



Assessment Department

ANNUAL REPORT

To The Fargo
City Board of Equalization

April 8, 2014

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Overview of Assessment Function

The overall function of the Fargo Assessment Department is to maintain a record of property ownership boundaries and to appraise all property in Fargo. This encompasses many varied tasks and responsibilities, but all serve that overall objective.

Property Ownership Maintenance

This is accomplished by analysis of the various instruments by which property rights may be acquired, transferred, or disposed of. This department collects all such instruments that have been legally recorded. The status of property ownership is reflected in the city on a real time basis.

Therefore, each year's tax bill for a property reflects the ownership according to the most recently recorded property transfers. Tax bills normally are sent by the Cass County Treasurer in mid-December.

Property Appraisal

Extensive analysis of the factors affecting the value of all classes of property is conducted by this department. Once the forces that affect property value are quantified, new and existing properties are appraised on an individual basis. This is done by appraising all new properties as they are constructed and periodically reappraising existing properties by type or location.

Market forces that affect the value of real estate over broad subclasses of property are dealt with by the Assessment Department through a process called *value trending*. This involves applying value changes uniformly across various classes of property based upon careful statistical analysis.

Property Taxes

Property taxes are determined by each local political body (city, county, school, etc.) by setting their budget. This process determines how much revenue must come from property taxes. The work of the Assessment Department results in determining the distribution of each property's share of that tax burden. In order to calculate gross taxes on a property, the following formula is used:

$$\text{Assessor's Value} \times \text{Assm't Ratio} \times \text{Assm't Factor} \times \text{Mill Levy} = \text{Gross Tax}$$

The Assessment Ratio is 50% for all properties. The Assessment Factor is 9% for residential and 10% for all other classes of property. In addition to the mill levy calculation, there was a state funded property tax credit which reduced the taxes another 12%. The mill levies for 2013, net of the 12% credit, were 286.62 mills in School District #1, 266.25 in School District #6, and 262.13 in School District #2.

Property Tax Basics

The makeup of the property tax system is very simple. It contains only three primary elements: **budget**, **valuation**, and **tax**. The amount of tax to be collected is calculated by dividing the budget by the taxable valuation.

- **BUDGET**

Taxing authorities (school, city, county, etc.) approve budgets annually for the services they provide.

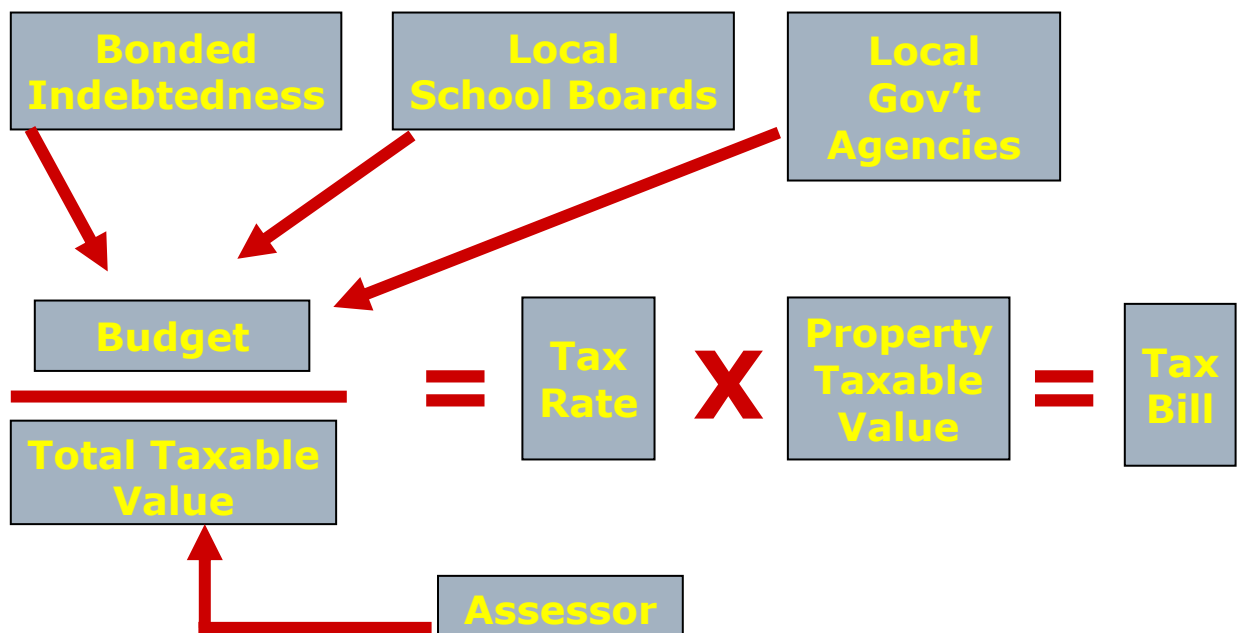
- **VALUATION**

Buyers and sellers in the market create value.

Assessors study market transactions and estimate value.

- **TAXATION**

Approved budgets are divided by the total taxable value and tax rates (mill levies) are set.



Property Tax Basics

Here are a couple of basic examples of how this process works. The assumptions used in the first example are that the total amount of approved budgets in a jurisdiction is \$2,000,000 and the total taxable value of all properties is \$100,000,000. The second example assumes that property values increase and the total budget remains the same.

The following illustrates the effect on a home valued at \$100,000:

$$\begin{array}{lcl} \text{BUDGET} = \$2,000,000 & & \text{TAXABLE VALUE} = \$100,000,000 \\ \hline \frac{\$2,000,000}{\$100,000,000} & = & .02 \text{ (OR 2\% tax rate)} \\ \text{HOME VALUE} = \$100,000 \times .02 & = & \$2,000 \text{ TAX} \end{array}$$

If property values were to increase in this example community, that in itself should not affect the amount of budget required.

The following illustrates the effect of a 50% valuation increase on property values without an increase in a community's total budget:

$$\begin{array}{lcl} \text{BUDGET} = \$2,000,000 & & \text{TAXABLE VALUE} = \$150,000,000 \\ \hline \frac{\$2,000,000}{\$150,000,000} & = & .0133 \text{ (OR 1.3\% tax rate)} \\ \text{HOME VALUE} = \$150,000 \times .0133 & = & \$2,000 \text{ TAX} \end{array}$$

2013 Mill Levy

The mill levy is calculated each year by the County Auditor, usually in late September. That levy appears on the tax bill that property owners receive in December of the same year. See the map on page 11 for the location of the school districts in Fargo. The following illustrates how that levy is broken down:

2013 MILL LEVY BREAKDOWN

<u>Jurisdiction</u>	<u>School Dist #1</u>	<u>School Dist #6</u>	<u>School Dist #2</u>
State/Other	3.26	3.26	3.26
Cass County	55.15	55.15	55.15
City of Fargo	50.38	50.38	50.38
Park District	27.05	27.05	27.05
School District	145.51	125.14	121.01
Water District	5.28	5.28	5.28
TOTAL	286.62	266.25	262.13

