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PAAB

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

PAAB Docket No. 2017-003-00027R

Parcel No. 1724356017

Ron Peiffer,

Appellant,

vs.

Allamakee County Board of Review,

Appellee.

Introduction

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on December 15, 2017. Ron Peiffer was self-represented. Allamakee County Assessor Ann Burckart represented the Board of Review.

Ron and Julie Peiffer own a residential property located at 139 S 1st Street, Harpers Ferry, Iowa. The property's January 1, 2017 assessment was set at $338,600, allocated as $57,600 in land value and $281,000 to improvement value. (Ex. 1).

Peiffer petitioned the Board of Review claiming the assessment was not equitable as compared to the assessments of other like property and the property was assessed for more than the value authorized by law under Iowa Code sections 441.37(1)(a)(1)(a, b). The Board of Review denied the petition.

Peiffer reasserts his claims 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 one-story home built in 2010. It has 1823 square feet of gross living area, a walkout basement with 1517 square feet of living-quarter-quality finish, two patios, a deck, and an oversized two-car attached garage. The site is 0.155 acres and has riverfront on the Mississippi River. (Ex. A).

Peiffer testified that his property assessment increased at a higher percentage than other similar properties on the river in Harpers Ferry. He believes the assessed site value is reasonable, but contends the dwelling is assessed too high.

Peiffer compared his property to several properties in support of his opinion. He submitted the property record cards for Comparables 1-4, and 8. (Exs. 2, 3a-b, 7-8, 13a-b). He also submitted aerial maps of Harpers Ferry. (Exs. 4a-c). The following tables summarize his analysis; however, we have corrected the 2016-2017 Percentage Change column as Peiffer had incorrectly calculated it.

TABLE 1 – 2016-2017 change in dwelling assessments (Ex. 5)

Address	2016 Dwelling Assessment	2017 Dwelling Assessment	Value Change	Percentage Change
Subject	$252,400	$281,000	$28,600	11.33%
1 - 317 N 1st	$224,200	$238,300	$14,100	6.29%
2 - 519 Sandy Point Rd	$226,900	$241,600	$14,700	6.48%
3 - 505 Sandy Point Rd	$222,800	$237,400	$14,600	6.55%
4 - 229 S 1st	$288,900	$307,900	$19,000	6.58%
5 - 829 N 1st	$232,200	$245,700	$13,500	5.81%
6 - 535 Sandy Point Rd	$177,300	$187,700	$10,400	5.87%
7 - 531 Sandy Point Rd	$103,800	$108,000	$4,200	4.05%
8 - 501 Sandy Point Rd	$133,400	$137,300	$3,900	2.92%
9 - 435 Sandy Point Rd	$73,300	$76,400	$3,100	4.23%
10 - 333 Sandy Point Rd	$131,600	$126,500	($5,100)	-3.88%
11 - 323 Sandy Point Rd	$129,700	$122,400	($7,300)	-5.63%
12 - 307 Sandy Point Rd	$149,800	$136,700	($13,100)	-8.74%
13 - 445 N 1st	$166,400	$156,600	($9,800)	-5.89%
14 - 503 N 1st	$80,900	$78,700	($2,200)	-2.72%
15 - 615 N 1st	$256,900	$239,800	($17,100)	-6.66%
16 - 621 N 1st	$206,900	$196,600	($10,300)	-4.98%
17 - 631 N 1st	$90,500	$84,500	($6,000)	-6.63%
18 - 715 N 1st	$133,300	$138,100	$4,800	3.60%

Peiffer testified his dwelling increased $28,600, over 10%, from the previous year, whereas numerous other properties either saw decreases in their assessed values or a maximum increase of approximately 6%. The subject property's assessed dwelling value increased roughly $10,000 to $40,000 more than all of the properties he listed.

Peiffer further asserts there is a long-term trend of his dwelling increasing at a higher rate than other properties as evidenced when comparing 2011 dwelling values to 2017 values. (Ex. 6). However, Peiffer acknowledged some of these properties underwent improvements during this time period. Moreover, Burckart testified that the 2011 assessment of the subject property reflected a partial assessment, and the property was not assessed as completely constructed until 2012 following an inspection. Notes detailing the 2012 inspection are on the property record card. (Ex. 1, p. 5). For these reasons, we find it irrelevant to compare the increases in assessments over a six-year period. Additionally, similar to Peiffer's previous analysis, his change calculations were incorrect.

