

2023 Annual Assessment Report

MAY 30, 2023

Cass County Government

Authored by: Paul Fracassi – Director of Equalization



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2023 Cass County Board of Equalization

May 30, 2023

Honorable Board of County Commissioners
211 Ninth St South
Fargo, ND 58103

Honorable Commissioners:

The 2023 annual assessment report of Cass County establishes the final valuations for all classes of property based on an analysis of market activity that occurred between January 1st, 2022 & December 31st, 2022. The valuations submitted in this report are market driven as evidenced through the analysis.

The current taxable value in Cass County for the taxable year 2023 is \$1,269,065,339 which is up 11.8% from last year. Our office is responsible for maintaining all property record cards in rural Cass County, which excludes the cities of Fargo and West Fargo. The projected taxable valuation in rural Cass County increased 13.5% to \$212,172,210. The increase is above the county average and was largely influenced by the growth in Horace.

The Board of Equalization meets annually within the first ten days of June with the first order of business to equalize all assessments within the cities of Cass County. The second order of business is to equalize the assessments of all townships. Further information regarding the county board of equalization can be found within this assessment report.

Procedures of assessment and appraisal are conducted under guidance from the North Dakota Tax Commissioner's Office, the North Dakota Century Code, and nationally recognized standards of mass appraisal of real property. Our office would like to use today's meeting as a hearing for all appeals. I ask that all appeals presented today be moved to a pending status, allowing our office time to review any new information that was presented. I will submit my final recommendation for each appeal at the follow-up meeting on June 19th. After the appeal portion of the meeting is completed today, the Cass County Tax Equalization Office respectfully recommends approving all values without a pending status. At the June 20th meeting we will look to approve those with a pending status.

Respectfully Submitted,



Paul Fracassi
Director of Equalization

2022 ASSESSMENT YEAR SUMMARY

After multiple years of accelerated growth, 2022 was put to the test as average mortgage rates climbed to their highest rate since 2009 and have since held steady around 6 to 7 percent. While this had a huge impact on consumer buying power, the county median sale price rose from \$290,000 to \$320,000, an increase of 10 percent. The yearly volume of sales dropped nearly 18 percent throughout the county, but our office saw an uptick in sales over the second half of the year in our rural cities, which coincided with the loss in buying power.

The commercial market stayed strong as the industrial market continued to expand. As Fargo expands north and West Fargo awaits the diversion work to continue expansion, industrial parks throughout Casselton, Mapleton, and Horace continued seeing substantial growth in their market.

Multi-Family housing statistics, gathered from Appraisal Services Inc., shows the metro closing the year with a 4.87 percent vacancy rate, which is up from the June low of 3.17 percent, but under the 2021 average of 5.3 percent. Horace has 180 units under construction for the 2023 year, as they continue their expansion.

Agricultural land saw an increase of nearly 9.5 percent after two years of slight decreases. The 2023 average value per acre for Cass County, as calculated by the office of the State Tax Commissioner, is \$1,350.31.

Yearly reappraisal work was completed as our office continues to fine-tune our software with up-to-date records. Properties were visited and property record cards were updated to reflect current property information. After compiling the reappraisal work and sales information from the year, all properties were analyzed and calibrated with the current market.

Updated property information can be found on our website at: <https://cass.northdakotaassessors.com/>

The website has seen tremendous growth over the past year as visitors have reached a new high, clearing 140,000. The goal of the website is to maintain transparency so property owners can review the exact property characteristics used to determine their property value. It also provides an avenue to research sales throughout the region.

Our office will continue to track every portion of the market on a yearly basis and apply incremental adjustments as needed.

BUILDING PERMIT VALUATIONS

2016 was the first year Cass County was able to internally track building permits through our CAMA software. The valuation of residential permits stabilized in 2022, with the number of permits dropping by 4 percent. Commercial permits have doubled since 2022, with total permits increasing from 81 to 193. The soybean crushing plant in Casselton played a large role in the spike of permit values.

<i>Year</i>	<i>Residential</i>	<i>Permits</i>	<i>Commercial</i>	<i>Permits</i>
2016	\$33,276,948	243	\$4,682,236	24
2017	\$45,760,947	263	\$3,093,625	27
2018	\$51,867,874	300	\$9,235,364	39
2019	\$52,433,253	290	\$41,332,711	26
2020	\$63,581,463	441	\$65,379,314	64
2021	\$113,883,841	634	\$36,162,206	81
2022	\$117,971,046	607	\$311,048,210	193



Sales Ratio Analysis

North Dakota property tax is an ad valorem tax. This means, simply, a tax according to value. The true and full value for tax purposes must reflect the market value of the property. To maintain equitable assessments and achieve an accurate portrayal of the market our office conducts a sales ratio study annually. It is the intent of the ND legislature that local assessors use the results of the sales ratio study as a guide in making and equalizing assessments of property.

