

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

PAAB Docket No. 2019-012-10031R

Parcel No. 1302200042

David Beck,

Appellant,

vs.

Butler County Board of Review,

Appellee.

Introduction

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on September 26, 2019. David Beck is self-represented and asked the appeal proceed without a hearing. Butler County Attorney Greg Lievens represents the Board of Review.

David Beck owns a residential property located at 28352 Evergreen, Washington Township, Aplington. Its January 1, 2019, assessment was set at \$127,000, allocated as \$24,110 to land value and \$102,890 to dwelling value. (Ex. B).

Beck filed a petition with the Board of Review but did not select any grounds on the petition form. (Ex. C). The Board of Review ultimately denied the petition, stating "Based on review of evidence supplied, assessment was not changed." (Ex. E).

Beck then appealed to PAAB, asserting his assessment is not equitable with the assessments of other similar property, there is an error in the assessment, and that there is misconduct in the assessment. Iowa Code § 441.37(1)(a)(1, 4 & 5). In addition to these claims, Beck submitted evidence that appears to assert his property is assessed for more than the value authorized by law under section 441.37(1)(a)(2). (Ex. 1).

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 a split-foyer home built in 1967. It has 1500 square feet of gross living area with 600 square feet of living-quarter quality basement finish, a patio, a small enclosed porch, and an attached garage. The dwelling is listed in normal condition with a 3-10 Grade (good quality) and had 25% obsolescence applied by the Assessor's Office. Other improvements listed in the assessment include a 624-square-foot detached garage built in 1965 ("detached garage"); a 1600-square-foot steel utility building built in 1970 ("utility building"); and a 1200-square-foot machine shed or utility building built in 1950 ("machine shed"). The site is 4.38 acres. (Ex. B).

Beck noted his 2019 assessment increased 6.7% over the 2018 assessed value; yet his year-over-year income has only increased by 2.8%. (Appeal, Ex. 1). Beck also noted only his dwelling value increased since the last assessment; and that his total value has increased every assessment since his last protest in 2015. (Ex. B, p. 5).

Error Claims

Beck asserts there are multiple listing errors in his assessment. (Exs. 1 & 4). First, he asserts the 1950s machine shed listed on the property record card with a depreciated value of \$900 was destroyed in 2017. (Ex. B, p. 4). The property record card has an aerial photograph that identifies the buildings on the subject site, including the machine shed. (Ex. B, p. 8). Beck indicates this aerial photograph is more than three-years old. (Ex. 1). The machine shed has since been replaced with an open-sided, 12-foot-by-30-foot metal carport for a recreational vehicle. (Ex. 3). Beck submitted a photograph of the motor home canopy. (Ex. 3). He also notes he reported this error to the Board of Review, but it was disregarded.

Beck also reports the detached garage is incorrectly listed as being built in 1965, but he did not provide the date he believes it was constructed. Rather he stated it “was built many years prior....” He submitted a photograph of the interior of the detached garage. (Ex. 3). This buildings receives 52% physical depreciation in its assessment, in part due to its age.

Beck questions the list of appliances on the property record card, noting his property does not have a built-in-vacuum, trash compactor, security system, range unit, oven, Jennair, stereo, or intercom. (Ex. 1). We note these listed items are pre-printed descriptors found on every property record card. (Ex. B, p. 2). There are no numbers behind any of the descriptors which indicates that Beck’s property does not have any of these items.

Beck questioned what was meant by “RCN \$184,948.” (Ex. 1). We are unable to locate where Beck found a reference to an RCN of \$184,948. However, for Beck’s benefit we note that RCN is an abbreviation for ‘replacement cost new,’ which is the beginning basis of how properties are valued using the cost approach method.

Misconduct

In regards to a claim of misconduct, Beck questions whether the Board of Review process was fair. He was under the impression the Board of Review may have been instructed to deny protests due to county budgets. He further questions whether Board of Review members were paid for their service, which he believes would cause a

conflict of interest. Lastly, Beck questions whether personnel in county offices saw similar increases as his, in their assessed values. (Ex. 4). Beck did not submit any evidence relating to these statements.

Equity and Over Assessment Claims

Beck did not submit any comparable properties to support either a claim his property is inequitably assessed or over assessed.

The Board of Review submitted a list of 155 residential sales that occurred in 2018 in Butler County. (Ex. D). The list does not identify properties that are specifically comparable to Beck's home; nor does it provide any adjustments to similar properties to arrive at an opinion of market value as of January 1, 2019. Because it is not specific to the subject property, we do not find this list relevant in establishing market value.

The Board of Review also relied on this list to analyze Butler County sales ratios. (Ex. F). These ratios compare a property's assessed value to its sales price. The ratios range from 0.51 to over 3.41, with a median ratio of 98.30. A ratio less than 1.00 suggests a property is assessed for less than its market value, whereas a ratio greater than 1.00 suggests it is assessed for more than its market value. The Board of Review provided no explanation of its analysis, but appears to suggest the median ratio of less than 1.00 demonstrates assessments are reasonable within the county.

Finally, the Board of Review selected ten split-foyer properties and adjusted their assessed values for differences between them and the subject property as part of an "equity study report." (Ex. G). Adjusting assessed values is not proper methodology to demonstrate equity in assessments. We give this evidence no consideration.

Analysis & Conclusions of Law

Beck contends there is an error in his assessment, the assessment is not equitable as compared with assessments of other like property, that the subject property is assessed for more than authorized by law, and that there has been misconduct in the assessment. Iowa Code section 441.37(1)(a)(1,2, 4 & 5).

Beck asserts there is an error in his assessment contending his property is incorrectly listed in regards to the age of some improvements and that some

improvements have been destroyed and no longer exist, specifically the 1950s machine shed with a depreciated assessed value of \$900. This building has since been replaced with an open-sided metal carport for a recreational vehicle. An error may include, but is not limited to, listing errors or erroneous mathematical calculations. Iowa Admin. Code R. 701–71.20(4)(b)(4). Based on Beck’s uncontroverted statements, and photograph of the canopy, we conclude the listing of a building that no longer exists on the property is the type of error contemplated by section 441.37(1)(a)(4). Therefore, Beck has shown an error as it relates to the inclusion of the 1950s machine shed in the assessment. We cannot determine whether the canopy is assessable as real property or not, therefore, the Assessor’s Office may wish to review the subject property for future assessments to assure the entirety of the property is accurately listed and valued.

Regarding Beck’s other claims of error we find insufficient evidence exists to support his claims.

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). Beck offered no evidence of the Assessor applying an assessment method in a non-uniform manner.

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). Since 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)).

Beck did not provide any comparable sales, an appraisal, or a Comparable Market Analysis (CMA), which is typical evidence to support a claim of over assessment. Therefore, Beck has failed to support a claim that the property is inequitably assessed or assessed for more than authorized by law.

Beck was also of the opinion that there may be misconduct in his assessment but he provided no evidence to support this assertion.

Viewing the record as a whole, we find Beck showed a listing error in his assessment as it values a 1950s machine shed that no longer exists on the property.

Order

PAAB HEREBY MODIFIES the Butler County Board of Review’s action. The 1950s machine shed listing shall be removed from the assessment and the new total assessed value shall be \$126,100, allocated as \$24,110 in land value and \$101,990 in dwelling/improvement value.

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.

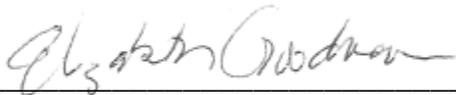
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Karen Oberman, Board Member



Dennis Loll, Board Member



Elizabeth Goodman, Board Member

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Butler County Board of Review by eFile

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