

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

PAAB Docket No. 2019-080-10021R

Parcel No. PP011579

**Matthew Barr,**

Appellant,

vs.

**Ringgold County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on September 26, 2019. Matthew Barr is self-represented and asked that the appeal proceed without a hearing. Ringgold County Attorney Clinton Spurrier represented the Board of Review.

Matthew and Dawn Barr own a residential property located at 1307 Eden Road, Ellston. Its January 1, 2019 assessment was set at \$379,288, allocated as \$228,084 to land value and \$151,204 to improvements. (Ex. C).

Barr petitioned the Board of Review indicating his assessment was not equitable as compared with assessments of other like properties and that there was an error in the assessment. Iowa Code § 441.37(1)(a)(1 & 4). The Board of Review granted the petition and lowered the assessment to \$365,569. (Ex. B).

Barr then appealed to PAAB again asserting inequity and also making the claim of fraud or misconduct in the assessment. We believe he is also asserting that his assessment is for more than authorized by law. § 441.37(1)(a)(1, 2 & 5).

## **General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2019). 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 Admin. Code Rule 701–126.2(2-4). 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, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

## **Findings of Fact**

The subject property is listed as a one-story home built in 1977 on Sun Valley Lake. It has 1290 square feet of main living area and 324 square feet of attic finished area for a total of 1614 gross living area. The subject does not have a basement. Other features include a deck, a 720 square foot detached garage built in 1986, and a 576 square foot detached garage built in 1988. The improvements are listed in normal condition with a 4+05 Grade (average quality). The site is 0.628 acres and is indicated as having 148.03 effective front feet on the lake. A 5% downward topography adjustment is made to the site. Barr purchased the property in August 2016 for \$300,500. (Ex. A).

Barr filled out the portion of the appeal reserved for a claim of fraud or misconduct. Barr asserts misconduct because assessments of Sun Valley Lake properties increased at a higher rate than other properties in the county. He states that Sun Valley Lake properties have been raised 30-37% and the rest of the county less than 10%. He believes all properties in the county should have similar increases.

The Board of Review responded to his concerns and explained it had noted a widening gap between the assessed values and sale prices in the county; especially for property within the Sun Valley Lake development. (Ex. I). With the addition of new software from Vanguard Appraisals, the county has been able to complete additional analysis of property values. After the analysis they made changes to their construction cost factor, depreciation schedule, and map area or location factors.

The software and analysis also showed the greatest disparity in assessed values to sale prices was in the Sun Valley Lake area and particularly for lake front properties. To more accurately value lake front property, land values were changed to a front foot basis. The Board of Review stated this resulted in greater changes to the assessments of lake front property, but also more accurately reflected market values. (Ex. I).

Barr submitted six comparable properties to PAAB, which are summarized in the following table. (Exs. 1-6, F, & G).

<b>Comparable</b>	<b>Gross Living Area (SF)</b>	<b>Sale Date</b>	<b>Effective Front Feet (EFF)</b>	<b>2019 Assessed Value (AV)</b>	<b>2018 Sale Price (SP)</b>	<b>AV/SP Ratio</b>
<b>Subject</b>	<b>1614</b>	<b>NA</b>	<b>148.03</b>	<b>\$365,569</b>	<b>NA</b>	
1 – 1306 Walters Ave	1344	Jul-18	119.32	\$336,651	\$350,000	0.96
2 – 1313 Eden Cir	1040	Aug-17	94.17	\$293,224	\$289,500*	NA
3 – 1256 Wood Ridge	936	Sep-18	95.40	\$307,099	\$285,000	1.07
4 – 3147 Hickory Dr	728	Aug-18	74.83 <sup>1</sup>	\$233,591	\$230,000	1.01
5 – 1233 Stagecoach Rd	918	Sep-18	126.88	\$227,927	\$212,500	1.07
6 – 3342 Indian Point Dr	960	Aug-18	114.15	\$387,191	\$387,500	0.99

All of the properties have less gross living area, and all except Comparable 2 have finished basements. The subject property has the greatest amount of effective front feet. Comparable 1, 3, and 4 have no garages while the subject has two detached garages. Importantly, Comparable 5 is not located on the lake. (Exs. F and G). No adjustments were made to these properties for differences between them and the subject.

Five of the comparables sold in 2018 and could be considered to establish an assessment-to-sale-price ratio. 1313 Eden Circle was a 2017 sale and therefore not included in a ratio analysis. The ratios range between 0.96 and 1.07; with an average of

<sup>1</sup> Comparable 4 has a secondary EFF listed at 79.89'

1.02, and a median of 1.01. A ratio less than 1.00 suggests properties are assessed for less than their market value, whereas ratios greater than 1.00, suggest properties are assessed for more than their market value. Here, Barr's 2018 sale ratios indicate assessments are at or slightly above market value.

The Board of Review also submitted eight comparable properties. (Exs. F & G).

