



Assessment Department

ANNUAL REPORT

To The Fargo
City Board of Equalization

April 9, 2019

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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 determines 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:

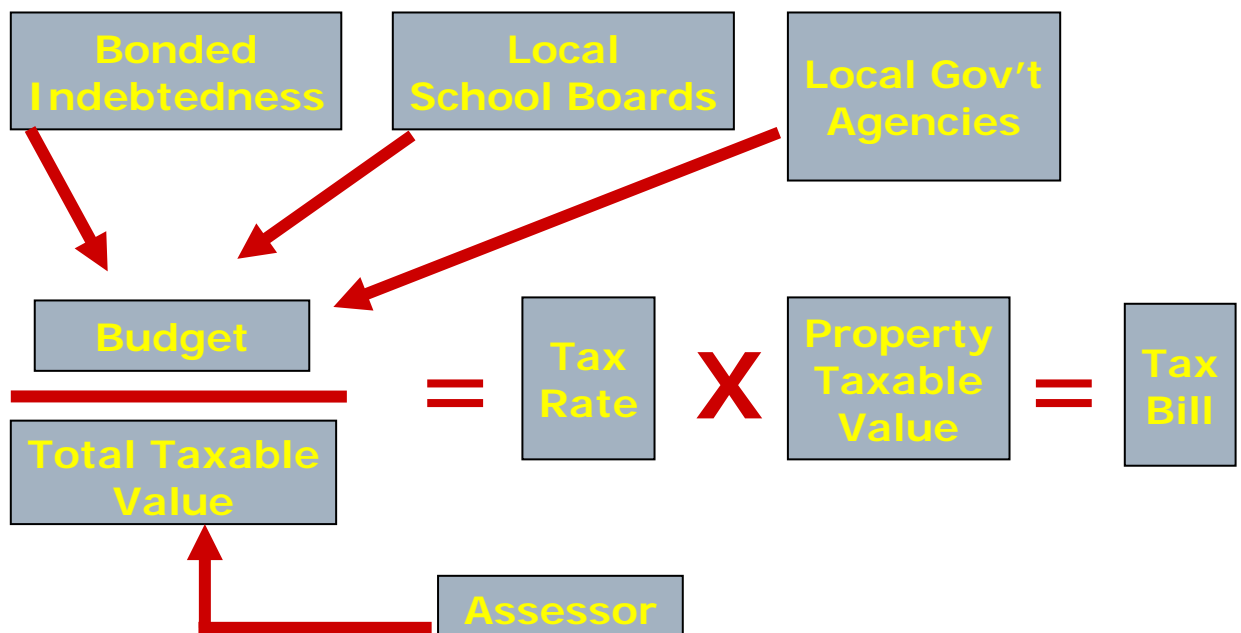
$$\text{Assessor's Value} \times \text{Assm't Ratio} \times \text{Assm't Factor} \times \text{Mill Levy} = \text{Gross Tax}$$

The Assessment Ratio is 50% for all properties. The Assessment Factor is 9% for residential and 10% for all other classes of property. The mill levies in the City of Fargo for 2018 were 288.60 mills in School District #1, 267.78 in School District #6, and 240.40 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:

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

2018 Mill Levy

The mill levy is calculated each year by the County Auditor. See the map on page 14 for the location of the school districts in the City of Fargo. The following illustrates how that levy is broken down:

2018 MILL LEVY BREAKDOWN

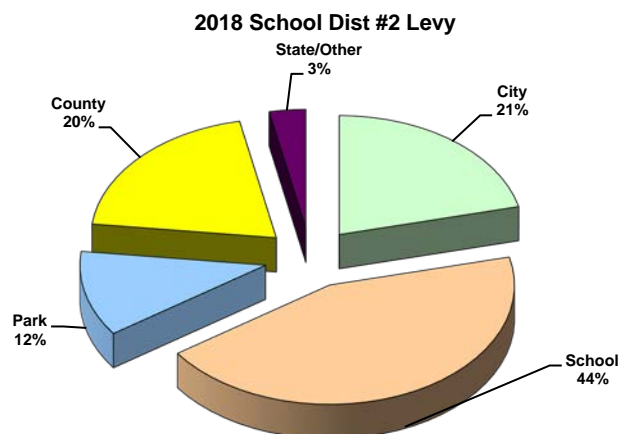
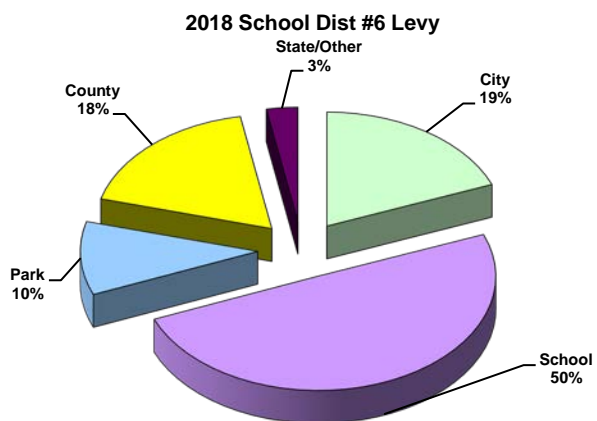
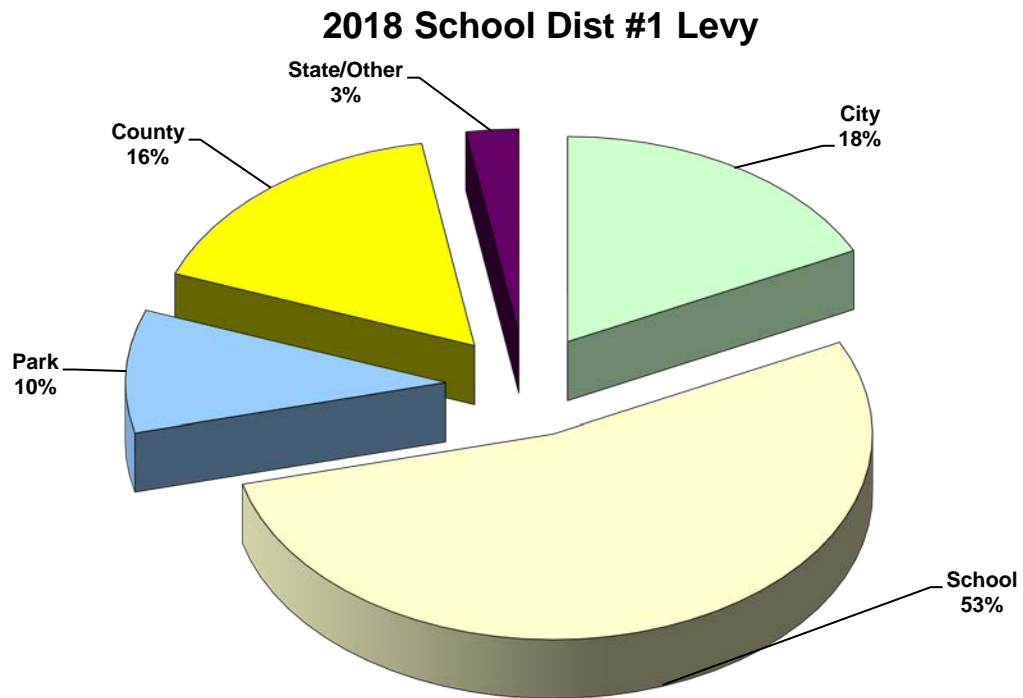
<u>Jurisdiction</u>	<u>School Dist #1</u>	<u>School Dist #6</u>	<u>School Dist #2</u>
State/Other	3.38	3.38	3.38
Cass County	48.00	48.00	48.00
City of Fargo	51.00	51.00	51.00
Park District	27.83	27.83	27.83
School District	154.13	133.31	105.93
Water District	4.26	4.26	4.26
TOTAL	288.60	267.78	240.40

In addition to a reduction in mill levies in recent years, there was also a State funded property tax credit of 12% for the 2013-2016 tax years.