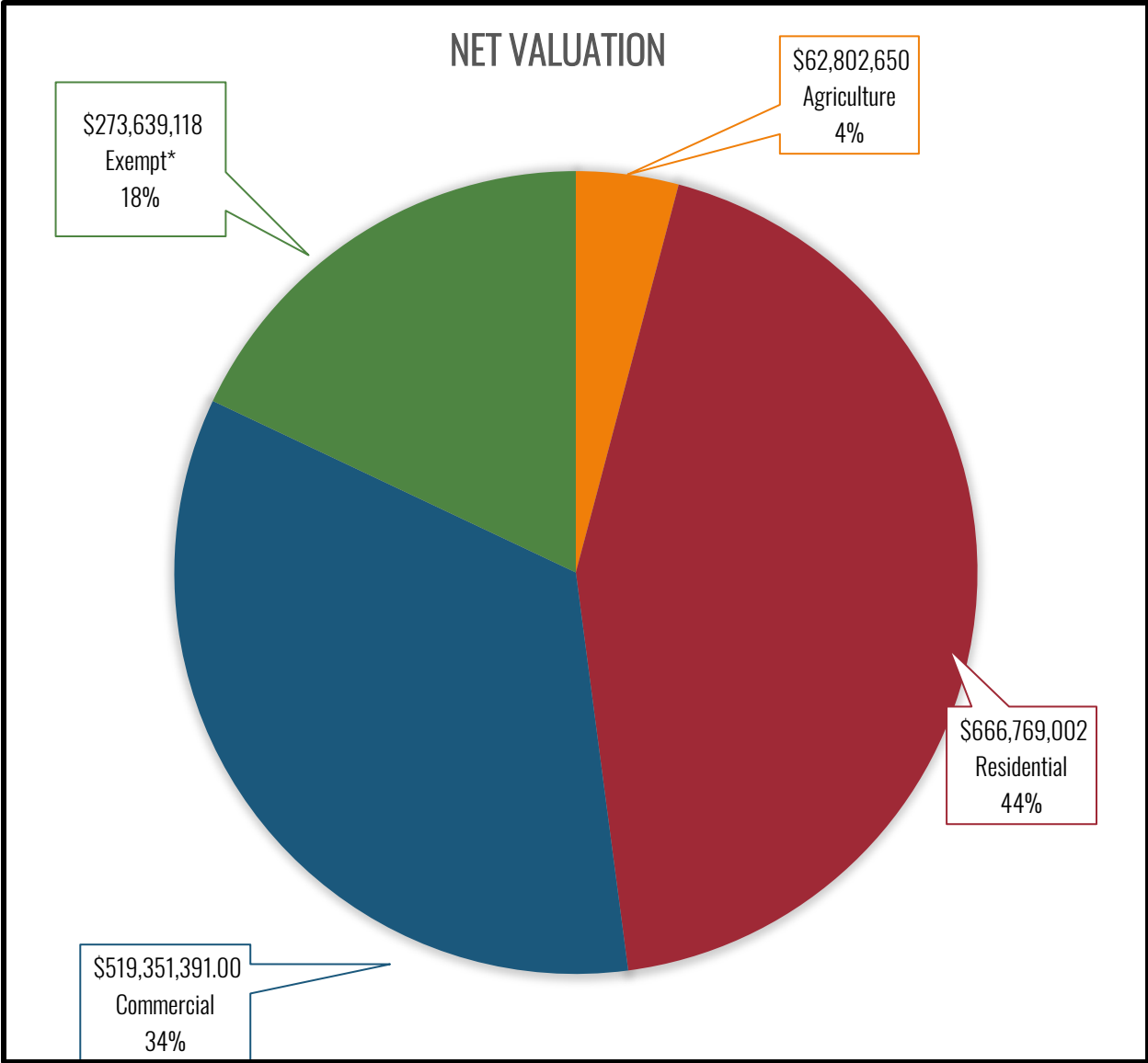
The State Board of Equalization adopted a tolerance level of 90 to 100 percent for agricultural, residential, and commercial assessments for the 2022 sales ratio study. This means that our final ratio analysis, after adjustments, must have a median between 90 and 100 percent. Prior to adjustments, the 2022 residential sales resulted in a median of 87.1 percent while commercial sales closed the year at 86.7 percent, which is within the appropriate tolerance level. Adjustments made to both classes of property resulted in the final ratios listed below:

2022 Assessment Ratio Study for Cass County

	<i>2022 Measurements</i>		<i>Tolerance</i>
<i>Median Ratio Residential</i>	94.53%	State Mandated	90 - 100%
<i>Median Ratio Commercial</i>	96.98%	State Mandated	90 - 100%
<i>PRD Residential</i>	1.01	IAAO Guidelines	0.98 – 1.03
<i>PRD Commercial</i>	1.04	IAAO Guidelines	0.98 – 1.03
<i>COD Residential</i>	5.66%	IAAO Guidelines	Less Than 15%
<i>COD Commercial</i>	10.26%	IAAO Guidelines	Less Than 20%

VALUATION BY CLASS

The following chart demonstrates the differences in valuations between the three main classes of property (Agricultural, Commercial, and Residential). Exempt values have been charted to demonstrate the potential value in Cass County



*See Page 10 for breakdown of discretionary exemptions

2023 TAXABLE VALUATION

The tax base is a derivative of the taxable valuation throughout Cass County. The value used for the tax base is the true and full value less any exemptions. This is known as the net assessed value as it represents any property subject to taxation in Cass County.

The taxable valuation is determined by applying an assessment ratio of 50% to the appraised value of all taxable property. Then, residential property has a factor of 9% applied and commercial and agriculture use 10%.

The taxable valuation multiplied by the mill levy will determine the total revenue received from property taxes.

The following table provides a projection of the 2023 taxable valuation. The mill levy will not be determined until November and many changes will occur between now and then. Examples of these changes could be from abatements, errors in assessments, or exemptions filed late. I have provided an estimate of these changes as detailed in the “adjustments” portion of the projection below. The table also contains an estimate of value for centrally assessed property. The state calculates centrally assessed property and provides valuations to the county yearly, each fall.