Mill Levy History School District #1 2003-2013

<u>YEAR</u>	<u>CITY</u>	<u>COUNTY</u>	<u>PARK</u>	<u>SCHOOL</u>	<u>OTHER</u>	<u>TOTAL</u>
2003	60.24	65.00	32.73	320.20	8.41	486.58
2004	58.73	65.00	32.46	319.55	8.32	484.06
2005	59.25	62.00	32.58	318.62	8.31	480.76
2006	57.25	61.00	32.07	309.02	7.91	467.25
2007	58.25	61.00	31.85	299.99	7.95	459.04
2008	58.25	61.00	31.56	296.77	7.85	455.43
2009	58.25	61.00	31.45	221.77	8.45	380.92
2010	58.25	64.00	31.39	221.59	9.90	385.13
2011	58.25	65.75	31.34	221.59	9.83	386.76
2012	58.25	63.60	31.25	219.28	9.68	382.06
2013	50.38	55.15	27.05	145.51	8.54	286.62

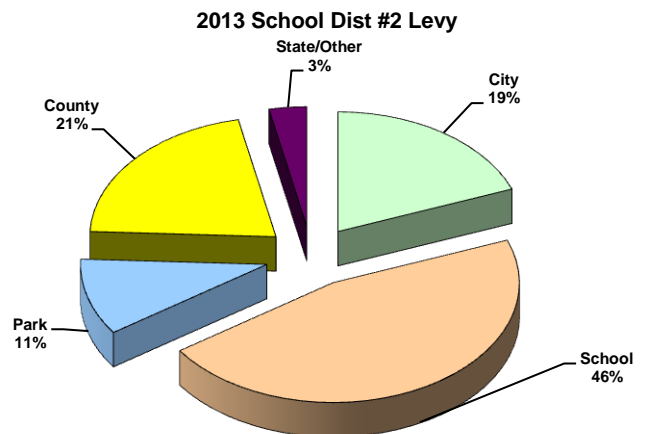
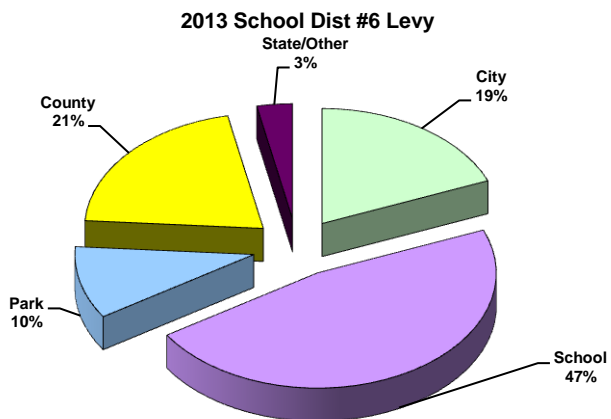
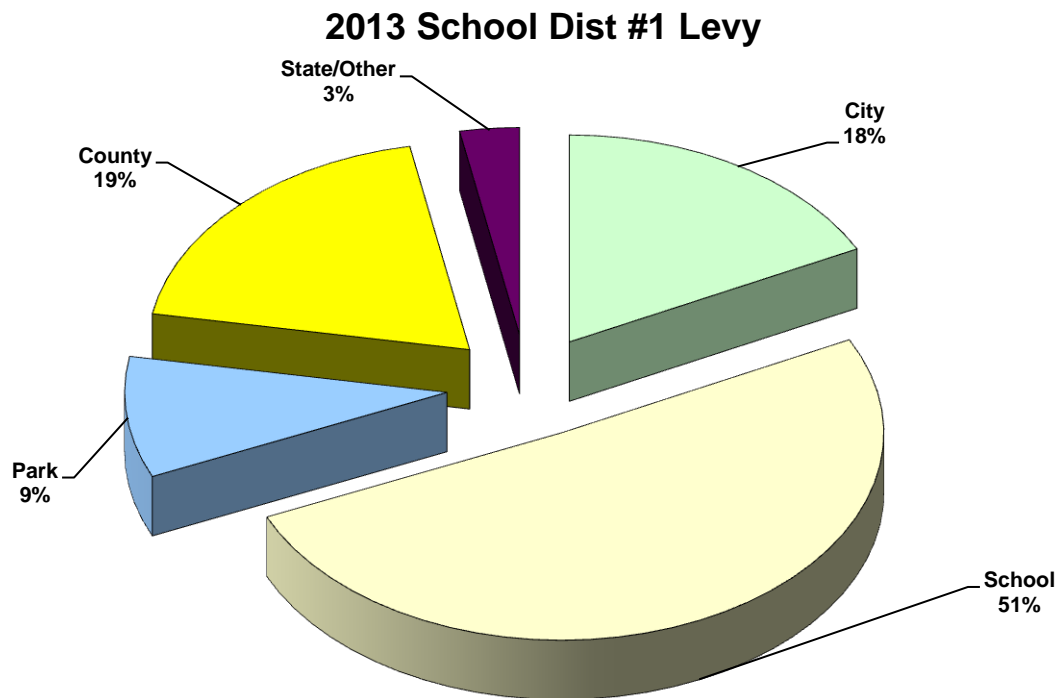
The 2013 mill levies in this table are net after the 12% tax credit has been applied.

In addition to a reduction in mill levies due to recently enacted legislation, there was also a state funded property tax credit of 12%. The following table shows the effect on the property tax rates:

2013 Net Effective Tax Rate Changes From 2012

	<u>School Dist #1</u>	<u>School Dist #6</u>	<u>School Dist #2</u>
Mill Levy	-14.75%	-14.77%	-12.90
State Paid Credit	-12%	-12%	-12%
Effective Tax Rate Change	-24.98%	-25.00%	-23.35%

2013 Mill Levy



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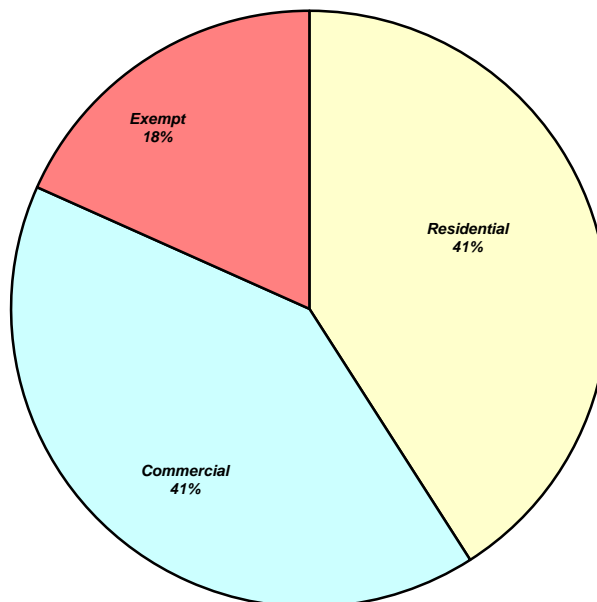
2014 Total Appraised Value

ESTIMATED TOTAL MARKET VALUE BREAKDOWN

Class	Count	% Of Total	2014 Total Value	% Of Total
Residential	26,040	76.0%	\$ 4,426,897,000	40.92%
Commercial	5,144	15.0%	\$ 4,407,432,600	40.74%
Agricultural	1,363	4.0%	\$ 3,520,000	.03%
Exempt	1,731	5.0%	\$ 1,980,717,100	18.31%
TOTAL	34,278		\$10,818,566,700	

*The *Exempt* property class includes hospitals, schools, government owned property, etc. These properties are not reappraised on as regular a basis as are other classes of property. Therefore, our current value on the books for these properties has been increased by 15% here to better reflect the actual value of exempt property in Fargo.