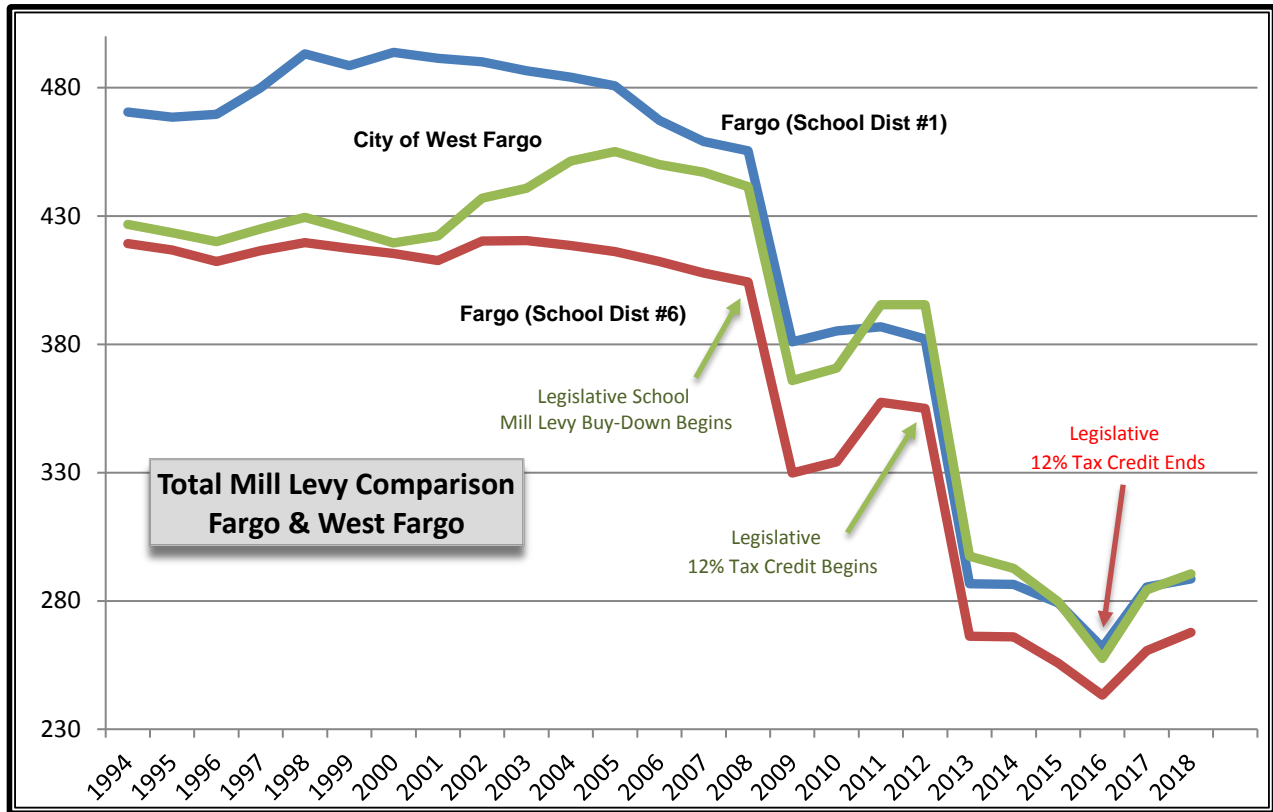
Mill Levy History School District #1 2008-2018

<u>YEAR</u>	<u>CITY</u>	<u>COUNTY</u>	<u>PARK</u>	<u>SCHOOL</u>	<u>OTHER</u>	<u>TOTAL</u>
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	57.25	62.67	30.74	165.35	9.70	325.71
2014	57.25	62.67	30.71	165.35	9.44	325.42
2015	55.00	57.42	29.52	166.34	9.03	325.42
2016	53.00	52.76	28.61	154.35	8.79	297.51
2017	51.00	44.71	27.80	154.13	7.85	285.49
2018	51.00	48.00	27.83	154.13	7.64	288.60

2018 Mill Levy



Mill Levy Comparison



City of Fargo Mill Levy Change From Previous Year

	2017	2018	MILL CHG	% CHG
State/Other	3.35	3.38	0.03	0.9%
Water Districts	4.50	4.26	-0.24	-5.3%
Cass County	44.71	48.00	3.29	7.4%
City of Fargo	51.00	51.00	0.00	0.0%
Park District	27.80	27.83	0.03	0.1%
Fargo School District #1	154.13	154.13	0.00	0.0%
Kindred School District #2	113.73	105.93	-7.80	-6.9%
West Fargo School District #6	129.27	133.31	4.04	3.1%
TOTAL FARGO SCHOOL DISTRICT	285.49	288.60	3.11	1.1%
TOTAL KINDRED SCHOOL DISTRICT	245.09	240.40	-4.69	-1.9%
TOTAL WEST FARGO SCHOOL DISTRICT	260.63	267.78	7.15	2.7%

DIFFERENCE IN TAXES IN 2018 DUE TO MILL LEVY CHANGE

	School #1	School #2	School #6
Increase on \$100,000 Residential	\$14.00	(\$21.00)	\$32.00
Increase on \$200,000 Commercial	\$31.00	(\$47.00)	\$71.00

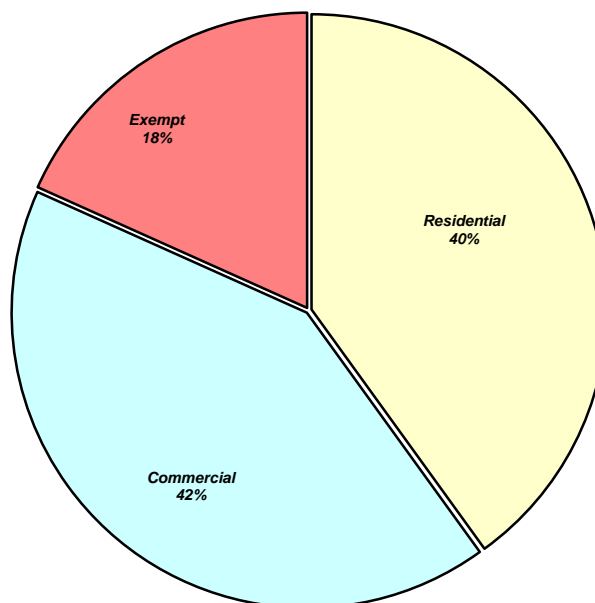
2019 Total Appraised Value

ESTIMATED TOTAL MARKET VALUE BREAKDOWN

Class	Count	% Of Total	2019 Total Value	% Of Total
Residential	28,572	78.3%	\$ 6,395,882,530	40.0 %
Commercial	5,813	15.9%	\$ 6,656,096,600	41.7%
Agricultural	173	.5%	\$ 2,164,900	.01%
Exempt	1,940	5.3%	\$ 2,922,545,200	18.3%
TOTAL	36,498		\$15,976,689,230	

*The *Exempt* property class includes hospitals, schools, government owned property, etc. These properties are not reappraised as frequently as other classes of property. Our current value for these properties has been increased by 15% to better reflect the 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 October when mill levies are established. Agencies using the numbers in this report for budget purposes should consult additional sources for verification.

2019 Exempt Property

Exempt property falls into two classes in the property tax assessment roll for Fargo; *partial* (& *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 2019 assessment:

<u>EXEMPTION TYPE</u>	<u># PROPERTIES</u>	<u>APPRAISED VALUE</u>	<u>TAXABLE VALUE</u>
Residential New Construction (Discretionary)			
School Dist #1	303	\$ 45,009,000	\$ 2,025,405
School Dist #6	<u>287</u>	<u>\$ 43,050,000</u>	<u>\$ 1,937,250</u>
Sub Total	590	\$ 88,059,000	\$ 3,962,655
Homestead Credit, Disabled Veteran			
School Dist #1	934	\$ 93,411,917	\$ 4,203,537
School Dist #6	<u>74</u>	<u>\$ 8,364,191</u>	<u>\$ 376,389</u>
Sub Total	1,008	\$101,776,108	\$ 4,579,926
Wheelchair, Blind			
School Dist #1	65	\$ 8,110,600	\$ 364,978
School Dist #6	<u>3</u>	<u>\$ 480,000</u>	<u>\$ 21,600</u>
Sub Total	69	\$ 8,590,600	\$ 386,578
Remodeling (Discretionary)			
Res School Dist #1	600	\$ 15,302,900	\$ 688,631
Comm School Dist #1	<u>4</u>	<u>\$ 402,600</u>	<u>\$ 20,130</u>
Sub Total	604	\$15,705,500	\$ 708,761
New Industry Exemption & PILOT (Discretionary)*			
Comm School Dist #1	53	\$145,537,900	\$ 7,276,895
Comm School Dist #6	<u>38</u>	<u>\$ 59,324,500</u>	<u>\$ 2,966,225</u>
Sub Total	91	\$204,862,400	\$ 10,243,120
* Note: In 2018, PILOT payments were levied that represent the tax equivalent of approximately \$4,600,000 in taxable value. These payments are distributed to all political subdivisions in the same manner as the property tax.			
Renaissance Zone (Discretionary)			
Comm School Dist #1	20	\$ 49,812,600	\$ 2,490,630
Res School Dist #1	<u>2</u>	<u>\$ 901,800</u>	<u>\$ 40,581</u>
Sub Total	22	\$ 50,714,400	\$ 2,531,211
Daycare, Fire Protection			
Comm School Dist #1	45	\$ 35,218,300	\$ 1,760,915
Comm School Dist #6	<u>9</u>	<u>\$ 8,133,300</u>	<u>\$ 406,665</u>
Sub Total	54	\$ 43,351,600	\$ 2,167,580
<u>ALL PARTIAL EXEMPTIONS GRAND TOTAL</u>	2,437	\$ 513,059,608	\$ 24,579,831
<u>DISCRETIONARY EXEMPTIONS TOTAL</u> (2.9% of projected Taxable Value)	1,307	\$ 359,341,300	\$ 17,445,747
<u>FULLY EXEMPT TOTAL</u>	1,940	\$ 2,922,545,200	

