

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

PAAB Docket No. 2017-101-10217R

Parcel No. 14113-01014-00000

William Lint,

Appellant,

vs.

City of Cedar Rapids Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on December 18, 2017. William Lint was self-represented. Al Ehler, a residential appraiser with the City of Cedar Rapids Assessor's Office, represented the Board of Review.

William and Linda Lint own a residential property located at 205 35th Street Drive SE, Cedar Rapids. (Ex. N). The property's January 1, 2017 assessment was set at \$116,800, allocated as \$18,300 in land value and \$98,500 in dwelling value. (Certification).

Lint petitioned the Board of Review claiming the assessment was not equitable as compared to the assessments of other like property and that the property is assessed for more than the value authorized by law under Iowa Code sections 441.37(1)(a)(1)(a, b). The Board of Review reduced the dwelling value thereby modifying the total assessed value to \$112,900. (Ex. N). Lint then appealed to PAAB.

At hearing, Lint testified the only claim he was asserting was that the property was assessed for more than authorized by law.

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 one-and-one-half story home built in 1931. It has 1386 square feet of gross living area; a full, unfinished basement; a deck; an open porch; and

a 30-by-40-foot detached garage built in 1996. There is also a small shed and gazebo on the 0.298-acre site. (Ex. N).

Lint testified he purchased the property in late 2011 for \$70,000. At that time, it was assessed for \$130,629. (Ex. 1). He protested the 2012 assessment, and the value was reduced to \$75,000. According to Lint, in subsequent years the dwelling value was assessed in the mid-\$40,000 range until 2016. (Ex. 2). He noted the change from the 2015 dwelling value of \$44,500 to the 2016 dwelling value of \$97,700 represents nearly a 120% increase.

Lint noted he has done nothing to the property since purchasing it. He noted it has deferred maintenance including siding and soffits in need of repair, and the home is serviced by an antiquated heating system. Additionally, Lint explained the bedrooms and bath are all on the second floor, which he believes limits the home's marketability.

Lint submitted two appraisals to support his opinion that the subject property is over assessed. Jeremy Keller of Koestner, McGivern and Associates, Cedar Rapids, completed the first appraisal. Koestner opined a value of \$84,000 for the subject property, as of December 2011. (Ex. 3a-3d). (Ex. 3a-3d). Craig Gossard of Gossard Appraisal, Inc., Cedar Rapids, completed the second appraisal. Gossard valued the property for ad valorem purposes with an effective date of October 2017. (Ex. 5c). Although the effective date of Gossard's appraisal is after the assessment date, the properties he used as sales comparables sold in 2016. Gossard opined a market value of \$87,000. Because Gossard's appraisal is newer and closer the assessment date, PAAB does not find it necessary to analyze Keller's appraisal.

Gossard's five sales ranged in price from \$72,500 to \$102,000. He adjusted all of the comparable properties downward between \$2000 and roughly \$3200 for sales concessions. All of the comparables are listed in similar condition as the subject property, requiring no adjustment for this element of comparison. Gossard reports the subject property has had no updates in the last fifteen years and the mechanicals include an "old gas gravity furnace with asbestos on heat runs", as well as a "150 amp electrical service panel," which supports Lint's testimony. (Ex. 5c). Gossard also included pictures of the described mechanicals. (Ex. 5m). Gossard adjusted all of the

comparable properties downward between \$5000 and \$7000 to reflect the subject's older and inferior mechanicals. He also adjusted four of the comparables downward \$2500 to reflect their more desirable permanent siding compared to the subject's wood siding.

Ehler asserts the comparable sales in Gossard's appraisal, ranging from \$55.32 to 83.05 per square foot, bracket the subject's assessed value per square foot of \$81.45. He believes because these values bracket the subject property, they support the assessment.

The Board of Review also submitted four properties with 2016 sales between \$87,000 and \$133,000. The sales were adjusted for differences compared to the subject property and concluded a range in value from \$84,153 to \$150,644. (Ex. I).

The properties located at 224 31st Street Drive and 2721 2nd Avenue SE sold for \$123,900 and \$133,000. Additionally, they are listed in very good and above normal condition as compared to the subject property's normal condition.

The Board of Review's other two sales, 304 28th Street Drive SE and 22 34th Street Drive, were also used by Gossard in his appraisal. The Board of Review and Gossard arrived at similar net adjustments for the property at 304 28th Street Drive SE, with adjusted sale prices of \$84,153 and \$85,200 respectively. However, the Board of Review concluded an adjusted value of \$120,261 for the property at 222 34th Street Drive SE, whereas Gossard's adjusted value was \$94,100. Despite this property being listed in normal condition like the subject property, the Board of Review adjusted it upward approximately \$14,000. (Ex. I). Gossard considered this property to be in similar condition as the subject and did not adjust it for this factor.

Analysis & Conclusions of Law

Lint 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).

Lint submitted a recent appraisal of his property to support his claim. (Ex. 5a-5o). The Gossard appraisal relied on five recent sales of properties in similar condition as the subject property. Gossard adjusted the sales to reflect sale concessions, the older mechanicals in the subject property, as well as inferior siding. PAAB finds his conclusions to be credible and reliable.

The Board of Review asserts that because the subject's assessed value per square foot is within the range of Gossard's comparable sale prices per square foot, the subject's assessment is reasonable and fair. First, we note the Gossard's opinion of value of the subject property is \$62.77, which is also within the range of his comparable sales. While the value of a property on a per-square-foot basis may aid in overall analysis, here we find the most compelling evidence is the total value of the subject property, which Gossard concluded at \$87,000.

The Board of Review also submitted comparable sales; however, two of them have superior condition compared to the subject property. The remaining two were also considered by Gossard. The Board of Review appears to have made adjustments utilizing the cost manual. In this case, we do not find all of the adjustments to be reasonable or reflective of market reactions.

For the foregoing reasons, PAAB finds Gossard's appraisal is the most persuasive evidence in the record of the subject property's fair market value as of January 1, 2017, and we find the subject property is over assessed.

Order


PAAB HEREBY MODIFIES the City of Cedar Rapids Board of Review's action, and orders the subject property's January 1, 2017 total assessed value be set at \$87,000.

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

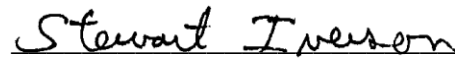
Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB

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

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City of Cedar Rapids Board of Review by eFile