Breakdown By Value



It should be noted that the figures represented here reflect merely a snapshot of the status of property in the City of Fargo. Property ownership and valuation is always in a state of change. The Assessment Department responds to these changes on a daily basis. The numbers in this report reflect the way things are as of the date of the report. Next month, next week, or tomorrow, the figures will be different. Several figures here also represent estimates of value changes between now and September when mill levies are established. Agencies using the numbers in this report for budget purposes should consult additional sources for verification.

2014 Exempt Property

Exempt property falls into two classes in the property tax assessment roll for Fargo; *partial (or discretionary)* and *fully* exempt. Partial, or discretionary, exemptions are granted for reasons such as relief for the disabled or elderly, economic expansion, or renovation of properties. Fully exempt properties include those such as churches, schools and hospitals. Following is a breakdown of exemptions for the 2014 assessment:

<u>EXEMPTION TYPE</u>	<u># PROPERTIES</u>	<u>APPRAISED VALUE EXEMPT</u>
Fire Protection Levy		
Comm School Dist #1	38	\$ 23,714,900
Comm School Dist #6	<u>4</u>	<u>\$ 3,267,800</u>
Sub Total	42	\$ 26,982,700
Residential New Construction		
School Dist #1	272	\$ 39,665,400
School Dist #6	<u>334</u>	<u>\$ 48,494,400</u>
Sub Total	606	\$ 88,159,800
Homestead Credit, Disabled Veteran		
School Dist #1	722	\$ 59,661,475
School Dist #6	<u>40</u>	<u>\$ 3,731,620</u>
Sub Total	762	\$ 63,393,095
Wheelchair, Blind		
School Dist #1	68	\$ 7,290,800
School Dist #6	<u>3</u>	<u>\$ 422,700</u>
Sub Total	71	\$ 7,713,500
Remodeling		
Res School Dist #1	203	\$ 4,689,900
Comm School Dist #1	8	\$ 4,648,200
Comm School Dist #6	<u>1</u>	<u>\$ 514,200</u>
Sub Total	212	\$ 9,852,300
New Industry & Payment In Lieu		
Comm School Dist #1	54	\$107,856,100
Comm School Dist #6	<u>40</u>	<u>\$ 63,558,600</u>
Sub Total	94	\$171,414,700
Tax Increment Financing		
Comm School Dist #1	1	\$ 17,625,000
Renaissance Zone		
Comm School Dist #1	21	\$ 35,412,000
Res School Dist #1	<u>16</u>	<u>\$ 6,860,000</u>
Sub Total	37	\$ 42,272,000
Daycare, Geothermal, Parking Structures, Educational Corporation		
Res School Dist #1	38	\$ 3,883,500
Comm School Dist #1	25	\$ 58,106,100
Comm School Dist #6	<u>6</u>	<u>\$ 5,230,100</u>
Sub Total	69	\$ 67,219,700
2014 PARTIAL EXEMPTION		
GRAND TOTAL	1,893	\$ 494,632,795
2014 FULLY EXEMPT TOTAL	1,731	\$ 1,980,717,100

2014 Fargo Taxable Valuation

The **taxable valuation** is the amount that is considered the *tax base* of the City of Fargo. This accounts for the removal of exempt amounts and represents the net assessed value of all property in the city subject to property taxation.

This amount is determined by applying an *assessment ratio* of 50% to the net appraised value of all taxable property, then a factor of 9% is applied to residential and 10% to all other property classes.

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

The following projections of the 2014 taxable valuation of Fargo will vary somewhat from the final amount. Changes will occur between now and when the mill levy is determined in September. An amount (*Adjustments*) has been estimated to allow for those changes. Also, the figure used for *Corporations* is an estimate based upon last year's figures. Corporations are utilities such as railroads and pipelines which are assessed by the State Tax Department.

TOTAL EXPECTED 2014 TAXABLE VALUATION

<u>CLASS</u>	<u>TAXABLE VALUE</u>
Agricultural	\$ 176,000
Commercial	\$204,415,520
Residential	<u>\$194,201,562</u>
Sub Total	\$398,793,082
(less)	
Traditional Tax Increment	\$ 11,777,136
Adjustments Estimate	<u>\$ 4,000,000</u>
Sub Total	(\$ 15,777,136)
(add)	
Corporations Estimate	<u>\$ 4,176,524</u>

2014 PROJECTED NET TAXABLE VALUE \$387,192,470

2013 Net Taxable Valuation	\$ 360,271,576
Difference	\$ 26,920,894

Increase in Taxable Value 7.5%

2014 Fargo Taxable Valuation

2014 Projected Fargo Taxable Value By School District Locally Assessed Property

<u>CLASS</u>	<u>2014 TAXABLE</u>	<u>2013 TAXABLE</u>	<u>% CHG</u>
<i>Agricultural</i>			
School District #1	\$ 94,915	\$ 81,215	+16.9%
School District #6	\$ 75,055	\$ 65,600	+14.4%
School District #2	\$ 6,030	\$ 5,030	+19.9%
Sub Total	\$176,000	\$151,845	+15.9%
<i>Commercial</i>			
School District #1	\$ 110,644,185	\$ 102,647,160	+7.8%
School District #6	\$ 93,771,335	\$ 82,405,110	+13.8%
Sub Total	\$204,415,520	\$185,052,270	+10.5%
<i>Residential</i>			
School District #1	\$171,204,339	\$163,345,541	+4.8%
School District #6	\$ 22,982,886	\$ 19,855,580	+15.8%
School District #2	\$ 14,337	\$ 14,337	0%
Sub Total	\$194,201,562	\$183,215,458	+6.0%
Total School District #1	\$ 281,943,439	\$ 266,073,916	+6.0%
Total School District #6	\$ 116,829,276	\$ 102,326,290	+14.2%
Total School District #2	\$ 20,367	\$ 19,367	5.2%

These figures do not include adjustments for changes or Tax Increment Financing increments.