2019 Exempt Property

2019 Change In Amount of Partial/Discretionary Exemptions

TYPE	2018	2019	Change as a % of Total City Value
Daycare/Fire Protection	\$42,695,100	\$43,351,600	+1.5%
Res New Construction	\$104,964,900	\$88,059,000	-16.1%
Homestead/Veterans	\$95,498,514	\$101,776,108	+6.6%
Blind/Wheelchair	\$9,117,700	\$8,590,600	-5.8%
Remodeling	\$13,845,700	\$15,705,500	+13.4%
New Industry/PILOT	\$203,846,900	\$204,862,400	+5%
TIF	\$29,028,000	\$0	-100%
Renaissance	\$53,432,700	\$50,714,400	-5.1%
TOTALS	\$552,429,514	\$513,059,608	-7.1%

% OF EXEMPT VALUE TO TOTAL CITY VALUE

Fully exempt property includes religious, government owned, non-profit hospitals, NDSU, etc.

\$2,922,545,200

Discretionary and partially exempt property includes relief for low income elderly, disabled veterans, wheelchair bound or blind individuals, group homes, etc. (non-discretionary) Also, incentives for economic development, low-income housing, creating new jobs etc. (discretionary)

\$513,059,608

Value of ALL property in city \$15,976,689,230

Totally exempt \$2,922,545,200 (18.3%)

Partial exempt \$ 513,059,608 (3.2%)

Value of ALL EXEMPT property in the city\$3,435,604,808

21.5%

2019 Traditional Tax Increment Financing

Following is the breakdown of the current traditional tax increment financing projects in Fargo. Tax amounts are estimates based on current 2019 valuations and the most recent (2018) mill levy

	Current Value	Base Value	Total Tax	Base Tax	Increment Tax
Dakota Bank	\$22,806,600	\$2,846,200	\$312,644	\$39,017	\$273,627
Great Northern	\$1,384,000	\$298,700	\$18,973	\$4,095	\$14,878
Horse Park	\$11,275,500	\$86,040	\$139,590	\$1,065	\$138,525
Fayland Properties	\$58,188,700	\$102,000	\$720,372	\$1,263	\$719,109
Bdwy St & Bristol	\$7,097,500	\$408,100	\$92,326	\$5,361	\$86,965
Roers 19 Ave N	\$15,375,400	\$1,408,400	\$210,774	\$19,307	\$191,467
FM Development I	\$2,633,000	\$208,080	\$36,094	\$2,852	\$33,242
Feder	\$2,385,600	\$316,980	\$32,703	\$4,345	\$28,358
FM Development II	\$4,254,000	\$334,140	\$58,316	\$4,581	\$53,735
Shotwell Commons	\$6,664,000	\$462,444	\$82,219	\$5,705	\$76,513
914 LLC, Weston	\$2,639,000	\$195,900	\$36,177	\$2,685	\$33,491
Butler Business Park	\$13,525,300	\$2,117,700	\$167,442	\$26,217	\$141,225
710 Lofts	\$1,703,000	\$163,400	\$23,346	\$2,240	\$21,106
Roberts St. Ramp	\$3,619,000	\$236,000	\$49,611	\$3,235	\$46,376
Block 9	\$4,575,100	\$4,360,100	\$62,718	\$59,770	\$2,947
Junction 9 Apartments	\$2,446,000	\$1,011,000	\$33,531	\$13,859	\$19,672
GRAND TOTAL	\$160,571,700	\$14,555,184	\$2,076,835	\$195,599	\$1,881,236

TIF INCREMENTAL TAXABLE VALUE (1.2% of projected tax base)

	Appraised Value	School	Taxable Value	Commercial	Residential
Dakota Bank	\$19,960,400	1	\$998,020	\$998,020	
Great Northern	\$1,085,300	1	\$54,265	\$54,265	
Horse Park	\$11,189,460	6	\$559,473	\$468,085	
Fayland	\$58,086,700	6	\$2,904,335	\$2,904,335	
Bdwy St & Bristol	\$6,689,400	1	\$317,194	\$160,775	\$156,419
Roers 19th Ave N	\$13,967,000	1	\$698,350	\$698,350	
FM Development I	\$2,424,920	1	\$121,246	\$121,246	
Feder	\$2,068,620	1	\$103,431	\$103,431	
FM Development II	\$3,919,860	1	\$195,993	\$195,993	
Shotwell Commons	\$6,201,556	1	\$279,073		\$279,073
914 LLC, Weston	\$2,443,100	1	\$122,155	\$122,155	
Butler Business Park	\$11,407,600	6	\$570,380	\$570,380	
710 Lofts	\$1,539,600	1	\$76,980	\$76,980	
Roberts St. Ramp	\$3,383,000	1	\$169,150	\$169,150	
Block 9	\$215,000	1	\$10,750	\$10,750	
Junction 9 Apartments	\$1,435,000	1	\$71,750	\$71,750	
GRAND TOTAL	\$146,016,516		\$7,252,545	\$6,725,665	\$435,492

Note: The TIF increment taxable value is down from \$17,848,305 (3.2% of tax base) last year due primarily to the expiration of the Matrix TIF which had an increment taxable value of \$11,129,915.

2019 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.

Taxable valuation is determined by applying an *assessment ratio* of 50% to the net appraised value of all taxable property, and applying a factor based on property class.

$$\text{Assessor's Net Value (less exemptions)} \times 50\% \times \text{Assessment Factor} = \text{Taxable Value}$$

The Assessment Factor is 9% for residential and 10% for all other classes of property.

The following projections of the 2019 taxable valuation of Fargo will vary somewhat from the final amount. Changes will occur between now and when the mill levy is determined in October. An amount, *Adjustments*, has been estimated to allow for those changes. Also, the figure used for *State Assessed 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 2019 TAXABLE VALUATION

<u>CLASS</u>	<u>TAXABLE VALUE</u>	<u>% OF TOTAL</u>
Agricultural	\$ 108,245	.
Commercial	\$317,883,370	52.3%
Residential	<u>\$282,736,270</u>	47.7%
Sub Total	\$600,727,885	

(less)

Traditional Tax Increment	\$ 7,252,545	
Credits/Adjustments Estimate	<u>\$ 6,579,925</u>	
Sub Total		(\$ 13,832,470)

(add)

State Assessed Corporations Estimate	<u>\$ 5,726,049</u>	
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2019 PROJECTED NET TAXABLE VALUE \$592,621,464

2018 Net Taxable Valuation	\$ 556,125,077
Difference	\$ 36,496,387

Projected Increase in Taxable Value 6.6%

2019 Fargo Taxable Valuation

These figures are presented only to give an approximation of the anticipated percentage changes in value within tax districts in the City of Fargo. It is difficult to project how adjustments from now and when the mill levies are determined will be distributed among districts. Those adjustments are not included here.

The estimate of total taxable value and overall amount of change from 2018 on the previous page is a more accurate projection.

