

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

PAAB Docket No. 2018-101-10037R

Parcel No. 14201-87020-00000

**Mark and Lynn Schliemann**

Appellants,

vs.

**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 March 4, 2019. Mark and Lynn Schliemann were self-represented. City of Cedar Rapids Appraiser Nick Mehmen represented the Cedar Rapids Board of Review.

Mark & Lynn Schliemann own a residential property located at 1332 6th Street NW, Cedar Rapids. The property's January 1, 2018 assessment was set at \$77,300, allocated as \$19,800 in land value and \$57,500 in dwelling value. (Ex. A).

The Schliemanns petitioned the Board of Review contending the assessment was not equitable compared to the assessments of other like property and there was an error in the assessment. Iowa Code § 441.37(1)(a)(1 & 4) (2018). The Board of Review denied the petition.

The Schliemanns reasserted their inequity claim to PAAB, and also claimed the property is assessed for more than authorized by law. § 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 (2018). 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-e) 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 two-story home built in 1880. It has 1229 square feet of gross living area, a screened in porch, a patio, and a detached garage. It is listed in normal condition with average-quality construction (4+00 grade). The site is 0.147 acres. (Ex. A).

The Schliemanns listed six properties on their Board of Review petition. Lynn Schliemann testified that the Board of Review was critical of these properties because they were located in a different map area. She stated they were unsure what that meant, but noted the comparables are located close to the subject. In addition to being proximate to the subject, she stated they were close in square footage, and similar in number of bedrooms and bathrooms. A property record card for each of these properties was attached to Schliemanns' Board of Review petition. (Exs. C2, C3 & C4). We note they are all of similar age. The six comparables are summarized in the table below.

Comparable	Address	Grade	Condition	Gross Living Area	2018 AV
Subject	1332 6th St NW	4+00	NML	1248	\$77,300
1	124 4th St NW	5+10	NML	1579	\$42,300
2	219 5th St NW	5+10	A NML	1480	\$55,800
3	316 4th St NW	4-05	NML	1450	\$59,300
4	1010 5th St NW	4-05	A NML	891	\$64,100
5	229 5th St NW	4+10	A NML	1142	\$63,400
6	225 5th St NW	4+10	A NML	1206	\$64,300

The Board of Review pointed out that the subject is located in map area NW 311 and these properties, with the exception of Comparable 4, are located in map NW 318; with “map factors” of 0.86 and 0.71, respectively. These map factor differences would result in lower assessed values for the comparables. Mehmen testified that the lower map factor is a result of lower residential sale prices in the area because NW 318 is located close to I-380, near railroad tracks, and there are commercial buildings located in the neighborhood.

The Board of Review submitted four comparable properties with similar map factors to the subject. (Ex. F).The information provided is summarized on the following table.

Property	Address	Depreciation	Gross Living Area (GLA)	2018 AV	AV/GLA
Subject	1332 6th St NW	55%	1229	\$77,300	\$62.90
A	1328 10th St NW	55%	1324	\$75,600	\$57.10
B	1302 9th St NW	50%	1352	\$83,300	\$61.61
C	1407 Ellis Blvd NW	50%	1072	\$77,900	\$72.67
D	1621 8th St NW	40%	1093	\$92,200	\$84.35

The Board of Review contends these comparables demonstrate equity because the subject has a similar assessed value per square foot of gross living area. We note Comparables C & D are listed in above-normal condition compared to the subject’s normal condition rating. There is no indication in the record that any of these properties recently sold except for Comparable B, which, sold for \$81,000 in May 2016.

The Board of Review also submitted four sales, which are summarized in the following table. (Ex. C4).

Sale	Address	Sale Price (SP)	Sale Date	Gross Living Area	Assessed Value	Adjusted SP
Subject	1332 6th St NW	NA	NA	1229	\$77,300	NA
E	1302 9th St NW	\$81,000	May-16	1352	\$83,300	\$75,006
F	1334 10th St NW	\$89,950	Sep-17	1026	\$86,600	\$80,646
G	600 I Ave NW	\$89,000	Jul-16	1448	\$86,700	\$79,649
H	316 11th St NW	\$79,500	Mar-16	1248	\$74,900	\$81,823

The Board of Review adjusted each sale to account for differences between them and the subject property. All of the properties had higher sale prices and adjusted sale prices than the subject's assessed value. Only Sale F occurred in 2017, the year leading up to the assessment date at issue; its assessment/sale ratio is 0.96.

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

The Schliemanns assert their property is inequitably assessed and assessed for more than 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). The Schliemanns 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 (2017 sales) and assessed values (2018 assessments) of comparable properties, the subject property is assessed at a higher portion of its actual value.

There is only one 2017 sale in the record. However, more than one sale is required to establish inequity. *Id.* at 712; *Crary v. Bd. of Review of Boone*, 286 N.W. 428 (Iowa 1939). Therefore, the *Maxwell* equity analysis cannot be completed.

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). Sale prices of the subject property or comparable properties in normal transactions are to be considered in arriving at market value. §441.21(1)(b).

First, it is not sufficient to simply compare property assessments to succeed in an over assessment claim.

Here we find the subject property did not recently sell. Further, there is only one 2017 comparable property sale in the record. The Board of Review adjusted this sale to account for differences between it and the subject property and concluded an indicated value of \$80,646 for the subject. This value is higher than the current assessment; moreover, more than one comparable sale should be used to demonstrate a property's value. Typically, market value is demonstrated with a competent appraisal or a comparative market analysis, considering at minimum the sales comparison approach to value using several comparable properties.

Viewing the record as a whole, we find the Schliemanns failed to show their property is inequitably assessed or over assessed.

### **Order**

PAAB HEREBY AFFIRMS the Cedar Rapids 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.19 (2018).



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Dennis Loll, Board Member



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Camille Valley, Board Member



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Karen Oberman, Board Member

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City of Cedar Rapids Board of Review by eFile