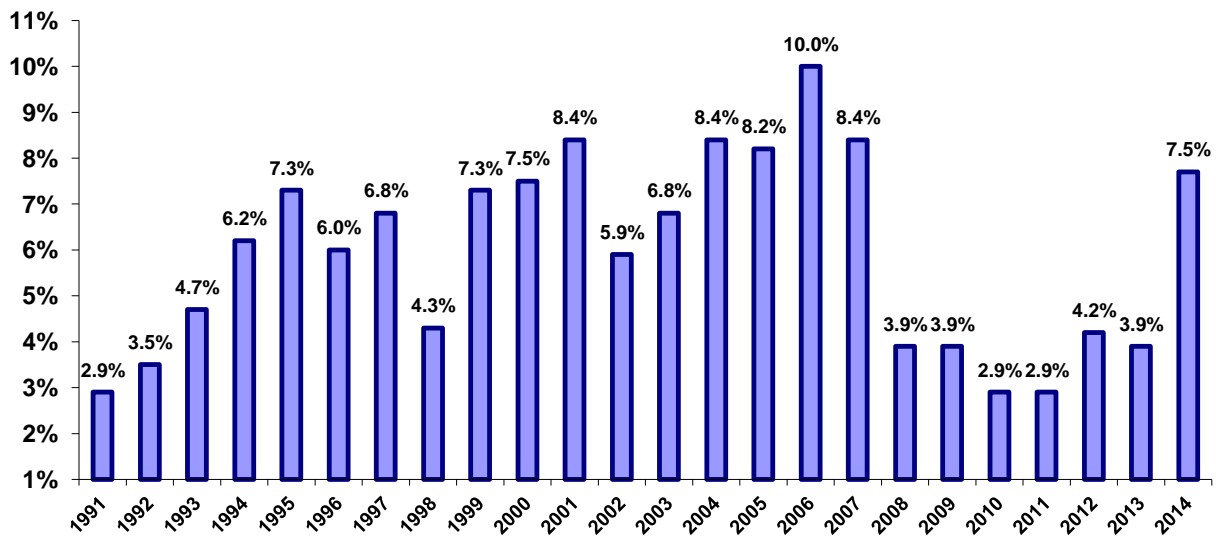
2014 Fargo Taxable Valuation

Following is the recent history of the change in taxable valuation, or tax base, of the City of Fargo along with the current projected amount for 2014.

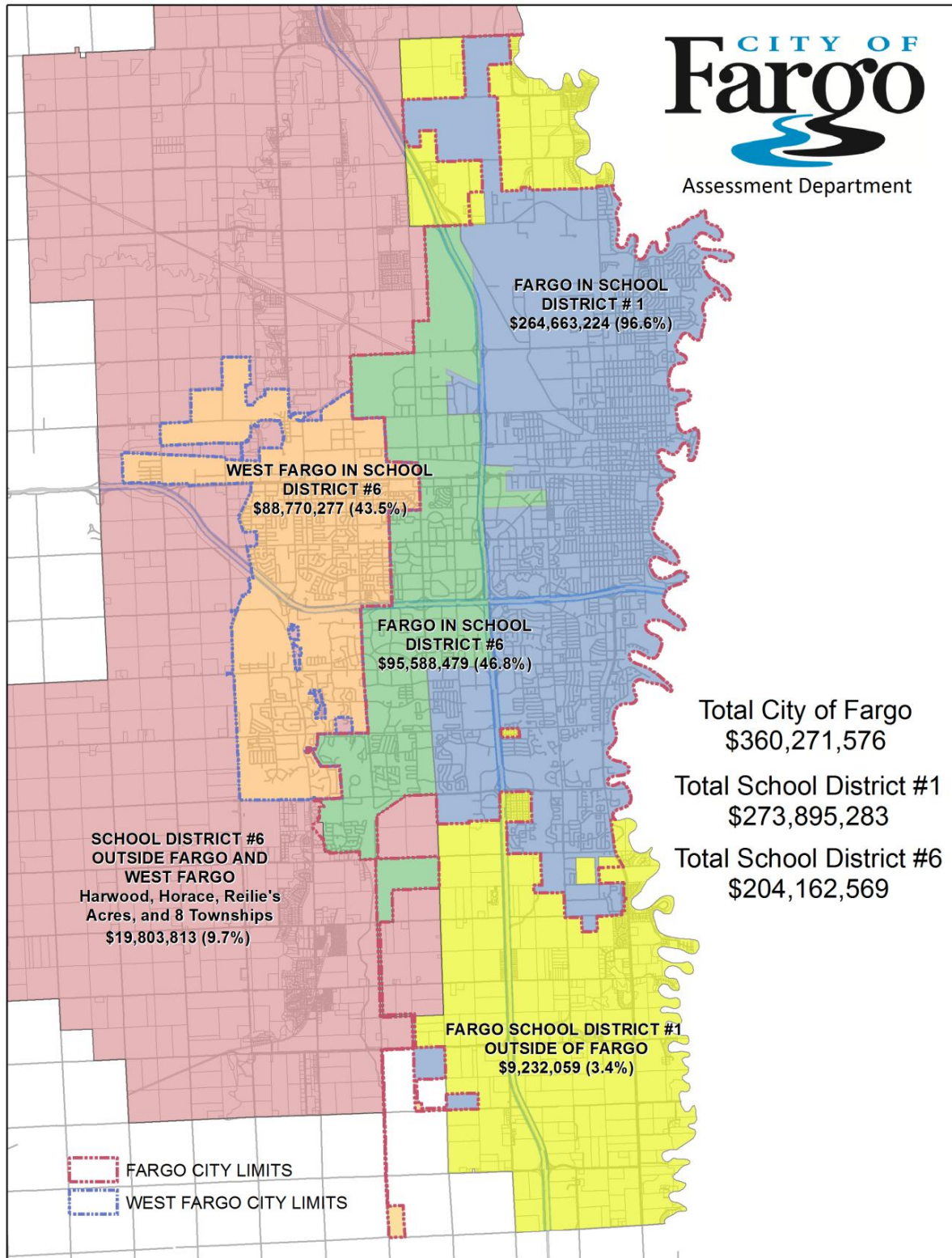
10 Year Fargo Taxable Value History

Year	Taxable Valuation	% Change
2005	\$ 244,141,153	+ 8.2%
2006	\$ 268,423,651	+ 9.9%
2007	\$ 291,211,070	+ 8.5%
2008	\$ 302,612,498	+ 3.9%
2009	\$ 314,345,150	+ 3.9%
2010	\$ 323,469,156	+ 2.9%
2011	\$ 332,779,107	+ 2.9%
2012	\$ 346,750,408	+ 4.2%
2013	\$ 360,271,576	+ 3.9%
2014 Est.	\$ 387,192,470	+ 7.5%

Percent Change In Taxable Value



2013 Taxable Value By Taxing District



Assessment Dept 3/28/2014

2013 Building Permit Appraisals

Part of the process of discovery in assessment is to perform appraisals on all parcels of land where building permits are issued.

This is a representation of building permit *appraisals* performed in 2013 for the 2014 assessment year. This count will differ from the actual building permits issued in the year. Some permits require multiple appraisals as in the case of multiple tenant properties. Also there is a carry-over from one year to the next on projects unfinished by the assessment date.

