

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

PAAB Docket No. 2019-015-00156R

Parcel No. 307006396001000

Donna Beymer,

Appellant,

vs.

Cass County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on February 10, 2020. Donna Beymer was self-represented, and asked that the appeal proceed without a hearing. Despite Beymer's request, the Cass County Board of Review requested a hearing and was represented by attorney Brett Ryan.

Donna and Michael Beymer own a residential property located at 2304 Olive Street, Atlantic, Iowa. Its January 1, 2019, assessment was set at \$196,590, allocated as \$49,950 in land value and \$146,640 in dwelling value. (Ex. A).

Beymer petitioned the Board of Review contending her assessment was not equitable as compared with assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review denied the petition. (Ex. B).

Beymer 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 1.033-acre site improved with a split-foyer home built in 1972. The home has 1300 square feet of gross living area, 650 square feet of living-quarters-quality basement finish with a walk out, a deck, and a two-car attached garage. A detached two-car garage was added in 2001. The improvements are listed in normal condition and in average quality (4+05 grade). (Ex. A). The Beymers purchased the property in 1999.

Beymer challenges the valuation of her land and contends it is excessive when compared to the land values of other properties in the area. (Ex. C & Appeal). Beymer listed four properties she believes show the subject property is inequitably assessed. In order to understand how these properties are valued, PAAB requested full copies of the property record cards for these properties and they are summarized in the following table. (Exs. A & N-Q).

Table 1

Comparable	Site Size (Acres)	Effective Front Foot or Acre Breakdown	Quality/Land Rate	Unit Price	Assessed Land Value	Assessed Dwelling Value	Total Assessed Value
Subject Property	1.033	249.75 EFF	R-200	\$200 per EFF	\$49,950	\$146,640	\$196,590
1 – 1008 E 22nd St	3.11	1 Acre/ 2.11 Acres	R-170 /R-60	\$22,500/ \$3000 per acre	\$28,830	\$141,750	\$170,580
2 – 1100 E 22nd St	2.72	1 Acre/ 1.72 Acres	R-170/ R-60	\$22,500 /\$3000 per acre	\$27,660	\$293,930	\$321,590
3 – 2303 Olive St	1.118	197.57 EFF	R-200	\$200 per EFF	\$19,520 ¹	\$0	\$19,520
4 – 2501 Olive St	8.6	1 Acre/ 4 Acres/ 3.6 Acres	R-170/ R-60/R-35	\$22,500/\$3000/ \$1500 per acre	\$39,900	\$341,040	\$380,940

Beymer simply stated she believes the sites are similar to hers and “in our area.” (Appeal). Two properties appear to be located on the same street as the Beymers’ property, and based on their addresses the properties are not located far away from the subject. We note from the property record cards the improved properties’ total assessments range from \$170,580 to \$380,940.

The improvements on the parcels vary widely from the subject’s dwelling and contribute to significant variation in their total assessed values. (See Table 3). Comparable 1 was built in 1920, has approximately 600 square feet more gross living area and 150 square feet less basement finish. Comparable 2 is a two-story built in 2006 with significantly more gross living area and basement finish, as well as a superior quality grade than the subject. Comparable 4 was built in 1990 and has more than double the gross living area and basement finish than the subject, is also listed in as superior quality (Grade 3-5), and is also improved with a pole building. Therefore, we find these properties’ improvements are not comparable to the subject’s improvements.

Cass County Assessor Brenda Nelson testified for the Board of Review. Nelson explained land in the same subdivision is valued the same. She identified the Beymers’ property as being “on its own little island” on a paved road and not near their comparable properties that are in “the similar proximity of town.” However, this statement does not appear supported by the addresses of at least two of the Beymers’

¹ Before the application of a 50% other adjustment the property’s land value is \$39,513. (Ex. P).

comparables, which are also located on Olive Street. She further stated all of the Beymers' comparables, except Comparable 3, are located in a different subdivision.

Nelson explained larger parcels are valued on a per-acre basis, whereas smaller parcels are valued on an effective front foot (EFF) basis. However, she did not identify the demarcation point between a large and small parcel that would result in them being valued differently. Comparables 1, 2, and 4 were valued on a per-acre basis. The subject and Comparable 3 were valued on an EFF basis. Nelson also explained that when valuing on a per-acre basis, the first acre is valued the highest and subsequent acres are valued at lower rates, which may result in lower total valuations when analyzed on a whole-site basis.

