

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

PAAB Docket No. 2015-082-01033R

Parcel No. 842407502

Dion K. Meyer,
Appellant,

vs.

Scott County Board of Review,
Appellee.

Introduction

This appeal came on for telephone hearing before the Property Assessment Appeal Board (PAAB) on May 17, 2016. Attorney Benjamin Yeggy, Gomez May, LLP, Davenport, represented Dion Meyer. Deputy Assessor Ed Veeth represented the Scott County Board of Review.

Meyer is the owner of a residential, one-and-a-half-story home located at 6927 Schutter Lane, Bettendorf. It was built in 2006 and has 3353 square feet of above-grade finish; a full basement that is 75-80% finished; a patio; a deck; a screened porch; and a four-car attached garage. The site is 0.97 acres. (Ex. 3).

The property's January 1, 2015, assessment was \$781,990, allocated as \$157,790 in land value, \$624,200 in improvement value. On his protest to the Board of Review, Meyer claimed the property was assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(1)(b).

The Board of Review denied the petition. Meyer then appealed to PAAB. He asserts the property's correct fair market value is \$660,000.

Findings of Fact

Meyer submitted four independent appraisals with effective dates between 2013 and 2016. The appraisers and their opinions of market value are set forth in the chart below.

Exhibit	Appraiser	Effective Date	Gross Living Area (GLA)	Opinion of Market Value
1	Charles Messmer Messmer Appraisal Services, Inc.	Jan-13	3268	\$675,000
2	Stephen Evans DataSource Appraisal	Jun-14	3304	\$670,000
3	Richard Koestner Koestner, McGivern & Associates	Jan-15	3353	\$660,000
4	Jeffrey Krager CC Appraisals	Mar-16	3268	\$640,000

Of the four appraisals, Richard Koestner's appraisal with an effective date of January 2015, is most relevant to the assessment date at issue on appeal. However, we note a consistency between the value opinions and a slight downward trend in value year over year.

Koestner testified that he inspected the property and developed the sales comparison approach. The following is a summary of his comparable sales.

Address	Sale Price	Sale Date	View	GLA	Adjusted Sale Price
Subject	N/A	N/A	River Front	3353	N/A
25159 Valley Dr, LeClair	\$585,000	Mar-15	River View	4025	\$639,100
7040 Nottingham Ln, Bettendorf	\$625,000	Aug-14	Wooded	4319	\$644,700
9 Hollows Ct, LeClair	\$649,312	Jun-14	Wooded	3282	\$694,312
3320 W Harbor Dr, Bettendorf	\$675,000	Active Listing	River Front	3573	\$672,100
16322 River Rd N, Cordova, IL	\$670,000	Active Listing	River Front	3860	\$638,400

Koestner explained that he searched for sales with amenities and location similar to the subject property, but there were a limited number of similar sales on the river. He noted most of the sales he found located on the river were smaller, one-story homes on smaller sites. The sales he found either had a river view (25159 Valley Drive), wooded

views (7040 Nottingham Lane and 9 Hollows Court), or had river frontage like the subject (3820 W Harbor Drive and 16322 River Road N). He adjusted for these differences in location.

Koestner also testified that as of the hearing date, the two listings he included for analysis have not yet sold, which he believes further demonstrates there has not been an increase in value in this price range.

Additionally, Koestner referenced a property listed in April 2016 located at 891 Canal Shore Drive SW, LeClaire. It has river frontage, two bedrooms, and similar GLA to the subject and is currently listed for \$679,900. He asserts this listing supports his conclusion of market value for the subject as of January 1, 2015, of \$660,000.

When questioned about the subject property's \$805,000 purchase price in 2012, Koestner testified that he believed Meyer overpaid for the property at that time.

Appraiser Jeffery Krager of CC Appraisals, Bettendorf, also testified on Meyer's behalf, regarding Krager's valuation of the subject property. While we give most consideration to Koestner's appraisal because of its effective date, we note that Krager's testimony corroborated Koestner's regarding the valuation of the subject property. Like Koestner, Krager testified there were few sales of dwellings of similar size to Koestner's situated on a river-front lots.

The Board of Review did not submit any evidence. Deputy Assessor Ed Veeth testified on its behalf. Veeth testified that the subject had been on the market for at least four years prior to its 2012 sale, and therefore had a true test of the open market. As such, he believes the 2012 sale price reflects the market value at that time.

Veeth does not believe that the sales used in the appraisals are sufficiently similar to the subject property, or that the adjustments made to them adequately reflect the subject property's riverfront feature. However, the Board of Review did not submit any evidence of other sales in the subject's area to support Veeth's contentions.

Veeth was also critical because he has not been in the subject property. When questioned about this and the extensive number of interior photos of the subject property in the record, Veeth asserts he cannot rely on this evidence. We find his reluctance to rely on this recent data unreasonable.

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).

Meyer offered four appraisals that were developed between 2013 and 2016. While we find all of the appraisals to be reliable for the effective date which they were written, the Koestner appraisal is the most relevant for the January 1, 2015, assessment. The Koestner appraisal relied on three sales and two active listings. After adjustments, Koestner determined a market value of \$660,000 for the subject property.

Standing on its own, as well as comparing his conclusions to the other appraisals in the record, we find this the best evidence of the fair market value of the subject property as of January 1, 2015.

Order

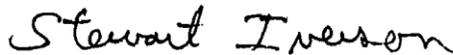
IT IS THEREFORE ORDERED that the Scott County Board of Review's action is modified to \$660,000.

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 8th day of June, 2016.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

Copies to:

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