2013 Building Permit Appraisal Count

Residential New Construction	682	
Residential Renovation	<u>1,332</u>	
TOTAL RESIDENTIAL		2,014
Commercial New Construction	212	
Commercial Renovation	<u>614</u>	
TOTAL COMMERCIAL		<u>826</u>
TOTAL 2013 PERMIT APPRAISALS		2,840

2013 Building Permit Appraisal Value Summary

Commercial New Construction (Dist #1)	\$ 23,294,500	
Commercial New Construction (Dist #6)	<u>\$ 71,129,600</u>	
COMMERCIAL NEW CONSTRUCTION		\$94,424,100
Residential New Const. (Dist #1)	\$ 61,736,000	
Residential New Const. (Dist #6)	<u>\$ 50,827,800</u>	
RESIDENTIAL NEW CONSTRUCTION		<u>\$ 112,563,800</u>
TOTAL NEW CONSTRUCTION		\$206,987,900
Commercial Renovation (Dist #1)	\$ 30,584,600	
Commercial Renovation (Dist #6)	<u>\$ 21,173,100</u>	
COMMERCIAL RENOVATION		\$ 51,757,700
Residential Renovation (Dist #1)	\$ 7,939,100	
Residential Renovation (Dist #6)	<u>\$ 1,952,800</u>	
RESIDENTIAL RENOVATION		<u>\$ 9,891,900</u>
TOTAL RENOVATION		\$ 61,649,600
TOTAL PERMIT APPRAISAL VALUATION		\$ 268,637,500

2014 Traditional Tax Increment Financing

The traditional method of granting tax increment financing is one where the properties pay the total amount of tax each year. The increment to amortize the granted amount (often done by selling bonds) is determined by taking the difference between the total tax, based on the current value, and the tax on a “base year” value. The base year value is normally the value of the property prior to any development at the time the tax increment financing was approved.

The following is the breakdown of the current traditional tax increment financing projects in Fargo. The tax amounts shown are estimates based on current 2014 valuations and the most recent (2013) mill levy.

The “Base Tax” is the estimated amount to be distributed to the taxing entities. The “Increment Tax” is the amount estimated to be placed in a fund to amortize the increment financing.

	Current Value	Base Value	Total Tax	Base Tax	Increment Tax
Dakota Bank	\$19,935,000	\$2,846,200	\$271,404	\$38,749	\$232,655
Great Northern	\$1,140,500	\$298,700	\$15,527	\$4,067	\$11,461
Matrix Properties	\$148,884,500	\$347,464	\$1,882,924	\$4,394	\$1,878,529
Horse Park	\$4,400,100	\$85,800	\$55,648	\$1,085	\$54,562
Scattered 2003-01	\$1,673,000	\$570,111	\$20,499	\$6,986	\$13,514
Scattered 2004-01	\$1,909,400	\$644,844	\$23,396	\$7,901	\$15,495
Fayland Properties	\$32,906,300	\$102,000	\$416,162	\$1,290	\$414,872
Bdwy St & Bristol	\$5,573,300	\$408,100	\$72,541	\$5,556	\$66,985
Roers 19 Ave N	\$14,025,000	\$1,408,400	\$190,943	\$19,175	\$171,768
FM Development I	\$2,533,000	\$208,080	\$34,485	\$2,833	\$31,653
Feder	\$2,054,000	\$316,980	\$27,964	\$4,316	\$23,649
FM Development II	\$3,690,000	\$334,140	\$50,237	\$4,549	\$45,688
Shotwell Commons	\$3,752,200	\$462,444	\$45,976	\$5,666	\$40,309
GRAND TOTAL	\$242,476,300	\$8,033,264	\$3,107,706	\$106,567	\$3,001,139

*Tax amounts are estimates using the previous year's mill levies.

2013 Major Taxpayers

Following is a list of major taxpayers in Fargo as of the most recent levied tax. They are ranked in order of the appraised value of the respective properties:

#	<u>Taxpayer</u>	<u>Type</u>	<u>2013 Value</u>
1	INREIT Properties	REIT (Comm)	\$ 124,389,800
2	West Acres Development Corp.	Retail	\$ 95,898,400
3	Sanford / Meritcare	Medical	\$ 68,878,400
4	Matrix Properties	Comm/Res/Apts	\$ 53,060,300
5	Osgood Investments	Comm/Res/Apts	\$ 41,903,100
6	R & B Development	Apartments	\$ 39,164,400
7	Wal-Mart Real Estate Business Trust	Retail	\$ 38,350,700
8	Innovis Health	Medical	\$ 36,397,000
9	RCV Ltd Partnership/Van Raden	Comm/Apts/Res	\$ 35,520,000
10	JPR Investments, LLC	Comm/Apts	\$ 32,913,700
11	Dakota UPREIT	REIT (Apts)	\$ 26,508,200
12	IRET Properties	REIT (Apts)	\$ 26,139,000
13	Anda Const. / Roger Anda	Comm/Apts	\$ 25,238,800
14	Dakota Park Ltd. Ptsp.	Apartments	\$ 25,069,300
15	Blue Cross - Blue Shield of ND	Insurance	\$ 24,759,900
16	Case Equipment Corporation	Industrial	\$ 23,485,300
17	Waterford at Harwood Groves, LLC	Apartments	\$ 23,376,300
18	Scheels	Retail	\$23,090,800
19	Bullinger Enterprises	Comm/Res/Apts	\$ 22,752,200
20	Comstock Land Company	Mfg/Retail	\$ 22,477,600
		TOTAL	\$ 809,373,700

Major North Dakota City Comparison

Population / Taxable Value Comparison

City	2013 Population	2013 Taxable Value
Fargo (School District #1)	110,000	\$346,750,408
Bismarck	64,751	\$278,598,350
Grand Forks	54,358	\$153,748,856
Minot	40,888	\$147,700,694
West Fargo	29,600	\$80,520,107
Dickinson	25-30,000	\$55,132,217
Williston	33,500	\$47,230,526
Mandan	21,385	\$46,623,860
Jamestown	15,500	\$28,666,600
Wahpeton	7,800	\$13,977,184
Valley City	7,200	\$12,980,939
Devils Lake	7,200	\$11,812,625

Mill Levy / Property Tax Comparison

CITY	2013 Total Mill Levy	2013 City Mill Levy	Est. Tax \$125,000 Residential	Est. Tax \$125,000 Commercial
Williston	163.17	34.80	\$918	\$1,020
Dickinson	207.34	49.20	\$1,166	\$1,296
Minot	219.26	66.92	\$1,233	\$1,370
Bismarck	229.51	61.03	\$1,291	\$1,434
Fargo (School District #1)	286.62	51.26	\$1,612	\$1,791
Valley City	291.38	80.89	\$1,639	\$1,821
Mandan	291.42	71.97	\$1,639	\$1,821
West Fargo	297.38	78.42	\$1,673	\$1,859
Devils Lake	302.14	89.56	\$1,700	\$1,888
Grand Forks	323.58	97.02	\$1,820	\$2,022
Jamestown	323.68	100.06	\$1,821	\$2,023
Wahpeton	363.55	108.77	\$2,045	\$2,272

The mill levies in this table are net after the 12% tax credit has been applied.

Appraisal Efforts & The Sales Ratio Study

The statutory requirement for jurisdictions to appraise each property based on market value as the standard requires periodic updates to property values as market conditions and properties change.

To comply with that requirement, this department continually analyzes sale prices and how our appraised values relate to sales. Values are updated by either complete reappraisal of properties, market trending by specific property breakdowns, or recalibration and calculation of appraisal models.

