

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

PAAB Docket No. 2015-077-00778R

Parcel No. 181/00626-950-005

Jeremy Rasmussen,

Appellant,

v.

Polk County Board of Review,

Appellee.

Introduction

This appeal came on for consideration before the Property Assessment Appeal Board (PAAB) on December 18, 2015. Jeremy Rasmussen is self-represented and requested his appeal be considered without hearing. Assistant County Attorney Christina Gonzalez represented the Polk County Board of Review.

Rasmussen is the owner of a residential, two-story dwelling located at 3903 NE Trilein Drive, Ankeny, Iowa. The subject property has 2280 total square feet of living area; a full walkout basement with 485 square feet of living-quarters finish; a 701 square-foot attached garage; an open porch; and a detached shed. The dwelling was built in 2005, is listed in normal condition and with good construction quality (Grade 3+00). The site is 0.253-acres.

The property's January 1, 2015, assessment was \$282,500, allocated as \$59,700 in land value and \$222,800 to improvement value. Rasmussen's protest to the Board of Review claimed the assessment was not equitable as compared with assessments of other like property under section 441.37(1)(a)(1)(a). The Board of Review denied the petition.

Rasmussen appealed to PAAB reasserting his claim.

Findings of Fact

Rasmussen contends his property is inequitably assessed and the correct assessment is \$265,000. In support of his equity claim, Rasmussen identified four two-story dwellings on his Board of Review petition. He believes they are similar to his property, yet have lower assessments. The Board of Review commented that only one of the four comparable properties has close proximity to the subject and the one with close proximity supports his assessment. (Ex. H). He also commented on his PAAB appeal form that three properties located at 3811 and 3807 NE Trilein Drive, and at 3906 NE Rio Drive, have lower assessments than his property.

The following chart summarizes the property information on the properties Rasmussen identified.

Address	TSFLA	Garage	Base/Fin SF	2015 AV	AV PSF
<i>Subject</i>	2280	701	Full/485	\$282,500	\$123.90
4203 NE Trilein	2084	660	Full/460	\$256,000	\$122.84
711 NE 46th Ct	2130	720	Full/0	\$257,900	\$121.08
2509 NW Maple	2474	640	Full/0	\$247,700	\$100.12
2605 NW Parkridge Dr	2220	628	Full/800	\$257,300	\$115.90
3811 NE Trilein	2403	658	Full/0	\$269,900	\$112.32
3807 NE Trilein	2440	713	Full/0	\$277,400	\$113.69
3906 NE Rio Drive	2305	658	Full/0	\$271,900	\$117.96

The property assessments range from \$100.12 per-square-foot to \$122.84 per-square-foot with a median of \$115.90 per-square-foot and an average of \$114.84 per-square-foot.

In terms of amenities, the NE Trilein and Parkridge properties appear most similar to the subject. Nonetheless, there are differences among the properties that may affect value. The Parkridge property is not a walkout basement, has lower quality basement finish, and a lower construction grade than the subject. These attributes have a lower construction cost than Rasmussen’s basement finish and construction quality. Although the NE Trilien property is a walkout like the subject, it has a slightly inferior construction quality (3-10) and lesser quality basement finish. This property is the most similar of any of Rasmussen’s comparables and there is no material difference

between the properties' assessments on a per-square-foot basis. In the end, merely comparing assessments does not substantiate his equity claim.

Two of the properties listed by Rasmussen were recent sales, as noted in the following chart.

Equity Analysis	Date of Sale	Sale Price	2015 AV	Sales/ Assessment Ratio
Subject			\$282,500	
711 NE 46th Ct	Oct 2014	\$250,000	\$257,900	103.16%
2509 NW Maple	May 2014	\$259,900	\$247,700	95.30%
Average				99.23%

Comparing the properties' assessments and sale prices produces an assessment/sales ratio. When property values and assessments are closely aligned, a ratio approaching 100% is achieved.

The Board of Review reports that neither of the sale properties Rasmussen identified is in close proximity to the subject property and the location difference contributes to the value differences. (Ex. A). Additionally, the sale prices are unadjusted to account for differences between those properties and the subject property. For example, neither of the sale properties have basement finish. Most importantly, no evidence of the fair market value of the subject property was provided, such as an appraisal, recent sale, or comprehensive market analysis, to complete the ratio for Rasmussen's property. Therefore, we give this evidence no consideration.

The Board of Review supplied the following equity comparables. These properties are more similar to the subject in terms of location than Rasmussen's comparables. Aside from its larger lot, 3803 NE Rio is nearly identical to the subject and supports the subject's assessment.

Address	TSFLA	Garage	Base/Fin SF	2015 AV	AV PSF
Subject	2280	701	Full/485	\$282,500	\$123.90
3807 NE Rio	2428	703	Full/0	\$305,400	\$125.78
3907 NE Rio	2310	698	Full/0	\$282,900	\$122.47
3803 NE Rio	2229	702	Full/761	\$315,800	\$141.68
3818 NE Rio	2418	705	Full/0	\$292,500	\$120.97
4007 NE Rio	2396	682	Full/896	\$297,100	\$124.00

The Board of Review submitted information on five sales and reports four of them are in close proximity to the subject. (Exhibit C).

Equity Analysis	Date of Sale	Sale Price	2015 AV	Sales/ Assessment Ratio
Subject			\$282,500	
705 NE 40th	July 2014	\$307,000	\$327,000	106.51%
3802 NE Briarwood	June 2014	\$269,000	\$263,400	97.92%
710 NE 40th	Nov 2013	\$303,000	\$329,700	108.81%
702 NE 40th	June 2014	\$297,000	\$304,800	102.63%
2108 NE Northbrook	Aug 2014	\$294,050	\$271,300	92.23%
Median				102.63%
Average				101.62%

The sales show that similarly situated properties are generally assessed at or above their most recent sale price. Again, there is no evidence of the subject's actual value for comparison purposes.

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. § 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.

Rasmussen offered seven properties he considered comparable for an equity analysis. The most comparable of these properties (4203 NE Trilein) does not support Rasmussen's equity claim. We found the Board of Review's comparables more similar in location to the subject than Rasmussen's comparables. Of these, 3803 NE Rio is nearly identical to the subject and belies Rasmussen's claim that his property is

inequitably assessed. Because of the lack of evidence of the subject's actual value, an assessment/sales ratio analysis could not be fully developed to complete an equity analysis.

Rasmussen did not assert the Assessor failed to uniformly apply an assessing method to similarly situated or comparable properties. For these reasons, Rasmussen failed to show his property is inequitably assessed as compared to like properties.

Order

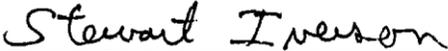
IT IS THEREFORE ORDERED that the Polk County Board of Review's action is affirmed.

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.

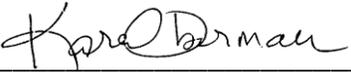
Dated this 13th day of January, 2016.



Jacqueline Rypma, Presiding Officer



Stewart Iverson, Board Chair



Karen Oberman, Board Member

Copies to:
Jeremy Rasmussen
Christina Gonzalez