

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

PAAB Docket No. 2018-025-00155R

Parcel No. 16-12-184-010

**Robert Scigliano**

Appellant,

vs.

**Dallas County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on January 10, 2019. Robert Scigliano was self-represented. Dallas County Deputy Assessor Brian Arnold represented the Board of Review.

Robert and Melissa Scigliano own a residential property located at 7116 Reed Lane, West Des Moines, Iowa. The property's January 1, 2018 assessment was set at \$444,190, allocated as \$80,000 in land value and \$364,190 in dwelling value. (Ex. A).

Scigliano petitioned the Board of Review contending the subject property's assessment is not equitable as compared with assessments of other like property and it was assessed for more than authorized by law. Iowa Code § 441.37(1)(a)(1 & 2) (2018). The Board of Review denied the petition. Scigliano then re-asserted his claims to PAAB.

**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 701-71.126.2(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 0.28-acre site with a two-story home built in 2011. It has 2743 square feet of gross living area (GLA), a walk-out basement with 1100 square feet of living-quarter-quality finish, a deck, an open porch, and a three-car attached garage. The home is listed as high-quality construction (2-10 grade) and in normal condition. (Ex. A).

The subject's property record card lists a May 2017 sale date, but both parties contend it sold in December 2017. (Exs. A & D). It was initially listed for sale in July 2017 for \$474,900. (Exs. 4 & D). Its price was subsequently reduced three times, down to \$444,500 at the end of October. Scigliano stated he offered \$420,000 for the subject property, which was accepted. In Scigliano's opinion this is the property's January 1, 2018 actual value as it was a normal sales transaction, not a foreclosure or other circumstance where the seller was experiencing undue stress, and because the sale was in close proximity to the assessment date. Despite his assertion that the sale of the subject property was normal, Scigliano acknowledged the home was vacant when he first looked at the property, noting the previous owner had been relocated by his employer.

Arnold testified that the subject property's sale was a relocation transaction. He asserts the frequency of the reductions and \$30,000 drop in the listing price over such a

short period of time indicates the seller was motivated to sell quickly. (Ex. D). He noted marketing times in this price range are a little longer due to a large inventory of homes for sale.<sup>1</sup> Therefore, if an owner wants to sell quickly, Arnold contends they typically lower their list price. Scigliano responded asserting a large inventory of homes for sale would result in lower market values, and Arnold concurred.

Scigliano offered three comparable properties in support of his claims. He testified that they are a little bit older homes, but located nearby in the King’s Valley development. He believes they are all executive grade homes, with higher quality finish than the subject property. The following table summarizes the information provided. (Ex. 1).

Comp	Address	GLA	Bsmt Finish	Assessed Value	Sale Date	Sale Price	AV/SP Ratio
SP	7116 Reed Ln	2743	1100	\$444,190	May-17	\$420,000	1.06
1	146 61st St	2920	1026	\$404,330	Oct-17	\$418,500	0.97
2	190 62nd St	2613	1050	\$394,950	Mar-18	\$379,000	1.04
3	119 S 62nd St	2816	900	\$420,920	Oct-17	\$420,000	1.00

Based solely on this information, the properties appear reasonably similar in size with similar amounts of basement finish as the subject property. Scigliano did not adjust any of the sale prices for differences between them and the subject property. All of the unadjusted sale prices are lower than the subject property’s sale price. Their assessed value to sale price ratios range from 0.97 to 1.04, with a mean and median of 1.00.

Scigliano did not provide the property record cards or any other documentation with which we might verify his reported information about Sales 1 and 2 to determine whether they are indeed comparable to the subject property. Additional information is available on Sale 3, as it was relied on in an appraisal in the record.

Scigliano offered an appraisal by Holly Springer, of Springer Appraisal Services in Waukee, opining a value of \$430,000 for the subject property. (Ex. 2). The appraisal was done for mortgage lending purposes prior to Scigliano’s purchase. Springer did not appear at hearing, but noted that the subject property’s sale was a relocation sale.

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<sup>1</sup> We note an appraisal in the record suggests marketing times for comparable properties are less than 90 days.

Springer developed the sales comparison approach and the cost approach to value. In her sales comparison approach, she considered four sales and two active listings of nearby similarly styled homes. The following table summarizes the information provided on her sales.

Sale	Address	GLA	Bsmt Finish	Sale Date	Sale Price	Adjusted Sale Price
SP	7116 Reed Ln	2743	1100 WO	May-17	\$420,000	NA
1	6059 Acadia Dr	2616	None	Jun-17	\$438,441	\$436,241
2	119 S 62nd St	2816	900 WO	Sep-17	\$420,000	\$428,000
3	6809 Reed Ln	2202	793	Dec-16	\$412,500	\$439,700
4	164 S 62nd St	2670	1050 WO	Jul-17	\$432,300	\$440,500

Springer adjusted the properties for differences between them and the subject property.