2023 Taxable Value Projection (Rural Cass County)

AGRICULTURE	\$	62,667,285
RESIDENTIAL	\$	113,411,764
COMMERCIAL	\$	28,213,118
- Less TIF	\$	(2,750,592)
- Less Adjustments	\$	(200,000)
+ Plus Centrally Assessed*	\$	10,830,635

PROJECTED TAXABLE VALUE **\$212,172,210**

*Centrally assessed values estimated from 2022

TEN-YEAR VALUATION HISTORY – Excluding Fargo & West Fargo

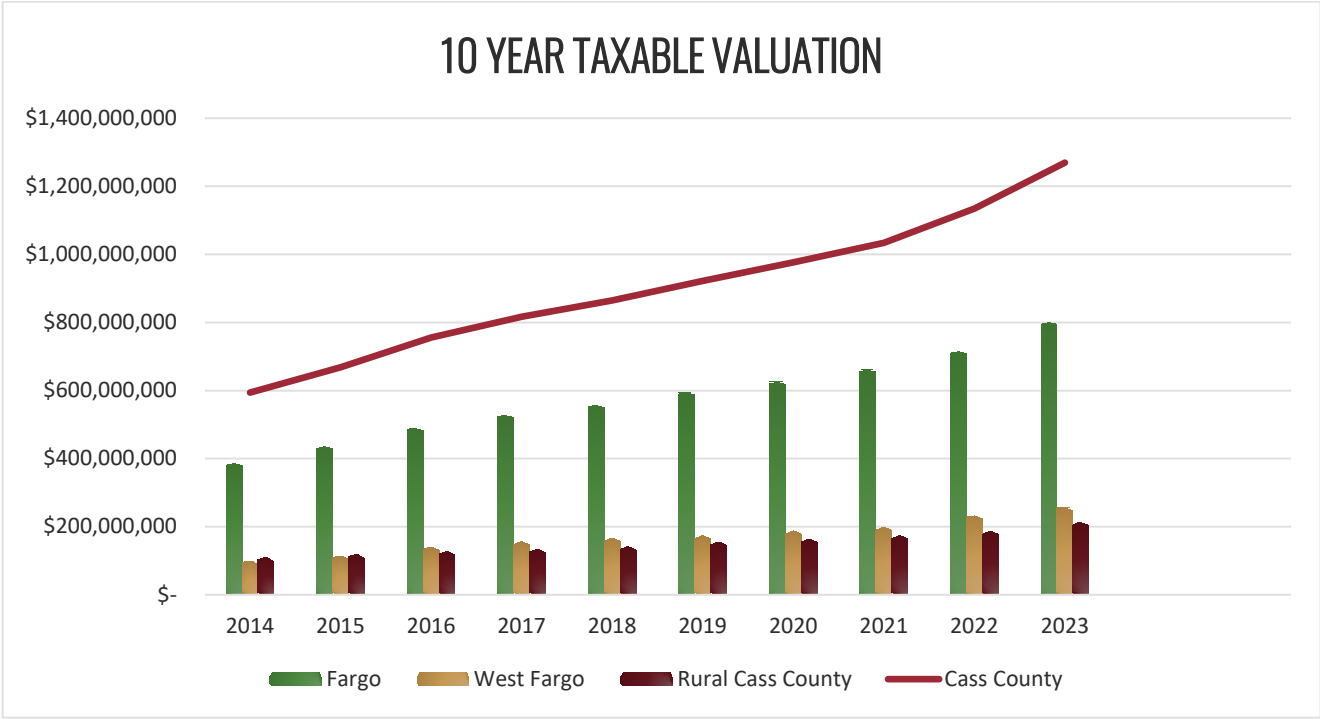
<i>Year</i>	<i>Valuation</i>	<i>Percent Change</i>
<i>2014</i>	\$ 108,123,426	8.2%
<i>2015</i>	\$ 117,639,641	8.8%
<i>2016</i>	\$ 126,128,070	7.2%
<i>2017</i>	\$ 133,043,061	5.8%
<i>2018</i>	\$ 142,584,836	7.2%
<i>2019</i>	\$ 153,652,639	7.8%
<i>2020</i>	\$ 163,004,237	6.1%
<i>2021</i>	\$ 173,705,828	6.6%
<i>2022</i>	\$ 186,921,166	7.6%
<i>2023*</i>	\$ 212,172,210	13.5%

TEN-YEAR VALUATION HISTORY – Including Fargo & West Fargo

<i>Year</i>	<i>Valuation</i>	<i>Percent Change</i>
<i>2014</i>	\$ 594,023,291	8.2%
<i>2015</i>	\$ 668,216,009	12.5%
<i>2016</i>	\$ 755,904,584	13.1%
<i>2017</i>	\$ 816,943,127	8.1%
<i>2018</i>	\$ 864,329,046	5.8%
<i>2019</i>	\$ 922,483,233	6.7%
<i>2020</i>	\$ 976,813,584	5.9%
<i>2021</i>	\$ 1,034,208,806	5.9%
<i>2022</i>	\$ 1,134,765,773	9.7%
<i>2023*</i>	\$ 1,269,065,339	11.8%

*Projected Taxable Valuation

The chart below demonstrates the Ten-Year Taxable valuation of Cass County along with a breakdown of Fargo, West Fargo, and Rural Cass County.



