

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

PAAB Docket No. 2019-063-00037R

Parcel No. 21360-002-00

**Rebecca Lynn DeHart,**

Appellant,

vs.

**Marion 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. Rebecca Lynn DeHart is self-represented and asked that the appeal proceed without a hearing. Assistant County Attorney Ross Gibson represents the Marion County Board of Review.

Joseph and Rebecca DeHart own a residential property located at 106 Sunset Drive, Otley. Its January 1, 2019, assessment was set at \$454,670. (Ex. B).

DeHart petitioned the Board of Review contending her property was assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(2). The Board of Review modified the assessment to \$418,030, allocated as \$45,460 in land value and \$372,570 in dwelling value. (Exs. A & B).

DeHart then appealed to PAAB selecting the area on the form for a claim that her property is inequitably assessed under section 441.37(1)(a)(1). However, upon further review of Dehart's statement of the appeal, it is clear that she asserts the property is assessed for more than the value authorized by law by reference to a recent appraisal of her property and comparable sales. § 441.37(1)(a)(2). Therefore, we will only consider this claim.

## **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. *Id.* 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).

## **Findings of Fact**

The subject property is a one-story home built in 1992. It has 2243 square feet of gross living area, 1525 square feet of living-quarter quality basement finish with a walk-out, a deck, a patio, and a two-car attached garage. The improvements are listed in normal condition with a 2-10 Grade (high quality). The site is 0.696 acres and abuts government-owned land on the shore of Lake Red Rock. (Exs. A & 1).

DeHart explained her property was on the market for almost two years prior to her purchase and listed between \$400,000 and \$300,000. (Appeal). The DeHarts purchased the property in October 2017 for \$295,000. (Ex. A).

DeHart asserts that other homes in the same area are selling between \$225,000 and \$350,000, with sales over \$300,000 having actual lake access. She asserts the subject property does not have lake access. (Appeal).

DeHart submitted a mortgage appraisal done for refinancing purposes. (Ex. 1). The appraisal was completed by Gregory Walters, Walters Appraisal and Consulting, Pella, with an effective date of March 2019. Walters developed the sales comparison and cost approaches to value to arrive at an opinion of value of \$349,000.

Walters relied on four comparable sales, which are summarized in the following table.

Comparable Sale	Date of Sale	Sale Price	Site Size (Acre)	Gross Living Area (SF)	Basement Finish	Adjusted Sale Price <sup>1</sup>
Subject - 106 Sunset			0.69	2233	1689	
1 - 124 Sunset Dr	Feb-19	\$340,000	0.54	2016	1512	\$346,000
2 - 180 Hickory Lane	Jul-18	\$380,000	1.23	1735	1400	\$350,000
3 - 1465 South Shore Dr	Sep-18	\$343,750	0.47	1998	1402	\$353,000
4 - 2273 Dakota Wood Dr	Jul-19	\$340,000	2.56	2292	1500	\$343,000

We note Walters' calculations of the subject's gross living area and basement finish are slightly different than the assessment records. However, the differences overall are nominal and generally describe the subject property as it is listed by the Assessor's Office.

Sales 1, 2, and 3 are all one-story homes like the subject. Sales 1 and 2 are located in close proximity to the subject property. Although given the rural nature of the subject property and the lake, we note Sales 3 and 4 are similarly situated.

Sale 4 is a one-story home with a finished attic. The sales range in age from 16-years to 24-years. Walters determined that Sales 1, 3, and 4 have similar quality and condition to the subject property but Sale 2 is superior in both quality and condition requiring a downward \$35,000 for these factors.

Walters report provides ample description about the subject property and the area it is located. He noted that since the subject property's 2017 purchase the owners have installed new siding, gutters, garage doors, updated bathrooms, have painted some of the interior, and added landscaping. (Ex. 1, pp 1- 2).

Walters also noted the subject site backs up to government owned land along Lake Red Rock with views of the lake. (Ex. 1, p. 1). He reported that "the subject, C#1, and C#2 were located in the same rural development with similar water views." (Ex. 1, Text Addendum).

