



Iowa Farm Bureau's Margin Management Webinar Series presents:

Explaining the Property Tax Assessment Appeal Process

Tuesday, March 26; 1:00 pm

Speakers:

**Jessica Braunschweig-Norris and Brad Hopkins
Property Assessment Appeal Board**

EXPLAINING THE PROPERTY TAX ASSESSMENT APPEAL PROCESS

By Jessica Braunschweig-Norris and Brad Hopkins,
PAAB Attorneys

Presentation Overview

- Process of protesting assessment, from Assessor review to PAAB/District Court
- Grounds of Protest

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 appeal 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
 - If April 30 date falls on a weekend, the protest is timely filed if submitted or postmarked on or before the following Monday
 - **Don't wait until the last minute!**
 - 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 find the form on IDR's web site <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

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
 - Dedicated to establishing a consistent, fair, and equitable property assessment appeal process
- PAAB is not affiliated with your local assessor's office or board of review
- Full-time Board Members
 - Appointed by Governor; 2 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

- \$185 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)

Filing a PAAB Appeal

- How to file an Appeal
 - Through PAAB's electronic filing (eFile) system, OR
 - By mailing or delivering appeal form to PAAB
- Evidence
 - Do not need to submit evidence with appeal; this can be done later
- Hearing Options
 - In-Person hearings take place at PAAB's office in Des Moines
 - Phone hearings take place via conference call
 - Written Consideration/No hearing: PAAB will consider appeal based on evidence parties submit

For more information visit <https://paab.iowa.gov/appealing-your-assessment>



General PAAB Process

From beginning to end, the PAAB process may take months or longer.

It is not a short period like the BOR process.

Visit PAAB's website for more information about the appeal process.

- Appeal is filed
- BOR files Answer
- Interim Period – period between filing appeal and hearing date
 - PAAB can dismiss an appeal if it lacks jurisdiction
 - Parties can engage in discovery
 - For more information about discovery visit: <https://paab.iowa.gov/discovery-paab-appeals>
 - Parties prepare witnesses and exhibits
- PAAB issues Notice of Hearing or Written Consideration
 - Read the Notice! It contains important information, including deadlines
 - Parties file and serve any exhibits/motions before hearing
- PAAB Hearing
- PAAB Decision

Evidence to PAAB

Visit PAAB's website to review previous PAAB decisions and for other materials to assist you in preparing for your PAAB hearing.

- PAAB doesn't investigate your claims
 - You must submit **any** evidence you want PAAB to consider
 - The BOR may also submit evidence
 - The BOR does not forward to PAAB any evidence you may have submitted at the BOR level
- Follow the deadlines
 - File and serve exhibits by the deadline indicated in the Notice of Hearing or Written Consideration
 - eFiling exhibits: If you electronically file your exhibits, both the BOR and PAAB will receive a copy automatically
 - Non-eFiling: If not eFiling, you need to provide a hard copy (by mail or in-person delivery) to the BOR and to PAAB

Participating in a PAAB Hearing

- PAAB sends Notice of Hearing. Read it!
 - Hearing dates set at least 30 days prior; usually 60-90 days.
 - Notice will provide instructions for how to participate.
 - If you want to change how you participate, contact PAAB ASAP.
 - Notice will provide deadlines for exchanging evidence.
- Continuances
 - If the hearing date doesn't work for you, you can request a continuance.
 - Please don't wait until the last minute, unless an emergency has arisen.
- Settlements
 - The parties can settle the appeal prior to the hearing and file a settlement.
- Withdrawal
 - If you don't want to continue with the appeal, the appeal can be withdrawn.

For more information visit: <https://paab.iowa.gov/preparing-for-your-paab-hearing>

PAAB Decision

- PAAB will issue a written decision
 - Usually within about 45 days after the hearing for residential cases
- Application for Reconsideration or Rehearing
 - An application for reconsideration must be filed within 20 days after PAAB's decision
 - PAAB Admin. R. 701-126.9
- Appealing PAAB Decision to District Court
 - Appeal must be filed in the district court where the property is located
 - Petition for judicial review must be filed within 30 days after PAAB's decision
 - Iowa Code 441.37B

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. 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.
- You may raise the same or new grounds in a PAAB appeal § 441.37A

Inequity

- **The assessment is not equitable as compared with assessments of other like property in the taxing district.**

§ 441.37(1)(a)(1)

- 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)**
 - 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: 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)(3)**
 - 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)(4)**
 - 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)(5)**
 - 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.

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.



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<https://tinyurl.com/eval190326>

This webinar will be recorded and available with materials at the Farm Bureau website:

<https://tinyurl.com/webinar190326>