

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

PAAB Docket No. 2019-029-10035R

Parcel No. 10-36-136-013

Peggy Rust,

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. Peggy Rust is self-represented and asked that the appeal proceed without a hearing. Assistant County Attorney Todd Chelf represents the Des Moines County Board of Review.

Rust owns a residential property located at 417 Neva, West Burlington. Its January 1, 2019, assessment was set at \$132,100, allocated as \$18,400 in land value and \$113,700 in dwelling value. (Ex. A, p. 8).

Rust petitioned the Board of Review contending her assessment is not equitable as compared with assessment of other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review modified the assessment to \$131,200, lowering the dwelling value by changing the basement pricing to \$8 per square foot. (Exs. A & B).

Rust then appealed to PAAB re-asserting her claim.

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 1963. It has 1052 square feet of gross living area, 450 square feet of low quality standard basement finish, a patio, an open porch, and a one-car attached garage. The improvements are listed in very-good condition with a 4+05 Grade (average quality). The site is 0.174 acres. (Ex. A).

Rust submitted five properties she believes support her assertion that her property is inequitably assessed; and the Board of Review submitted six properties. (Exs. 3 & D). All of these properties are one-story homes of similar age with 4+05 grades. All have a one-car garage and comparable exterior amenities like patios. The following table summarizes the comparable properties.

Rust's Equity Comparables					
Comparable	Gross Living Area (SF)	Basement Finish (SF/Quality)	Assessed Value	Condition	AV/SF
Subject (417 Neva)	1052	450 Low	Very Good	\$131,200	\$124.71
1 - 413 Neva Dr	1052	400 Avg	Normal	\$113,200	\$107.60
2 - 414 Neva Pl	1052	550 Low	Normal	\$120,700	\$114.73
3 - 310 Ruthella Dr	1052	425 Low	Normal	\$110,600	\$105.13
4 - 405 Ruthella Dr	1048	425 Avg	Above Normal	\$115,600	\$110.31
5 - 413 Ruthella Dr	1048	No Finish	Above Normal	\$111,600	\$106.49
The Board of Review's Equity Comparables					
A - 406 Neva Pl	1052	Similar	Very Good	\$134,600	\$127.95
B - 305 Ruthella Dr	1120	No Finish	Very Good	\$126,800	\$113.21
C - 405 Ruthella Dr	1048	Similar	Above Normal	\$115,600	\$110.31
D - 309 Ruthella Dr	1120	No Finish	Very Good	\$130,700	\$116.70
E - 510 Ruthella Dr	1072	Superior Finish	Above Normal	\$117,300	\$109.42
F - 413 Ruthella Dr	1048	No Finish	Above Normal	\$111,600	\$106.49

Looking first at the assessed values of Rust's selected comparable properties, it is understandable why she believes her property is inequitably assessed as her total assessment is higher than all of her comparables. However, the main difference between Rust's property and the others is that hers has the highest condition rating of the properties she selected, which contributes to a higher assessment.

Comparatively, the Board of Review's comparable properties are listed in above-normal or very-good condition. Comparables A, B, and D have a similar condition rating as the subject. The subject property's assessment is very similar to, and actually slightly lower than Comparables A, which has similar basement finish to Rust's property. Comparables B and D, which have lower assessments, lack any basement finish.

The Board of Review also submitted four sales of properties it believes demonstrates the subject property is equitably assessed, which are summarized in the following table. (Ex. E).

Comparable	Gross Living Area (SF)	Condition	Sale Date	Sale Price	Assessed Value	Ratio
Subject	1052	Very Good			\$131,200	
1 - 406 Neva Pl	1052	Very Good	Jul-18	\$138,500	\$134,600	0.97
2 - 318 Ruthella Dr	1000	Above Normal	Apr-19	\$143,000	\$133,900	0.94
3 - 405 Ballard St	1056	Very Good	Jun-18	\$135,000	\$132,700	0.98
4 - 314 Vernon Ave	1200	Above Normal	Aug-19	\$142,000	\$138,900	0.98

All of these properties are one-story homes of similar age and with 4+05 grades. Sale 1 has similar basement finish to the subject property, whereas Sales 2, 3, and 4 have superior finish compared to the subject property.

To support an equity claim, an assessment-to-sale-price ratio is developed, which typically compares a prior year sale price (2018) to the appealed assessed value (2019). Comparables 1 and 3 sold in 2018 and have ratios of 0.97 and 0.98. A ratio less than 1.00 suggests a property is assessed for less than its market value; a ratio greater than 1.00 suggests a property is assessed for more than its market value. Here, the only 2018 sales in the record, which appear to be very similar to the subject property, have ratios indicating assessments are slightly less than market value.

Analysis & Conclusions of Law

Rust contends the subject property is inequitably assessed as provided under Iowa Code section 441.37(1)(a)(1).

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). Here, we find Rust did not demonstrate the Assessor applied an assessing method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like properties using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709, 711 (Iowa 1965). The *Maxwell* test provides inequity exists when, after considering the actual (2018) and assessed (2019) values of similar properties, the subject property is assessed at a higher proportion of its actual value. *Id.* It is insufficient to simply compare the subject property's assessed value to the assessments of other properties or to compare the rate of change in assessment amongst properties.

Rust submitted five comparable properties but none of them have recently sold and a *Maxwell* ratio analysis could not be developed. Rust's selected comparables have many similarities to her property with the exception of their condition ratings, which are all inferior to her property. The Board of Review submitted six properties for comparison

that ultimately bear more similarity to her property in condition. The properties with the same very-good condition rating as the subject suggest Rust's property is equitably assessed.

The record also includes two 2018 sales with ratios demonstrating that properties like the subject property are generally assessed for slightly less than their actual market values.

Ultimately, the *Maxwell* analysis cannot be completed as an assessment to sale price ratio also needs to be developed for the subject property. The subject property did not recently sell, nor did Rust offer evidence of its January 1, 2019 market value. A ratio for similar properties as well as the subject property is required in order to determine if the subject property is assessed at a higher proportion of its actual value than other sale properties.

Viewing the record as a whole, we find Rust failed to prove the subject property's assessed value is inequitable as compared with the assessments of other like properties.

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 (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.

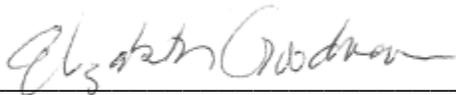
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).



Karen Oberman, Board Member



Dennis Loll, Board Member



Elizabeth Goodman, Board Member

Copies to:

Peggy Rust
417 Neva Place
West Burlington, Iowa 52655

Des Moines County Board of Review by eFile