TAXABLE VALUATION BY COUNTY

The taxable valuation of a county is made up by the net value of its three classes of property (agricultural, commercial, & residential) as well as the addition of any centrally assessed property. Below is a comparison of the top 10 counties in North Dakota by taxable valuation.

<i>County</i>	<i>Estimated Population*</i>	<i>2022 Taxable Valuation</i>
<i>Cass</i>	192,734	\$ 1,134,765,773
<i>Burleigh</i>	99,280	\$ 604,084,846
<i>Liams</i>	38,109	\$ 395,735,398
<i>Ward</i>	68,870	\$ 349,669,168
<i>Mckenzie</i>	13,908	\$ 346,101,832
<i>Grand Forks</i>	72,413	\$ 341,470,835
<i>Stark</i>	32,803	\$ 209,785,197
<i>Morton</i>	33,710	\$ 202,778,754
<i>Mountrail</i>	9,290	\$ 155,739,205
<i>Stutsman</i>	21,487	\$ 134,476,924

*Population estimates taken from United States Census Bureau

The total taxable value of North Dakota in 2022 was \$5,558,206,116. Cass County accounted for 20% of the total taxable value and nearly 25% of the overall population.

GENERAL MILL COMPARISON BY COUNTY

Mill levies are calculated annually by the County Auditor after budget hearings are held and all taxing jurisdictions have reported. The amount each taxing authority receives is reflected on the tax statements mailed in December. The following uses the Cass County median sale price of \$320,000 to demonstrate what a property owner would pay to the general mill of the top 10 populated counties in the state.

<i>County</i>	<i>2021 County General Mill Fund*</i>	<i>2022 Average Mill by County</i>	<i>Effecitve Tax Rate</i>	<i>Taxes on Median Value</i>
<i>Ward</i>	294.60	317.00	1.43%	\$ 4,564.80
<i>Grand Forks</i>	297.50	301.10	1.35%	\$ 4,335.84
<i>Cass</i>	289.20	289.40	1.30%	\$ 4,167.36
<i>Stutsman</i>	250.00	252.50	1.14%	\$ 3,636.00
<i>Morton</i>	242.70	247.10	1.11%	\$ 3,558.24
<i>Burleigh</i>	233.50	234.00	1.05%	\$ 3,369.60
<i>Stark</i>	227.20	221.30	1.00%	\$ 3,186.72
<i>Williams**</i>	164.80	170.90	.77%	\$ 2,460.96
<i>Mountrail**</i>	123.20	118.30	.53%	\$ 1,703.52
<i>Mckenzie**</i>	116.40	116.00	.52%	\$ 1,670.40

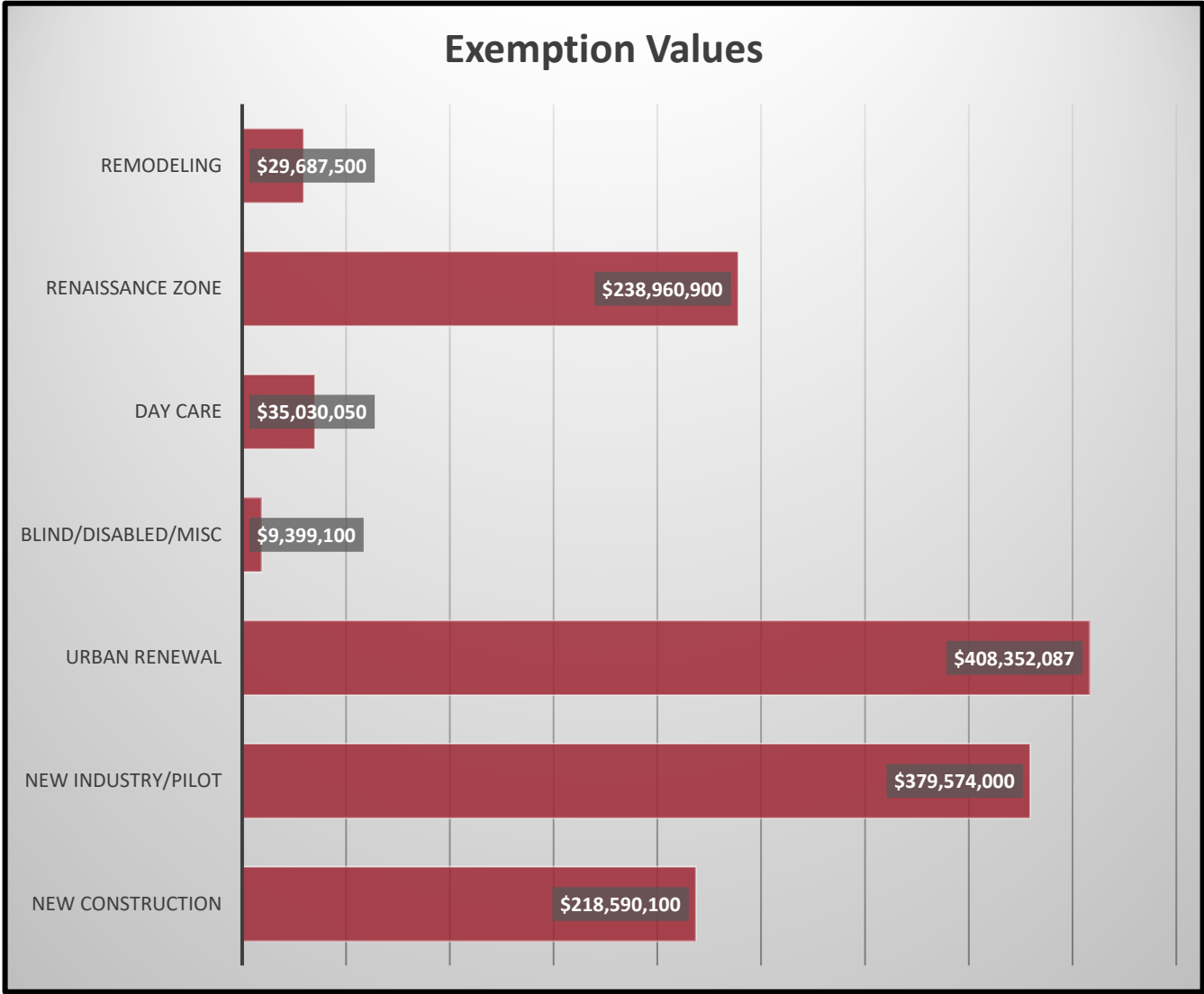
*Taken from ND.gov/tax/tap (Taxpayer Access Point)