Nelson testified Comparable 3, which is located across the street from the subject, is a vacant unimproved site and has a 50% obsolescence/vacancy factor applied resulting in a lower valuation compared to the subject site. We note it has the same quality/land rate factor of R-200 as the subject property. (Exs. A & O). All else being equal, however, we would generally expect an unimproved site without utility connections and other attributes necessary to support improvements would have a lower assessed land value than an improved site. 2008 IOWA REAL PROPERTY APPRAISAL MANUAL 2-4 ("An unimproved adjustment factor should be determined and applied to all unimproved sites.").

The Board of Review submitted nine comparable properties with the sites valued in the same manner as the subject. (Exs. E-M). They are summarized in the table below.

Table 2

Comparable	Site Size (Acre)	Effective Front Foot	Quality/Land Rate	Unit Price/EFF	2019 Assessed Land Value (rounded)
Subject	1.033	249.75	R-200	\$200	\$49,950
E – 1315 Birch Ave	0.405	129.6	R-150	\$150	\$19,440
F – 1203 E 13th St	1.075	73.25	R-150	\$150	\$10,990
G – 1505 Aspen	0.321	100	R-200	\$200	\$20,000
H – 1307 Roosevelt	0.300	93.45	R-150	\$150	\$14,020
I – 601 E 17th St	0.527	141.55	R-200	\$200	\$28,310
J – 2823 Country Club	1.366	317.37	R-200	\$200	\$63,480
K – 1501 Baker	0.452	125.89	R-200	\$200	\$25,180
L – 309 W 14th St	0.979	176.33	R-150	\$150	\$26,450
M – 1702 Redwood	0.292	125.88	R-200	\$200	\$25,180

The Board of Review offered the comparables only to show the land valuation methodology used is similar to the Beymers' and not to imply the improvements are necessarily similar to the subject's dwelling.

All of the properties were valued by either \$150 or \$200 per EFF. It is unclear what differentiates these properties to be valued by different EFF rates.

Of note, the majority of the Board of Review's comparable sites are roughly a third to half the size of the subject site. Only Comparables F, J, and L are similar in size. We note, however, that based on the dimensions listed, Comparable F appears not to be a regular rectangular-shaped lot. Of these three properties, Comparables F and L are valued at \$150 per EFF, with their correlating assessed land values being roughly one-fifth to one-half the subject's assessed land value despite having very comparable overall site size. (Exs. F & L).

Comparable J, like the subject, is valued at \$200 per EFF – it is the only comparable in the record with an assessed land value higher than the subject property. (Ex. J). While the Board of Review failed to submit the requested aerial view showing the location of their comparables, a review of the photographs on the property record cards reflects locations in a town setting compared to the subject's more rural setting.

Acknowledging the parties' comparables were primarily offered relative to the subject's land value, an inequity claim requires a showing that the subject's total value

is inequitable as compared to other like property. Table 3 represents a more comprehensive review of the subject and comparables.

As noted above, Comparables F, J, and L each have sites of similar size as the subject's site. Their improvements are all older than the subject and their gross living areas range from 1295 square feet to 2120 square feet. Their quality grades and conditions are similar to the subject although none are split-foyers. The subject's total assessed value is within the range of these comparables. Comparables F and J sold in 2019 for \$200,000 and \$220,000 respectively. Comparable L sold in November 2018 for \$240,000. Only one property, Comparable E, sold in 2017 for less than the subject's assessed value.

From this data, we make several findings. First, there appears to be a general trend of underassessment; that is, properties tend to be assessed for less than their market value, as represented by recent sale prices, to various degrees. Second, accounting for their improvements, Beymer's comparables differ significantly when compared to the subject and we find they are not comparable for an overall equity analysis. Third, although the Board of Review's comparables offer greater comparability to the subject, there are still points of difference. The subject's total assessed value is within the range of these comparables.