2019 Projected Fargo Taxable Value By School District Locally Assessed Property

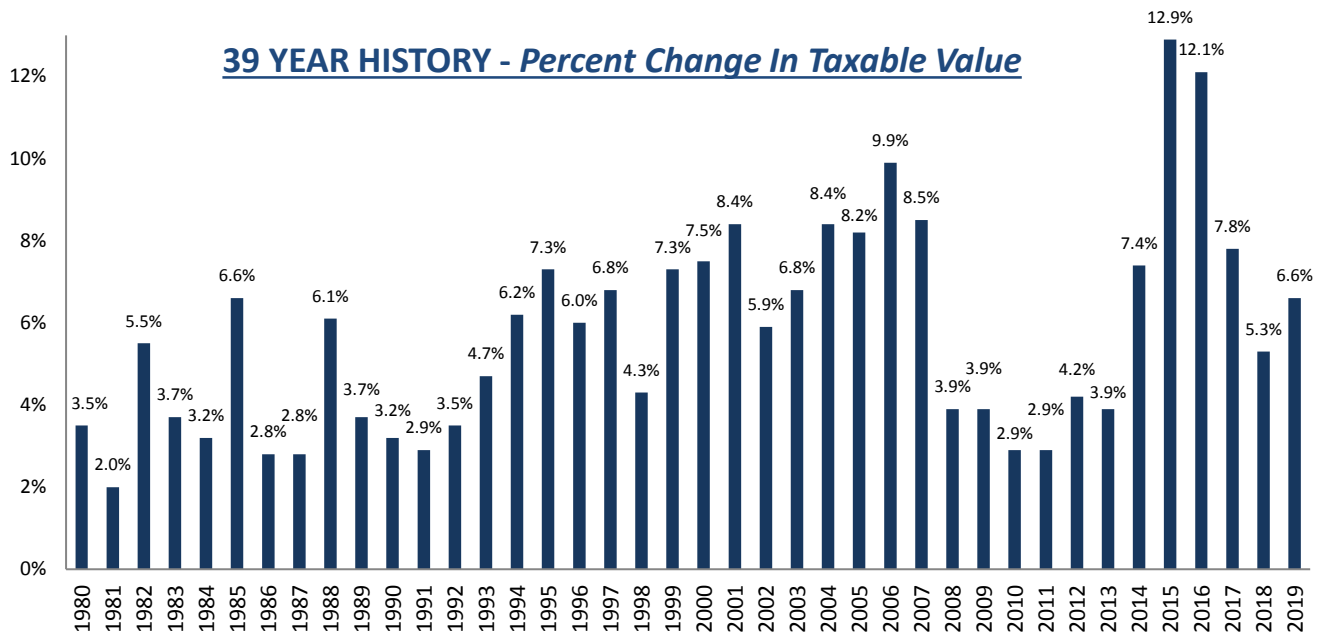
<u>CLASS</u>	<u>2019 TAXABLE</u>	<u>2018 TAXABLE</u>	<u>% CHG</u>
<i>Agricultural</i>			
School District #1	\$ 48,320	\$ 55,650	-13.2%
School District #6	\$ 53,105	\$ 51,247	+3.6%
School District #2	\$ 6,820	\$ 6,525	+4.5%
Sub Total	\$ 108,245	\$113,422	-4.6%
<i>Commercial</i>			
School District #1	\$ 168,414,604	\$ 157,198,369	+7.1%
School District #6	\$ 148,469,150	\$ 132,071,102	+12.4%
Sub Total	\$ 316,883,754	\$289,269,471	+9.6%
<i>Residential</i>			
School District #1	\$232,476,787	\$225,386,337	+3.1%
School District #6	\$ 45,233,744	\$ 41,345,523	+9.4%
School District #2	\$ 10,323	\$ 10,324	0.0%
Sub Total	\$277,720,853	\$266,742,184	+4.1%
Total School District #1	\$ 400,939,711	\$ 382,640,356	+4.8%
Total School District #6	\$ 193,755,999	\$ 173,467,872	+11.7%
Total School District #2	\$ 17,143	\$ 16,849	+1.7%
TOTAL	\$ 594,712,852	\$ 566,125,077	+6.9%

2019 Fargo Taxable Valuation

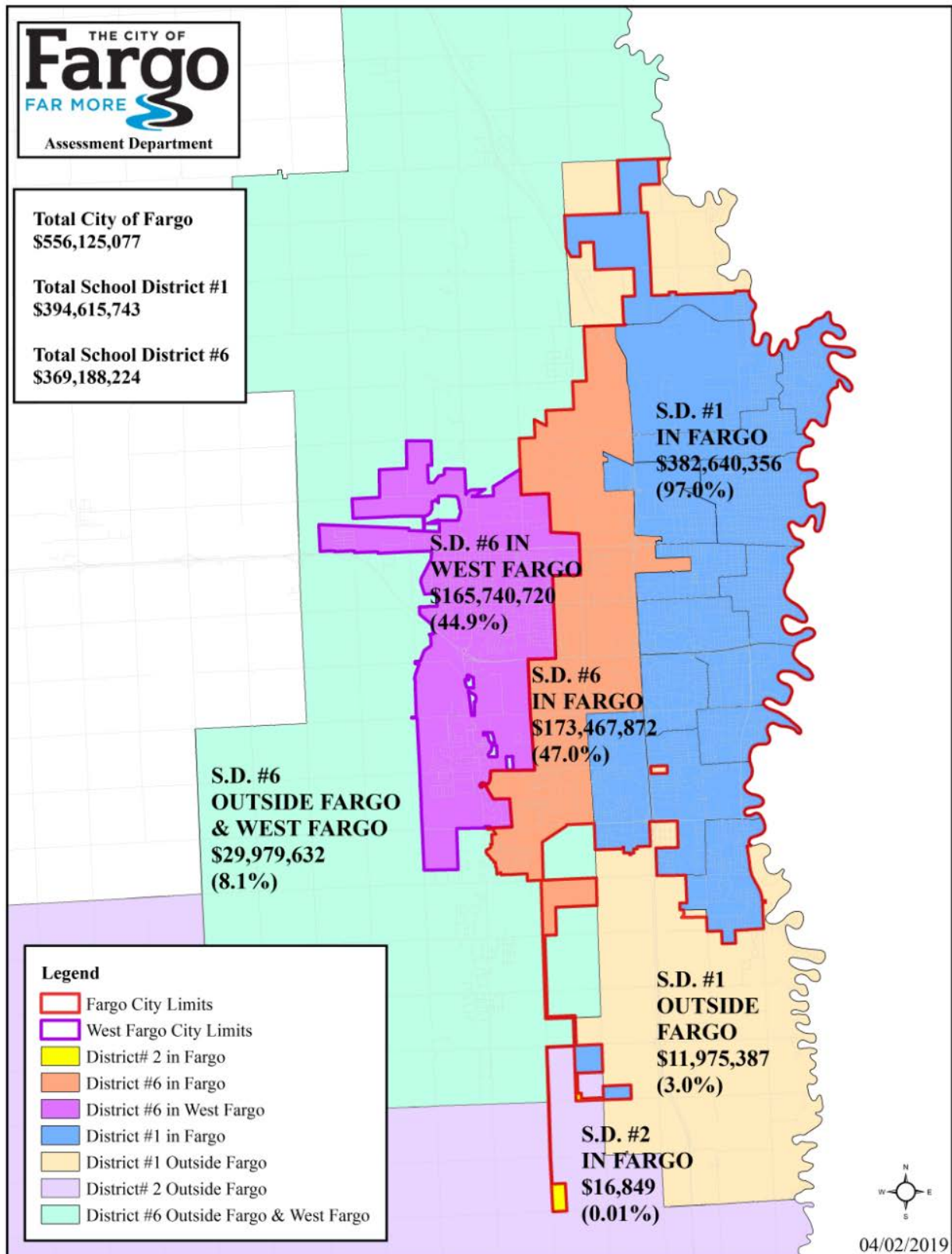
Following is the recent history of the change in taxable valuation, or tax base, of the City of Fargo along with the current projected amount for 2019.

10 Year Fargo Taxable Value History

<i>Year</i>	<i>Taxable Valuation</i>	<i>% Change</i>
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	\$ 387,008,093	+ 7.4%
2015	\$ 436,837,979	+ 12.9%
2016	\$ 489,481,255	+ 12.1%
2017	\$ 527,912,051	+ 7.9%
2018	\$ 556,125,077	+ 5.3%
2019 est.	\$ 592,621,464	+ 6.6%



2018 Taxable Value By Taxing District



2018 Building Permit Appraisals

This is a representation of building permit *appraisals* performed in 2018 for the 2019 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 of February 1st.

2018 Building Permit Appraisal Count

Residential New Construction	503	
Residential Renovation	<u>1,295</u>	
TOTAL RESIDENTIAL		1,798
Commercial New Construction	314	
Commercial Renovation	<u>622</u>	
TOTAL COMMERCIAL		<u>936</u>
TOTAL 2017 PERMIT APPRAISALS		2,734

2018 Building Permit Appraisal Value Summary

Commercial New Construction (Dist #1)	\$128,591,300	
Commercial New Construction (Dist #6)	<u>\$ 97,076,300</u>	
COMMERCIAL NEW CONSTRUCTION		\$225,667,600
Residential New Const. (Dist #1)	\$ 72,072,500	
Residential New Const. (Dist #6)	<u>\$ 32,375,600</u>	
RESIDENTIAL NEW CONSTRUCTION		<u>\$104,448,100</u>
TOTAL NEW CONSTRUCTION		\$330,115,700
Commercial Renovation (Dist #1)	\$ 49,859,400	
Commercial Renovation (Dist #6)	<u>\$ 61,643,500</u>	
COMMERCIAL RENOVATION		\$ 111,502,900
Residential Renovation (Dist #1)	\$ 8,203,800	
Residential Renovation (Dist #6)	<u>\$ 1,051,800</u>	
RESIDENTIAL RENOVATION		<u>\$ 9,255,600</u>
TOTAL RENOVATION		\$ 120,758,500
PERMIT ACTIVITY APPRAISED VALUE		\$ 450,874,200
PERMIT ACTIVITY TAXABLE VALUE		\$ 21,975,192

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 property breakdowns, or recalibration and application of appraisal models.

