

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

John Mason,
Appellant,

v.

Dallas County Board of Review,
Appellee.

ORDER

Docket No. 13-25-0911
Parcel No. 16-12-326-021

On January 16, 2014, 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) (2013) and Iowa Administrative Code rules 701-71.21(1) et al. Appellant John Mason was self-represented. County Attorney Wayne M. Reisetter is counsel for the Board of Review. Assessor Steve Helm represented it at hearing. The Appeal Board now having examined the entire record, heard the testimony, and being fully advised, finds:

Findings of Fact

John Mason is the owner of property located at 6980 Cody Drive, Unit 64, West Des Moines, Iowa. The real estate was classified residential as of January 1, 2013, and valued at \$242,520, representing \$40,000 in land value and \$202,520 in improvement value. Mason protested to the Board of Review on the grounds that the property's assessment was not equitable compared to like properties in the taxing jurisdiction; that the property was assessed for more than authorized by law; and that the property should be exempt under Iowa Code sections 441.37(1)(a)(1), (2), and (3). The Board of Review denied the protest.

Mason then appealed to this Board. Mason's exemption claim is that \$7500 worth of personal property was included in his November 2012 purchase of the subject property, and his assessment

should be reduced accordingly. His exemption claim is essentially misplaced and is more akin to a claim of over-assessment; therefore, we will not consider it as a separate claim.

According to the property record card, the subject property is a one-story townhouse with 1572 total square feet of living area and a full basement with 1000 square feet of living quarters finish. It also has a 387-square-foot attached garage, a deck, and an open porch. The improvements were built in 2005. The dwelling has a good quality grade (3+05) and is listed in normal condition. Its site is 0.08-acres. The property is located in the Diamond Brooke subdivision.

Mason claim that his property is over-assessed rests on two issues. First, he believes he is being assessed for personal property that was included with his purchase of the property. He testified the purchase price of his townhome a Neptune washer and dryer; and a G.E. stainless steel refrigerator; and dishwasher. He asserts the purchases also included Pottery Barn window coverings and decorative accessories. He estimates these accounted for \$7500 of the purchase price.

Second, Mason believes properties similar to his have decreased in value approximately 5.7%. Thus, Mason used the 2012 assessed value of his home and subtracted \$7500 for his personal property value, as well as a 5.7% reduction, to arrive at a value of \$214,900.

Mason identified five properties in West Des Moines he felt were comparable to his property and supported his claim. The properties are all one-story, walkout townhomes. He listed information about each property which is summarized in the following chart:

Address	Year Built	Grade	TSFLA	Base Fin SF	2013 AV	AV PSF
Subject	2005	3+05	1572	1000	\$ 242,520	\$ 154.27
7072 Cody	2000	3+00	1512	880	\$ 191,420	\$ 126.60
7064 Cody	2000	3+00	1512	1200	\$ 198,670	\$ 131.40
7108 Cody	2002	3+00	1602	1040	\$ 213,770	\$ 133.44
7104 Cody	2002	3+00	1673	1090	\$ 209,690	\$ 125.34
7116 Cody	2002	3+00	1512	1200	\$ 200,590	\$ 132.67

At first glance, it might appear Mason’s townhome is assessed disproportionately higher than neighboring properties. However, testimony from Assessor Helm identified differences between Mason’s property and the properties Mason considered comparable. First, the properties are older and have physical depreciation of 15% to 16% as compared to Mason’s property with 12% physical depreciation. Second, they have a slightly inferior construction quality grade (3+00) compared to the subject property (3+05). Additionally, the properties Mason selected were constructed by a different builder and, although geographically close, are in a different subdivision than the subject property. Mason also trended the change in these assessments between 2012 and 2013 for these select properties finding an average reduction of 5.7%. He also calculated a comparison of their original purchase price to their current assessments. Because we do not find the properties comparable, and this is not a recognized method of analyzing equity, the information is not relevant.

Assessor Helm testified the 2013 reevaluation relied on Reed’s Crossing townhome sales indicating a reduction in their values, so the assessments were lowered. He also identified four Diamond Brooke sales, including the subject property, used in the reevaluation indicating those assessments should be raised. The properties are all in normal condition, three have the same construction quality grade as the subject property (3+05), and one has a slightly higher grade (3+10). The townhouse sales in Diamond Brooke used in the reevaluation are listed below.

Address	Year Built	TSFLA	Base Fin SF	Date of Sale	Sale Price	\$PSF
Subject	2005	1572	1000	2/16/2012	\$ 246,000	\$ 156.49
Unit 49	2000	1521	1100	4/25/2012	\$ 237,500	\$ 156.15
Unit 14	2001	1578	1207	6/23/2012	\$ 255,000	\$ 161.60
Unit 5	2002	1756	1417	11/13/2012	\$ 285,000	\$ 162.30

The sale prices of these comparable properties ranged from \$237,500 to \$285,000, or \$156.15 to \$162.30 per square foot. Mason’s purchase price per square foot was at the lower end of the range

of comparable properties. His property is currently assessed at \$154.27 per square foot. This evidence does not support his over-assessment claim.

The change in assessments for these sale properties shows the increases in assessments from 2012 to 2013 and the assessment/sales ratio for each comparable property.

Address	2012 AV	2013 AV	% Change	Assess/Sales Ratio
Subject	\$ 235,390	\$ 242,520	3.03%	0.986
Unit 49	\$ 240,690	\$ 244,100	1.42%	1.03
Unit 14	\$ 243,720	\$ 245,290	0.64%	0.962
Unit 5	\$ 268,440	\$ 275,170	2.51%	0.966
Median			1.42%	0.966

An assessment/sales ratio below 100% indicates the properties are assessed for less than their fair market values. A ratio over 100% indicates the assessment is above the property's fair market value. Mason's assessment/sales ratio indicates his property is not over assessed. The increase in Mason's assessment is within the range of increases for the comparable properties listed above. The properties Helm identified are comparable to Mason's property, and this evidence supports the assessment.

Conclusions 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).

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."

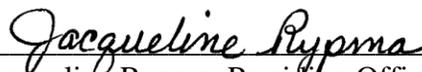
Id. at 579-580. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa 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. Mason did not prove by a preponderance of the evidence that his

property is inequitably assessed under either the *Eagle Food* or *Maxwell* tests. The assessment/sales ratio of comparable properties indicates Mason's property is equitably assessed.

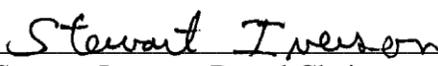
In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Mason failed to provide comparable sales evidence or other evidence to show the fair market value of his property to support his over-assessment claim. The comparable sales submitted by the Board of Review supports the current assessment of Mason's property. Therefore, we find a preponderance of the evidence does not prove his property is over-assessed.

THE APPEAL BOARD ORDERS that the January 1, 2013, assessment as determined by the Dallas County Board of Review is affirmed.

Dated this 4th day of February 2014.



Jacqueline Rypma, Presiding Officer



Stewart Iverson, Board Chair



Karen Oberman, Board Member

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