

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

PAAB Docket No. 2019-029-00049R

Parcel No. 16-08-306-003

David Patterson,

Appellant,

vs.

Des Moines 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 Patterson is self-represented and asked the appeal proceed without a hearing. Des Moines County Attorney Todd Chelf represented the Board of Review.

David Patterson owns a residential property located at 123 Greenbrier Drive, Burlington. Its January 1, 2019 assessment was set at \$165,800, allocated as \$18,900 to land value and \$146,900 to the dwelling. (Ex. A).

Patterson petitioned the Board of Review contending his assessment was not equitable as compared with the assessments of other like property and that is was assessed for more than the value authorized by law. Iowa Code §§ 441.37(1)(a)(1 & 2) (2019). The Board of Review modified the assessment to \$158,400, allocated as \$18,900 in land value and \$139,500 in dwelling value. (Exs. A & B).

Patterson then appealed to PAAB reasserting his claims.

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) 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.* 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-story home built in 1968. It has 1232 square feet of gross living area, 550 square feet of rec-room quality basement finish, an enclosed porch, a patio, a fireplace, and an attached garage. The improvements are listed in very-good condition with a 4+10 Grade (average quality). The site is 0.191 acres. (Ex. A). Notes on the property record card indicate the Board of Review applied 5% obsolescence for the property's condition.

Patterson compared the 2018 and 2019 assessments of 42 properties located on his street. (Petition). The average 2018 assessment was roughly \$111,400 and the average 2019 assessment was roughly \$133,700 compared to his modified January 1, 2019 assessment of \$158,400.

Patterson specifically referenced five comparable properties in his petition to the Board of Review, including summary sheets for each. They are summarized in the following table. (Exs. C; 1-5).

Comparable	2019 AV ¹	Year Built	Gross Living Area (SF)	Basement Finish (SF) & Quality	Condition
123 Greenbrier (Subject)	\$158,400	1968	1232	550 Rec Room	Very-Good
1 - 125 Greenbrier Dr	\$148,700	1969	1232	625 LQ	Above-Normal
2 - 121 Greenbrier Dr	\$121,200	1968	1188	No Finish	Normal
3 - 925 Hagemann Ave	\$128,700	1952	1251	550 LQ	Above-Normal
4 - 2228 Cherokee Dr	\$134,400	1978	1232	425 LQ	Above-Normal
5 - 2222 S Central Ave	\$140,000	1973	1185	900 LQ	Above-Normal

Comparable 4 is a split-foyer home and the remaining properties are one-story homes like the subject.

Looking at the above assessments compared to the subject property, it is obvious to PAAB why Patterson believes he is either inequitably assessed or over assessed. His assessment is \$9,700 to \$37,200 higher than these similarly aged, style, and size properties. However, we note the subject property has a higher condition rating than the comparables he submitted, which would contribute to a higher assessment. Another difference between Patterson's property and his comparables, is that his home has an enclosed porch with a replacement cost new of \$10,550. (Ex. A, p. 3). None of his comparable properties have an enclosed porch and therefore would have lower assessments as a result.

Only Comparable 2 has transferred recently. It sold in July 2019 for \$139,000; nearly \$18,000 more than its 2019 assessed value. It has the greatest difference in assessed value compared to Patterson's property but it does not have any basement finish and has the lowest condition rating.

Comparable 1 has more basement finish of a higher quality and is the most similarly assessed to the subject property; but still roughly \$10,000 less. It does have a lower condition rating that is likely contributing to the lower assessment; and as previously noted, it does not have an enclosed porch like the subject property.

On his appeal, Patterson referenced the home located across the street from him located at 129 Greenbrier Drive. (Appeal; Ex. 6). He noted its 2019 assessment is

¹ Patterson's screenshot of the Assessor's web-page (Ex. C) reports the January 2019 assessments prior to any Board of Review action. The table reports current 2019 assessments after any adjustments were made by the Board of Review.

\$152,200, and that it is currently listed for sale for \$157,000 with no offers. It previously sold in 2015 for \$149,000.

Patterson described 129 Greenbrier as a “very nice and well maintained up to date 4 bedroom home with a fully finished basement with egress windows.” Comparatively, he explained his home is also very nice, well maintained, and up to date, but it has only 3 bedrooms, a partially finished basement, and no egress windows. (Appeal). Notes on the subject’s property record indicate the Assessor believes the subject is superior to 129 Greenbrier because the subject has more living area, a larger attached garage, and a porch. (Ex. A, p. 6). It also does not have a fireplace, like the subject. These differences explain the \$6200 variation in their assessments.

