Official Proceedings of the Stutsman County Equalization Meeting – June 4th, 2013

The Stutsman County Board of Equalization meeting was called to order at 3:00 p.m. by Commission Chairman Klose. Roll call was answered by Dennis Ova, Dale Marks, Dave Schwartz, Craig Neys, and Mark T Klose. Also present were Casey Bradley, Stutsman County Auditor/COO and Dustin Bakken, Interim Tax Director.

Dustin Bakken, Interim Tax Director, reviewed 2012 sales ratio and recommendations of classes of property for the City of Jamestown. The overview was presented at the spring meeting of board of equalization. The sales ratio percent of change for residential property came in at 31.67 percent for agricultural property, 9.46 percent for commercial property, and 5.16 percent for residential property. The City of Jamestown is seeing some areas of growth. The ratios are within state tolerance so no across the board adjustment to the values in commercial, residential, and agricultural property was required. Bakken stated it is becoming a tighter housing market.

Dustin reported no significant changes in residential or commercial property in Chase Lake and Roosevelt Townships. Two parcels of land received a decrease in value because of inundated land in Roosevelt Township. The one parcel went from $33,900 down to $32,000 and the other parcel went from $32,100 to $30,200. Ova made a motion, seconded by Schwartz to approve the assessment changes for Chase Lake and Roosevelt Townships as presented. Roll call vote: Ova, Marks, Schwartz, Neys, Klose voted aye.

Bakken presented the 2013 individual assessment changes. Dustin sent out farm residence exemption application forms to everyone this year. A few came back not qualifying for farm residence exemption. The county assumed assessing responsibilities for Chicago Township. The changes were due to not qualifying for farm residence exemption, not qualifying for real estate exemption, not qualifying for agricultural use, reclassifying cropland to pasture, and classifying land as inundated. Each of the property owners did receive a notice of increase at least 15 days prior to this meeting. Neys made a motion, seconded by Marks to approve the Individual Assessment changes as presented. Roll call vote: Marks, Schwartz, Neys, Klose, Ova voted aye.

PARCEL #	PROPERTY OWNER	2013 TOTAL VALUE	2012 TOTAL VALUE
03-2412000	Steven Gasal	206,300	58,300
03-3322010	Neil & Laurie Kramer	128,000	200
63-0414044	Larry & Bonita Loose	122,300	4,100
63-0441014	Michael & Betty Jo Hoeppner	124,600	6,500
16-3010000	Grant & Becky Bair	96,000	91,500
30-0710000	Wells Fargo ND, NA (Marilyn Kroff Trust)	138,300	96,400
02-2411000	Neil & Sheila Johnston	108,400	110,400
07-3120000	David & Linda Deutscher	48,900	57,000
07-3010000	David & Linda Deutscher	37,300	42,500
07-2940000	Arlen & Irene Hillius	28,100	33,400

Dustin reviewed the agricultural land assessment of 2013 values and recommendations. In 2012, the agricultural land value was $472.75, cropland value was $619.10, and non-cropland value was $155.83. In 2013, the agricultural land value is increasing to $551.01, cropland value is increasing to $699.33, and non-cropland value is increasing to $164.68. This is a 16.5 percent increase, 12.99 percent increase on cropland, and 5.86 percent increase on non-cropland, respectively. Last year, the value was determined by the soil survey and production formula. This year, the value is determined by the production formula.

The production formula for cropland is calculated by the annual gross returns for cropland for the ten most recent years of available data. This is multiplied by a qualifying multiplier which equals the annual landowner share of gross returns for the ten most recent years of available data. An eight year average (The highest year of production and the lowest year of production are excluded.) of annual landowner share of gross returns is

divided by the cost of production index which equals the eight year landowner share of gross returns per acre. This is divided by the capitalization rate. This number equals the cropland value per acre. The production formula for non-cropland is calculated by the annual gross returns for non-cropland for the ten most recent years of available data. This is multiplied by 25 percent of income potential based on carrying capacity which equals the annual landowner share of gross returns for the ten most recent years of available data. An eight year average (The highest year and the lowest year of production are excluded.) of annual landowner share of gross returns is divided by the cost of production index which equals an eight year landowner share of gross returns per acre. This is divided by the capitalization rate which equals the non-cropland value per acre. Bakken is recommending a 16.99 percent increase in cropland value and a 14 percent increase in non-cropland value. The county will be within the recommended tolerance level which is determined by the North Dakota State Board of Equalization. Schwartz made a motion, seconded by Neys to approve a 16.99 percent increase in cropland value and a 14 percent increase in non-cropland value. Roll call vote: Schwartz, Neys, Klose, Ova, Marks voted aye.

Dustin Bakken presented the 2013 comparison by class of property. Agricultural land in 2012 for Stutsman County excluding the City of Jamestown is 29,625,290. In 2013, the value is 34,439,400 which is a 16.25 percent increase. Residential land in 2012 for Stutsman County excluding the City of Jamestown is 7,040,030. In 2013, the value is 7,388,963 which is a 4.96 percent increase. Commercial land in 2012 for Stutsman County is 4,247,562. In 2013, the value of commercial land is 4,389,736 which is a 3.35 percent increase.

Dustin reviewed the sales ratio statistics and recommendations for classes of property. The sales ratio for agricultural median is 37.2 percent, 100 percent for commercial, and 93.6 percent for residential.

Bakken reported the county is in compliance with the North Dakota State Board of Equalization.

The 2012 taxable valuation changes adjusted for supplemental changes is 100 percent for agriculture property, 47 percent for residential property, and three percent for commercial property.

Dustin stated the 2013 value distribution by property class is 43 percent for agricultural, 34 percent for residential, 18 percent for commercial, and five percent for utilities.

Dustin informed the commissioners GIS software has started the process of updating the agricultural land information. The county will have 100 percent new values by next year. The USDA office increased the soil types from 63 to 192 which mean there will be a new production index by soil types.

Wayne Beorle of Edmunds Township asked a question on how the land valuation translates into actual taxes owed. Casey Bradley, Auditor/COO, stated the county looks at and refines all departmental budgets. The county matches the revenue with what is being expended. The county determines what they need to meet budget. The mill levy is determined by the budget. Wayne presented a Minneapolis Tribune newspaper article regarding the proposed pipeline and its route. He inquired if the county has any inside information on the routing of the pipelines and how the pipeline companies go about acquiring land. Bradley, Auditor/COO, stated the county has not been informed on this particular pipeline. The companies need to purchase the acreage in order to install the pipeline. The company will be taxed on the deeded acres and not the individual owner.

Diane Rode, Marstanmoor Township, inquired about the value of one mill and the budget process. Bradley, Auditor/COO, stated the value of one mill was $72,000 last year and the value is projected to be approximately $79,000.00. Casey Bradley, Auditor/COO, stated the county looks at how many mills it needs to generate for the dollars needed in the budget process. The preliminary increase notices will be mailed out in September if it is over a certain percentage.

John Murphy stated the value of land that is irrigated is five to seven percent higher than non-irrigated land. He stated the system uses a modifier to reduce value; it should use a modifier for increases as well. Murphy also stated the valuations by soil type are set locally and the county can determine the rates.

Schwartz made a motion to adjourn, seconded by Marks. Motion Carried. At 3:56 p.m. the 2013 County Equalization meeting was adjourned.

ATTEST:

Casey J. Bradley	Mark Klose
County Auditor/COO	Commission Chairman