

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

PAAB Docket No. 2019-057-10001R

Parcel No. 12363-03001-00000

Andrew H. Baumhauer, II,

Appellant,

vs.

Linn County Board of Review,

Appellee.

Introduction

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on September 26, 2019. Andrew Baumhauer is self-represented and asked the appeal proceed without a hearing. Linn County Assessor Jerry Witt represented the Board of Review.

Andrew and Jacquelyn Baumhauer own a residential property located at 4600 Leprechaun Lane, Cedar Rapids. Its January 1, 2019, assessment was set at \$419,500, allocated as \$65,000 to land value and \$354,500 to improvements. (Ex. A).

Baumhauer petitioned the Board of Review contending the assessment was not equitable as compared with the assessments of other like properties. Iowa Code § 441.37(1)(a)(1) (2019). However, the evidence he submitted to the Board of Review included addresses of properties that recently sold for less than his assessment, which would be consistent with a claim asserting that his property is assessed for more than authorized by law. § 441.37(1)(a)(2). The Board of Review denied the petition.

Baumhauer then appealed to PAAB. Baumhauer's statement on his appeal was similar to his Board of Review protest; therefore, we will only consider the claim that the property is 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. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 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. *Id.* 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, 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 a one-and-a-half story home built in 1986. It has 3279 square feet of gross living area, an unfinished basement, a porch, a deck, and two attached garages. The improvements are listed in normal condition with a 2+05 Grade (high quality). There is also a gazebo built in 1995. The site is 1.00 acre. (Ex. A).

In his appeal to PAAB Baumhauer did not submit any additional evidence but asserts the correct value of his property should be \$375,000. Baumhauer listed five comparable properties on his petition to the Board of Review, which are summarized in the following table. (Exs. C, F, & H).

Comparable	Gross Living Area (SF)	Sale Date	Sale Price	SP/SF
Subject	3279	NA	NA	NA
1 – 7477 Macon Dr	3289	May-18	\$357,000	\$108.54
2 -7205 Bettsey Ct	2542	Oct-18	\$360,000	\$141.62
3 - 4551/4561 Doe Run	2209 & 907	Sept- 19	\$395,000	\$126.77 ¹
4 - 4600 Deer View Rd	2973	June-18	\$395,000	\$132.86
5 - 2610 Grey Wolf	2934	April-18	\$305,000	\$103.95

All of the properties are two-story homes, built between 1978 and 1994. All but one of the properties have less gross living area than the subject; however, all have basement finish. A notable difference in the properties is that all except Comparable 4 have lower grades, indicating they are inferior in quality compared to the subject. This grade difference would contribute to a variation in their assessments. Baumhauer did not adjust these comparables for the differences between them and the subject to arrive at an opinion of market value for his property based on these sales.

The Board of Review, however, did adjust Baumhauer’s Comparables 1-4. (Ex. F). The adjusted sale prices ranged between roughly \$348,000 and \$540,000. However, we question some of the Board of Reviews adjustments as they are unexplained and appear to be based on cost rather than market value. For instance, it made a \$2 adjustment to Comparable 1 for a porch; and nearly a \$9000 adjustment to Comparables 1 and 2 for what appears to be a 2-square-foot difference in garage space.

The Board of Review noted that Comparable 3 had two dwellings on the parcel making it hard to determine how much of the sale price per foot was allocated to each dwelling. (Ex. H). The Board of Review also noted Comparable 5 was located in Hiawatha, a different township than the subject.

It appears the Board of Review concluded Comparables 1, 2, and 4 to be the most comparable and noted the median sale price per square foot of these sales was \$132.86 compared to the subject’s assessed price per square foot is \$127.94. (Ex. H).

¹ This property has two dwellings and it is not known how much of the sale price was allocated to each. For simplicity, PAAB has simply calculated the sale price per square foot using the two dwelling totals.

The following table is a summary of the five 2018 sales that the Board of Review asserts are the most similar to the subject property. (Exs. G & H). All are located in the subject's map area (Monroe 1100 Res). (Ex. G). We note that the Board of Review's Comparable A and C are the same as Baumhauer's Comparables 4 and 1, respectively.

Comparable	Gross Living Area (SF)	Sale Date	Sale Price	SP/SF
A - 4600 Deer View	2973	May-18	\$395,000	\$132.86
B -7001 S Point Ln	3015	May-18	\$435,000	\$144.28
C – 7477 Macon Dr	3289	May -18	\$357,000	\$108.54
D – 4431 Sundance Dr	4145	April-18	\$395,500	\$95.42
E -9101 Horseshoe Ct	2632	Feb-18	\$335,000	\$127.28

Sale D is a one-and-a-half-story home like the subject property was the only one-and-one-half story property that sold in the subject's area; the remaining sales are two-story homes. The Board of Review noted there were a total of fifteen two-story home sales. Only Comparable A has a superior grade, and Comparable D has the same grade as the subject property. The remaining properties have inferior grades; like Baumhauer's comparables this would have an effect on their total assessments. (Ex. G).

The Board of Review also adjusted these sales for differences between them and the subject property. The adjusted values range between roughly \$357,700 and \$465,300. (Ex. G). Based on this evidence, it asserts the subject's assessed value is correct. (Ex. H).

Like its adjustments to Baumhauer's comparable properties, we have similar concerns that its adjustments here may be based on cost rather than market reaction. For instance, Sale A was adjusted upward roughly \$2900 for 10-square-foot difference in the size of its garage compared to the subject property.

Analysis & Conclusions of Law

Baumhauer contends that the subject property is assessed for more than authorized by law under Iowa Code section 441.37(1)(a)(2). 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)).

Baumhauer submitted five properties that he believes demonstrate his property is over assessed. However, he did not adjust them for differences compared to the subject property to conclude an opinion of actual value for his property as of January 1, 2019. Actual value is normally demonstrated through evidence of a recent, normal sales transaction of the subject, an appraisal, or comparative market analysis.

Viewing the record as a whole, we find Baumhauer failed to support his claim that his property is over assessed.

Order

PAAB HEREBY AFFIRMS the Linn 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.

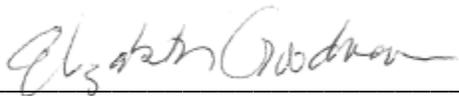
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).



Karen Oberman, Board Member



Dennis Loll, Board Member



Elizabeth Goodman, Board Member

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