

EXPLAINING THE PROPERTY TAX ASSESSMENT PROTEST PROCESS

By Jessica Braunschweig-Norris and Brad Hopkins,
Attorneys for PAAB

Presentation Overview

- Basics of property assessment
- Understanding assessment listings and valuation
- Requesting an informal assessment review from the assessor
- Filing a protest with the local board of review
- Overview of main grounds for protesting assessments
- Options for appealing board of review decision

Your New 2021 Assessment

- PAAB was not involved in setting your 2021 assessment
- Part of the equation for determining property tax payments beginning September 2022
 - Property tax payment also depends on tax rates, tax credits, abatements, rollbacks, etc.
- Subject to equalization by the Department of Revenue in October 2021
 - <https://paab.iowa.gov/appeal-equalization-order>

Basics of Property Assessment Classification

- Not the same as zoning
- IDR classification rules – Iowa Admin. Code R. [701-71.1](#)
- Residential, Commercial, Industrial, Multi-residential, and Agricultural
- One classification per parcel
 - Limited exception
- Focus is on present & primary use. *Sevde v. City of Ames Bd. of Review*, 434 N.W.2d 878 (Iowa 1989)

Basics of Property Assessment Valuation

- [Iowa Code § 441.21](#)
- Most property assessed at fair market value
 - Exception: Agricultural real estate → non-residential improvements & land valued based on productivity and earning capacity
- Preference → use normal sales of subject and comparable properties
- If sales not available, may consider other value methods like cost/income
- Assessors must use Manual produced by Iowa Dept. of Revenue
 - <https://paab.iowa.gov/iowa-real-property-appraisal-manual>
 - Assessor makes adjustments based on normal sales transactions to arrive at assessed value

Understanding Assessment Listings

- <https://beacon.schneidercorp.com/>
- Example of Beacon website & Assessor's Property Record Card
- Note: some jurisdictions do not use Beacon, but should have similar systems available
 - Check <http://iowaassessors.com/>

Assessment Protest Timeline

- By April 1
 - Assessments completed and notices mailed to taxpayers
- April 2-25
 - Informal Assessment Review period
- April 2-30
 - Taxpayer may protest to local board of review (BOR)
 - Special deadlines for counties declared federal disaster areas between March 1 and May 20
- May 1-31
 - Local boards of review consider appeals
 - May be extended to July 15
- After local board of review decision
 - Appeal to PAAB or District Court

Informal Assessment Period

Iowa Code 441.30

April 2 to 25

- A taxpayer may contact the assessor to inquire about the assessment
 - By phone, email, or paper
 - May request for review of assessment under § 441.37 grounds
- Assessor may recommend protest to BOR & file a recommendation
- Assessor & Taxpayer may enter a signed written agreement authorizing change to assessment

Board of Review Protest

Iowa Code 441.37

April 2 to 30

- Filed on or after April 2nd to and including April 30th
 - **Don't wait until the last minute!** Late filings not accepted
 - Special deadlines for counties declared federal disaster areas between March 1 and May 20 – contact Assessor's Office
- BOR protest can be filed whether or not there was an informal assessment review
- Protest grounds in § 441.37

Filling out the BOR protest form

- BOR Protest Form
 - Contact the Assessor's Office for information about filing a protest
 - The Assessor's Office may provide a form OR use IDR's form at <https://tax.iowa.gov/iowa-property-tax-board-review>
 - Some jurisdictions permit filing by email or electronically; others do not
 - Follow the local requirements
- BOR Hearing
 - Taxpayers may request an oral hearing before the BOR. The request must be made in writing when you file the protest
 - If you request a hearing, don't skip it
- BOR Decision
 - Will likely be mailed to you
 - Wait until you've received a decision to file an appeal

To the Board of Review for (jurisdiction) _____ of the State of Iowa, the undersigned (print name), _____, as owner or aggrieved taxpayer of the following described real estate: _____

with the property address: _____

and as such, liable for the payment of taxes thereon, do hereby respectfully object to the assessment made against said real estate as of current year January 1, 20__ in the sum of (enter total assessment) \$ _____ for the following reasons, and upon the following grounds: (Complete all grounds that apply – see instructions on back.)

1. That said assessment is not equitable as compared with assessments of other like property in the taxing district. Address and Assessment of representative number of comparable properties. (optional)

_____	Assessed at: \$	_____
_____	Assessed at: \$	_____
_____	Assessed at: \$	_____
_____	Assessed at: \$	_____
_____	Assessed at: \$	_____

2. That said property is assessed for more than the value authorized by law Actual Value (optional): \$ _____

3. That said property is not assessable, is exempt from taxes, or is misclassified. Reason for exemption, misclassification, or non-assessment (optional): _____

4. That there is an error in the assessment. List of errors (optional): _____

5. That there is fraud or misconduct in the assessment. State specifically the fraud or misconduct (required): _____

Assessment Protest Grounds

- Burden of Proof
 - Generally, the party protesting the assessment bears the burden of proving the grounds for the protest § 441.21(3)
- Grounds for Protesting Assessment § 441.37(1)
 1. The assessment is not equitable as compared with assessments of other like property in the taxing district.
 2. The property is assessed for more than the value authorized by law.
 3. The property is not assessable, is exempt from taxes, or is misclassified. Protests based upon the ground that the property is not assessable are requests for exemption from property taxation.
 4. There is an error in the assessment and indicate the alleged error.
 5. There is fraud or misconduct in the assessment, which shall be specifically stated.