Appraisal activities this past year included:

- 1,486 Commercial Land Reappraisal / Total Improved Value Review
- 578 Commercial Properties Inspected To Update Property Characteristics
- 163 Conversion Apartment Inspected To Update Property Characteristics
- 5,018 Residential Reappraised or New Cost Appraisals Run
- 2,734 Building Permit Appraisals
- 440 Residential & Commercial Appraisals For Review or Appeal
- 1,825 Exemption Claims Processed
- 3,167 Ownership Changes Due To Property Transfers
- 757 Parcels Affected by Property Splits, Consolidations, or Plats

The comparison of the assessment valuation to a property's sale price is 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.

The State Board of Equalization and Tax Department monitor assessments statewide. Annually, the State Board of Equalization determines the allowed tolerance level for sale ratios by class of property in each jurisdiction. For this year, median ratios must be within the range of 90% to 100%. Outside of that range, the State Board of Equalization will order changes in values. Recapped below are the City of Fargo sales ratios before and after our 2019 valuation efforts.

2019 valuations result in State-adjusted median sale ratios of:

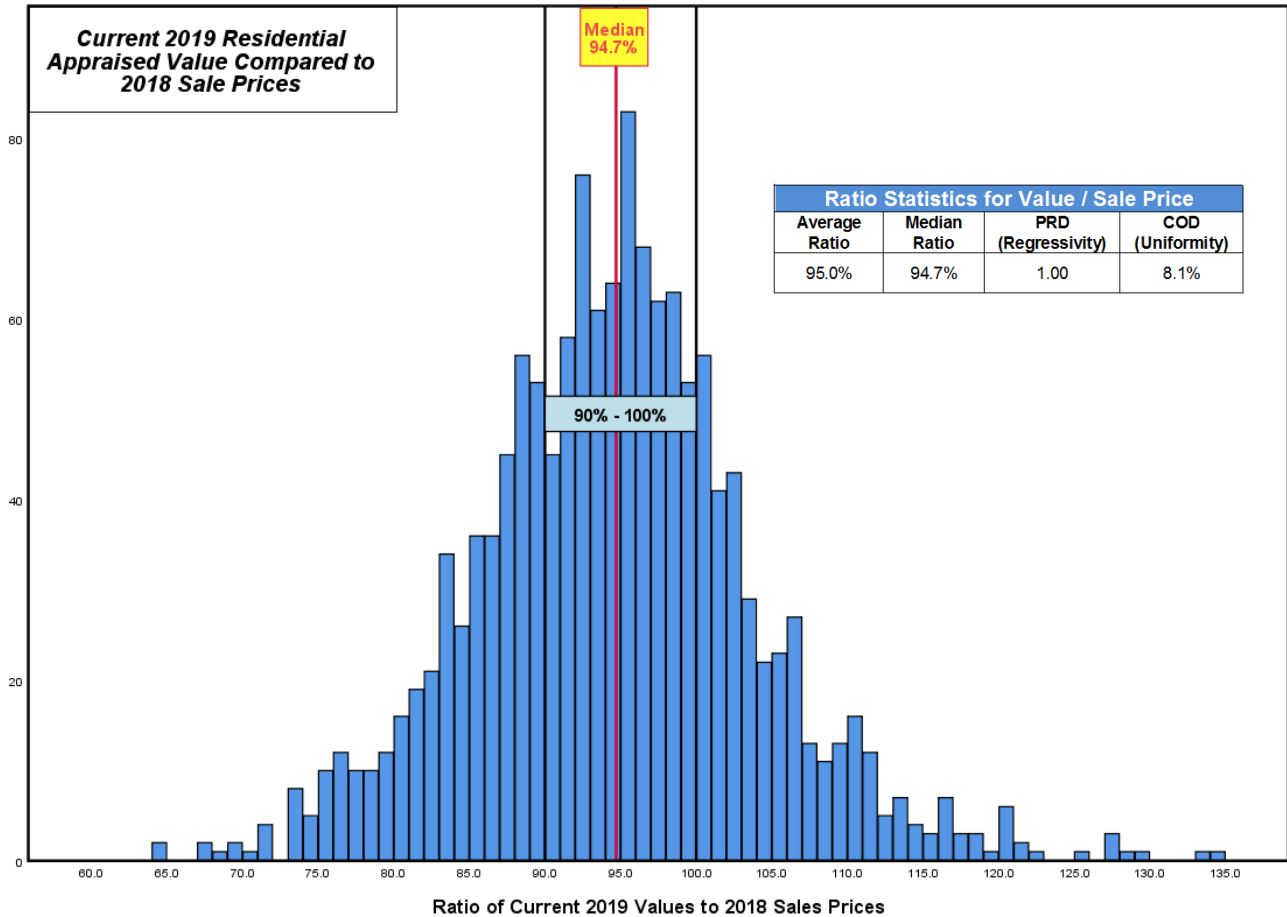
PROPERTY CLASS	MEDIAN RATIO BEFORE	MEDIAN RATIO AFTER
Commercial	90.0%	92.3%
Residential	93.4%	94.8%

The map displays the five wards of Moorhead, Minnesota, each with a unique color and number. Ward 1 (light blue) is located in the northernmost part of the city. Ward 2 (green) is situated south of Ward 1. Ward 3 (yellow) is located south of Ward 2. Ward 4 (purple) is located south of Ward 3. Ward 5 (red) is located in the southwestern part of the city. The map includes labels for major roads such as Cass County Hwy 20, Interstate Hwy 20, and Interstate Hwy 94, as well as local streets like Main Ave, University Dr N, and various numbered avenues. The city's irregular shoreline is visible on the right side.

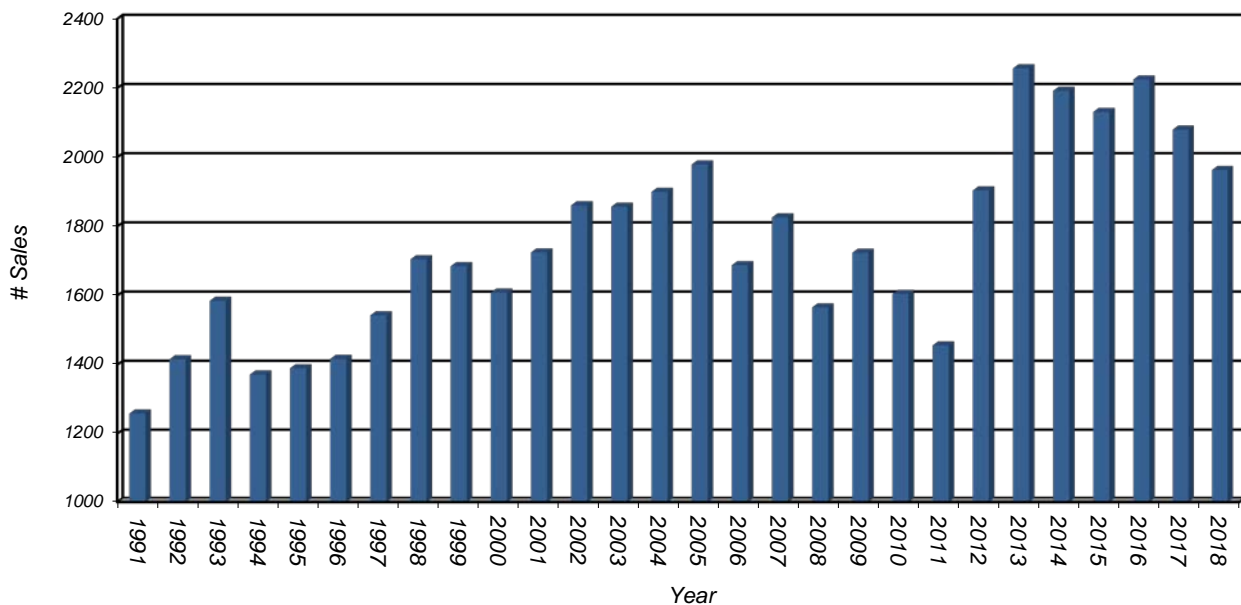


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Residential Ratio & Property Sales

