

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

PAAB Docket No. 2016-090-00263R

Parcel No. 003231320648010

William and Debora Larkin,

Appellants,

vs.

Wapello County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on December 15, 2016. Debora Larkin represented herself and William Larkin. County Attorney Gary Oldenburger represented the Board of Review.

The Larkins own a residential, log built home located at 19260 Whiskey Ridge, Ottumwa. The property's January 1, 2016 assessment was \$174,020, allocated as \$22,740 in land value and \$151,280 to improvement value. This was a change in value from the previous assessment year. The Larkins' protest to the Board of Review claimed the property is 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. The Larkins then appealed to PAAB.

Applicable 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).

Findings of Fact

The subject is a log home built in 1996. Debora Larkin testified the second level of her home consists of half of a loft with an unfinished half bath, and the electrical is unfinished throughout the home. (Ex. 4). Larkin stated she does not believe anyone from the Assessor's Office has ever been in her house. She did acknowledge she has had to cancel inspection appointments that she set up in the past with the Assessor's Office due to illness.

The parties submitted an appraisal completed by Kraig Van Hulzen of Oskaloosa. (Exs. 1 & B). Van Hulzen completed an exterior-only inspection and developed the sales comparison approach and cost approach to value, giving both approaches consideration in his final opinion of value. In his sales comparison approach, Van Hulzen relied on three sales; after adjustments he arrived at a value of \$175,000. His cost approach concluded a value of \$159,503. Reconciling these approaches, Van Hulzen concluded an opinion of market value as of January 1, 2016, of \$170,000. (Ex. B).

Larkin was critical of Van Hulzen’s comparables. She was unable to find any information on Sale 1 – 2130 Highway 16 and believes it was just a land sale. However, we note the appraisal indicates there is a thirteen-year old home on the property. Larkin was also critical of Sale 2 – 45 Brookwood Court. She acknowledged this property is a log home like hers, but contends it is of much higher quality than her’s. Lastly, she asserts Sale 3 – 2172 Albia Road is located on a paved road compared to her inferior gravel road location and it is in a different school district. Therefore, she believes they are taxed differently and therefore not comparable.

Larkin submitted two properties she believes are better comparables. (Exs. 6-7). The following table is a summary of those properties.

| | Classification | Site Size | Year Built | GLA | Sale Date | Sale Price | 2016 Assessed Value |
|--------------------|----------------|-----------|------------|------|-----------|------------|---------------------|
| 5292 200th Ave | Agricultural | 17.5 | 1978 | 1632 | May-15 | \$150,000 | \$146,460 |
| 17489 Blackhawk Rd | Residential | 3.5 | 1984 | 2340 | N/A | N/A | \$150,790 |

Larkin asserts the property at 5292 200th Avenue is the most like her property, although it has an outbuilding. The property on Blackhawk Road is an earth-berm home, but located nearby. Only the property on 200th Avenue recently sold, but it was not adjusted for differences and an opinion of market value was not developed.

Because Larkin believes her property is listed incorrectly, PAAB requested both parties commit to an interior inspection of the subject property. After the inspection, the Board of Review submitted a modified property record card for the subject property.

(Ex. C). During the inspection, listing errors were discovered and corrected, resulting in a modification of the assessed value.

The following table summarizes some of the changes in the listing of the property as a result of the inspection. (Exs. A & C).

| | Style | Exterior | GLA | Fireplace | Bath |
|---------------------|---------------|----------|------|----------------|------|
| Original PRC - Ex A | 1.5 Sty | Pine-Log | 1836 | PreFab 1.5 Sty | 2.75 |
| Updated PRC - Ex C | 1 Sty w/Attic | Oak-Log | 1458 | Freestanding | 1 |

After correcting the listing of the improvements, the assessment was modified to \$100,080, allocated as \$21,920 in land value and \$78,160 in dwelling value.

Analysis & Conclusions

Both Larkin and the Board of Review submitted the Van Hulzen appraisal. Ultimately, because the Assessor inspected the subject property at the request of PAAB and subsequently submitted a modified property record card and assessment, we do not find it necessary to analyze Van Hulzen's appraisal, which was based on an exterior-only inspection and the listing information from the original property record card.

Larkin submitted two comparable properties, however only one had recently sold but it was unadjusted for differences between it and the subject, and there was no opinion of market value presented.

We find the best evidence in the record is the updated property record card which modifies the 2016 assessment to \$100,080.

Order

PAAB ORDERS that the Wapello County Board of Review's action is modified and concludes the subject's fair assessment as of January 1, 2016, is \$100,080, allocated as \$21,920 in land value and \$78,160 in dwelling value.

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.

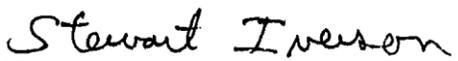
Any judicial action challenging this Order shall be filed in the district court where the property is located within 20 days of the date of this Order and comply with the requirements of Iowa Code sections 441.38; 441.38B, 441.39; and Chapter 17A.



Karen Oberman, Presiding Officer



Camille Valley, Board Member



Stewart Iverson, Board Chair

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