Analysis & Conclusions of Law

Beymer contends the subject property is inequitably assessed as provided under Iowa Code section 441.37(1)(a)(1). Beymer bears the burden of proof. § 441.21(3).

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).² Despite the

² 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 (2018 sales) and assessed values (2019 assessments) of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* Although the record includes sales of some generally comparable properties, the Beymers have not provided evidence of the subject property's actual value to complete the *Maxwell* analysis.

Beymers' desire to focus on the land valuation only, Iowa Courts have concluded the "ultimate issue...[is] whether the *total* values affixed by the assessment roll were excessive or inequitable." *Deere Manufacturing Co. v. Zeiner*, 78 N.W.2d 527, 530 (Iowa 1965); *White v. Bd. of Review of Dallas County*, 244 N.W.2d 765 (Iowa 1976) (emphasis added). Thus, while we will address her concerns, we must focus on whether Beymer has demonstrated the subject's total assessment is inequitable.

Beymer identified properties she asserts are in her area that have lower land values than her property. Indeed, these properties have lower land values, and the record shows the assessor is applying different land valuation methods to properties in relatively close proximity to the subject.

Nelson attempted to explain why different sites are valued using different methods, and that both methods are acceptable. She is correct that valuing sites on either a front-foot or per-acre basis are each recognized valuation methods set forth in the IOWA PROPERTY APPRAISAL MANUAL, which Assessors are to use to ensure consistency of land values for differing neighborhoods and classes of property. MANUAL at 2-5 to 2-6. However, we are not wholly convinced there is a reasonable difference for the properties Beymer submitted, which are all at least one-acre or larger, to be valued differently.

Nevertheless, we find the properties Beymer submitted are not sufficiently alike as a whole to demonstrate inequity in the subject's assessment. The Board of Review's comparables are more similar to the subject, but still vary in site size, locations, and improvements. The subject's total assessed value is bracketed by the most comparable of the Board of Review's properties. Based on the foregoing, we find the evidence fails to support Beymer's claims because she failed to show the total assessment is inequitable or incorrect.

Viewing the record as a whole, we find Beymer failed to prove the subject property's assessed value is inequitable.

Order

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

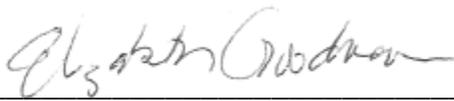
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

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.



Dennis Loll, Board Member



Elizabeth Goodman, Board Member



Karen Oberman, Board Member

Copies to:

Donna Beymer by eFile

Cass County Board of Review by eFile

Table 3

Address	Site Size (acres)	Style	Age	GLA	Bmst Finish	Garage	Total AV	Sa Da
Subject	1.033	Split Foyer	1972	1300	650	Att-648/Det-576	\$196,590	-
1 - 1008 E 22nd	3.11	1.5-story	1920	1924	494	Det-778/Barn/Shed	\$170,580	-
2 - 1100 E 22nd	2.72	2-story	2006	2551	1115	Att-814	\$321,590	-
3 - 2303 Olive	1.118	unimproved	-	-	-	-	\$19,520	-
4 - 2501 Olive	8.6	1-story	1990	2795	1398	Att-928/Pole Bldg	\$380,940	-
E – 1315 Birch Ave	0.405	1-story	1953	1798	1199	2 Basement stalls	\$168,560	17-
F – 1203 E 13th St	1.075	1-story	1966	1295 + 3-seasons porch	900	Att-487/Det-596	\$188,940	19-J
G – 1505 Aspen	0.321	1-story	1980	1250	875	Att-520	\$184,770	18-M
H – 1307 Roosevelt	0.3	1-story	1961	1964	920	Att-462	\$195,350	18-
I – 601 E 17th St	0.527	1-story	1968	1830	799	Att-544	\$206,460	18-A
J – 2823 Country Club	1.366	1-story	1967	1964	none	2 basement stalls	\$220,890	May
K – 1501 Baker	0.452	1-story	1967	2081	461	Att-629	\$219,790	17-S
L – 309 W 14th St	0.979	1-story	1957	2120	1264	2 basement stalls	\$192,340	18-M
M – 1702 Redwood	0.292	1-story	1979	1617	598	Att-535	\$182,400	19-J