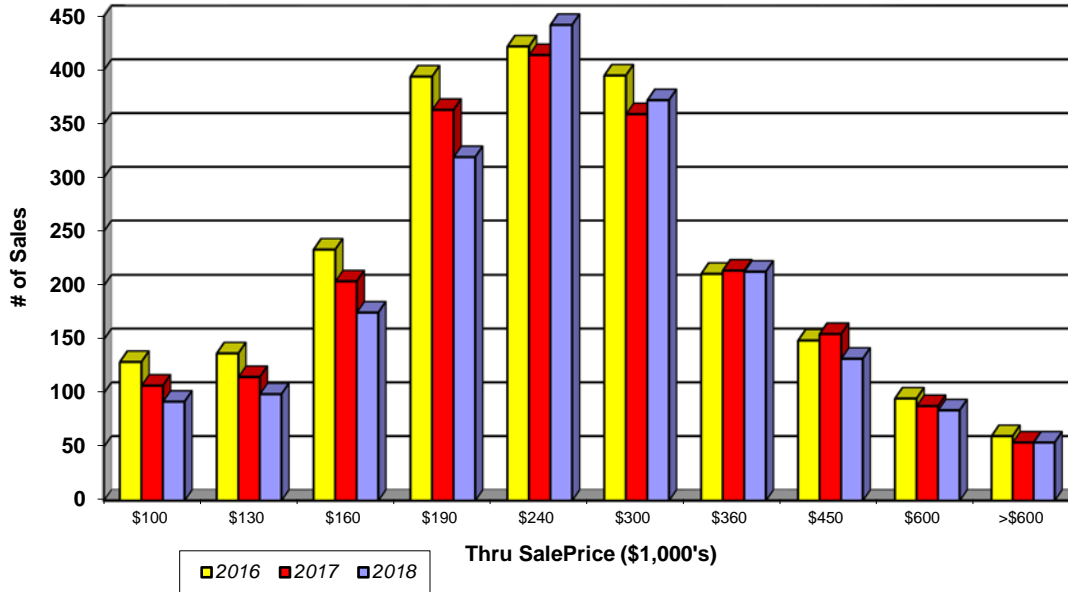


Residential Sales By Year

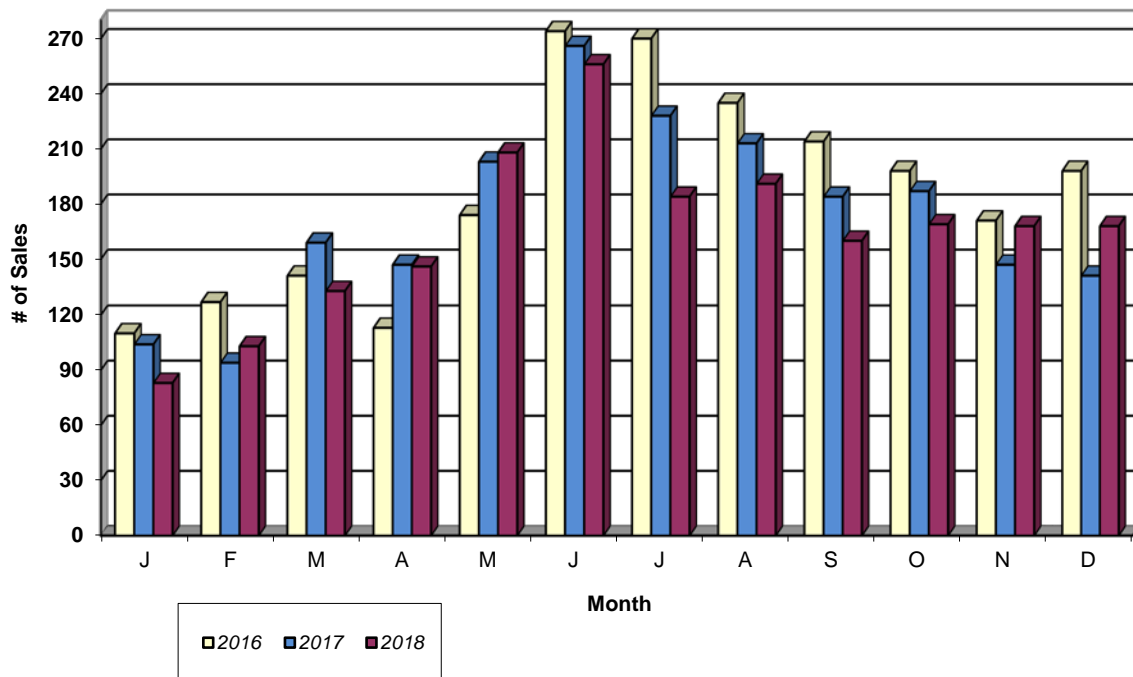


Residential Property Sales

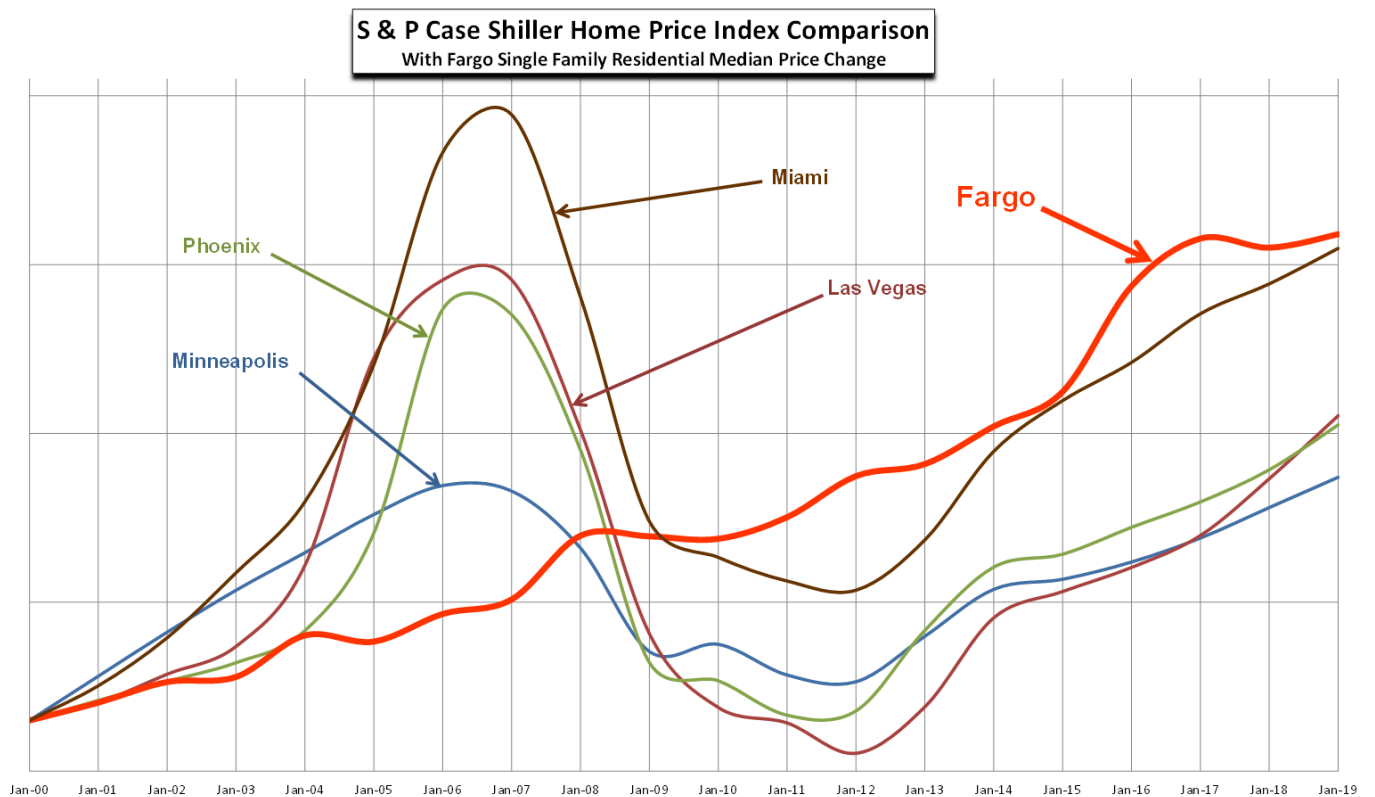
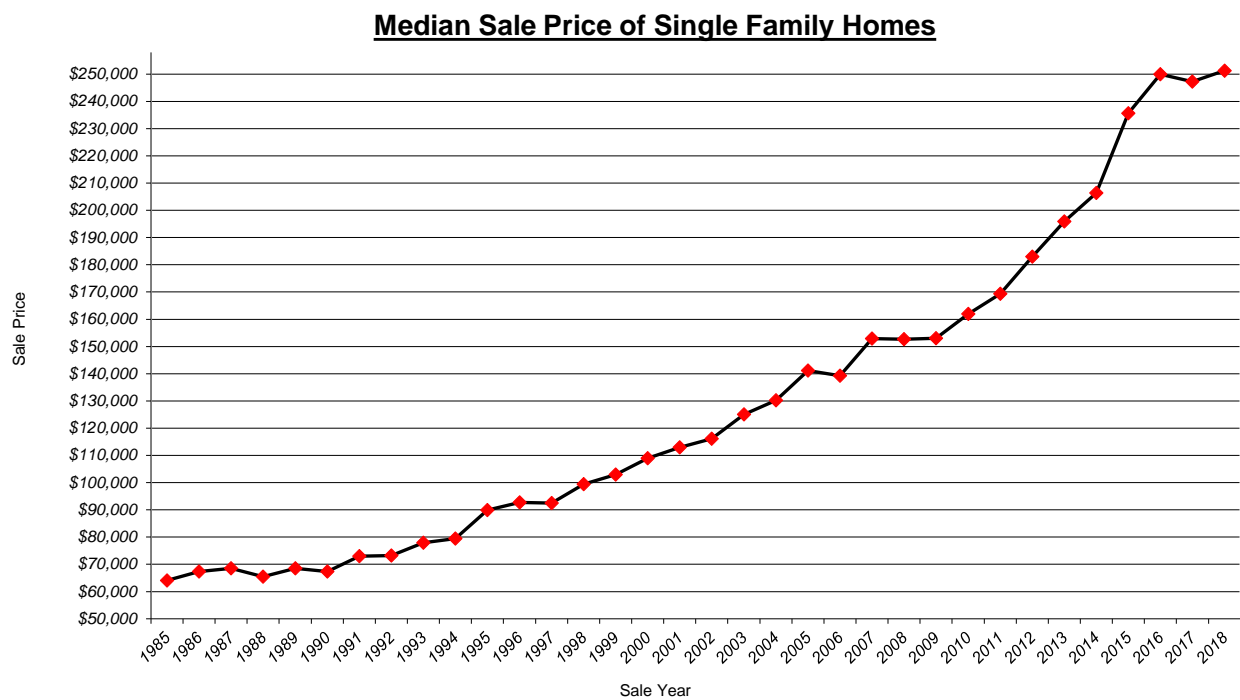
2016-2018 Residential Sales By Price Range



