

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

PAAB Docket No. 2018-082-00011R

Parcel No. 842705704

Christopher Barnes,

Appellant,

vs.

Scott County Board of Review,

Appellee.

Introduction

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on November 19, 2018. Christopher Barnes was self-represented. Assistant County Attorney Robert Cusack represented the Scott County Board of Review.

Barnes owns a residential property located at 3818 Brookwood Lane, Bettendorf, Iowa. The January 1, 2018 assessment was set at \$351,940, allocated as \$48,960 in land value and \$280,170 in dwelling value. (Ex. A).

Barnes petitioned the Board of Review contending the subject property was not equitable as compared with the assessments of other like property under Iowa Code section 441.37(1)(a)(1). The Board of Review denied the petition. Barnes then reasserted his claim to PAAB.

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) properly raised by the appellant following the provisions of section 441.37A(1)(b) and

Iowa Admin. 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

The subject property is a 0.298-acre site with a two-story home built in 1993. The home has 2658 square feet of gross living area (GLA), 710 square feet rec-room quality basement finish, two fireplaces, a deck, patio, and a three-car attached garage. It is listed as good quality construction (grade 3+10) and in above-normal condition. The site received a 20% downward adjustment for topography due to no walkout and no woods, and 10% downward adjustment for excess land. (Ex. A).

Barnes testified that the subject property assessment averaged an increase of about \$30,000 each year since 2016. Barnes acknowledged that the 2017 increase might have been due to a 2016 citywide reassessment, which he did not appeal.

He next referenced a May 17, 2018 note on the subject's property record card stating, "[p]roperty increase was due to condition change because owner put new siding and roof on in 2017. We recommend no change." Barnes acknowledged new siding and a new roof were installed in 2017, but he did not consider the repairs from hail damage to be improvements. He noted his assessment increased regardless of what he perceived as the Board of Review's recommendation for no change to occur. Josie Havercamp, with the Scott County Assessor's Office, testified that her Office had increased the subject's assessed value prior to the Board of Review's consideration, and clarified that the property record card note was referencing the Assessor's

recommendation to the Board of Review. Havercamp’s testimony is consistent with a note on the property record card dated December 1, 2017 that states, “new siding and roof, original windows, changed condition from ‘N’ to ‘AN’.” We believe this indicates the condition was changed from normal to above-normal.

Barnes argued his home would not sell anywhere near its assessed value based on market conditions. In support of his inequity claim, he offered five comparable properties that he believed recently sold in his neighborhood. He believes they are of similar age, style and lot size as the subject property, but noted he was only able to find one with an attached three-car garage like his (Ex. 3).

The following table summarizes the sales. (Exs. 1-5).

Comp	Address	Acres	GLA	Assessed Value	Sale Date	Sale Price
Subject	3818 Brookwood	0.30	2658	\$ 351,940	NA	NA
1	1510 Whitetail Dr	0.31	2916	\$ 315,380	May-18	\$ 318,000
2	3919 Deertail Dr	0.34	2899	\$ 300,350	Aug-18	\$ 318,000
3	3768 Deerbrook	0.39	2130	\$ 308,090	NA	NA
4	3911 Treeline Dr	0.33	2418	\$ 311,540	NA	NA
5	3625 Deer Springs	0.25	2812	\$ 310,730	Sep-18	\$ 320,500

Comparable 1 appears most similar to the subject property, although it is slightly larger in size and has more rec-room quality basement finish. Comparable 2 is also larger but lacks basement finish. Comparables 3 and 4 are smaller than the subject property but have higher quality basement finish, albeit less square feet of finish. Comparable 5 has less basement finish than the subject. The listed grade and condition of the properties is unknown, which may contribute to the variation in assessed values.

Comparables 3 and 4 have not recently sold. On his appeal form, Barnes noted Comparable 3 was listed for sale in May 2018 for \$325,000. Barnes’ remaining three sales occurred well-past the January 1, 2018 assessment date.

Barnes acknowledged he did not give the Assessor’s staff permission to conduct an interior inspection in 2018, feeling it redundant given an interior inspection had just occurred in 2016.

Havercamp explained that the assessed value of the subject property was increased due to the replacement of its siding and roof. Havercamp testified that the condition of Barnes' home subsequently changed from normal to above-normal, which in turn changes the amount of depreciation given to a property. She noted there is a local assessing procedure in the Scott County Assessor's Office that calls for increasing the condition of a property one level if two of the three major components of a home's exterior (roof, windows, & siding) are replaced. She noted they assume the interior is improved equally to the exterior improvements. Havercamp testified that if an interior inspection is permitted it may reveal the increase in value is unwarranted.

Analysis & Conclusions of Law

Barnes contends the subject property is inequitably assessed compared to other similar properties in the area under section 441.37(1)(a)(1)(a).

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). Here, we find Barnes failed to demonstrate the Assessor applied an assessing method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like properties using criteria set forth in *Maxwell v. Shivers*, 257 Iowa 575, 133 N.W.2d 709, 711 (Iowa 1965). The *Maxwell* test provides inequity exists when, after considering the actual and assessed (2018) values of similar properties, the subject property is assessed at a higher proportion of its actual value. *Id.*

First, it is insufficient to simply compare the subject property's assessed value to the assessments of other properties or to compare the rate of change in assessments among properties.

Barnes offered five properties in support of his claim. However, the record indicates Comparables 3 and 4 did not recently sell, and Barnes' remaining three sales occurred well past the January 1, 2018 assessment date. Further, the *Maxwell* equity analysis cannot be completed as an assessment to sale price ratio cannot be developed

for the subject property either. The subject property did not recently sell, nor did Barnes offer evidence of its market value. This is typically demonstrated with a competent appraisal or comparative market analysis, considering at minimum the sales comparison approach. A ratio for similar property as well as the subject property is required in order to determine if the subject is assessed at a higher proportion of its actual value than other sale properties.

Viewing the record as a whole, we find Barnes failed to demonstrate his property is inequitably assessed.

The crux of this dispute revolves around the Assessor's determination to change the condition rating of Barnes' property, thereby increasing the assessment. Havercamp testified the property's condition rating was changed for 2018 because Barnes replaced the subject's roof and siding. She noted the Assessor's Office assumes the interior improvements are consistent with the exterior improvements. We recognize replacing a roof and siding may tend to enhance a property's value by extending the useful life of those elements. Yet, we question the reasonableness of assuming the replacement of roof and siding warrants changing the condition rating of the entire property. This is especially true when an area suffers hail damage causing property owners to undertake exterior repair and replacement of damaged materials.

Nonetheless, Barnes bears the burden of proof and has not provided sufficient evidence to demonstrate inequity in the assessment. Barnes may want to contact the Assessor's Office to schedule an interior inspection as soon as possible so it can be verified whether the subject property is properly listed and assessed for the next assessment year. Additionally, because Barnes offered three 2018 sales that appear to be reasonably similar to his property and suggest his property may be over assessed¹, it may be prudent for the Assessor's Office to review the sales prior to setting the 2019 assessment.

¹ Barnes did not raise a claim that his property is assessed for more than authorized by law under Iowa Code section 441.37(1)(a)(2) to PAAB.

Order

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

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2018). 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).



Camille Valley, Presiding Officer



Karen Oberman, Board Member

Copies to:

Chris Barnes by eFile

Scott County Board of Review by eFile