

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

PAAB Docket No. 2019-008-10067A

Parcel No. 08-8527-17-44-00-001

**William Hinman,**

Appellant,

vs.

**Boone County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on May 27, 2019. William Hinman was self-represented. Boone County Attorney Daniel Kolacia represented the Board of Review.

William Hinman owns an agriculturally classified property located at 797 130th Street, Pilot Mound. Its January 1, 2019, assessment was set at \$180,249 allocated as \$57,087 in land value, \$109,647 in dwelling value, and \$13,515 in improvement value. (Ex. A).

Hinman petitioned the Board of Review contending the subject's assessment of the residence was not equitable as compared to other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review denied the petition. (Ex. B).

Hinman then reasserted his claim 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. § 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 two-story home built in 1914. It has 1802 square feet of gross living area, an unfinished basement, an open porch, and a two-car detached garage. The improvements are listed in normal condition with a 4+10 Grade (average quality). The parcel is 38-acres and is part of a larger farm totalling 163 acres. (Ex. A).

Hinman challenges only the assessed value of his dwelling and contends it is inequitable when compared to the assessed dwelling values of other properties in his area.

Hinman testified his grandfather built the home in 1914. The dwelling is a Sears and Roebuck Catalog kit home. Hinman's father lived there and now he lives there with no plans to move.

The property fronts on the highway separating the township and the town of Pilot Mound. He asserts his property is most similar to those located across the street in Pilot Mound and used these in-town properties for comparison to his. Paul Overton, the Boone County Assessor testified on behalf of the Board of Review. He disputes the

subject being comparable to the properties located in-town and testified that they are different in appeal and have a distinct market.

Hinman described each comparable as similar to the subject dwelling regardless of being located within the city limits of Pilot Mound. Hinman’s comparables are summarized in the table below. (Exs. 1-6).

Address	Year Built	Gross Living Area (SF)	Grade	Condition	Dwelling Assessment	Price/SF
Subject	1914	1802	4+10	Normal	\$109,647	\$60.85
1 – 303 I Ave	2004	1696	4+5	Normal	\$98,249	\$57.93
2 – 310 Walnut St	1900	1664	4-5	Abv Normal	\$42,576	\$25.59
3 – 503 2nd St	1898	1472	4+5	Abv Normal	\$54,655	\$37.13
4 – 315 Carlson St	1980	1464	4+5	Normal	\$82,800	\$56.56
5 – 335 I Ave	1900	1925	4-10	Very Good	\$59,750	\$31.04
6 – 363 I Ave	1970	2260	3-5	Normal	\$109,049	\$48.25

He explained the proximity of the properties to his home; all are located nearby. Comparable 1 is located directly across the highway from his home. The dwelling is significantly newer than the subject and a one-story design, but it still has a lower dwelling assessed value. We note the dwelling is a modular home, is approximately 100 square feet smaller and has a lower grade. (Ex. 1). Comparables 2, 3, and 5 are older dwellings and more similar in age and style to the subject, but also have a much lower assessed dwelling value than his home. Comparables 2 and 3 are also smaller homes. We note these properties have all been assigned lower grades than Hinman’s property. Hinman explained Comparable 6 is a much newer home and different in design, but he believes it is similar to his property since it is located on a farm. He acknowledged the property is located in-town but still believes this shows inequity.

It is worth noting that Hinman’s property has a 864-square-foot detached garage. The garage accounts for approximately \$11,926 of the total \$109,647 “dwelling” value. (Ex. A). Comparables 1, 3, 4, and 6 also have garages that vary in size from the

subject. The existence, or lack of, a garage and its size would skew Hinman's calculations if he is attempting to compare only the dwelling value.

Only Comparable 1 recently sold in 2019 for \$117,500. (Ex. 1). However, it appears this sale was from an estate and without further information we cannot determine if it was an arm's-length transaction.

The Board of Review asserts Hinman failed to prove the dwelling assessment is inequitable because he is comparing properties that are not similar to the subject. Overton testified the subject is located in a rural township west of the Des Moines River. He explained properties below \$240,000 saw significant increases in value while the more expensive homes in the area were stable in price. He provided a list of the sales from the equalization study. (Ex. J).. Twelve of the sales in the area sold for less than \$240,000. Overton asserts these sales demonstrated the largest increase in value of any of the areas in the 2019 Boone County revaluation. He believes a mean sale price ratio of 79.30% for the twelve sales supports his conclusion of increasing values for the area. (Ex. J). He explained the preference in the marketplace for rural township properties over rural in-town properties. Hinman appeared to agree, testifying Pilot Mound is a depressed community.

Overton also testified regarding rural sales. One was a sale near Woodward that he believes demonstrates the need to revalue rural residential properties in this jurisdiction. (Ex. M). It sold for \$180,000 in November 2018 and at that time it was assessed at \$165,519. This suggested the property was under assessed at that time. Although this property does suggest under assessment and is located west of the Des Moines River, an area Overton identified as needing adjustment, we question its comparability near Woodward to the subject's near Pilot Mound.

Overton also provided a sale near Pilot Mound. (Ex. O). It was similarly under assessed at the time it sold. Overton acknowledged the condition of this property is not comparable to Hinman's but he asserts it shows there is a desire for rural acreages and the market is strong in that area.

## Analysis & Conclusions of Law

Hinman 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).

Hinman provided six properties he considered comparable in support of his claim.<sup>1</sup> He focused on differences in assessed dwelling values between the subject and these comparables. However, these properties are all located in the city limits of Pilot Mound and possess points of difference from his property. Hinman has not identified, and we cannot find, any inconsistency in the assessment methodology applied to the subject and these comparables in the evidence that has been provided to us. Moreover, it is insufficient to simply compare the subject property's assessed value to the assessments of other properties.

Alternatively, to prove inequity, 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 sales) and assessed (2019) values of similar properties, the subject property is assessed at a higher proportion of its actual value. *Id.*

None of Hinman's comparable properties transferred in 2018. One property did sell in 2019 and its 2019 assessment is approximately 100% of its sales price. (Ex. 1). Nevertheless, this sale was from an estate and without further information we cannot determine if it was an arm's-length transaction. Ultimately, the *Maxwell* analysis cannot

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<sup>1</sup> The subject is classified agricultural. His comparables were classified residential. Typically, it is best to compare properties with the same assessment classification due to differences in valuation requirements. For instance, Iowa law specifies agricultural land and buildings are not assessed at their market value. § 441.21(1)(e); Iowa Admin. Code R. 701-71.3(2). The differing classifications make an equity comparison difficult; particularly when Iowa case law suggests that an equity comparison should focus on total values. *White v. Bd. of Review of Polk Cnty.*, 244 N.W.2d 765, 769 (Iowa 1976); *Deere Mfg. Co. v. Zeiner*, 78 N.W.2d 527, 531 (Iowa 1956).

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

Viewing the record as a whole, we find Hinman 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 Boone 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.



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Dennis Loll, Board Member



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Karen Oberman, Board Member



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Elizabeth Goodman, Board Member

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Boone County Board of Review by eFile