Patterson did not submit any evidence of his property’s actual value as of January 1, 2019, such as an appraisal or comparable sales that have been adjusted for differences between them and the subject property.

The Board of Review submitted six properties it considered for an equity analysis. (Ex. D). However, there is no indication any of them have recently sold and no assessed-value-to-sales-price ratio can be calculated. The Board of Review made cost-based adjustments to the comparables’ assessed values to support the subject’s assessed value. The adjusted assessed values show a range from \$131,858 to \$149,399.

The Board of Review also submitted four sales of one-story homes located on Greenbrier Road, which are summarized in the following table. (Ex. E).

Comparable	Sale Price	Sale Date	Assessed Value	Condition
Subject			\$158,400	Very Good
1 - 145 Greenbrier Dr	\$154,900	Aug-18	\$143,300	Above-Normal
2 - 109 Greenbrier Dr	\$120,000	Jun-16	\$118,900	Above-Normal
3 - 134 Greenbrier Dr	\$125,000	Sep-17	\$115,200	Normal
4 - 111 Greenbrier Dr	\$115,000	Jul-19	\$111,300	Normal

All of the Board of Review’s comparables are one-story homes like the subject property built between 1967 and 1972. All of the comparables are slightly smaller than

the subject property with gross living areas ranging from 1040 square feet to 1120 square feet, compared to the subject's gross living area of 1232 square feet.

Lastly, all of these comparable properties have a lower grade (quality) rating of 4+05 compared to the subject's grade rating of 4+10. This difference alone accounts for roughly \$8,000 to \$12,500 upward adjustments to all of the sales.

The Board of Review adjusted its comparable properties for differences, indicating a range of value from \$159,477 to \$169,982. We question the reliability of the adjustments. For instance, it did not make a market adjustment (time) for the 2017 sales. Additionally, it appears the adjustments are based solely on cost rather than actual market reaction. For instance, Sale 1 was adjusted \$40 for differences in its heating and cooling; and it was adjusted upward \$370 for a 20 square foot difference in its garage area compared to the subject property. We question whether the market would react to these differences and give the adjusted value range limited consideration.

Sale 1 is the most similar comparable in the record to the subject property and the most recent sale. It has a porch like the subject property but slightly less gross living area and a slightly inferior condition rating. Its unadjusted sale price is \$154,900, which would suggest that the subject's assessment is reasonable.

We also note that Sale 1 is the only 2018 transaction in the record that could be considered to establish an assessed-value-to-sales-price ratio, which is calculated to be 0.93. A ratio less than 1.00 suggests that a property is assessed for less than its market value.

Analysis & Conclusions of Law

Patterson asserts the subject property is inequitably assessed and assessed for more than the value authorized by law. § 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). Patterson

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. Here, the record includes one 2018 sale that can be used to establish an assessed-value-to-sales-price ratio. The property located 145 Greenbrier Drive sold in 2018 for \$154,900 and has an assessed value of \$143,300, indicating a ratio of 0.93. This one sale suggests that properties like the subject are assessed for less than their market value. However, to succeed in an equity claim under *Maxwell*, more than one property must be analyzed. *Miller v. Property Assessment Appeal Bd.*, 2019 WL 3714977 (Iowa Ct. App. Aug. 7, 2019). We find Patterson has not shown his property is inequitably assessed under *Maxwell*.

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)).

Patterson's evidence largely consisted of comparing assessments of properties he believed were comparable with the subject. This is insufficient to show the subject's actual fair market value or to demonstrate inequity and over assessment. In addition, we also found differences between the subject and Patterson's comparables that would contribute to the variations in value. Patterson offered no evidence of comparable property sales or adjustments to those sales as is typically done in an appraisal or comparative market analysis. Lastly, the only 2018 sale in the record indicates the subject's assessment is consistent with its market value.

Viewing the record as a whole, we find Patterson has failed to show his property is inequitably assessed or over assessed.

Order

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

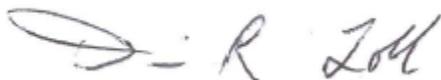
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

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.

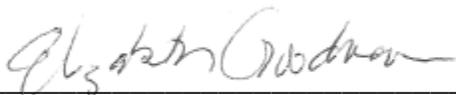
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).



Karen Oberman, Board Member



Dennis Loll, Board Member



Elizabeth Goodman, Board Member

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David Patterson by eFile

Des Moines County Board of Review by eFile