

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

PAAB Docket No. 2019-077-10125R

Parcel No. 302/00521-035-000

**Patricia M. Hoffman,**

Appellant,

vs.

**Polk County Board of Review,**

Appellee.

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**Introduction**

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on June 17, 2020. Patricia Hoffman was self-represented. Assistant Polk County Attorney David Hibbard represented the Board of Review.

Patricia Hoffman owns a residential property located at 909 48th Street, West Des Moines, Iowa. The property's January 1, 2019, assessment was set at \$457,300. (Ex. A).

Hoffman petitioned the Board of Review contending the assessment was not equitable compared with the assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). (Ex. C). The Board of Review lowered the assessment to \$445,800, allocated as \$91,000 in land value and \$354,800 in dwelling value. (Ex. B).

Hoffman appealed to PAAB reasserting 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 Rule 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. *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, 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 1988. It has 3312 square feet of gross living area, an unfinished basement, a two-car garage, a deck, and a patio. The home is listed in above-normal condition with high-quality construction (grade 2+05). It also has an in-ground swimming pool with 1004 square feet of flagstone<sup>1</sup> patio surround added in 2002. A fence was added in 2017, but is not assessed. The site is 0.380 acres. (Ex. A).

Hoffman appreciates the Board of Review's adjustment to her home's assessment, but testified that after additional research she believes her home's value per square foot is still higher than comparable properties. She is not contesting the assessed land value.

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<sup>1</sup> Hoffman testified that the surround is actually poured concrete.

On her petition to the Board of Review, Hoffman listed four homes she believes demonstrate her assessment is not equitable. She also provided a chart listing these homes, and included two others. PAAB took judicial notice of the property record cards and cost sheets for each property listed on the original board of review petition, which are summarized in the following table. (Exs. 1-4). She believes the homes in her neighborhood on 48th Street are generally comparative in age, size, and amenities.

Address	Grade	Condition	Gross living area (SF)	Basement Finish	Total 2019 Assessed Value	Assessed Dwelling Value	Dwelling value per sqft
Subject	2+05	A Normal	3312	0	\$445,800	\$354,800	\$107
1 – 913 48th St	2-10	A Normal	3214	900	\$429,700	\$329,500	\$102
2 – 900 48th St	2+05	Normal	3830	60	\$432,900	\$344,800	\$90
3 – 808 48th St	2+00	Normal	3990	0	\$426,300	\$339,500	\$106
4 - 904 48th St	2+10	Normal	3508	0	\$442,200	\$351,300	\$100

None of these properties has recently sold. The homes are similar in design and age as the subject. Only Comparable 1 is listed in above-normal condition like the subject. Its grade, however, is lower, which impacts its assessed value. We note that the Board of Review lowered the 2019 assessment of Comparable 3 from \$449,300 to \$432,900. None of the comparables have a pool and patio like the subject. These amenities add \$8,300 and \$7,645 respectively to the subject’s dwelling cost after physical depreciation, obsolescence, and other adjustments.<sup>2</sup> These differences explain the lower assessed values of Hoffman’s comparables. We note removing the value attributed to these amenities and only comparing the value attributed to the dwellings, Hoffman’s home is valued within the range of these properties.<sup>3</sup>

Hoffman also identified seven recent sales of homes she believes are comparable to hers and created a chart comparing them. (Ex. C). Her chart sets forth

<sup>2</sup> Hoffman believes that her pool is not part of her assessment. However, the Iowa Property Manual specifically directs assessors to include in-ground swimming pools in the cost analysis of a dwelling. (CITE)

<sup>3</sup> Hoffman’s adjusted dwelling value is \$338,827; the dwelling value per square foot would be \$102 (rounded).

the sale price of each home, her calculation of total square footage of each, and her calculation of the assessed value per square foot. She did not know whether she included basement finish in the total square footage or whether any of the properties had swimming pools.

To better understand her analysis, PAAB took judicial notice of the property record cards and costs sheets for these properties. (Exs. 5-11). Upon our review of these documents, we found that Hoffman had incorrectly included the amount of finished basement square footage in the total living area. Typically, an analysis on a per square foot basis includes only the above-grade living area. A corrected summarization of these properties is set forth in the following table.

