

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

PAAB Docket No. 2015-107-01093R

Parcel No. 8948-22-276-002

Michael Praster,

Appellant,

v.

Sioux City Board of Review,

Appellee.

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**Introduction**

This appeal came on for a telephone hearing before the Property Assessment Appeal Board (PAAB) on April 27, 2016. Michael Praster was self-represented. Attorney Jack Faith represented the Sioux City Board of Review.

Michael Praster is the owner of a one-story, residential dwelling located at 1932 River Drive S, Sioux City. The dwelling was built in 2000 and has 1510 total square feet of living area; a full, unfinished basement; an open porch; and a deck. It is listed in normal condition and with average quality construction (Grade 4+10). The site is 0.326-acres.

The property's January 1, 2015, assessment was \$193,600, allocated as \$14,400 in land value and \$179,200 in improvement value. Praster protested to the Board of Review claiming the assessment was not equitable as compared with assessments of other like property and the property was assessed for more than authorized by law under Iowa Code sections 441.37(1)(a)(1)(a-b). The Board of Review reduced the assessment to \$181,500, allocated \$14,400 to land value and \$167,100 in improvement value.

Praster then appealed to PAAB. He believes the subject property's correct assessment is \$165,000.

### **Findings of Fact**

Praster identified three properties that recently sold as comparables to his property. The assessor selected the same three sales. We note the properties are all one-story, average-quality construction dwellings like Praster's.

Address	TSFLA	2015 AV	Sale Price	Date of Sale	SP/SF	A/S Ratio
Subject	1510	\$ 181,500	N/A	N/A	N/A	N/A
905 Florence	1316	\$ 162,600	\$158,000	9/11/2014	\$120.06	103%
1901 Bryan	1335	\$ 172,00	\$152,000	5/9/2014	\$113.86	113%
2361 Dacotah	1454	\$ 172,900	\$175,000	8/25/2014	\$120.36	99%

The assessment/sales ratio is an indicator of whether assessments are in line with market value. Two of the properties are assessed somewhat above their sales prices. However, since no evidence was provided to show the market value of the subject property, we are unable to complete an equity analysis to determine whether Praster's property is assessed equitably.

While Praster identified three properties with 2014 sales prices lower than his 2015 assessment, the sale prices were not adjusted to account for difference between them and the subject property.

Finally, Praster did not offer any other evidence to determine the fair market value of his property, such as an appraisal, comprehensive market analysis, or comparable sales. Without this evidence, there is no support for his over-assessment claim.

### **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). In this case, Praster did not shift the burden, and therefore, he must prove the assessment is inequitable based upon 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.* Conversely, sale prices of property in abnormal transactions not reflecting market value shall not be taken into account or must be adjusted to eliminate the effect of factors, which distort market value. *Id.*

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.

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code under 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).

Praster did not allege that the assessor failed to uniformly apply an assessing method under the *Eagle Foods* test. Moreover, he offered no evidence of the subject's fair market value, such as an appraisal or comprehensive market analysis.. Because there is no evidence of the subject's market value, Praster has failed to show the property is either inequitably assessed or over assessed.

## **Order**

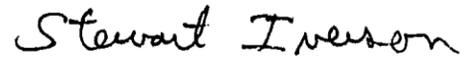
IT IS THEREFORE ORDERED that the Sioux City Board of Review's action is affirmed.

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 31st day of May, 2016.



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Jacqueline Rypma, Presiding Officer



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Stewart Iverson, Board Chair



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Karen Oberman, Board Member

Copies to:

Michael Praster

Jack Faith