

**PROPERTY ASSESSMENT APPEAL BOARD  
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2015-078-01009R

Parcel No. 7441-07-257-010

Mark J. & Sally J. Hansen,

Appellants,

v.

Pottawattamie County Board of Review,

Appellee.

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**Introduction**

This appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on October 20, 2015. Mark J. and Sally J. Hansen are self-represented and requested their appeal be considered without hearing. Assistant County Attorney Leanne Gifford represents the Pottawattamie County Board of Review.

The Hansens are the owners of a residential property located at 405 Maple Drive, Treynor. The subject property is a one-story, brick-veneered dwelling with 1820 total square feet of living area, a full basement with 1000 square feet of finish, and a 484 square-foot attached garage built in 1991. The property is also improved by an open porch, patio, and deck. The dwelling is listed in normal condition. It is situated on a 0.22-acre site.

The property's January 1, 2015, assessment was \$238,900, allocated as \$34,432 in land value and \$204,558 in dwelling value. The Hansens claimed the property was assessed for more than authorized by law under Iowa Code section 441.37(1)(a)(1)(b). The Board of Review denied the protest. The Hansens then appealed to PAAB. They contend the subject property's correct value is \$234,500.

## Findings of Fact

The Hansens assert the subject property was over-assessed based on their September 2014 purchase price of \$234,500. The Board of Review minutes indicate the protest was denied because the assessed value was within 2% of the purchase price.

The Hansens provided a copy of the purchase agreement confirming the purchase price. They contend that it was an arms-length transaction accomplished through real estate agents. The Hansens report there were no side deals or other provisions in the purchase agreement and contend the purchase price definitively established the property's fair market value.

The sales transaction does not appear to involve related parties or have any indicia of a foreclosure or distressed transaction. The Hansens' property record card lists a sales code condition of "D0," which is the code assigned to normal sales by the Iowa Department of Revenue. Therefore, we find the Hansens' purchase price represents a normal, arm's length transaction.

## Conclusions of Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2015). PAAB 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). PAAB considers only those grounds presented to or considered by the Board of Review, but 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(1)(a-b). New or additional evidence may be introduced, and PAAB 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). 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" is defined as the fair and reasonable exchange in the year in which the property is listed and valued between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and each being familiar with all the facts relating to the particular property. Sale prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, shall be taken into consideration in arriving at its market value. In arriving at market value, sale prices of property in abnormal transactions not reflecting market value shall not be taken into account; or shall be adjusted to eliminate the effect of factors which distort market value, including but not limited to sales to immediate family of the seller, foreclosure or other forced sales, contract sales, discounted purchase transactions or purchase of adjoining land or other land to be operated as a unit.

*Id.* 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. *Riley v. Iowa City Bd. Of Review*, 549 N.W. 2d 289, 290 (Iowa 1996).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(1)(b), 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).

Under section 441.21(1)(b), the Hansens' arm's-length, normal purchase of subject property should be considered in arriving at its market value. There is no evidence suggesting their purchase transaction was in any way abnormal or did not otherwise reflect its correct market value. Further, there is an insignificant variation between the sales price and the assessment; indicating the sales price is consistent with the market value data used to set the assessment. In this particular case, we find the sale price for the Hansens' property is the most persuasive evidence of its market value in the record. Therefore, we find their normal arm's-length purchase price is unrefuted evidence of the property's fair market value and establishes the property is over-assessed.

## Order

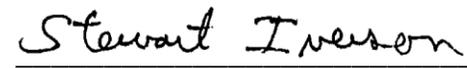
IT IS THEREFORE ORDERED that the Pottawattamie County Board of Review's action is modified to a total assessed value of \$234,500.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2015). Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action. Any judicial action challenging this Order shall be filed in the district court where the property is located within 20 days of the date of this Order and comply with the requirements of Iowa Code sections 441.38; 441.38B, 441.39; and Chapter 17A.

Dated this 23rd day of November, 2015.

  
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Jacqueline Rypma, Presiding Officer

  
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Karen Oberman, Board Member

  
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Stewart Iverson, Board Chair

Copies to:

Mark J & Sally J Hansen

Leanne Gifford

Auditor