

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

PAAB Docket No. 2018-101-10051R

Parcel No. 14262-28001-00000

**Pool Seal LLC,**

Appellant,

vs.

**City of Cedar Rapids Board of Review,**

Appellee.

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**Introduction**

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on February 7, 2109. Patricia Smith represented her company Pool Seal LLC. Andrew Schauf, an appraiser with the City of Cedar Rapids Assessor's Office, represented the Board of Review.

Pool Seal owns a residential property located at 1105 Forest Drive SE, Cedar Rapids, Iowa. The property's January 1, 2018 assessed value was set at \$57,800, allocated as \$16,500 in land value and \$41,300 in dwelling value. (Ex. A).

Pool Seal petitioned the Board of Review claiming the subject property's assessment is not equitable as compared to other like property and it is assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(1 & 2) (2018). The Board of Review denied the claims. Pool Seal reasserted its over assessment claim and also raised a claim of error to PAAB. §441.37(1)(a)(2 & 4).

**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 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) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701-126.2(2-4). PAAB determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). 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. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

### **Findings of Fact**

The subject property is a 0.124-acre site with a one-story home. Built in 1951, the dwelling has 862 square feet of gross living area, no basement, a one-car garage, and a covered patio. It is listed with below-average quality construction (grade 5+10) and in below-normal condition. (Ex. P).

Smith testified that she purchased the subject property in 1998. It is located directly across the street from apartment buildings with high traffic and daily police calls. She contends this makes it very hard to rent. The Board of Review noted that the prior conditions with the apartment building by the subject property have been remedied. (Ex. O).

Smith testified that no new improvements have been made to the subject property since she acquired it because she wants to keep it affordable for low income tenants. She acknowledged that because the subject property is a rental it has not been taken care of the same as an owner-occupied home. She stated her tenants never asked for the home to be renovated, so only maintenance and required repairs were done (e.g., plumbing issues, replaced roof). Smith asserts she is having a difficult time keeping rent low because of property taxes.

Smith offered 2928 Soutter Avenue SE as a comparable to the subject property. It is small like the subject property, with 746 square feet of gross living area, and it too

lacks a basement. It sold for \$38,000 in November 2016. (Exs. J, filed Nov. 8, 2018 & C, p. 14, filed Nov. 8, 2018). The Board of Review noted this comparable was inspected in 2015 and found it to be in poor condition due to termite damage and deferred maintenance. It also notes it is located outside the subject property's assessment neighborhood.

Smith also offered a comparable property located at 3917 Mt. Vernon Road SE, which she stated is in the same vicinity as the subject property. It sold for \$34,000 in September 2018 in a normal sales transaction. (Ex. 1). Its 2018 assessment was set at \$51,500. She testified that this house is small like the subject's home. She previously owned this comparable, and noted it had been a great rental because of her long-term tenants.

Schauf testified that Smith's September 2018 sale would not be used to set January 1, 2018 values as it occurred after the assessment date. He noted it will be used for setting January 1, 2019 assessed values.

Smith testified that she believes rentals should be assessed differently than owner-occupied homes, and asserts the subject property's correct value is \$48,000. (Appeal).

The Board of Review noted the subject property is located in a somewhat unique location with limited comparable sales. (Ex. K, filed Nov. 8, 2018). It offered two normal sales from the same development as the subject property, contending both properties are of similar age, style, size, and quality of construction. But both sales have basements, unlike the subject property, and are in better condition. The Board of Review offered a spreadsheet of the sales with adjustments to them for differences between them and the subject property. (Ex. I, filed Sept. 28, 2018). The adjustments to the sales were made using the IOWA REAL PROPERTY APPRAISAL MANUAL rather than adjustments derived from sales, as in a typical appraisal. (Ex. I, filed Sept. 28, 2018). 1041 20th St SE sold for \$99,600 in May 2017, and its sale price was adjusted to \$73,531. 1037 20th Street SE sold for \$93,700 in June 2016, and its sale price was adjusted to \$70,700.

## **Analysis & Conclusions of Law**

Pool Seal asserts its property is over assessed and that there is an error in the assessment, yet it offered no evidence of an error in the assessment.

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. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995).

Pool Seal did not submit any evidence of the subject property's actual value. Instead it relied on Smith's testimony and a partial property record card of a sale that occurred about nine months after the assessment date at issue. An over assessment claim is most often demonstrated with a competent appraisal or a comparative market analysis that considers adjustments for differences between the subject property and recent sale properties.

Viewing the record as a whole, we find Pool Seal failed to prove its claims.

### **Order**

PAAB HEREBY AFFIRMS the City of Cedar Rapids Board of Review 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 sections 441.38B and Chapter 17A.



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Camille Valley, Presiding Officer



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Karen Oberman, Board Member

Copies to:

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c/o Patricia Smith  
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City of Cedar Rapids Assessor by eFile