**Uncharacteristic amounts of centrally assessed properties led to a diminished mill levy

2023 EXEMPT PROPERTIES

Property tax exemptions are available throughout Cass County and are up to the discretion of each jurisdiction. There are two types of exemptions: discretionary and non-discretionary. Discretionary exemptions include but are not limited to economic expansion, new home construction, or remodeling of a property. Non-discretionary exemptions include but are not limited to: city-owned property, parks and schools.

The chart below illustrates the percentage granted for any discretionary exemption offered throughout Cass County.



APPEAL THROUGH THE BOARD OF EQUALIZATION

North Dakota law directs all real property in the state to be assessed as to its value on February 1st of each year. Assessment officials around the state spend most of January, February, and March preparing these values by studying costs to build new, the areas marketing of existing property, and how these factors affected the current valuations. The assessor must notify the property owner whenever the true and full valuation increases by more than 10 percent and \$3,000 over the last assessment. The property owner shall receive a mailed written notice at the property owner's last known address at least 15 days prior to the local board of equalization. The notice must provide the true and full values used by the assessor along with the dates, times, and locations of both the Jurisdiction and the County Board of Equalizations.

Cities are required to hold the City Board of Equalization on the 2nd Tuesday in April and Townships are required to hold the Township Board of Equalization on the 2nd Monday in April. *The County Board of Equalization shall hold its meeting within the first ten days of June.* The State Board of Equalization meets the 2nd Tuesday in August.

A property owner who has questions about their valuation should contact the Assessment Department. They may appear before the Local Board of Equalization and the County Board of Equalization. Either of these boards may reduce the assessment of the property. A property owner can only appeal to the State Board of Equalization if they have appealed to both the local and county boards of equalizations. The decision of the State Board of Equalization is final in this appeal process.

UNDERSTANDING YOUR ASSESSMENT

Most property owners are concerned about the rising property taxes. To express their concern effectively, a property owner must understand the two parts of the property tax system: TAXATION and VALUATION.

WHAT CAUSES PROPERTY VALUES TO CHANGE?

The most obvious reason is that the property itself has changed. An addition to the property, basement finish, or rehabilitation of the property are some of the more common reasons. A less obvious, but more frequent, cause of change is that there was a change in the market itself. If a major employer leaves the area, property values can collapse, or if a once blighted neighborhood with good starter homes sparks interest to young first-time homebuyers, prices can start to rise. Additionally, larger and more expensive homes may take longer to sell, resulting in reduced prices to allow for a quicker sale, while at the same time more affordable housing in high demand creates an increase to value. In a stable neighborhood without any undue influence from the market, inflation alone may increase property values.

PROPERTY OWNER MISCONCEPTIONS

The notion that a change to the assessed value of a property changes the property taxes at the same percentage is one of the biggest misconceptions in property taxation. There are many parts that make up the taxation process that can have as much, if not more, bearing on property tax calculations. Assessors determine the total true and full value of a property using standards and practices set forth by the state. This is the foundation of the property tax system. Assessment officials strive to set fair and equitable values for property owners. If true and full values are fair and equitable, then everyone should be paying their fair and equitable share of the property tax. Taxing entities such as county, city, park, and school boards decide how much money their budgets need to operate for the up-coming year. That is how the actual tax dollar is decided. For example: the combined budget for all taxing entities is \$1,000,000 and the assessor has determined that the total valuation of all taxable property is \$100,000,000. A tax rate is calculated by dividing the amount of needed tax collections by the total valuations. $1,000,000 / 100,000,000 = 1$ percent tax rate. On a \$100,000 valuation the taxes would equate to be \$1,000. If the assessor doubles all property valuations and the budget amount remains the same, the tax rate is reduced, but the tax amount stays the same. $1,000,000 / 200,000,000 = 0.5$ percent tax rate. On a now \$200,000 valuation, the taxes would still equal out to \$1,000. The property valuation doubled but the taxes remained the same. If the property value increases but the taxing authority maintains the current tax rate, the taxes will rise. The jurisdictions can receive more money without changing the tax rate because the value increased. $\$200,000 \times .01 = \$2,000$. Likewise, if the assessor lowered all valuations by 25% and the budget amount remained the same, the tax rate would increase, and the tax amount would remain the same even though the valuation decreased. $\$1,000,000 \text{ budget} / 75,000,000 = .0134$ tax rate. A previous value of \$100,000 lowered to \$75,000 would still pay \$1,000 in taxes. $\$75,000 \times .0134 = \$1,000$.