Those appraisal efforts this past year included:

- 10,213 Residential Values Trended Up Between 3% - 5%
- 2,551 Commercial Values Trended Up 3%
- 1,540 Apartment Values Trended Up 2%
- 63 Apartment Values Trended Up Between 10% - 20%
- 2,438 Residential Appraisals Calculated By Updated Cost Models
- 1,388 Residential Properties Reappraised
- 389 Warehouse/Industrial Buildings Reappraised
- 45 Hotel/Motel Properties Reappraised
- 381 Apartment Properties Reappraised
- 555 Commercial Land Parcels Reappraised

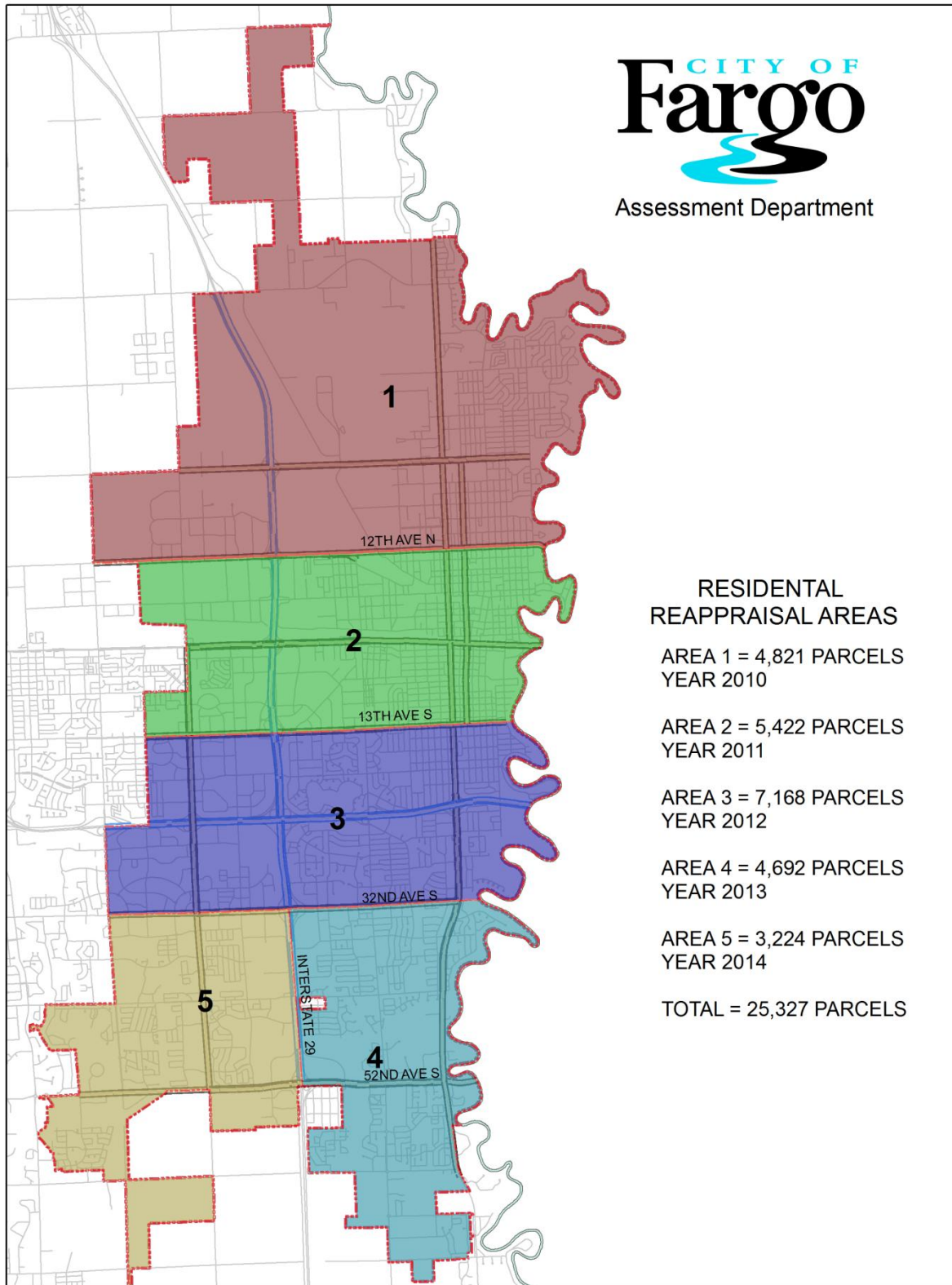
The comparison of the assessment valuation to a property's sale price is called the sale ratio. For instance, if a property sold for \$100,000 and the assessment value is \$90,000, the sale ratio is 90%. Annually, that ratio is calculated for all property sales that took place in the previous year.

For each property class, all ratios are sorted from lowest to highest and the median, or middle, ratio is determined. The State Board of Equalization and Tax Department monitor assessments statewide based on that median sale ratio for each jurisdiction. For 2014, the State Board of Equalization will allow a jurisdiction overall median sale ratio for each property classification to be between 90% and 100% before they will order an adjustment of values within property classes.

2014 valuations result in adjusted median sale ratios of:

