

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

PAAB Docket No. 2015-025-00439R

Parcel No. 12-13-253-007

Leon Jagim,
Appellant,

v.

Dallas County Board of Review,
Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on April 7, 2016. Leon Jagim was self-represented. County Assessor Steve Helm represented the Dallas County Board of Review.

Jagim is the owner of a residential property located at 14804 Brookview Drive, Urbandale, Iowa. The subject property includes a one-story dwelling, built in 2014, with 2052 square feet of living area; a full, walkout basement with 1570 square-feet of living-quarters finish; an open porch; covered deck; and a 861 square-foot attached garage. The dwelling is listed in above-normal condition with superior-quality construction quality (Grade 1+5) and geo-thermal heating. The site is 0.36-acres.

The property's original January 1, 2015, assessment was \$624,510, allocated as \$95,000 in land value and \$529,510 in dwelling value. Jagim's protest to the Board of Review claimed that the property was assessed for more than the value authorized by law under Iowa Code sections 441.37(1)(a)(1)(b). Jagim also wrote in the section for error, but simply reiterated his over-assessment claim. The Board of Review granted the protest and changed the assessment to \$556,910, allocated \$95,000 to land value and \$461,910 to dwelling value. Jagim then appealed to PAAB. He claims the correct value is \$531,660.

Findings of Fact

Jagim testified he purchased the lot for \$85,000 and contracted with Accurate Development for the construction of the dwelling. The closing statement shows, in addition to the lot price, the construction costs, including overages, were \$446,660 for a total investment of \$531,660 in June 2014.

Jagim submitted an appraisal completed for mortgage financing by Brent Kimble of The Appraisal Company, Urbandale. Kimble opined a value of \$535,000 as of July 1, 2014, developing the sales comparison approach (\$535,000) and cost approach (\$535,061) using Marshall & Swifts Residential Cost Handbook.

The Board of Review offered an affidavit from Kimble confirming he prepared the appraisal and valued the property as of July 2014. (Ex. A). Kimble states that the appraisal was completed for “the limited purposes for the lender/client to evaluate the property for a mortgage finance transaction” and indicates the “appraisal is not an estimation of value for the purpose of a taxpayer’s property assessment tax appeal.” He further states the appraisal cannot be used to estimate the property’s value as of January 1, 2015.

We note the appraisal’s stated purpose is to provide an accurate opinion of the market value of the subject property. The appraisal’s definition of market value is consistent with the parameters of Iowa Code section 441.21(1)(b)(1). For these reasons and because we find the methodology Kimble used fairly and accurately represents the subject’s market value as of its effective date, we are unconcerned that the appraisal was not completed specifically for ad valorem purposes.

Kimble described the subject’s location in Bent Creek Meadows, a new development with many homes under construction. He reports limited sales in the area and that most homes are custom-built by different builders. Kimble comments the subject property has granite countertops, a skylight in the master bath, upgraded appliances, hardwood floors on the main level, central vacuum, and tray ceiling in the living room.

Kimble identified four sales of ranch properties that occurred in late 2013 and 2014 and one active listing. The properties are located within a mile of the subject

property. He adjusted them for site, view, living area, basement size and finish, heating/cooling, garage size, and other amenities.

Property Address	Site Size	TLA	Sale Date	Sales Price	Adjusted Sales Price
Subject	15455	2063	N/A	N/A	N/A
15401 Plum	18399	2123	4/14	\$590,000	\$584,700
15009 Plum	19051	2092	10/13	\$532,559	\$542,059
15005 Brookview	15991	2094	6/14	\$495,000	\$502,000
16008 North Valley	42321	2743	6/14	\$549,900	\$533,500
14516 Plum	14375	2082	N/A	List \$569,900	\$565,201

After adjustments, the indicated value range of the sales was \$502,000 to \$584,700; or \$194.50 to \$275.41 per-square-foot. Kimble valued the subject property in the middle of the range due to the main level bedrooms and size.

We find Kimble identified comparable properties, made reasonable adjustments, and that his conclusions are credible. Kimble's affidavit and the Board of Review contend that the appraisal cannot be relied on to determine the subject's market value as of January 1, 2015. We recognize that the valuation date of his appraisal is roughly six months before the assessment date. However, Kimble also commented there were limited sales in this area of mostly new custom-built homes. Further, the Market Conditions addendum indicates the subject's market is stable. He further indicates that property values for one-unit homes are stable. The Board of Review did not offer any evidence of more recent sales to contradict the appraisal. Nonetheless, we eliminate the 2013 sale identified by Kimble and only rely on his 2014 sales, which would generally be indicative of a January 2015 value. Overall, we find the appraisal may reliably and accurately reflect the property's fair market value as of January 1, 2015. The average of the adjusted value of the 2014 sales comparables (\$584,700, \$502,000 & \$533,500) is \$540,000 (rounded).

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.*

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).

Jagim provided evidence to show the purchase price of his building site and construction costs of his dwelling, which in sum were less than his assessed value. Additionally, he submitted a 2014 appraisal that valued the property less than its 2015 assessment. Based on the foregoing, we find Jagim has met his burden of establishing the property is over-assessed by a preponderance of the evidence. The Kimble appraisal submitted by Jagim concluded an opinion of value of \$535,000, as of July 2014. We modify his conclusion to eliminate the dated 2013 sale he used, and based on

2014 adjusted comparable sales conclude the subject's correct fair market value is \$540,000 as of January 1, 2015.

Order

IT IS THEREFORE ORDERED that the Dallas County Board of Review's action is modified to an assessed value of \$540,000 as set forth above.

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.

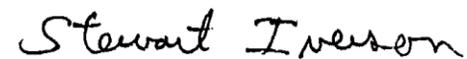
Dated this 16th day of May, 2016.



Jacqueline Rypma, Presiding Officer



Karen Oberman, Board Member



Stewart Iverson, Board Chair

Copies
Leon Jagim
Steve Helm
Auditor