Walters also developed a cost approach indicating a value of \$346,900.

We find Walters' appraisal thorough and credible.

The Board of Review submitted the subject's property record card, its decision letter, and DeHart's Board of Review petition. (Exs. A-C).

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<sup>1</sup> Adjusted sale prices were rounded to the nearest \$1000.

The Board of Review also submitted parcel summary sheets for six properties. Comparables 4, 5, and 6 are three of the sales from Walters' appraisal. The Board of Review's comparable properties are summarized in the following table. (Ex. D).

Comparable	Year Built	Gross Living Area (SF)	Basement Finish (SF)	Site Size (Acres)	Assessed Value	Sale Price	Sale Date
Subject	1992	2243	1525	0.70	\$418,030	\$295,000	Oct-17
1 - 2 Deer Run Dr	1992	2438	1723	1.65	\$447,070		
2 - 1294 Emerald Dr	2008	2144	1525	1.58	\$483,940		
3 - 1288 Emerald Dr	2017	2226	890	2.96	\$449,660		
4 - 180 Hickory Ln	1998	1735	1400	1.24	\$354,230	\$380,000	Jul-18
5 - 1465 South Shore Dr	1995	1998	1324	0.47	\$394,380	\$343,750	Sep-18
6 - 124 Sunset Dr	2003	2016	1176	0.54	\$315,970	\$340,000	Feb-19

None of the sales were adjusted by the Board of Review to conclude an opinion of market value as of the 2019 assessment date. The Board of Review did not provide an analysis of the comparable properties or an explanation of what it believes they demonstrate. We note there is a minor discrepancy between the appraisal and the summary sheet for the subject property and Sale 5 regarding the amount of basement finish; and a larger discrepancy for Sale 6. However, without further information, we cannot conclude this materially impacts the analysis in Walters' appraisal.

All of the comparables are one-story homes like the subject. Comparables 1, 2, and 3 have not recently sold. Comparable 3 is 25-years newer than the subject property and its site is nearly three-times larger than the subject site.

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

DeHart asserts the subject property is assessed for more than authorized by law. § 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 protest or appeal proceedings when the complainant offers competent evidence that the market value of the property is less than the market value determined by the assessor, the burden of proof thereafter shall be upon the officials or persons seeking to uphold such valuation. Iowa Code §441.21(3)(b)(2). To be competent evidence, it must “comply with the statutory scheme for property valuation for tax assessment purposes.” *Soifer*, 759 N.W.2d at 782 (citations 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).

Here, DeHart submitted the Walters appraisal, which uses comparable sales to establish a market value for the subject property less than the current assessment. Based on four nearby and recent sales, all adjusted for differences compared to the subject property, Walters concluded a market value for the subject property of \$349,000. He also developed the cost approach to value, which supports his final opinion of value. The Walters appraisal appears reasonable and provides a reliable indication of the subject property’s market value as of the assessment date. DeHart has, therefore, shifted the burden to the Board of Review to uphold the assessment.

The Board of Review submitted parcel summary reports of six properties, including three of the sales in Walters’ appraisal. It did not provide an explanation of what it believes these comparable properties demonstrate. Nor did it adjust the sales to arrive at an opinion of market value to support the current assessment or, at the very least, refute the value established for the subject property in the appraisal.

Viewing the record as a whole, we find the subject property is assessed for more than the value authorized by law.

## Order

PAAB HEREBY MODIFIES the Marion County Board of Review's action. PAAB ORDERS the January 1, 2019, assessment 106 Sunset Drive, Otley, also identified as Parcel 21360-002-00, shall be set at \$349,000.

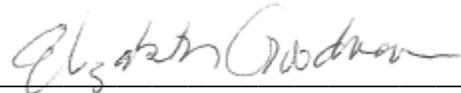
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

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



Elizabeth Goodman, Board Member



Dennis Loll, Board Member

Copies to:

Rebecca DeHart by eFile

Marion County Board of Review by eFile

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