

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

PAAB Docket No. 2017-025-00377R

Parcel No. 12-36-429-005

Philip Akason,

Appellant,

vs.

Dallas County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on December 20, 2017. Philip Akason is self-represented. Dallas County Deputy Assessor Brian Arnold represented the Board of Review.

Philip and Ginger Akason own a residential property located at 2895 SE Belfry Drive, Waukee. The property's January 1, 2017 assessment was set at \$466,360, allocated as \$70,000 in land value and \$396,360 in dwelling value. (2017 Assessment Notice).

Akason petitioned the Board of Review claiming that the property was assessed for more than the value authorized by law under Iowa Code sections 441.37(1)(a)(1)(b). The Board of Review denied the petition. Akason appealed to PAAB.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2017). 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.* Conversely, sale prices of abnormal transactions not reflecting market value shall not be taken into account, or shall be adjusted to eliminate the factors that distort market value, including but not limited to foreclosure or other forced sales. *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).

Findings of Fact

The subject property is a two-story home built in 2003. It has 3345 square feet of gross living area; a walk-out basement with 1500 square feet of living-quarters-quality finish; an open porch; a screened-in porch; a deck; a patio; and a three-car attached garage. The site is 0.29 acres. (Ex. A).

Akason submitted an appraisal of his property completed by Timothy Hill of Hill Appraisal Service, Ankeny, Iowa. (Ex. 1). Hill completed the appraisal for refinancing purposes with an effective date of September 2016. Hill concluded an opinion of value

of \$446,000. Hill relied solely on the sales comparison approach and included three sales and two active listings in his analysis.

Arnold testified that Hill's appraisal concluded a value within 5% of the assessment, and therefore, the Board of Review believes it supports the assessment. Additionally, Arnold testified there were some concerns with the appraisal report, including the omission of nearby comparable sales.

The Board of Review submitted two additional sales and an active listing for consideration, which it believes Hill should have considered. (Ex. B-D). One property, located at 830 SE Brentwood Drive, sold in April 2016 for \$517,500 and is located very near the subject property. Relying on Hill's adjustments for consistency, the Board of Review adjusted this sale arriving at an adjusted value of \$488,175.

The other property, 2890 SE Belfry Drive, is located directly across the street from the subject property. According to Arnold, it was listed for sale for \$490,000 at the time of Hill's appraisal. It eventually sold in May 2017 for \$465,000. Arnold notes it had a lengthy marketing period, however after adjustments, it indicates a value of \$480,605. Akason testified this property had been on and off the market and had been listed for sale by owner after it had been listed by a broker.

Arnold also questioned Hill's adjustment for basement finish of \$10 per square foot. Arnold noted that this is a very low adjustment for a property of this size, location, and quality. The base cost associated with this finish in the assessment is \$26 per square foot. (Ex. A & C). Arnold asserts that had Hill made a more market reflective adjustment of closer to \$20 per square foot, his adjusted values would be higher and much closer to the 2017 assessed value. In fact, had Hill adjusted basement finish at a rate of \$20 per square foot, Comparable Sales 1-3 in his analysis would have had adjusted values of \$450,000; \$462,500; and \$451,800 respectively.

Analysis & Conclusions of Law

Akason asserts his property is over assessed.

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).

Akason submitted a recent appraisal of his property in support of his claim. (Ex. 1). The Hill appraisal relied on three recent sales and two active listings. The Board of Review was critical of Hill for omitting a comparable that sold in April 2016 for \$517,500. It also noted a more recent sale across the street from the subject believed to have been listed as of the effective date of Hill's appraisal and eventually sold in May 2017.

The Board of Review was also critical of Hill for applying a \$10 per square foot adjustment for basement finish, which it asserts is very low for a property of this size, quality, and location. PAAB agrees. Had Hill adjusted the basement finish at a higher rate, it would have resulted in adjusted values closer to the assessed value of the subject property.

The Board of Review relied on Hill's adjustments for consistency and by doing so also applied a basement finish adjustment of \$10 per square foot. Correcting the Board of Review's adjustments to \$20 per square foot results in its comparable sales having adjusted values of \$489,175 and \$485,705.

PAAB agrees with the Board of Review's observations that Hill's basement finish adjustments appear artificially low. After adjusting Hill's sales at \$20 per square foot for basement finish and considering the two nearby and recent sales submitted by the Board of Review, the comparable sales indicate an adjusted range of value from \$450,000 to roughly \$489,000. The subject property's assessed value of \$466,360 falls within this range and below the average.

Comparables	Adjusted Values
Hill Sale 1	\$450,000
Hill Sale 2	\$462,500
Hill Sale 3	\$451,800
BOR Sale 1	\$489,175
BOR Sale 2	\$485,705
Average (rounded)	\$468,000

Viewing the record as a whole, we find Akason failed to show the subject property is over assessed.

Order

PAAB HEREBY AFFIRMS the Dallas County Board of Review's action.

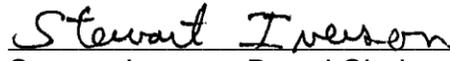
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2017).

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.

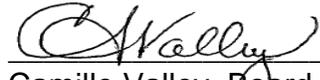
Any judicial action challenging this Order shall be filed in the district court where the property is located within 20 days of the date of this Order and comply with the requirements of Iowa Code sections 441.38; 441.38B, 441.39; and Chapter 17A.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Camille Valley, Board Member

Copies to:

Philip Akason by eFile

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