Nevertheless, the table below, which corrects Peiffer's calculations, actually shows his property's change in assessed value from 2012 to 2017 was second lowest of the properties he highlighted.

TABLE 2 – 2011-2017 change in dwelling assessments (Ex. 6)

Address	2012 Dwelling Assessment[1]	2017 Dwelling Assessment	2011-2017 Change
Subject	$230,100	$281,000	22.12%
1 - 317 N 1st	$160,000	$238,300	48.94%
2 - 519 Sandy Point Rd	$202,000	$241,600	19.60%
3 - 505 Sandy Point Rd	$193,500	$237,400	22.69%
4 - 229 S 1st	$233,500	$307,900	31.86%
5 - 829 N 1st	$170,200	$245,700	44.36%

Additionally, Peiffer submitted two appraisals of his property that were submitted in a previous appeal to PAAB . (Exs. 12 & 14). Both of the appraisals have effective dates of January 2013, which offer limited usefulness in establishing the market value as of January 1, 2017.

Peiffer was also critical of how his property's plumbing fixtures are assessed as compared to other properties. He believes he is being charged for more plumbing

[1] Peiffer attempted to compare the 2011 assessments to 2017; however, the 2011 assessment of his dwelling was only a partial assessment and the 2012 value was as complete.

fixtures than other properties with the same number of bathrooms. The Board of Review submitted a side-by-side comparison of these properties components in relation to his, in an effort to provide clarification on the individual assessments. (Ex. B). While bathroom counts are listed on an assessment, the assessed value is based on the number of plumbing fixtures, not the bathroom count. For example, a full bath may include a tub/shower, toilet, and a sink – or three fixtures; whereas, a comparable property may have a full bath that includes a tub/shower, toilet, and *two* sinks – or four fixtures. While both properties are listed as having one full bath, the first property is assessed for three fixtures compared to the other being assessed for four fixtures. When viewing the assessment by bath count, rather than plumbing fixture count, it is understandable there is a perceived discrepancy.

Burckart explained that Harpers Ferry was reassessed in 2013 and again in 2017. The revaluation was based in part on recent sales. (Exs. C, D). She notes that of eighteen 2016 sales, the median assessment to sales ratio was 83.86. A ratio less than 1.00 indicates properties are assessed for less than their market value. Of the eighteen sales, only one sold for more than its assessed value. Burckart explained that after that property was purchased, the improvements were razed and the site is now vacant.

The Board of Review also submitted all 2015 and 2016 sales in Harpers Ferry that are considered normal transactions by the Department of Revenue. (Ex. E). Burckart explained this information was reviewed prior to adjusting values in Harper Ferry. She noted that when condominium sales are included in the analysis, the common elements associated with the development are included in the assessments. Based on these sales, she notes that only three sales were assessed higher than their market values, the remaining are all under assessed.

Analysis & Conclusions of Law

Peiffer asserts his property is both inequitably assessed and over assessed.

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). Although Peiffer questions how his bathrooms/plumbing fixtures are being assessed as compared to other properties, there is no evidence demonstrating the Assessor is applying an assessing method in a non-uniform manner. The plumbing fixtures are individually identified regardless of bathroom count, and valued on this basis. If Peiffer believes there is a listing error in the number of plumbing fixtures being assessed on his property, it may be beneficial for him to request the Assessor's Office inspect the property to verify the accuracy of the listing.

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*. Because the *Maxwell* test requires a showing of the subject property's actual market value, and Peiffer's over assessment claim requires the same showing, we forgo a further equity analysis and turn to his over assessment claim.

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).

Peiffer submitted multiple properties he believes show his property is over assessed. None of these properties have recently sold. It is not sufficient to simply compare assessments to succeed in an over assessment claim, or for an inequity claim

for that matter. An over assessment claim is most often supported with a competent professional appraisal or comparable sales adjusted for differences between them and the subject property.

Although Peiffer submitted two appraisals, both had effective dates of January 2013, PAAB does not find them reliable indicators of the January 1, 2017 market value. The record includes multiple 2015-2016 sales. Though it is unclear which, if any of these properties are comparable to the subject, it does support our conclusion that the 2013 appraisals may no longer be reliable because market conditions may have changed.

Viewing the record as a whole, we find Peiffer failed to show the subject property is assessed inequitably or that it is over assessed.

Order

PAAB HEREBY AFFIRMS the Allamakee 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

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