PROPERTY CLASS	MEDIAN RATIO
Commercial	97.6%
Residential	94.6%

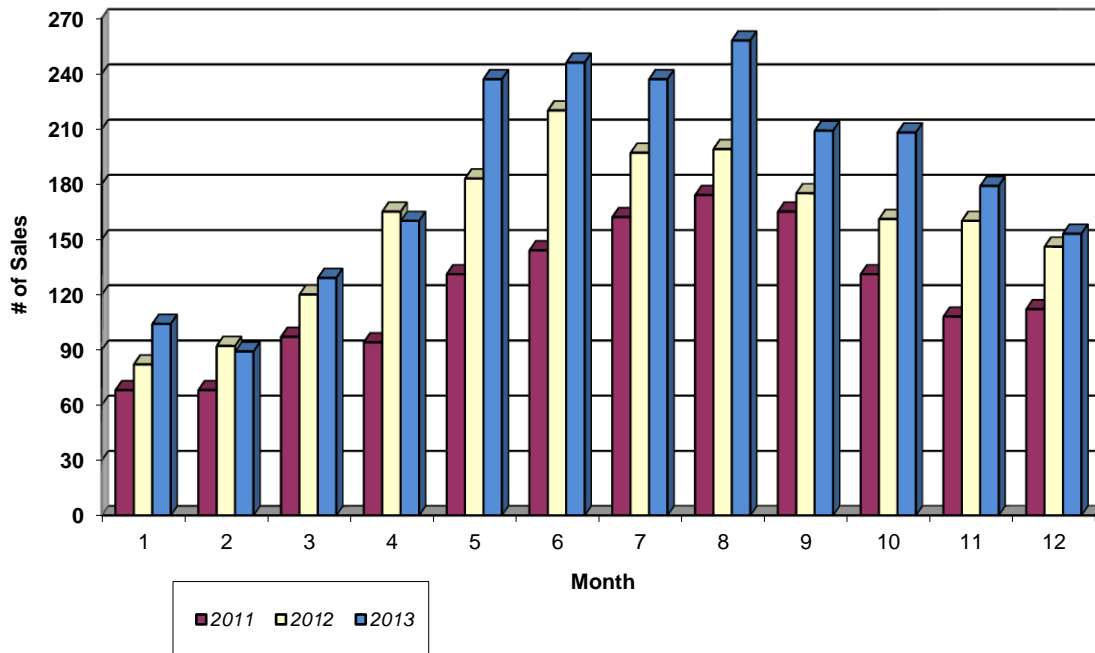
Residential Reappraisal



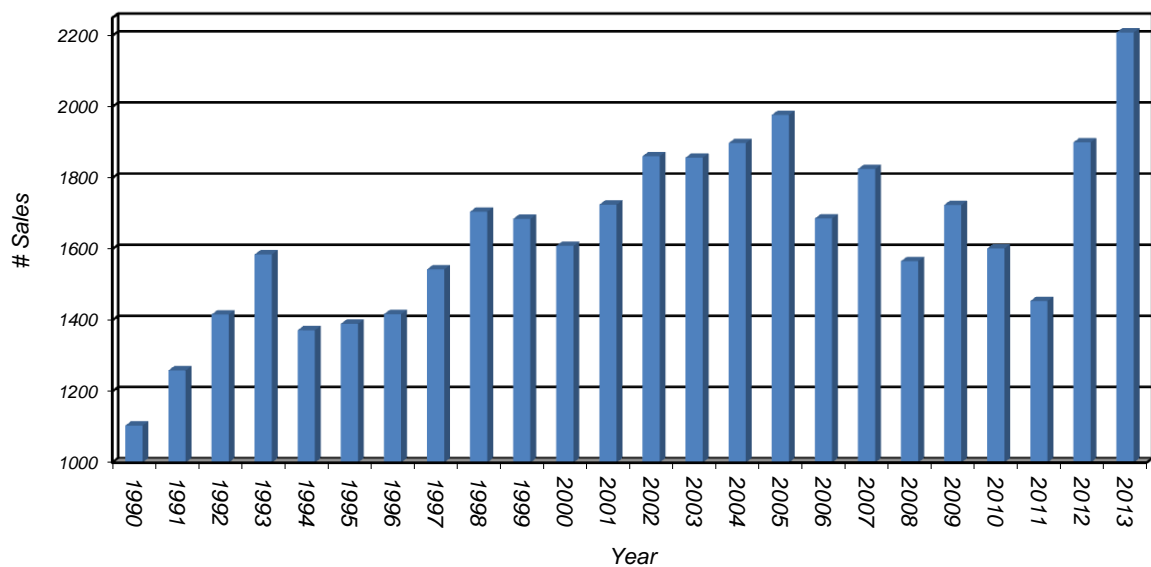
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Residential Property Sales

2011-2013 Residential Sales

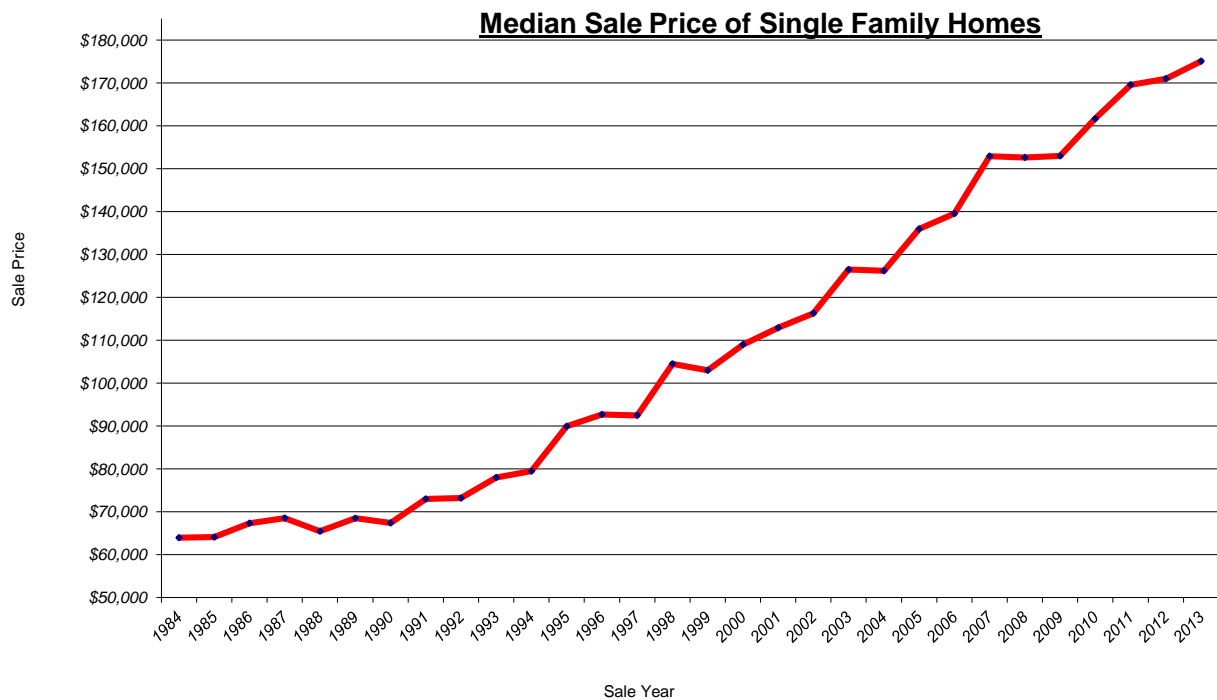
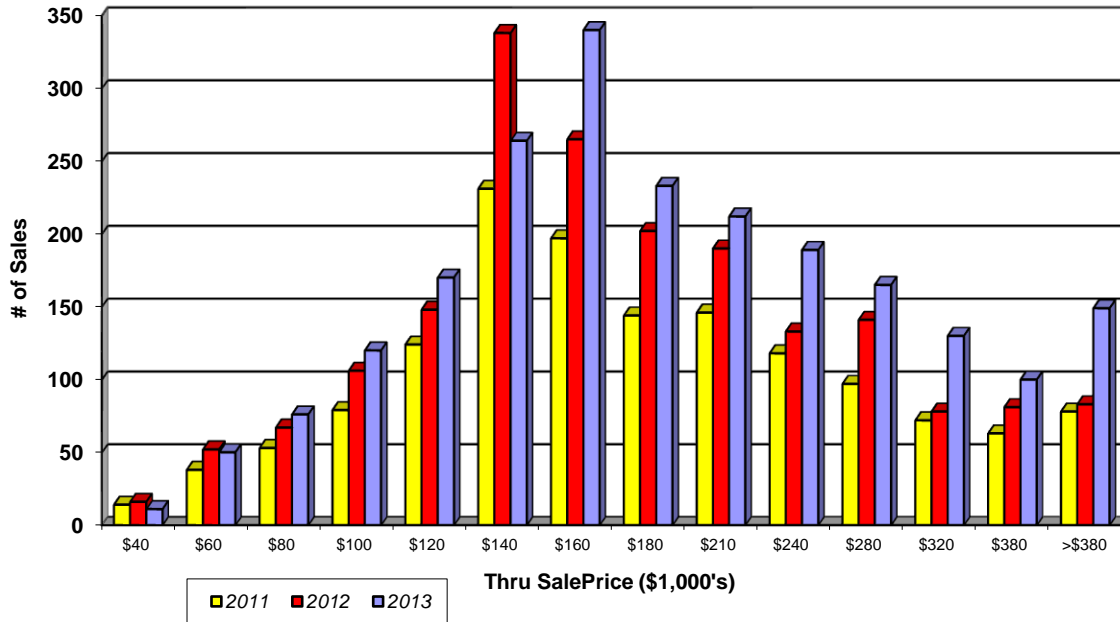


Residential Sales By Year



Residential Property Sales

2011-2013 Residential Sales By Price Range



City Board of Equalization Statute

CHAPTER 57-11 CITY BOARD OF EQUALIZATION

Section

57-11-01. Membership of board - Quorum - Meeting.

