

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

PAAB Docket No. 2015-007-00023R

Parcel No. 8913-01-302-033

Patrick L. and Lenora M. Mangin,
Appellants,

v.

Black Hawk County Board of Review,
Appellee.

Introduction

This appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on October 26, 2015. Patrick and Lenora Mangin were self-represented. Assistant County Attorney David Mason is counsel for the Black Hawk County Board of Review.

The Mangins are the owners of a residential property located at 3370 Logan Avenue, Waterloo, Iowa. The subject property is a one-story home with 1148 square feet of living area built in 1953. It also has a wood deck, enclosed porch, a detached two-car garage, and an attached two-car garage, with a one-car tandem. There is a full basement under the one-car tandem. The site is 0.579 acres.

The property's January 1, 2015, assessment was \$122,390, allocated as \$18,140 in land value and \$104,250 to dwelling value. The Mangins protested to the Board of Review claiming the assessment is not equitable as compared with assessments of other like property under Iowa Code section 441.37(1)(a)(1)(a).

The Board of Review denied the petition, and the Mangins appealed to this Board.

Findings of Fact

The Mangins assert the assessment of their improvements is inequitable compared to five neighboring properties' improvements. The following chart summarizes the properties the Mangins submitted to the Board of Review.

	2015 Improvements Assessed Value	2015 Site Assessed Value	Total Assessment
Subject	\$104,250	\$18,140	\$122,390
3453 Logan Ave	\$89,450	\$32,430	\$121,880
3429 Logan Ave	\$86,670	\$32,470	\$119,140
148 Lowder	\$85,440	\$21,400	\$106,840
3365 Logan Ave	\$75,110	\$32,470	\$107,580
180 Lowder	\$92,390	\$24,800	\$117,190

They do not contest the assessment of the site. However, they assert the improvements of the comparable properties identified, are equal to, or better to their improvements. They believe the improvement value should be between \$75,110 (3365 Logan Avenue) and \$89,450 (3453 Logan Avenue).

The only information in the record about these properties was included in a letter the Mangins sent along with their Board of Review petition. In the letter, the Mangins identify characteristics of these properties, which they believe make them superior to the subject; primarily issues of property size and garage space. Because of the lack of evidence about these properties, it is difficult to analyze their comparability to the subject. Further, there is no information in the record identifying if any of the properties submitted by the Mangins have recently sold. Moreover, they did not provide a determination of the fair market value for the identified properties. This information is necessary to develop an assessment/sales ratio for an equity analysis.

The Mangins did not provide any new evidence to this Board.

The Board of Review submitted a letter by Assessor TJ Koenigsfeld setting forth the background of the Mangins' assessment. He notes the subject property is located on a busy highway, which is a dividing line for East and North Waterloo. Further, the neighborhoods are different resulting in the properties on the east side of Logan

Avenue, which is where the subject property is located, having higher values than those on the west side of Logan Avenue.

In their petition to the Board of Review, the Mangins noted that all three of the Logan Avenue comparable properties were “located across the road.” Based on Koenigsfeld’s letter, all of these properties are located in a lower valued map area.

Lastly, Koenigsfeld notes that there were five sales in the same map area as the Mangins’ property that indicate a median assessment/sale ratio of 97.86% indicating that the assessments are in line with fair market values in the map area.

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 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 Mangins’ sole concern is the assessed value of the property’s improvements. To this point, the IOWA REAL PROPERTY APPRAISAL MANUAL states:

When appraising real estate, the assessor must consider two separate entities; land, which is the nonwasting portion of the real estate; and improvements, which are the wasting portion subject to various forms of depreciation. Land and improvements are frequently valued separately so that the trends and factors affecting can be studied. However, the final analysis for an improved property must be as a unit.

In examining the evidence presented in this case, our primary concern is with the property’s total assessment, encompassing the land and improvements.

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 (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 711. 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.

The Mangins offered five properties they considered comparable to theirs for an equity analysis. Given the limited information provided about these properties, it is difficult for this Board to examine the comparability of the properties to complete an equity analysis. In addition, there is no information in the record indicating any of these properties has recently sold; and they did not submit the market value of the properties. Lastly, the Mangins did not assert that the Assessor failed to uniformly apply an assessing method to similarly situated or comparable properties.

For the foregoing reasons, the Board finds that the Mangins failed to show their property is inequitably assessed as compared to like properties.

Order

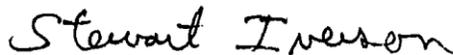
IT IS THEREFORE ORDERED that the Black Hawk County Board of Review's action is affirmed.

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 13th day of November, 2015.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

Copies to:

Patrick & Lenora Mangin

TJ Koenigsfeld