2016-2018 Residential Sales



Residential Value Trends



2018 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>2018 Value</u>
1	Sterling Properties (formerly INREIT)	REIT (Comm)	\$ 194,287,000
2	West Acres Development Corp.	Retail	\$ 129,453,900
3	Sanford / Meritcare	Medical	\$ 112,426,400
4	Dakota UPREIT	REIT (Apts)	\$ 71,665,000
5	Matrix Properties	Comm/Res/Apts	\$ 66,607,000
6	Comstock Land Company	Mfg/Retail/Devlpmt	\$ 58,969,700
7	Osgood Investments	Comm/Res/Apts	\$ 53,322,300
8	Innovis Health	Medical	\$ 53,165,800
9	R & B Apartments	Apartments	\$ 51,623,600
10	Wal-Mart Real Estate Business Trust	Retail	\$ 49,060,300
11	RCV Ltd Partnership/Van Raden	Comm/Apts/Res	\$ 45,103,200
12	Urban Plains Apartments	Apartments	\$ 41,120,500
13	Bullinger Enterprises	Comm/Res/Apts	\$ 37,559,900
14	DFI - Kilbourne	Comm/Res	\$ 37,317,900
15	Dakota Park Ltd. Ptsp.	Apartments	\$ 33,165,500
16	Great Plains Software	Commercial	\$ 31,419,300
17	Case Equipment Corporation	Industrial	\$ 31,405,100
18	Blue Cross – Blue Shield of ND	Insurance	\$ 28,961,400
19	Scheels	Retail	\$ 28,366,000
20	Anda Const. / Roger Anda	Comm/Apts	\$ 28,342,700
		TOTAL	\$ 1,183,342,500

Major North Dakota City Comparison

Population / Taxable Value Comparison

City	Population	2018 Taxable Value
<i>Fargo (School District #1)</i>	122,300	\$556,125,077
<i>Bismarck</i>	72,865	\$386,263,173
<i>Grand Forks</i>	57,339	\$225,896,656
<i>Minot</i>	49,000	\$205,189,395
<i>West Fargo</i>	36,358	\$166,526,900
<i>Williston</i>	33,000	\$137,495,428
<i>Dickinson</i>	24,000	\$126,054,276
<i>Mandan</i>	22,228	\$94,092,073
<i>Jamestown</i>	15,387	\$44,028,242
<i>Wahpeton</i>	7,822	\$17,824,404
<i>Devils Lake</i>	7,500	\$19,177,810
<i>Valley City</i>	6,699	\$18,931,180

Mill Levy / Property Tax Comparison

CITY	2018 Total Mill Levy	2018 City Mill Levy	Est. Tax \$125,000 Residential	Effective Tax Rate Residential	Est. Tax \$125,000 Commercial	Effective Tax Rate Commercial
<i>Williston</i>	198.02	35.62	\$1,114	0.9%	\$1,238	1.0%
<i>Bismarck</i>	227.68	56.88	\$1,281	1.0%	\$1,423	1.1%
<i>Dickinson</i>	236.89	75.83	\$1,333	1.1%	\$1,481	1.2%
<i>Mandan</i>	267.06	62.58	\$1,502	1.2%	\$1,669	1.3%
<i>Fargo (School Dist #1)</i>	288.60	51.00	\$1,623	1.3%	\$1,804	1.4%
<i>West Fargo</i>	290.56	73.22	\$1,634	1.3%	\$1,816	1.5%
<i>Valley City</i>	313.97	78.01	\$1,766	1.4%	\$1,962	1.6%
<i>Grand Forks</i>	315.88	98.82	\$1,777	1.4%	\$1,974	1.6%
<i>Devils Lake</i>	319.17	87.94	\$1,795	1.4%	\$1,995	1.6%
<i>Jamestown</i>	330.75	102.80	\$1,860	1.5%	\$2,067	1.7%
<i>Minot</i>	351.83	129.70	\$1,979	1.6%	\$2,199	1.8%
<i>Wahpeton</i>	370.26	98.82	\$2,083	1.7%	\$2,314	1.9%

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.

57-11-04. Application for correction of assessment.

57-11-05. Adding property to assessment list.

57-11-06. No reduction after session of board - Exception.

57-11-07. Effect of failure of board to meet.

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.

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.

Various ND Property Tax Statutes

57-02-38. Units of real property for assessment.

In all assessment books and tax lists and in all proceedings for the collection of taxes and proceedings founded thereon, unplatted land and undeveloped land platted before March 30, 1981, not situated within the limits of an incorporated city must be described in subdivisions not exceeding quarter sections. Real property in the platted portion of a city or real property platted on or after March 30, 1981, that is located outside any city and is not agricultural property under the conditions set out in subsection 1 of section 57-02-01, must be assessed separately as to each lot. When a building or structure covers two or more contiguous lots or parts of lots owned by the same person the assessment may not be entered separately as to each lot or part of lot, but the tract upon which the building is located must be described and assessed as one parcel. A block which has not been subdivided may be described, assessed, and taxed in a unit of one block. A failure to comply with the provisions of this section does not impair the validity of taxes.

57-02-26. Certain property taxable to lessee or equitable owner Exception.

1. Property held under a lease for a term of years, or under a contract for the purchase thereof, belonging to the United States or to the state or a political subdivision thereof, except such lands upon which the state makes payments in lieu of property taxes, or to any religious, scientific, or benevolent society or institution, whether incorporated or unincorporated, or to any railroad corporation whose property is not taxed in the same manner as other property, must be considered, for all purposes of taxation, as the property of the person so holding the same.

2. Property held under an easement or a lease for a term of years and any improvements upon that property which are used for any purpose relating to discovery, exploration, processing, or transportation of oil or gas must be considered the property of the lessee or easement holder. For the purposes of this subsection, improvements does not include property subject to the provisions of chapter 57-06 or property subject to the in lieu of ad valorem tax provisions of chapter 57-51.

3. Property owned by the state and held under a lease and any structure, fixture, or improvement located on that property is not taxable to the leaseholder if the structure, fixture, or improvement is used primarily for athletic and educational purposes at any state institution of higher education.

57-13-04.1. Residential and commercial property true and full value.

In equalizing valuation and assessment of property among assessment districts, the state board of equalization may not approve valuation and assessment in any taxing district in which the true and full value for residential and commercial property as assessed and equalized in that district exceeds the true and full value for those property classifications in that taxing district as determined by the sales ratio study.

57-23-01. Correcting excessive assessment.

All assessments of any taxable property in excess of the full and true value in money are subject to correction and abatement and refund under the provisions of this chapter.

57-02-41. Attachment of tax lien and prorating taxes as between vendor and purchaser.

All taxes, as between vendor and purchaser, become a lien on real estate on and after the first day of January following the year for which such taxes were levied. If taxable real property is acquired in any year after the assessment date by an owner in whose hands it will be exempt from taxation, the taxes on it for the portion of the year that it was not exempt, computed to the nearest month, constitute a personal charge against the person from whom it was acquired and all of the provisions of law for payment and collection of personal property taxes are applicable to such prorated taxes.

If exempt real property is acquired in any year after the assessment date by an owner in whose hands it is taxable, it must be assessed as omitted property and the taxes on it for that portion of the year that it is not exempt, computed to the nearest month, are subject to all of the provisions for payment and collection that are applicable to taxes for the same year on other real property.