Address	Sale Date	Sale Price	Gross Living Area (SF) Corrected	Basement Finish	2019 Total Assessed Value	Value per Square Foot	AV/SP ratio
Subject	NA	NA	3312	0	\$445,800	\$134.60	NA
5 –2600 Hickory Ridge Dr	2/2019	\$495,000	3680	1932	\$603,200	\$134.50	1.22
6 – 4747 Turnberry Dr	9/2018	\$415,000	2761	1000	\$411,900	\$150.31	0.99
7 –4925 Valley View Ln	2/2019	\$405,000	2662	900	\$406,900	\$152.14	1.00
8- 5970 Beechtree Dr	10/2018	\$432,500	3164	0	\$424,100	\$136.70	0.98
9 - 178 57th Ct	1/2019	\$417,500	2836	360	\$390,200	\$147.21	0.93
10-1223 Tulip Tree Ln <sup>4</sup>	4/2019	\$425,000	2253	1835	\$572,200	\$188.84	1.35
11 - 4817 Stonebridge Cir	4/2019	\$420,000	2647	900	\$346,000	\$158.07	0.82

All of the homes, except Comparable 10 are two story homes like the subject. It appears Comparable 10 may have been a distressed sale, as it was purchased by an LLC and resold again June, 2020 for \$675,000. (Ex. 10). The properties were built between 1984 and 2002; some of which are significantly newer than the subject built in 1988. Only Comparable 5 has more gross living area than the subject, but most have basement finish whereas the subject does not. None of the homes are located within the subject's Neighborhood and Pocket and the site sizes vary. All have more garage space than the subject and other amenities that the subject may not have. None, however, have a swimming pool or patio surround. Hoffman did not adjust these sales to account for these differences or conclude any valuation of the subject based on this analysis. We note the subject's value per square foot is at the low end of her comparable properties. However, this analysis has little meaning because the properties

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<sup>4</sup> This property sold again in June 2020 for \$675,000.

possess so many differences that render them nearly incomparable to the subject property. The one property that is closest in size and has no basement finish like the subject property is Sale 8. This property does not have the pool and patio like the subject, but its garage is larger. Its sale price per square foot is \$136.70. When considering the subject's total assessment, it is valued at \$134.60 per square foot.

Hoffman testified she also analyzed the assessment of 51 homes with average square footage of 3028 and found an average assessed dwelling value of \$104 per square foot. However, she did not submit any supporting information to PAAB.

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

Hoffman contends the subject property is inequitably assessed. § 441.37(1)(a)(1). She bears the burden of proof. § 441.21(3). Although Hoffman focused primarily on her dwelling, the 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 1956); *White v. Bd. of Review of Dallas County*, 244 N.W.2d 765 (Iowa 1976). Thus, our analysis of the claim must focus on the subject property's total value.

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). It is insufficient to simply compare the subject property's assessed value to the assessments of other properties. Hoffman offered the assessments of several properties located on her street in support of her claim. However, there is no evidence the Assessor applied an assessment method in a non-uniform manner. In fact her property's assessment appears in line with these comparables given the differences in its amenities.

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 (2018 sales) and assessed values (2019) of comparable properties, the subject property is assessed at a higher proportion of its actual value. *Id.*

Hoffman submitted eleven properties she believes support her claim, but only two sold in 2018. While only 2018 sales are typically considered in this analysis, Hoffman's remaining sales occurred in 2019. The two 2018 sales ratios of 0.99 and 0.98 suggest the properties were assessed slightly less than market value. The assessed-value-to-sales-price ratios of all of the sales range from 0.82 to 1.32. The upper end of this range is set by a property that appears to have been purchased by an investor in 2019, rehabbed and resold in 2020. This leaves a remaining sale at 1.22, which appears to be an outlier compared to the other properties. The majority of the sales have ratios of 1.00 or less, with a median of 0.98.

In addition to showing the sales ratios of comparable properties, a showing of the subject property's actual value is required to complete the *Maxwell* test. The subject property did not recently sell, nor did Hoffman offer any evidence of its January 1, 2019 market value. Accordingly, the *Maxwell* test cannot be completed.

All of Hoffman's comparables had differences compared to the subject property that would account for their different assessments. Viewing Hoffman's seven sales using a correct calculation of gross living area actually supports that her assessment is equitable.

Viewing the record as a whole, we conclude that Hoffman failed to show her property is inequitably assessed.

## **Order**

PAAB HEREBY AFFIRMS the Polk County 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 (2019).



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Elizabeth Goodman, Board Member



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Dennis Loll, Board Member



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Karen Oberman, Board Member

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