

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

PAAB Docket No. 2015-052-00554R

Parcel No. 220328004

Thomas C. Corley,
Appellant,

v.

Johnson County Board of Review,
Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on January 5, 2016. Thomas Corley was self-represented and participated by phone. Johnson County Attorney Andrew Chappell represented the Board of Review.

Corley is the owner of a residential property located at 428 Lake View Drive NE, Solon. The one-story home, built in 1991, has 1060 square feet of above-grade finish; a full, finished basement; an open front porch; two decks, and an unfinished workshop at the rear. The site is 0.681 acres.

The property's January 1, 2015, assessment was \$197,000, allocated as \$85,500 in land value and \$111,500 in improvement value. Corley wrote in several areas of the protest form, however the majority of his petition indicates a claim that his property is not equitably assessed compared to other like property and that his property is over assessed under Iowa Code section 441.37(1)(a)(1)(a-b). The Board of Review denied the petition. He then appealed to PAAB asserting the property's correct assessment is \$174,000.

Findings of Fact

Thomas Corley submitted sixteen comparable properties, summarized in the following chart. (Ex. 1).

Address	Site Size (Acres)	Land Value	Improvement Value	Total Value
Subject	0.68	\$85,500	\$111,500	\$197,000
3468 Sandy Beach Rd NE	2.00	\$65,000	\$102,800	\$167,800
2151 Sugar Bottom Rd NE	2.84	\$69,200	\$ 80,100	\$149,300
2155 Sugar Bottom Rd NE	4.43	\$77,200	\$248,100	\$325,300
2001 Jordan Creek Rd NE	1.04	\$60,200	\$133,700	\$193,900
3496 Sandy Beach Rd NE	2.00	\$65,000	\$103,700	\$168,700
4437 110th St NE	1.57	\$62,800	\$111,700	\$174,500
1139 Polk Ave NE	2.84	\$69,200	\$141,200	\$210,400
1583 Fairway Ct NE	1.15	\$55,800	\$161,300	\$217,100
1579 Fairway Ct NE	1.13	\$55,700	\$178,900	\$234,600
3474 Sandy Beach Rd NE	2.00	\$65,000	\$124,700	\$189,700
1832 Mehaffey Bridge Rd NE	0.85	\$56,600	\$178,100	\$234,700
3492 Sandy Beach Rd NE	1.84	\$64,200	\$ 75,000	\$139,200
1584 Parview Ct NE	1.06	\$55,300	\$152,300	\$207,600
133 Grandview Dr NE	0.28	\$59,400	\$155,000	\$214,400
1726 Lake Front Dr NE	0.24	\$55,200	\$123,000	\$178,200
70 Hillcrest Dr NE	0.24	\$53,600	\$171,300	\$224,900

He also submitted a Beacon printout from the Assessor's Office for each of the properties. He explained that all of the properties are located in the same taxing district (Big Grove) as the subject property. He also testified that the majority of the properties have site sizes larger than his property, but the corresponding site assessments are lower. We note that the last three properties are the only comparables located in the same assessment neighborhood (40515) as the subject. Corley stated that some of the properties were on a golf course, but that other than the Hillcrest property, none of the other properties are near the Lake. His property is approximately 200 yards from the Coralville Reservoir with no other houses between him and the lake. Although, he

asserts despite his proximity to the Lake, he does not have a great view because of a heavy tree line.

Four of the properties sold between 2013 and 2014, as summarized below.

Address	Sale Price	Age	Living Area	Basement/Finish	Total AV
Subject		1991	960	960/960	\$197,000
1584 Parview Ct NE	\$205,800	1977	1414	1299/705	\$207,600
133 Grandview Dr NE	\$179,900	1969	1768	1680/1056	\$214,400
1726 Lake Front Dr NE	\$170,000	1965	1370	1370/505	\$178,200
70 Hillcrest Dr NE	\$185,000	1975	1278	1278/1014	\$224,900

70 Hillcrest Drive sold from an estate and, without further information about the sale; it is unclear whether the sales condition may have affected the final sales price. We give that sale no consideration. 1584 Parview and 1726 Lake Front are dated sales, having occurred in 2013, and we give them less weight.

Although generally similar in appearance, the subject is newer construction than the sales comparables. Importantly, according to Corley's testimony, only the Hillcrest property is located near the lake/reservoir, like the subject. Corley did not adjust the sales for differences to establish an opinion of market value for the subject property.

Corley also submitted a chart of the assessment history of the subject property dating from 2004 to 2015. (Ex. 2). He previously appealed his assessment in 2008 and 2009 to this Board, which approved of a settlement between the parties setting the property's assessment at \$170,000 after completion of an appraisal. With some slight fluctuation in 2013 and 2014, the subject property's assessment remained near \$170,000 between 2010 and 2014. In 2015, the assessment increased to \$197,000. He does not believe there is support for the large increase from 2014 to 2015.

Lastly, Corley testified that he does not have an attached garage as shown on the Beacon webpage. (Ex. 3). Rather, it is a shop area at the lower rear level of the house that cannot be used for auto storage. Moreover, the design of the house is less than desirable with two bedrooms in the lower level and their windows facing into the shop area; and a spiral staircase, which is the only interior access to the lower level.

The property record card indicates the subject improvements are adjusted downward 17% because of obsolescence.

He also explained that the subject site has restrictions because of a flowage easement. (Ex. 3 – Retracement Survey). In addition, a ravine begins roughly six feet from the back of the house that also affects the use of the site in his opinion. (Ex. 3). Because of these issues, Corley believes potential erosion could be a concern for future buyers; although he testified this has only been a minor issue to date. We note the property record card indicates his site is receiving a -30% adjustment, as well as a +10% adjustment to its assessed site value, although the reason for the adjustments is not provided.

A May 2015 Letter from the Assessor to the Board of Review explains that 2015 assessments were increased based on an assessment/sales ratio study. After the increase, assessed values average 97% of current sale prices in the subject property's neighborhood. The Board of Review did not submit any evidence to this Board.

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).

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.

Corley offered sixteen properties he considered comparable to his for an equity analysis. The record indicates that while some of the properties are reasonably like the subject property, many are not. Ultimately, Corley submitted these properties to show his site's assessment is greater than other properties in the taxing district with larger site

sizes. However, he also testified that his property is located approximately 200 yards from the Coralville Reservoir, whereas only one of the properties he provided is near the Lake area. In this case, we find the lots that are not located near the lake/reservoir are not comparable to the subject. Despite the location of these properties in the same taxing district, we note that externalities, such as proximity to a body of water, can affect site values.

Moreover, only four of the properties have recently sold. One of those sales was the transfer from an Estate rendering it unusable for analysis in an assessment/sales ratio. Of the remaining sales, only one sold in 2014. More than one comparable is required for an equity analysis. Therefore, we find there is insufficient evidence to complete an assessment/sales ratio. Lastly, Corley did not assert the Assessor failed to uniformly apply assessment methods.

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). Corley submitted four properties that sold in 2013 and 2014; however, no adjustments were made to arrive at an opinion of market value for the subject property. He did not submit any other evidence of the property's value, such as a cost analysis or an appraisal.

For the foregoing reasons, the Board finds that Corley failed to show his property is inequitably assessed or over assessed.

Order

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

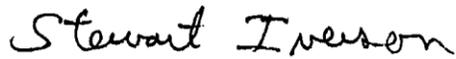
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2015). Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will 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 28th day of January, 2016.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

Copies to:

Thomas Corley

Andrew Chappell