Arnold was critical of Springer's appraisal and asserted she should not have included listings in her analysis. First, we note it is not atypical for an appraiser to consider listings. Additionally, she gave all consideration to her closed sales. Therefore we find this criticism without merit.

Arnold also criticized Springer's downward \$20,000 condition adjustment to Sale 1. Although Sale 1 was reported as being two-years old, Springer noted this adjustment was made because it was new construction with the buyers able to make finish and upgrade choices. (Ex. 2, p. 2). Based on Springer's explanation, we find the adjustment is reasonable.

Arnold also believes Springer's \$10 per square foot adjustments for basement finish is too low, noting he has observed appraisers typically use \$20 to \$25 per square foot for homes in this price range. The Assessor's Office used \$26 per square foot as can be noted on the subject's property record card. (Ex. A). Springer indicated in her report that the subject property's basement finish is similar to above-grade finish, yet her GLA adjustment was higher at \$29 per square foot. Arnold asserts had Springer used a higher value per square foot for the basement finish her adjusted sale prices would also be higher. We agree. An incorrect and artificially low adjustment for basement finish would result in a lower value conclusion.

Lastly, Arnold asserts Springer's \$430,000 conclusion of value is lower than any of her adjusted sale prices. We note that three of Springer's adjusted sale prices are higher than her conclusion of value (\$436,241 to \$440,500), her lowest adjusted sales price was Sale 2 at \$428,000. Springer explained in her reconciliation that she gave the most weight to Sales 1, 2, and 4 due to their similar style, appeal and features. If a \$25 per square foot basement finish adjustment rate were applied to Springer's three similar sales, it would result in a median adjusted sales price of \$440,500 and a mean of \$441,414.

Springer also developed the cost approach to value, concluding to a value of \$438,337. While she did not give it any weight in her final opinion, it does support the median adjusted sales price referenced above.

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

Scigliano contends the subject property is inequitably assessed and over assessed.

A taxpayer may show that 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). Scigliano failed to 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 similar properties using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides inequity exists when, after considering the actual (2017) and assessed (2018) values of similar properties, the subject property is assessed at a higher portion of its actual value. *Id.*

Scigliano offered two 2017 and an early 2018 sale of similar properties in support of his inequity claim. Their assessment/sale price ratios ranged from 0.97 to 1.04, with a median of 1.00. A ratio greater than 1.00 indicates a property is over assessed. A ratio less than 1.00 indicates it is under assessed. Here, the properties appear to be assessed near market value.

Because the *Maxwell* test requires a showing of the subject property's actual market value and Scigliano's over assessment claim requires the same showing, we forgo further equity analysis and turn to his over assessment claim.

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).

Scigliano testified that he purchased the subject property for \$420,000 in December 2017. He contends his purchase price is its market value as it was a normal transaction between a willing buyer and a willing seller. However, the record shows the subject property's sale was a relocation transfer. Therefore, it may not be an accurate reflection of market value, as terms between the relocation company and the prior owner's employer are unknown. Additional information is necessary to confirm the circumstances surrounding a relocation transaction. Moreover, the Springer appraisal also concludes a value higher than the sales price. Given the foregoing, we do not find Scigliano's purchase price alone to be a reliable indication of the subject property's January 1, 2018 market value. *Riley v. Iowa City Bd. of Review*, 549 N.W.2d 289, 290 (Iowa 1996) (noting that a contemporaneous sale of a property was a matter to be considered but did not conclusively establish the property's market value).

Scigliano also offered the Springer appraisal opining the subject property's value at \$430,000 as of November 13, 2017. We question her decision to reconcile to the lower end of the range given the majority of her adjusted sales indicate a value greater than \$430,000. The Board of Review was also critical of Springer's appraisal. While we find the majority of its criticism's without merit, we do agree with its assertion that Springer's \$10 per square foot basement finish adjustment does not accurately reflect market actions. The median and mean adjusted value of Springer's three similar sales, with a \$25 per square foot basement finish adjustment, results in \$440,500 and \$441,414 respectively. Furthermore, we find her conclusion of value by the cost

approach of \$438,337 is also a reliable indication of value for a six-year old home. Considering all three of these values, we conclude the evidence shows the subject property is over assessed and the best indication of its value as of the assessment date is \$440,500.

### **Order**

PAAB HEREBY MODIFIES the Dallas County Board of Review's action and orders the subject property's January 1, 2018 assessed value be set at \$440,500.

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 (2018).

  
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Camille Valley, Presiding Officer

  
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Karen Oberman, Board Member

Copies to:

Robert Scigliano by eFile

Dallas County Board of Review by eFile