

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

PAAB Docket No. 2019-057-00090R

Parcel No. 18311-78041-00000

**Robert Alan Kramer,**

Appellant,

vs.

**Linn 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. Robert Kramer is self-represented and asked that the appeal proceed without a hearing. Linn County Assessor Jerry Witt represented the Board of Review.

Robert and Erin Kramer own a residential property located at 1275 Evelyn Drive, Ely, Iowa. Its January 1, 2019 assessment was set at \$439,900. (Ex. B).

Kramer petitioned the Board of Review contending the assessment is not equitable as compared with other like property, the property is assessed for more than the value authorized by law, and there is an error in the assessment. Iowa Code §§ 441.37(1)(a)(1, 2 & 4) (2019). (Ex C). The Board of Review modified the assessment to \$417,400, allocated as \$88,800 in land value and \$328,600 in improvement value. (Exs. A & B).

Kramer then appealed to PAAB and continues to assert the assessment is not equitable as compared with assessments of other like property and the property is over assessed. § 441.37(1)(a)(1& 2).

## 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 R. 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 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-story home built in 2017. It has 2109 square feet of gross living area, and 860 square feet of average living-quarters quality basement finish. It also has a porch, a patio, two fireplaces, and an attached three-car garage. The improvements are listed in normal condition with a 2-10 Grade (high quality). The site is 0.932 acres. (Ex. A). The assessment included a 10% topography obsolescence adjustment applied to the land value for being in a flood plain and 10% obsolescence for excess frontage of the lot. (Exs. A & F).

The Assessor's Office inspected the subject property in April 2019. It reduced the grade, quality of the basement finish, removed a whirlpool bath, and added a full bath. These changes and the corresponding reduction in the total assessed value were then accepted by the Board of Review. (Exs. A, p. 5; & F).

In support of his over assessment claim, Kramer submitted construction invoices for his home totaling \$280,596.81, not including the value of his site. He asserts the correct value of his property should be \$370,000 based on his costs to build. (Ex. 1).

In support of his inequity claim Kramer submitted five comparable properties, which are summarized in the following table. (Exs. 1, 2, C, G, & I).

Comparable	Gross Living Area (SF)	Sale Date	Sale Price	SP/SF	Assessed value	AV/SF
Subject	2109	NA	NA	NA	\$417,400	\$197.91
1 – 1900 Meadow PL	1690	June-19	\$330,000	\$195.27	\$318,400	\$188.40
2 - 3030 Eastland Ln	1778	June-19	\$364,900	\$205.23	\$345,100	\$194.09
3 – 1165 Sunrise Dr	1584	July-19	\$322,500	\$203.60	\$268,600	\$169.57
4 – 1435 Parkland Dr	1754	NA	NA	NA	\$355,300	\$202.57
5 – 1615 Parkland Dr	1965	NA	NA	NA	\$331,400	\$168.65

All of the properties are one-story homes, built between 2009 and 2016. All of the properties have less gross living area and smaller garages than the subject. Even accounting for the subject’s drainage area, the comparables also have smaller sites than the subject.

Three of his comparables sold in 2019; each for amounts greater than their 2019 assessed values. The sale price per square foot of the comparables range from \$195.27 to \$205.23, bracketing the subject’s assessed value per square foot of \$197.91. Because they are 2019 sales, an assessment-to-sales-price ratio analysis cannot be completed. A ratio analysis is based on 2018 sales compared to 2019 assessments.

The comparables were not adjusted for differences between them and the subject; nor was there an opinion of market value as of January 1, 2019.

The Board of Review analyzed Kramer’s comparables and their features and amenities. All have a lower grade than the subject, most had less basement finish, all had smaller garages, and site sizes. (Ex. G). These differences contribute to their lower assessed values compared to the subject property. We note similar concerns with the comparables submitted by the Board of Review below.

The Board of Review adjusted Kramer’s equity comparables. (Ex. G). It is not proper methodology to adjust an assessed value and we give this analysis no consideration.

The Board of Review also offered three comparables for an equity analysis. (Ex. H). The properties located at 2075 Fieldcrest Lane, 1285 Evelyn Drive, and 1245 Evelyn Drive have not recently sold and therefore a ratio analysis could not be performed.

The Board of Review reported twelve sales of one-story homes in the same area as the subject property in 2018. (Ex. I). Of these sales, the Board of Review selected five that it believes are the most similar to the subject property. The following table is a summary of these sales.

Comparable Sale	Gross Living Area (SF)	Sale Date	Sale Price	SP/SF
Subject	2109	NA	NA	NA
1 – 1605 Parkland Dr	1712	Mar-18	\$347,900	\$203.21
2 – 1155 Sunrise Dr	1666	July-18	\$305,000	\$183.07
3 – 1515 Parkland Dr	2005	July-18	\$365,000	\$182.04
4 – 3085 Ridgeview Dr	1402	July-18	\$289,000	\$206.13
5 – 2100 Hillside Dr	1804	Nov-18	\$295,000	\$163.53

The unadjusted sale price per square foot for these properties ranged from \$163.53 to \$206.13, again bracketing the subject’s assessed value per square foot of \$197.91

The Board of Review adjusted Sales 1, 2, 3, and 5 for differences between them and the subject property. (Ex. H, p. 2). The adjusted sales prices range from \$464,899 to \$505,285. All of these sales are smaller than the subject property and were adjusted between roughly \$12,000 to over \$50,000 for this difference. We question the adjustments made by the Board of Review as they appear to be based on cost rather than market value. For instance, Sale 1, which is only 104 square feet smaller in gross living area than the subject property was adjusted upward \$12,248; or nearly \$118 per square foot. Another example is Sale 4 which was adjusted upward nearly \$7000 for less than a 60 square foot difference in its garage size compared to the subject property. (Ex. I).

The Board of Review did not submit the assessed values of the sales to determine an assessment-to-sales-price ratio.

## Analysis & Conclusions of Law

Kramer contends that the subject's assessment is not equitable and that it is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(1 & 2).

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). Kramer 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). 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. Kramer submitted five comparable properties to support his claim. However, none of them sold in 2018 and thus an equity analysis of the 2019 assessment cannot be completed. Because an equity claim also requires a showing of the subject property's market value, we turn to Kramer's claim of overassessment.

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)).

Kramer submitted five comparable properties that he believes demonstrate his property is over assessed. However, it is not sufficient to simply compare other properties’ assessments to succeed in an over assessment claim. None of these properties sold in 2018 and none were adjusted for differences between them and the subject. Three of the property sold in 2019 for more than their assessed values; and their unadjusted sale prices per square foot were almost equal to, or greater than, the subject’s assessed value per square foot.

Kramer presented insufficient evidence of the correct value of the subject property. 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 Kramer failed to support his claims that his property is inequitably assessed or 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 (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 (2019).



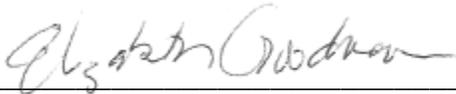
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Karen Oberman, Board Member



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Dennis Loll, Board Member



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Elizabeth Goodman, Board Member

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