

Understanding the Property Tax Assessment Protest Process

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Presentation Overview

- Basics of property assessment
- Reviewing 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 2023 Assessment

- PAAB was not involved in setting your 2023 assessment; Done by your local assessor's office
- Part of the equation for determining property tax payments beginning September 2024
 - Also depends on tax rates, tax credits, abatements, rollbacks, etc.
- Subject to equalization by the Department of Revenue in October 2023
 - <https://tax.iowa.gov/property-tax-protesting-equalization-orders>

Property Assessment Classification

- Not the same as zoning
- Department of Revenue classification rules – [Admin. Code R. 701–102.1](#)
- Residential, Commercial, Industrial, and Agricultural
- One classification per parcel
 - Limited exceptions: A building or structure on leased land, OR property qualifies for dual-classification
- Classification is based on present use
 - If multiple uses, then determination is based on primary use

Basics of Property Assessment Valuation

- [Iowa Code 441.21](#)
- Most property assessed at 100% of 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 readily available, may consider other value methods like cost/income
- Assessors must use [Iowa Department of Revenue Real Property Appraisal Manual](#)
 - Assessor makes adjustments based on normal sales transactions to arrive at assessed value

Understanding Assessment Listings

- Assessors must have listings for each property in the jurisdiction
 - Listings are the description of property; its size, age, condition, quality, amenities, etc.
- Many jurisdictions use [Beacon](#) for displaying property listings
- Jurisdictions that do not use Beacon should have similar systems available
 - Check <http://iowaassessors.com/>
- Demonstration of Beacon website & Assessor's Property Record Card

Searching for Sales on Beacon

- [Use Beacon search](#)
- Select Iowa, then your County/City, then Property Search
- Pull up Beacon page for the “Subject Property”
- Click “Comp Search” on upper navigation bar
- Select search criteria
 - Start out broad, then narrow down
- Other sites to look for sales → Zillow, Loopnet, Realtor.com, etc.

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
 - 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 Review

April 2 to 25

Iowa Code 441.30

- A taxpayer may contact the assessor to ask about the assessment
 - By phone, email, or paper
 - May request review of the assessment based on grounds in [Iowa Code 441.37](#)
- Assessor may recommend protest to board of review & file a recommendation
- Assessor & Taxpayer may enter a signed written agreement authorizing change to assessment

Board of Review Protest

April 2 to 30

Iowa Code 441.37

- File protest April 2nd – April 30th
 - **Don't wait;** Late filings not accepted
 - Special deadlines for counties declared federal disaster areas between March 1–May 20; contact Assessor's Office for information
- Protest can be filed whether or not there was an informal assessment review
- Protest grounds in section 441.37

Filling out the protest form

- **Board of Review Protest Form**
 - Contact the Assessor's Office for information about filing a protest
 - The Assessor's Office may provide a form OR use the [Department of Revenue's protest form](#)
 - Follow the local requirements; Some permit filing by email or electronically; others do not
- **Board of Review Hearing**
 - May request an oral hearing; the request must be made in writing when you file the protest
 - If you request a hearing, don't skip it
- **Board of Review 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 under Iowa Code 441.21(3)
- Grounds for Protesting Assessment:
 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.
 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.
- Visit [Protest and Appeal Grounds page](#) on PAAB's website for more detailed information

Inequity

- **The assessment is not equitable as compared with assessments of other like property in the taxing district. Iowa Code 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 recognized ways to prove inequity:
 - 1. Your property is assessed at higher proportion of its market value compared to similar properties
 - Need evidence of the subject and comparables' market values and assessments
 - 2. The Assessor has not uniformly applied an assessing method to like property

Inequity

- Notes about the inequity claim
 - More than one comparable required.
 - Subject and comparables must be located in same assessing jurisdiction.
 - Iowa Courts have stated the “ultimate issue...[is] whether the total values affixed by the assessment roll were excessive or inequitable.”
- Common issues
 - Only comparing rates of change between properties
 - Only comparing assessed values; specifically of inferior properties

Overassessment

- **The property is assessed for more than the value authorized by law.** Iowa Code 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 its market value = overassessed
- Most common claim

Overassessment

- Must prove: The assessment is excessive and the property's correct value
 - Consider normal 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
 - NOTE: Comparing assessed values is not a recognized method for demonstrating overassessment

Exemption/Misclassification

- **The property is not assessable, is exempt from taxes, or is misclassified.** Iowa Code 441.37(1)(a)(1)(c)
- Not assessable
 - Property is not “real estate” and is therefore not subject to property taxation
- Exemption
 - Provide statute that you claim exempts the property
- Misclassification
 - Review Department of Revenue rules pertaining to assessment classification. Admin. Code R. 701-102.1
 - Remember → if multiple uses, determination is based on present and primary use

Error

- **There is an error in the assessment and indicate the alleged error.** Iowa Code 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.** Iowa Code 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.
 - The fraud or misconduct must relate to the property being protested and the year being protested.

Appealing the Board of Review Decision

Iowa Code
441.37A, 441.38

- Disagree with Board of Review decision?
 - File an appeal to PAAB or District Court
- Deadlines:
 - If Board of Review adjourned prior to May 31 → June 20
 - If Board of Review adjourned after May 31 → 20 days from adjournment
- Don't 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 \$1.5 billion in assessment modifications
 - Saved taxpayers estimated \$63.4 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)

Action Items and Final Thoughts

- Review your assessment listing for accuracy
- Compare your assessment to sale prices & assessments of other similar properties
- If needed, review PAAB's website for more information
- Request informal reviews or file protests as soon as possible; Late filings not accepted
- Board of Review protests should be filed with your local assessor's office, not PAAB

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.