Various ND Property Tax Statutes

57-23-04. County commissioners may abate or refund taxes.

1. Upon application filed in the office of the county auditor on or before November first of the year following the year in which the tax becomes delinquent, as in this chapter provided, the board of county commissioners may abate or refund, in whole or in part, any assessment or tax upon real property, in the following cases:

a. When an error has been made in any identifying entry or description of the property, in entering the valuation thereof, or in the extension of the tax, to the injury of the complainant.

b. When improvements on any real property were considered or included in the valuation thereof which did not exist thereon at the time fixed by law for making the assessment.

c. When the complainant, or the property, is exempt from the tax

d. When the complainant had no taxable interest in the property assessed against the complainant at the time fixed by law for making the assessment.

e. When taxes have been erroneously paid, or errors made in noting payment, or in issuing receipts therefor.

f. When the same property has been assessed against the complainant more than once in the same year, and the complainant produces satisfactory evidence that the tax thereon for such year has been paid.

g. When any building, mobile home, structure, or other improvement has been destroyed or damaged by fire, flood, tornado, or other natural disaster, the abatement or refund must be granted only for that part of the year remaining after the property was damaged or destroyed.

h. When the assessment on the complainants property is invalid, inequitable, or unjust.

2. An application for refund of taxes paid with respect to any part of an assessment abated under this section must be granted, regardless of whether or not such taxes were paid under protest, oral or written.

3. Any person aggrieved by any decision of the board of county commissioners may appeal in the manner provided by law.

40-19-03. Return of assessment roll by city assessor.

When the assessment is completed, and on or before the first day of April in each year, the city assessor shall return the assessment roll to the city auditor. The assessment roll shall be open to the inspection of the public until the meeting of the board of equalization of the municipality. The city auditor shall deliver the assessment roll to the board of equalization of the municipality at its regular 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 the city auditor's 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.

Various ND Property Tax Statutes

57-02-53. Assessment increase notice to property owner.

1. a. When any assessor has increased the true and full valuation of any lot or tract of land and improvements to an amount that is an increase of three thousand dollars or more and ten percent or more from the amount of the previous year's assessment, the assessor shall deliver written notice of the amount of increase and the amount of the previous year's assessment to the property owner at the expense of the assessment district for which the assessor is employed. Delivery of written notice to a property owner under this subdivision must be completed at least fifteen days before the meeting of the local board of equalization.

b. If written notice by the assessor was not required under subdivision a and action by the township, city, or county board of equalization or order of the state board of equalization has increased the true and full valuation of any lot or tract of land and improvements to an amount that results in a cumulative increase of three thousand dollars or more and ten percent or more from the amount of the previous year's assessment, written notice of the amount of increase and the amount of the previous year's assessment must be delivered to the property owner. The written notice under this subdivision must be mailed or delivered at the expense of the township, city, or county that made the assessment increase or at the expense of the township, city, or county that was ordered to make the increase by the state board of equalization. Delivery of written notice to a property owner under this subdivision must be completed within fifteen days after the meeting of the township, city, or county board of equalization that made or ordered the assessment increase and within thirty days after the meeting of the state board of equalization, if the state board of equalization ordered the assessment increase.

c. The tax commissioner shall prescribe suitable forms for written notices under this subsection. The written notice under subdivision a must show the true and full value of the property, including improvements, that the assessor determined for the current year and for the previous year and must also show the date prescribed by law for the meeting of the local board of equalization of the assessment district in which the property is located and the meeting date of the county board of equalization.

d. Delivery of written notice under this section must be by personal delivery to the property owner, mail addressed to the property owner at the property owner's last-known address, or electronic mail to the property owner directed with verification of receipt to an electronic mail address at which the property owner has consented to receive notice.

2. The form of notice prescribed by the tax commissioner must require a statement to inform the taxpayer that an assessment increase does not mean property taxes on the parcel will increase. The notice may not contain an estimate of a tax increase resulting from the assessment increase.

40-51.2-16. Effective date of annexation by administrative law judge - Classification of annexed agricultural lands for tax purposes.

Territory annexed to a city pursuant to petition to the director of the office of administrative hearings, is annexed as of the date of the order of the administrative law judge, except for tax purposes, and a copy of the resolution with an accurate map of the annexed area, certified by the executive officer of the city, must be filed and recorded with the county register of deeds. Annexation is effective for the purpose of general taxation on and after the first day of the next February. However, the city shall continue to classify as agricultural lands for tax purposes all lands in the annexed area which were classified as agricultural lands immediately before the annexation proceedings until those lands are put to another use.

57-02-11.2. Confidentiality of information provided by commercial property owners for assessment purposes.

Unless directed otherwise by judicial order or as otherwise provided by law, records and information provided by the owner or occupant of commercial property with regard to income and expenses of the property in connection with an assessment are confidential. This section does not prohibit the publication of statistics classified to prevent the identification of a particular property and information relating to that property or the disclosure of the records or information when an action or proceeding has been brought by the owner or occupant to set aside or review the assessment.

Various ND Property Tax Statutes

11-18-02.2. Statements of full consideration to be filed with recorder Procedure Penalty.

1. Any grantee or grantees authorized agent who presents a deed in the office of the county recorder shall certify on the face of the deed one of the following:

- a. A statement of the full consideration paid for the property conveyed.
- b. A statement designating one of the exemptions in subsection 6 which the grantee believes applies to the transaction.

2. Any party who presents an affidavit of affixation to real property of a manufactured home in the office of the county recorder in accordance with section 47-10-27 and who acquired the manufactured home before the affixation of the manufactured home to the real property shall either contain in or present in addition to the affidavit of affixation a statement of the full consideration paid by the party for the manufactured home before the affixation.

3. The recorder may not record any deed unless the deed complies with subsection 1 or record any affidavit of affixation unless the affidavit complies with subsection 2.

4. The state board of equalization shall prescribe the necessary forms for the statements and reports to be used in carrying out this section, and the forms must contain a space for the explanation of special circumstances that may have contributed to the amount of the consideration.

5. For purposes of subsection 1, the word deed means an instrument or writing whereby any real property or interest therein is granted, conveyed, or otherwise transferred to the grantee, purchaser, or other person, except any instrument or writing that transfers any ownership in minerals or interests in minerals underlying land if that ownership has been severed from the ownership of the overlying land surface or any instrument or writing for the easement, lease, or rental of real property or any interest therein.

6. This section does not apply to deeds transferring title to the following types of property, or to deeds relating to the following transactions:

- a. Property owned or used by public utilities.
- b. Property classified as personal property.
- c. A sale when the grantor and the grantee are of the same family or corporate affiliate, if known.
- d. A sale that resulted as a settlement of an estate.
- e. All forced sales, mortgage foreclosures, and tax sales.
- f. All sales to or from religious, charitable, or nonprofit organizations.
- g. All sales when there is an indicated change of use by the new owners.
- h. All transfer of ownership of property for which is given a quitclaim deed.
- i. Sales of property not assessable by law.
- j. Agricultural lands of less than eighty acres [32.37 hectares].
- k. A transfer that is pursuant to a judgment.
- l. A transfer on death deed or revocation instrument authorized under chapter 30.1-32.1.

7. Any person that, in the statements provided for in subsection 1 or subsection 2, willfully falsifies the consideration paid for the transferred real property or the manufactured home, as applicable, or interest therein is guilty of a class B misdemeanor.

Various ND Property Tax Statutes

57-14-01. Duty of county auditor upon discovery of clerical error, omission, or false statement in assessment.

Whenever the county auditor discovers that:

1. Taxable real property has been omitted in whole or in part in the assessment of any year or years;
2. Any building or structure has been listed and assessed against a lot or tract of land other than the true site or actual location of such building;
3. The assessor has not returned the full amount of all property required to be listed in the district or has omitted property subject to taxation; or
4. The assessor has made a clerical error in valuing real property, provided the assessor furnishes the county auditor with a written statement describing the nature of the error, which statement the county auditor shall keep on file, the county auditor shall proceed to correct the assessment books and tax lists in accordance with the facts in the case and shall correct such error or omission in assessment, and shall add such omitted property and assess it at its true and full value, and if a building or other structure, assessed as real estate in the assessment thereof, is described as though situated upon a lot or tract of land other than that upon which it in fact is situated, the county auditor shall correct the description and add the assessment thereof to the assessment of the lot upon which it actually is located, if the rights of a purchaser for value without actual or constructive notice of such error or omission are not prejudiced by such correction, addition, or assessment.

57-14-02. Notice to be given.

The county auditor shall give notice by mail to the person who owns or is in possession of any omitted property, or to that person's agent, of the county auditor's action in adding property upon the assessment books and shall describe the property and notify such person to appear before the county auditor at the county auditor's office at a specified time within fifteen days after the date of mailing such notice, to show cause, if any, why such property should not be added to the assessment rolls or such other correction made.