WHAT IF THE VALUATION IS INCORRECT?

If a property owner believes the true and full value of their property is incorrect, they should contact the assessor's office for a review. The property owner should ask:

1. How the assessor values property.
2. How to gather information about their property and comparable properties.
3. How the appeal process works and what the deadlines are.

It is the property owner's responsibility to furnish good information about their property to the assessor. An appraisal of your property is only as good as the known information. A property owner would not want to seek a mortgage on the property without a private appraiser knowing all there is regarding the property. Likewise, a property owner can't expect an assessor to fairly assess their property without knowing all there is regarding the property.

CAN A PROPERTY OWNER APPEAL?

An assessment appeal is not for complaints about high property taxes. If, as a property owner, you feel that your property taxes are too high, you will NOT win an appeal. High property taxes are an issue for the entities who determine budgets.

A valuation can be appealed if:

1. Items that are affecting the valuation are incorrect on the property records. For example, there is only one bath, not two; a double stall garage not a triple; or the square footage of property is wrong.
2. Evidence that comparable properties are selling for less than the true and full valuation of your property.
3. The property valuation is accurate, but unfair, because it is higher than the property valuation of similar properties.
4. Property is eligible for an exemption that was not granted by the assessment officials.

If a property owner believes there may be a possible error in their valuation, the first step would be contacting the assessor's office for an informal meeting to discuss the valuation. At this meeting, you can expect to:

1. Review the facts of the property record with the assessment personnel.
2. Determine if the information is correct pertaining to your property.
3. Develop an understanding of how your property is valued.
4. Check that the value is fair when compared to other similar properties in your neighborhood.
5. Determine if any exemptions or credits are available to ease your tax burden.

Information regarding a formal appeal of your valuation can be obtained from your assessor. Remember, you will not win an appeal because you feel that taxes are too high. The appeal is only for determining if your valuation is a fair and equitable representation of the market.

For a formal appeal, a property owner must have documentation showing that the valuation is incorrect. A board of appeals will not decide that your valuation is incorrect unless supporting evidence proves otherwise; they will not take your word on it. The assessment staff will be there with documentation to inform the board of how the valuation was determined. The property owner must be able to prove to the board that there is a problem with the valuation. At an appeal hearing, the burden of proof lies with the appellant; therefore, it is our recommendation to provide the following:

1. Comparable properties in the current market that are currently assessed less than your property.
2. A recent appraisal of your property which indicates true and full market value, not just what a bank is willing to lend on.
3. Copies of your property records, and neighboring property records, which show inequities amongst values.

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4. Recent sale information regarding similar properties with documentation to prove the properties are comparable.

An appeal board is only interested in the fairness and accuracy of the value placed on the property. They are not able to lower valuations because the property owner cannot afford to pay the taxes or feels that the property tax is too high. The assessment staff is here to assist the public and educate property owners about the assessment process. Staff is trained to be respectful, calm, polite and helpful. If a property owner returns the same respect, the staff is better able to concentrate and be more helpful in gathering the information needed for an appeal.

SALES RATIO EXPLAINED

The sales ratio study is conducted annually by the ND State Tax Commissioner's Office to ensure that the local jurisdictions comply with setting appropriate property values. Every sale of property in Cass County is filed with the state indicating the adjusted sales price (house, lot, and special assessment balance) and the true and full value. If the prior year sales percentage is not within the tolerance range, which for 2023 is 90-100% of the true and full value, then Cass County would need to increase the valuations to bring the overall values into compliance. Value adjustments for new construction or exemptions expiring are not considered in these increases.

DEFINITIONS

- Median Ratio: A measure of central tendency. Median is affected by the number of observations and is not distorted by the size of extreme ratios. The State Board of Equalization, when equalizing residential and commercial property assessments, uses this. Individual ratios of the sales are arranged in order of magnitude, and then the middle ratio in the series is the "Median Ratio".
- Price Related Differential: A measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. If the PRD is 1.00, there is no bias in the assessment of high-value properties in comparison to those for low-value properties. If the PRD is greater than 1.00, then owners of lower-value properties are paying a greater amount of tax relative to the owner of a high-value property. Conversely, if the PRD is lower than 1.00, the opposite is true.
- Coefficient of Dispersion: The most generally useful measure of variability is the coefficient of dispersion (COD). It measures the average percentage deviation of the ratios from the median ratio or how far from

the median point, most of the property falls. The tighter the range the better and more equalized your property valuations are.

EXEMPTIONS EXPLAINED

There are two types of exemptions allowed under North Dakota Statute. They are discretionary and non-discretionary. To better understand the dollar effect that exemptions have on a political subdivision, it is best to understand the difference between discretionary and non-discretionary exemptions.