Inequity

- **The assessment is not equitable as compared with assessments of other like property in the taxing district. § 441.37(1)(a)(1)(a)**
 - The legal description and assessments of a representative number of comparable properties, as described by the aggrieved Taxpayer may be listed on the protest.
- Two ways to prove:
 - Your property is assessed at higher proportion of its market value than comparable properties. *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965)
 - Need evidence of the subject and comparables' market values and assessments
 - The Assessor has not uniformly applied an assessing method to like property. *Eagle Food Cntrs. v. Bd. of Review of Davenport*, 497 N.W.2d 860 (Iowa 1993).
- Important notes:
 - More than one comparable required. *Maxwell*, 133 N.W.2d at 712.
 - Subject and comparables must be located in same assessing jurisdiction. *Maytag Co. v. Partridge*, 210 N.W.2d 584 (Iowa 1973).

Overassessment

- **The property is assessed for more than the value authorized by law. § 441.37(1)(a)(1)(b)**
 - When this ground is relied upon, the protesting party may state the specific amount which the protesting party considers to be the actual value and a fair assessment.
 - Essentially, you believe your property is assessed for more than it would sell for.
 - Most common claim.
- **Must prove:**
 - The assessment is excessive and the property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775 (Iowa 2009).
 - Consider sales prices of subject or comparables.
 - Relevant evidence might include, but not limited to: Appraisal, sales listings, realtor analysis, recent comparable sales, pictures or inspection reports showing property deficiencies

Exemption/Misclassification

- **The property is not assessable, is exempt from taxes, or is misclassified. § 441.37(1)(a)(1)(c)**
 - Protests based upon the ground that the property is not assessable are requests for exemption from property taxation.
- Misclassification
 - Review IDR rules pertaining to assessment classification.
Admin. Code R. 701-71.1
- Exemption
 - Provide statute that you claim exempts the property

Error

- **There is an error in the assessment and indicate the alleged error. § 441.37(1)(a)(1)(d)**
 - Errors in the assessment are typically erroneous mathematical computations or errors in listing the property.
 - Can also include underassessment of your property.
- State the alleged error.
- Provide evidence to show there is an error
- Assessor inspection?

Fraud or Misconduct

- **There is fraud or misconduct in the assessment, which shall be specifically stated. § 441.37(1)(a)(1)(e)**
 - Misconduct includes knowingly engaging in assessment methods, practices, or conduct that contravene any applicable law, administrative rule, or order of any court or government authority.

Searching for Sales

- <https://beacon.schneidercorp.com/>
- Select Iowa, then your County/City, then Property Search
- Click Comp Search on upper navigation bar
- Enter search criteria
 - Start out broad, then narrow down
- Note: some jurisdictions do not use Beacon, but should have similar systems available
- Other sites to look for sales → Zillow, Loopnet, Realtor.com, etc.

Appealing the BOR Decision

Iowa Code
441.37A, 441.38

- Disagree with BOR decision?
 - File an appeal to PAAB or District Court
- Appeal by the latter of:
 - 20 days of Board of Review adjournment, OR
 - May 31
- Again, best not to wait until the last minute

What is PAAB?

- Neutral venue to adjudicate assessment disputes
 - More formal than board of review; less formal than court
- PAAB is not affiliated with your local assessor's office or board of review
- Full-time Board Members
 - Appointed by Governor; two appraisers and one attorney
- Since 2011
 - More than \$1.05 billion in assessment modifications
 - Saved taxpayers more than \$50.5 million in property taxes

Comparing Your Appeal Options

PAAB Appeal

Iowa Code 441.37A

- No filing fee
- Attorney may be helpful, but not required
- Can introduce new evidence and raise new grounds
- Less formal: Discovery rules apply, but there is a more lax standard for introducing evidence
- Appeal to district court follows Chapter 17A Judicial Review; reviewed for correction of errors at law

District Court Appeal

Iowa Code 441.38

- \$195 filing fee
- May require an attorney if appeal is filed by a business entity
- Can introduce new evidence and raise new grounds
- Likely more formal: Rules of Civil Procedure and Rules of Evidence are more strictly applied
- Appeal to Appellate court; reviewed de novo (i.e. anew)

Questions?

- <https://paab.iowa.gov/>
- Phone: (515) 725-0338
- Email: paab@iowa.gov

This presentation is general description of the property assessment appeal process and should not be construed as legal advice.