

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

PAAB Docket No. 2018-078-10022R

Parcel No. 7742 24 451 003

**Vicki Martens,**

Appellant,

vs.

**Pottawattamie County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on December 3, 2018. Vicki Martens was self-represented. Pottawattamie County Attorney Leanne Gifford represented the Board of Review.

Martens is the owner of a residential property located at 407 5th Street, Neola. The property's January 1, 2018 assessment was set at \$238,900, allocated as \$28,300 in land value and \$210,600 in dwelling value. (Ex. A).

Martens petitioned the Board of Review contending her property's assessment was not equitable as compared with assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2018). The Board of Review denied the petition. (Exs. B-C).

Martens then appealed to PAAB claiming her property was assessed for more than authorized by law. § 441.37(1)(a)(2) (2018).

**General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2018). 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 may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Administrative Code Rule 701-71.126.2(2-4). PAAB 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(3)(a). 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. *Id.*; 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).

### **Findings of Fact**

For the 2018 assessment, the subject property was listed as a 0.517-acre site with a one-story home built in 1978. The home has 1528 square feet of gross living area, a full basement with 1000 square feet of average living-quarter-quality finish, a deck, a patio, and a 552-square-foot two-car attached garage. There is also a 720-square-foot detached garage on the site. The improvements were listed as above-normal condition with 12% physical depreciation. The depreciated cost of the improvements is listed as \$210,600. (Ex. A).

Martens testified that her assessment increased over 58% from 2017, which included an increase of over 71% on the dwelling alone. Excluding new construction, this was the second highest individual increase in Neola. (Ex. 5).

Martens' home abuts Mulberry Circle, a new housing development. In addition to the homes on Mulberry Circle being 30-35 years newer than the subject property, Mulberry Circle has covenants requiring amenities such as three-car garages and irrigated lawns, among other things, that her property does not possess. (Ex. 2). The following table summarizes seven homes on Mulberry Circle that sold between 2017 and 2018 compared to the subject property. (Exs. 2 & 5).

Address	Year Built	Gross Living Area	Condition	Sale Date	Sale Price	2018 Assessed Value
Subject	1978	1528	Above Normal			\$238,900
112 Mulberry Cr	2014	1247	Normal	Aug-18	\$210,000	
120 Mulberry Cr	2009	1654	Normal	May-18	\$290,000	
114 Mulberry Cr	2010	1666	Normal	Apr-18	\$264,000	
101 Mulberry Cr	2017	1844	Normal	Jan-18	\$300,023	
117 Mulberry Cr	2008	1489	Normal	Dec-17	\$265,000	\$257,600
102 Mulberry Cr	2009	1262	Very Good	Aug-17	\$236,500	\$227,500
104 Mulberry Cr	2010	1402	Normal	Mar-17	\$189,335	

These properties are generally similar in size and condition, but are all much newer than the subject property. With the exception of 104 Mulberry Circle, which is a split-level design, all of the sales are one-story homes like the subject. Martens submitted no other information about these properties.

Martens also submitted a table of sixteen other sales in Neola of properties that are more similar in age to hers, six of these sales occurred in 2017-2018. (Exs 3-4). The following table summarizes these sales.

Address	Year Built	Gross Living Area	Condition	Basement Finish	Sale Date	Sale Price	2018 Assessed Value
Subject	1978	1528	Above Normal	1000			\$238,900
307 5th St	1900	1507 <sup>1</sup>	Very Good	440	Aug-17	\$142,500	\$138,600
801 3rd St	1959	1238	Normal	None	Aug-17	\$180,000	\$175,100
510 5th St	1969	1320	Very Good	900	May-17	\$198,000	\$198,000
506 Avon St	1997	1676	Normal	None	May-17	\$195,000	\$194,600
802 3rd St	2005	1269	Normal	900	Sep-17	\$188,000	\$188,200
107 1st St	1960	1008	Above Normal	400	Sep-17	\$125,000	\$100,559

These sales are generally similar in size and condition, and while year built varies, most are older like the subject and were built within 20-25 years of it. The

<sup>1</sup> The Beacon summary sheet indicates this property has at least 1507 square feet. However there is a half story over a 440 square foot addition built in 2006 that does not appear to be included in this calculation. Additionally, this property has 336 square feet of living quarter quality finish over the attic.

