

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

PAAB Docket No. 2015-030-00472R

Parcel No. 07-03-376-011

PAAB Docket No. 2015-030-00473R

Parcel No. 07-03-376-012

Annabelle Wallace Estate,

Appellant,

v.

Dickinson County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on January 6, 2016. Dennis Wallace represented the Annabelle Wallace Estate. Assistant County Attorney Lonnie Saunders is legal representative for the Dickinson County Board of Review. The Board of Review did not participate in the hearing.

Annabelle Wallace Estate (The Estate) is the owner of two adjacent residential properties located at 2427 Francis Sites Drive, Spirit Lake. The dwelling on Parcel 07-03-376-011 was constructed in 1940 and is a one-story, frame dwelling with 984 total square feet of living area, a partial unfinished basement, two concrete patios, an enclosed porch, an open porch, and a 200 square-foot attached carport. The dwelling is listed in normal condition and with average construction quality (Grade 4+00). It is situated on a 0.175-acre site with 50.96 effective front foot of shoreline on East Lake Okoboji. It's January 1, 2015, assessment was \$281,300, allocated as \$217,900 in land value and \$63,400 to dwelling value.

Parcel 07-03-376-012 is a 0.173-acre site with a 300 square-foot detached garage built in 1945. A 20% topography adjustment was applied to the site. It has 50.96 effective-front-feet of shoreline on East Lake Okoboji. It's January 1, 2015, assessment was \$177,200, allocated as \$175,100 in land value and \$2100 to improvement value.

The Estate's protests to the Board of Review claimed the properties were assessed for more than authorized by law under Iowa Code section 441.37(1)(a)(1)(b). The Board of Review denied the protests. The Estate then appealed to PAAB. The combined assessed value of both parcels is \$458,500. The Estate claims the correct combined value of both parcels should be \$337,914.50.

Findings of Fact

The Estate complains that Parcel 07-03-376-011's assessment increased 4.3% from the previous assessment; and Parcel 07-03-376-012's assessment increased 1% from the previous assessment. It believes unless the properties were recently improved, the assessment should not be increased.

Dennis Wallace testified on behalf of the Estate that the house next door at 2421 Francis Sites is assessed at \$610,500, but sold in April 2015 for \$450,000. He believes this indicates properties in the area, including the subject properties, are over-assessed. While the sale price of the 2421 Francis Sites property was well below its assessment, little detailed information was provided regarding the property and the sale occurred after the January 1 assessment date.

The Estate submitted a Comparable Market Analysis prepared by Realtor Jodi Wollmuth. Wollmuth reviewed eleven properties that sold in 2014 and 2015 on East Lake Okoboji. While basic information was listed for the properties, such as site size, living area, age, sale date, and sale price; no adjustments were made to the sale prices to account for differences between them and the subject properties. Wollmuth concluded an average sale price of \$374,000 and recommended that amount as a listing price for the Estate properties. (Exhibit B).

Although two separate parcels, Wollmuth appears to have considered the properties as a unit that would be sold as one. We note that a majority of her sales comparables are single lots and/or do not offer a similar amount of lake frontage as the subject sites. For this reason, we do not find them comparable. As an exception, 2421 Francis Sites Drive offers an equivalent amount of lake frontage as the two subject sites and recently sold for \$450,000. This is consistent with the combined assessed value of the two subject parcels of \$458,500.

The Board of Review submitted a list of eleven sales of property on East Lake Okoboji. (Exhibit A). One was an estate sale and one occurred after the assessment date (2421 Francis Sites) and developed an assessment/sales ratio for each. Of the other nine normal 2014 sales, the ratios ranged from 82.95% to 112.50%, with a median ratio of 95.31% and an average ratio of 99.85%. An assessment/sales ratio near 100% indicates the property assessments are aligned with market values. The assessor also reported the land assessment for these properties and the Estate sites were set by uniformly applying a unit value of \$4500 per-effective-front-foot of lakeshore.

The Estate did not submit any other evidence of the fair market value of the subject properties to support its over-assessment claims.

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).

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).

The subject properties' 2015 assessments increased 1% and 3.1%, respectively. The Estate offered a comprehensive market analysis of recent East Lake Okoboji sales; however, the sale prices were not adjusted to account for differences between them and the subject properties. Further, while the information provided about the properties is scant, it is clear that the majority of the sale properties do not offer a similar amount of lake frontage as to the subject sites. As a result, we question their comparability with the subject. 2421 Francis Sites Drive offers a similar amount of lake frontage and recently sold for \$450,000. This sale tends to support the combined assessment of the properties. Ultimately, the Estate's limited evidence failed to establish the subject property was over-assessed.

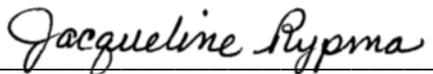
Order

IT IS THEREFORE ORDERED that the Dickinson County Board of Review's actions are affirmed.

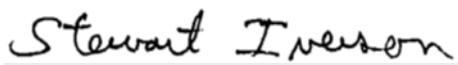
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2015). Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of

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 22nd day of February, 2016.



Jacqueline Rypma, Presiding Officer



Stewart Iverson, Board Chair



Karen Oberman, Board Member

Copies to:

Dennis Wallace

Lonnie Saunders