57-11-02. Duties of auditor.

57-11-03. Duties of board - Limitation on increase - Notice.

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57-11-01. Membership of board - Quorum - Meeting.

The board of equalization of a city consists of the members of the governing body, and shall meet at the usual place of meeting of the governing body of the city, on the second Tuesday in April in each year. The executive officer of the governing body shall act as chairman, but in his absence the governing body may elect one of its members to preside. A majority of the board constitutes a quorum to transact business, and it may adjourn from day to day until its work is completed. In case a quorum is not present at any time, the clerk may adjourn from day to day and publicly announce the time to which the meeting is adjourned.

Notwithstanding the provisions of subsection 1, if the same person performs the duties of assessor for two or more cities or townships, the county director of tax equalization may designate the hour and day in the month of April at which the meeting provided for in subsection 1 must be held for each such city board of equalization; provided, that notice of the hour and day must be published in the official newspaper of the county and posted at the usual place of meeting at least ten days before such meeting.

57-11-02. Duties of auditor. The city auditor, as clerk, shall keep an accurate record of all changes made in valuation, and of all other proceedings, and, within ten days after the completion of the equalization of the assessment, shall deliver the assessments as equalized to the county auditor of the county in which the city is situated, with his certificate that the assessments are correct as equalized by the city board of equalization. The assessment as equalized must be accepted by the board of county commissioners in lieu of all other assessment rolls for the property in said city.

City Board of Equalization Statute

57-11-03. Duties of board - Limitation on increase - Notice. At its meeting, the board of equalization shall proceed to equalize and correct the assessment roll. It may change the valuation and assessment of any real property upon the roll by increasing or diminishing the assessed valuation thereof as is reasonable and just to render taxation uniform, except that the valuation of any property returned by the assessor may not be increased more than twenty-five percent without first giving the owner or his agent notice of the intention of the board to increase it. The notice must state the time when the board will be in session to act upon the matter and must be given by personal notice served upon the owner or his agent or by leaving a copy at his last known place of residence.

57-11-04. Application for correction of assessment. During the session of the board, any person, or the attorney or agent of any person feeling aggrieved by anything in the assessment roll, may apply to the board for the correction of alleged errors in the listing or valuation of real property, and the board may correct the errors as it may deem just.

57-11-05. Adding property to assessment list. The board of equalization shall place upon and add to the assessment roll any real property subject to taxation which has been omitted by the owner or the assessor and shall enter the property at a valuation which will bear an equal and just proportion of the taxation.

57-11-06. No reduction after session of board - Exception. After the adjournment of the board each year, neither the governing body of the city nor the city board of equalization may change or alter any assessment. Neither may the governing body or the board of equalization reduce or abate, or authorize the reduction, abatement, or return, of any taxes levied upon such assessments for any cause except that the property assessed was not subject to taxation at the time the assessment was made.

57-11-07. Effect of failure of board to meet. The failure of the board of equalization to hold its meeting does not vitiate nor invalidate any assessment or tax except as to the excess of valuation or tax thereon shown to have been made or levied unjustly.

Various ND Property Tax Statutes

57-02-01. Definitions. 15. "True and full value" means the value determined by considering the earning or productive capacity, if any, the market value, if any, and all other matters that affect the actual value of the property to be assessed. This shall include, for purposes of arriving at the true and full value of property used for agricultural purposes, farm rentals, soil capability, soil productivity, and soils analysis.

57-02-03. Property subject to taxation. All property in this state is subject to taxation unless expressly exempted by law.

57-02-04. Real property defined. Real property, for the purpose of taxation, includes:

1. The land itself, whether laid out in town lots or otherwise, and improvements to the land, such as ditching, surfacing, and leveling, except plowing and trees, and all rights and privileges thereto belonging or in anywise appertaining, and all mines, minerals, and quarries in and under the same and shall expressly include all such improvements made by persons to lands held by them under the laws of the United States, all such improvements to land the title to which still is vested in any railroad company and which is not used exclusively for railroad purposes, and improvements to land belonging to any other corporation or limited liability company whose property is not subject to the same mode and rule of taxation as other property.
2. All structures and buildings, including systems for the heating, air conditioning, ventilating, sanitation, lighting, and plumbing of such structures and buildings, and all rights and privileges thereto belonging or in anywise appertaining, but shall not include items which pertain to the use of such structures and buildings, such as machinery or equipment used for trade or manufacture which are not constructed as an integral part of and are not essential for the support of such structures or buildings, and which are removable without materially limiting or restricting the use of such structures or buildings.
3. Machinery and equipment, but not including small tools and office equipment, used or intended for use in any process of refining products from oil or gas extracted from the earth, but not including such equipment or appurtenances located on leased oil and gas production sites.

Various ND Property Tax Statutes

57-02-11. Listing of property - Assessment thereof. Property must be listed and assessed as follows:

1. All real property subject to taxation must be listed and assessed every year with reference to its value, on February first of that year.
2. Whenever after the first day of February and before the first day of April in any year, it is made to appear to the assessor by the oath of the owner that any building, structure, or other improvement, or tangible personal property, which is listed for taxation for the current year has been destroyed or injured by fire, flood, or tornado, the assessor shall investigate the matter and deduct from the valuation of the property of the owner of such destroyed property an amount which in the assessor's judgment fairly represents such deduction as should be made.

57-02-27.1. Property to be valued at true and full value. Beginning with the year 1981, all assessors and boards of equalization shall place the values of all items of taxable property at the true and full value of the property except as otherwise specifically provided by law, and the amount of taxes that may be levied on such property for the year 1981 and each year thereafter must be limited as provided in this chapter. For the purposes of sections 57-02-27, 57-02-27.1, 57-02-27.2, and 57-55-04, the term "true and full value" has the same meaning as provided in subsection 15 of section 57-02-01, except that "true and full value" of agricultural lands must be as determined pursuant to section 57-02-27.2.

57-02-14.1. Tax exemption certificate for real property to be filed Exceptions. Any person, corporations, limited liability companies, associations, or organizations owning real property located within a municipality which claims that such real property is exempt from assessment and taxation shall file with the assessor and with the county auditor a certificate setting out all facts on which the claim for exemption is based, including the names of owners, the date such property was acquired, the legal description, the use to which the property was put during the twelve months preceding the assessment date, and any other information which the assessor may request. This certificate shall be filed with the assessor and the county auditor each year before the assessment date. If the certificate is not filed as provided herein, the assessor shall regard the property as nonexempt property and shall assess it as such. The provisions of this section shall not apply in any case when the real property is owned by the United States or the state of North Dakota or any of its departments, institutions, agencies, or political subdivisions.