Comparable	Gross Living Area (SF)	Sale Date	Effective Front Feet (EFF)	2019 Assessed Value (AV)	Sale Price (SP)
<b>Subject</b>	<b>1614</b>	<b>NA</b>	<b>148.03</b>	<b>\$365,569</b>	<b>NA</b>
1 – 1275 Bee Tree Ln	1870	NA	113.00	\$391,591	NA
2 – 1294 Bee Tree Ln	1488	NA	94.68	\$379,053	NA
3 – 1310 Eden Cir	1218	Sep-17	117.14	\$335,578	\$289,500
4 – 1322 Lakeview Dr	1392	Aug-16	95.59	\$351,741	\$370,000
5 – 1342 Cherri Ln	1456	NA	196.56	\$529,661	NA
6 - 3147 Eden Rd	1530	Feb-18	90.65	\$429,289	\$430,000
7 – 3174 Indian Point Dr	1400	Aug-17	98.94	\$349,316	\$379,000
8 – 3230 Hummingbird Ln	1831	NA	78.20	\$312,314	NA

Comparable 6 is the only property submitted by the Board of Review that had a 2018 sale and is therefore the only comparable for which an assessed-value-to-sale-price ratio can be calculated.<sup>2</sup> This sale has a ratio of 1.00 which indicates the assessment is at market value.

The four sales submitted were not adjusted for differences to the subject property and no indicated value was asserted by the Board of Review after submitting these comparables.

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

Barr contends there is fraud or misconduct in his assessment, that the assessment is not equitable as compared with assessments of other like property, and that the assessment is for more than authorized by law under Iowa Code section 441.37(1)(a)(1, 2 & 5).

Barr asserts there is fraud or misconduct in his assessment, contending that property located in the Sun Valley Lake development is being treated unfairly. Fraud is defined as “[a] knowing misrepresentation or knowing concealment of a material fact made to induce another to act to his or her detriment.” *Black’s Law Dictionary* (10th ed.

<sup>2</sup> An AV/SP Ratio is (2019 AV/2018 SP).

2014). Misconduct is defined in section 441.9 and “includes but is not limited to knowingly engaging in assessment methods, practices, or conduct that contravene any applicable law, administrative rule, or order of any court or other government authority.” §§ 441.9; 441.37(1)(a)(5).

We find Barr did not submit any evidence demonstrating fraud or misconduct in the assessment. Additionally, we find his argument is more akin to a claim of inequity.

To prove inequity, a taxpayer may show 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). Barr contends properties within the Sun Valley Lake development are being unfairly treated as compared to properties in the county at-large. We are not convinced that properties which do not have frontage on Sun Valley Lake could be considered similarly situated to Sun Valley lakefront property. Based on information in the record, any difference in treatment between Sun Valley lakefront properties and other properties in the county is a reflection of the market and not any non-uniform assessment methodology. Here, we find no evidence of the Assessor applying an assessment method in a non-uniform manner to similarly situated properties.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides that inequity exists when, after considering the actual values (2018 sales) and assessed values (2019 assessments) of comparable properties, the subject property is assessed at a higher portion of its actual value. The record includes five 2018 comparable sales with ratios between 0.96 and 1.07. These recent sales indicate the assessments of these properties are at, or slightly above market value. Although Barr has demonstrated assessed-value-to-sale-price ratios for some comparables, he must also show the subject property’s actual value to complete the ratio analysis. Because a showing of the subject’s actual value is also required in an over assessment claim, we will forego further analysis of inequity and turn our focus to that 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)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted).

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.* The sales comparison method is the preferred method for valuing property under Iowa law. *Compiano*, 771 N.W.2d at 398; *Soifer*, 759 N.W.2d at 779; *Heritage Cablevision v. Bd. of Review of Mason City*, 457 N.W.2d 594, 597 (Iowa 1990).

The first step in this process is determining if comparable sales exist. *Soifer*, 759 N.W. 2d at 783. "Whether other property is sufficiently similar and its sale sufficiently normal to be considered on the question of value is left to the sound discretion of the trial court." *Id.* at 782 (citing *Bartlett & Co. Grain Co. v. Bd. of Review of Sioux City*, 253 N.W.2d 86,88 (Iowa 1977)).

Barr submitted six sales he believed to be comparable and he contends demonstrate his property is over assessed. Five of the sales have basements that are finished and the subject does not have a basement. All of the sales have less gross living area than the subject property. The subject also has the largest effective front footage of lake front shoreline. We also noted other dissimilarities between the subject and comparables in our findings. Without adjustments for differences, we do not find the sales to be sufficiently similar to the subject property to provide a reliable estimate of the subject's fair market value. Therefore, we find Barr has not provided sufficient evidence of the subject's actual fair market value to support his inequity and over assessment claims.

Viewing the record as a whole, we find Barr has not shown his property is inequitably assessed or assessed for more than the value authorized by law.

## **Order**

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

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

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.



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Dennis Loll, Board Member



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Karen Oberman, Board Member



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Elizabeth Goodman, Board Member

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Ringgold County Board of Review by eFile