Beacon sheets do not indicate if any of these sales have walk-out basements like the subject property.

307 5th Street is the oldest comparable with a year built of 1900. Martens reports this property as having 1507 square feet of finish, however this does not appear to include a half story over the 2006 addition, or a finished attic over the garage. Because there are sales more similar in age to the subject property and the actual size of the reported finished area is questionable, we decline to rely on this sale.

801 3rd Street has less gross living area and no basement finish. This sale has a large detached garage like the subject, but lacks an attached garage. Similarly, 506 Avon Street is smaller in size, lacks basement finish, and has less garage space compared to the subject.

Although it is a split level design and smaller in gross living area, 510 5th Street has basement finish and appears to be one of the most similar sales to the subject property. The property located at 506 Avon Street is a one-story home like the subject, with similar gross living area but it lacks any basement finish. Both the 5th Street and Avon Street sales have a detached garage, and a basement garage. While additional differences may exist between these sales and the subject property, it would suggest the subject property has a market value of no less than \$195,000 to \$198,000.

802 3rd Street is a condominium, and we do not find it comparable to the subject property.

107 1st Street is a one-story home like the subject, but, it is the smallest sale in record and there is no explanation for its significantly lower sale price and assessed value compared to homes in the record. For this reason, it appears to be an outlier and we remove it from consideration. Additionally, this property has only a single detached garage compared to the subject property that has a two-car attached and a two-car detached garage.

In preparation for the PAAB hearing, the Board of Review completed an interior inspection of Martens' property. It submitted Exhibit D, a revised listing for the property. The new listing reduces the home's size from 1528 to 1455 square feet. However, it suggests an increase in the amount of basement finish by 300 square feet with an

added walk-out feature; an increase the size of the attached garage from 522 to 601 square feet; adding a concrete patio; and changing the wood deck to a composite deck. Additionally, it would change the improvements from above-normal condition to very-good condition thereby reducing the amount of physical depreciation to 8%. These changes would result in an increased depreciated cost for the improvements of \$234,100; a \$23,500 increase over the 2018 assessed value. (Ex. D). The total assessment would be \$262,400. (Ex. D). The Board of Review did not offer any witnesses to explain the changes. While the majority of the suggested changes appear to be objective corrections of listing errors, the change in condition is subjective.

### **Analysis & Conclusions of Law**

Martens contends the subject 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)(2), 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).

Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). The taxpayer bears the burden of proof to show his property is assessed for more than authorized by law.

Martens offered a set of sales that she believes were used to value her property because of their proximity but she does not believe are comparable because of age and other amenities. She also offered a set of sales that she believes are more comparable to her home in age and appeal that have sold for substantially less than her property's assessed value. Of these properties, we find 510 5th Street and 506 Avon Street appear to be particularly comparable. While we recognize there may be additional differences between these properties and the subject we believe they suggest the subject property's assessment may be excessive. Here, although Martens offered recent sales in Neola, the properties are not adjusted to reflect the differences between them and her property, which would result in a reliable market value for her property as of January 1, 2018.

Typically, market value is demonstrated with a competent appraisal or a comparative market analysis, considering at minimum the sales comparison approach to value. In cases where a sales comparison approach cannot be completed, other approaches may be considered such as the cost approach and/or income approach.. Thus, she has failed to support her claim that the property is over assessed by demonstrating the subject property's actual value.

Because Martens' current assessment appears disparate from the sale prices of homes more similar in age, it may be in her interest to have a comparative market analysis or independent appraisal completed for the property prior to the next assessment cycle.

Based on the evidence, we find Martens has not shown the subject property is assessed for more than authorized by law.

### **Order**

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

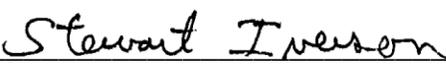
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

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 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2018).

  
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Karen Oberman, Presiding Officer

  
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Camille Valley, Board Member

  
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Stewart Iverson, Board Chair

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