DISCRETIONARY

Discretionary exemptions are those exemptions that a governmental body can choose to grant or not grant. Jurisdictions throughout Cass County currently have the following discretionary exemptions available to property owners:

1. Residential Exemption for New Construction, which offers up to a \$150,000 reduction of the building's value on newly constructed homes for the first two full years after completion of construction. The builder is also afforded a one-year exemption for single-family homes up to \$150,000 on five homes only. This exemption is filed upon purchase of the home for the buyers and by February 1st of each year for the builders.
2. Remodeling Exemption for Improvements to Commercial and Residential Buildings offers an exemption on only the new value added by the project. The exemption can be for 3 or 5 years depending on the scope of the project. The property continues to pay property tax on the existing value. The exemption must be filed for prior to February 1st of the year following the completion of the project. It is an exemption that is granted to both residential and commercial projects.
3. New and Expanding Industry Exemption and the Payment In Lieu of Tax (PILOT) programs offer businesses that are expanding an opportunity to forgo taxes or make a payment in lieu on the project by meeting specific guidelines set forth by the city. This program is used by businesses that have expanded the size of their facility or have built a larger facility to expand into. The exemption, depending on the scope of the project, can be for 5 to 10 years. The New & Expanding Industry exemption must be applied for prior to start of construction and the PILOT must be applied for prior to occupancy. The eligibility for continuance is reviewed annually by the City Commission.
4. Renaissance Zones were created by some jurisdictions to help in the restoration of core areas of their cities. This is the only exemption that collaborates with the State of North Dakota allowing for income tax exemptions as well as five years of property tax exemptions. It applies to both residential and commercial property projects and must be applied for and granted by both the city and the state prior to start of construction.

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5. Tax Increment Financing Districts are set up to help in the development of blighted areas. The existing tax base is frozen, and the tax dollars generated by new growth in the TIF is applied to special assessments.
 6. Disability Exemptions and Credits are available for low-income senior citizens and disabled persons through a variety of exemptions. According to statute, these exemptions reduce the amount of tax paid by service-connected disabled veterans, low income seniors /disabled persons, the blind, or wheelchair property owners. The exemptions and credits range from \$100,000 to \$160,000 of the structure's value. Most applicants must apply annually for the credits. The State of ND refunds jurisdictions for the tax payments lost to credits.

NON-DISCRETIONARY

Non-discretionary exemptions are those properties that are given exemptions by the North Dakota statute. Local governmental agencies have no control over whether these exemptions are granted or not. Listed below are property ownership types that are entitled to non-discretionary exemptions:

1. Government Owned Properties such as those owned by cities, schools, park districts, and state or federal government. Buildings like County Court House, the High School, or the Post Office are never added to the tax rolls. These types of property do not even have an application process but are simply granted an exemption due to ownership.
2. Religious Organization's Properties that are used exclusively for religious purposes like churches, parsonages, parking lots, or cemeteries are exempt from taxation. If a religious organization were to hold a vacant lot among their assets not used in conjunction with the church, that lot is taxable. Along the same lines, if a church owned the apartment building next door for future expansion, the apartment building is taxable. Religious organizations file an annual application for the exemption.
3. Charitable Property that is owned by for non-profit entities is eligible for exemptions. Some examples are Sheyenne Crossing's nursing home facility and the home for unwed mothers. Lodges such as the VFW are exempt on portions of their building used exclusively by the organization and not open to the public. These types of organizations apply annually for their exemption.
4. Group Homes used to care for dependent individuals also are granted non-discretionary exemptions through an annual application process.
5. Farmers are given an exemption on their buildings used for agricultural purposes and on their homes.

EFFECT OF THE EXEMPTIONS

1. Exemptions reduce the tax base for all political subdivisions in which the property is located. A reduced tax base means reduced tax revenues collected by political subdivisions. When a jurisdiction grants an

exemption, the loss of revenue is felt mainly by the school district which receives the largest share of the tax dollar.

2. An exemption affects the county, city, water districts, state, and park districts. Therefore, it is the jurisdictions responsibility to act wisely and prudently when granting exemptions. Jurisdictions must look for future revenue and other benefits received from those granted exemptions to see if they outweigh the tax dollars lost.
3. Property exempt by local discretion or charitable status may be included in optional levy calculations, thereby allowing collection of revenue by raising the tax rate on taxable property. (NDCC § 57-15-01.1) This results in a higher mill rate and higher taxes on taxable property while no taxes are levied on exempt property.



COUNTY BOARD OF EQUALIZATION STATUTES

CHAPTER 57-12

COUNTY BOARD OF EQUALIZATION

Section

- 57-12-01. **Membership of Board – Meeting – Spot Checks**
- 57-12-02. **Unorganized Territory**
- 57-12-03. **Duties of Auditor**
- 57-12-04. **Duties of Board**
- 57-12-05. **Requirements**
- 57-12-06. **Limitations on increase**
- 57-12-08. **Auditor Correction Abstracts**

57-12-01. Membership of board - Meeting - Required attendance of certain officials.

The board of county commissioners shall meet within the first ten days of June of each year and shall constitute a board of equalization of the assessments made within the county. The chairman of the board shall preside. The county board of equalization shall conduct a continuous day-to-day meeting, not to include Saturdays, Sundays, or legal holidays, until it has completed all duties prescribed by this chapter. The first order of business must be the equalization of assessments of property assessed by city boards of equalization. The second order of business must be the equalization of assessments of property assessed by township boards of equalization. The chairman of each city board of equalization, or the chairman's appointed representative, and each city assessor must be present at such meeting during the first order of business. The chairman of each township board of equalization, or the chairman's appointed representative, and each township assessor must be present at such meeting during the second order of business. Each person required by this section to attend the meeting of the county board of equalization must be compensated at a rate not to exceed ten dollars per day for each day actually and necessarily spent in attendance at such meeting plus the same mileage and expenses as are authorized for subdivision employees and officials. Such per diem and expenses must be paid by the city or township in the same manner as other city or township expenses are paid.

57-12-01.1. Spot checks of real property.

