assessed higher proportionately to other comparable properties. Although Reynolds submitted a number of properties they deemed comparable, they made no adjustments to size, location, age, time of sale, or other factors.

We, therefore, affirm the assessment of David and Tanya Reynolds' property as determined by the Polk County Board of Review, as of January 1, 2011.

THE APPEAL BOARD ORDERS the assessment of the Reynolds' property located at 13040 NW 146th Avenue, Madrid, Iowa, of \$331,900, as of January 1, 2011, set by the Polk County Board of Review is affirmed.

Dated this 8 day of November, 2012.


Richard Stradley, Presiding Officer


Jacqueline Rypma, Board Member


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>11-8</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
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