

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

PAAB Docket No. 2015-077-00782R

Parcel No. 311/00341-228-517

John W. Pratt,  
Appellant,

vs.

Polk Board of Review,  
Appellee.

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**Introduction**

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on May 12, 2016. John Pratt was self-represented. Assistant Polk County Attorney Christina Gonzalez represented the Polk Board of Review.

Pratt is the owner of a residential, one-story home located at 920 SE Shawver Drive, Grimes. The home was built in 2005 and has 1354 square feet of above-grade finish and a full basement with 880 square-feet of average-plus quality finish. It also two decks, an open porch, and a two-car attached garage. The site is 0.327 acres. (Ex. A).

The property's January 1, 2015, assessment was \$212,100, allocated as \$37,900 in land value, \$174,200 in improvement value. Pratt's protest to the Board of Review claimed the assessment was not equitable as compared with assessments of other like property under Iowa Code sections 441.37(1)(a)(1)(a).

The Board of Review denied the petition. Pratt then appealed to PAAB.

## Findings of Fact

Pratt submitted four properties he believes support his inequity claim. (Ex. 1-3).

The following chart is a summary of those properties.

	Gross Living Area (GLA)	Basement Finish/Quality	2015 Assessed Value	AV/SF
Subject	1354	880 Avg+	\$212,500	\$156.94
1 – 1105 SE 10th Ct	1254	None	\$187,500	\$149.52
2 – 916 SE Shawver Dr	1284	None	\$181,800	\$141.59
3 – 1005 SE Polk St	1311	None	\$192,700	\$146.99
4 – 1004 SE Polk St	1316	None	\$199,300	\$151.44
5 – 1304 SE 10th St	1591	670 Avg+	\$192,400	\$120.93

Pratt asserts all of the properties are comparable although not exactly identical. We agree. However, it appears that all of the properties have lower assessed values per-square-foot because they either lack basement finish entirely, or have less basement finish than the subject property. Additionally, Comparable 5 is larger than the subject, which would result in a lower price-per-square-foot because of the law of diminishing returns.

Only one of the properties, Comparable 3, sold in 2014, and can be used to develop an assessment/sales ratio. It sold in April 2014 for \$198,000, which results in a ratio of 0.97. Although this ratio indicates the property is slightly under assessed, more than one property is required to support an equity claim.

Director of Litigation for the Polk County Assessor's Office Amy Rasmussen testified for the Board of Review. Rasmussen explained that although Pratt's comparable properties are very similar, Pratt's property has different components that result in a higher assessment. The primary difference is the subject property's basement finish, which before depreciation and neighborhood market adjustments has a cost of \$22,528. (Ex. B). Other examples of differences in cost components include the subject's slightly larger garage, different sizes of decks or patios, and variations in the site values based primarily on the differences in site sizes. Combined, all of the

components create differences in the total assessed values, despite the facial comparability of the properties.

Lastly, Pratt was critical that the property at 1304 SE 10th Street had received a reduction from the Board of Review, when he did not. We are unable to determine what the Board of Review's rationale was for reducing any particular property. Moreover, comparing his property to another property that had a reduction is not adequate support for an equity claim. Working strictly from memory, Rasmussen believed the Board's actions might have had something to do with an adjustment for an apartment complex being built nearby it.

### **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.

Pratt offered five properties he considered comparable to his for his inequity claim. We agree with Pratt that the properties are comparable to his, although not identical. This latter fact, however, results in his property having a higher assessment. His property has 880 square-feet of average-plus quality finish, whereas several of his comparable properties do not.

Only one of Pratt’s comparable properties sold in 2014 and it indicates an assessment/sales price ratio of 0.97, which indicates properties are assessed at slightly less than market value. Although one comparable is insufficient to support an inequity claim, we also note Pratt did not submit an opinion of market value for his property.

Without this information, an assessment/sale ratio cannot be applied to determine if his property is equitably assessed.

For these reasons, we find the he has failed to show his property's assessment is inequitably assessed.

### **Order**

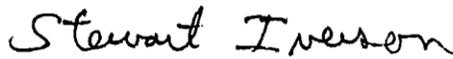
IT IS THEREFORE ORDERED that the Polk Board of Review's action is affirmed.

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 3rd day of June, 2016.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

Copies to:

Edward Pratt

Christina Gonzales