Prior to the annual meeting of the county board of equalization, the board of county commissioners of each county within this state shall provide for spot checks upon property within each county to properly verify the accuracy of the real property

listings and valuations. The spot checks must be reviewed by the county boards of equalization at their annual meeting in June and such boards shall make the necessary corrections in the property assessment listings and valuations. Such changes in the assessments must be made in accordance with the provisions of this chapter. In case any person whose duty it is to list property with the assessor refuses to list such property or intentionally omits a portion of such property in the person's listing as indicated by the spot check, the county boards of equalization, as a penalty for such refusal or omission, may make an added assessment on such property of twenty-five percent in excess of its true valuation. The board of county commissioners may select such persons or agencies as may be necessary to carry out the provisions of this section and provide for their compensation.

57-12-02. Duties of board as to assessments in unorganized territory.

The members of the board of county commissioners also shall meet as a board of equalization as respects all assessments made in assessment districts not embraced in a city or organized township, and shall perform the duties prescribed for a township board of equalization as respects unorganized territory, and such board must be regarded as the local board of equalization for such territory.

57-12-03. Duties of county auditor.

The county auditor shall act as clerk of the county board of equalization and shall keep an accurate journal or record of the proceedings and orders of said board, showing the facts and evidence upon which, its action is based. Such record must be published as other proceedings of the board of county commissioners are published, and a copy of such published proceedings must be transmitted to the state tax commissioner with the abstract of assessment required by law.

57-12-04. Duties of board.

At its meeting, the county board of equalization shall examine and compare the assessments returned by the assessors of all the districts within the county and shall proceed to equalize the same throughout the county between the several assessment districts.

57-12-05. Requirements to be followed in equalization of individual assessments.

The county board of equalization, when equalizing individual assessments, shall observe the following rules:

1. The valuation of each tract or lot of real property which is returned below its true and full value must be raised to the sum believed by such board to be the true and full

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- value thereof.
2. The valuation of each tract or lot of real property which, in the opinion of the board, is returned above its true and full value must be reduced to such sum as is believed to be the true and full value thereof.

57-12-06. County board of equalization - Equalizing between assessment districts and between properties - Limitation on increase - Notice.

1. The rules prescribed in section 57-12-05 apply when the board of county commissioners is equalizing assessments between the several assessment and taxing districts in the county provided that in such case, except as otherwise provided in subsection 2, the board may raise or lower the valuation of classes of property only so as to equalize the assessments as between districts. If the board orders an increase under this subsection, the board must comply with any requirement for notice of an assessment increase under section 57-02-53.
2. Notwithstanding any other provision of this section:
 - a. The county board of equalization after notice to the local board of equalization may reduce the assessment on any separate piece or parcel of real estate even though such property was assessed in a city or township having a local board of equalization. The county board of equalization may not reduce any such assessment unless the owner of the property or the person to whom it was assessed first appeals to the county board of equalization, either by appearing personally or by a representative before the board or by mail or other communication to the board, in which the owner's reasons for asking for the reduction are made known to the board. The proceedings of the board shall show the manner in which the appeal was made known to the board and the reasons for granting any reduction in any such assessment.
 - b. The county board of equalization after notice to the local board of equalization may increase the assessment on any separate piece or parcel of real property even though such property was assessed in a city or township having a local board of equalization. The county board of equalization may not increase the valuation returned by the assessor or the local board of equalization to an amount that results in a cumulative increase of more than fifteen percent from the amount of the previous year's assessment without giving the owner or the owner's agent notice by mail to the owner of the property that such person may appear before the board on the date designated in the notice, which date must be at least five days after the mailing of the notice. The county auditor as clerk of the board shall send such notice to the person or persons concerned. If the board orders an increase under this subdivision, the board must comply with any requirement for notice of an assessment increase under section 57-02-53.
 - c. If the county board of equalization during the course of its equalization sessions determines that any property of any person has been listed and assessed in the wrong classification, it shall direct

the county auditor to correct the listing so as to include such assessment in the correct classification.

3. The owner of any separate piece or parcel of real estate that has been assessed may appeal the assessment thereon to the state board of equalization as provided in section 57-13-04; provided, however, that such owner has first appealed the assessment to the local equalization board of the taxing district in which the property was assessed and to the county board of equalization of the county in which the property was assessed. Notwithstanding this requirement, an owner of property which has been subjected to a new assessment authorized under section 57-14-08 may appeal the new assessment to the state board of equalization in the manner provided for in section 57-14-08.

57-12-07. Township and municipal officers to advise with board.

Repealed by S.L. 1963, ch. 381, § 2.

57-12-08. Auditor to correct list and send abstract to state tax commissioner.

The county auditor shall calculate the changes in the assessment lists determined by the county board of equalization and shall make corrections accordingly. After making such corrections, the county auditor shall make duplicate abstracts of the real property lists, one copy of which must be filed in the office of the county auditor and one copy of which must be forwarded to the state tax commissioner on or before the last day of June following each county equalization.

57-12-09. Notice of increased assessment to real estate owner.

Repealed by S.L. 2015, ch. 437, § 6.

ASSESSMENT OFFICE PERSONNEL

Jenni Krieg	Principal Clerk/Appraisal Tech
Greg Landa	Property Appraiser II
Nolan Meidinger	Property Appraiser II
Jaret Thompson	Property Appraiser II
Paul Fracassi	Director of Equalization

Our staff is committed to maintaining, understanding, and implementing nationally accepted mass appraisal practice throughout Cass County. We follow the guidance of the North Dakota Tax Commissioner’s Office as well as the North Dakota Century Code. Our goal is to create transparency and uniformity through fair and equitable assessments, which in turn will provide a just tax base to our citizens.

