

BOARD OF EQUALIZATION MEETING

COUNTY BOARD OF EQUALIZATION

MONDAY, JUNE 28, 2021

11:00 AM

Pembina County Board of Equalization reconvened at 11:00 AM in the Commissioner's Meeting Room of the Courthouse with the following members present: Jim Benjaminson, Laverne Doyle, Nick Rutherford, and Hugh Ralston. Absent: Hetty Walker. Mikka Willits, Director of Tax Equalization, Lisa Wieler, Deputy Tax Director/GIS Specialist, and Rebecca Flanders, Pembina County State's Attorney, and several landowners also present.

County Auditor apologized to those in attendance regarding the error on the agenda date. The agenda stated **Tuesday, June 28, 2021** and should have stated **Monday, June 28, 2021**.

Chairperson Doyle called the meeting to order and turned the meeting over to Ms. Willits.

The value per acre of all agricultural land in Pembina County for the assessment year 2021 is \$1,274.88. This is a decrease of \$28.00/acre from 2020 at \$1,302.88, as computed by the Agribusiness and Applied Economics Department of NDSU. The State Board of Equalization has set the tolerance for 2021 between 90-100%. Per North Dakota Century Code 57-02-27.2, agricultural values are determined by productivity of the soils versus market value. At this time agricultural land valuations are being reverted back to the 2020 valuation, except those parcels that were part of programs through the Forestry and NRCS for Native Woodland and Watershed Easements. Final soils valuations are not determined at this time, due to the soils being reverted back, to determine if Pembina County is within tolerance in agricultural land. If Pembina County remains out of compliance on the soils audit it could result in the state withholding 5% of the County's allocation each quarter from the state aid distribution fund. Ms. Willits requested the Commission to decide if they would like to continue with the use of the Native Woodland Program. Motion made by Nick Rutherford and seconded by Jim Benjaminson to continue with the Native Woodland Program in Pembina County. All voting in favor; motion carried.

A total of 148 useable sales were submitted to the State, with 74 of those sales being residential. The Sales Ratio Study median for residential property prior to assessing was at 88.9%. At this time, Ms. Willits believes the tolerance level to be approximately 89.7%, which may require an increase in residential tolerance for 2021.

Useable sales for commercial parcels are difficult to obtain in our county, but out of 148 useable sales, 33 were commercial in which 11 had to be obtained from prior year's sales. After the Sales Ratio Study, Pembina County's median ratio is 83.3%, with tolerance set by the State at 90-100%. After the 2021 assessments, Ms. Willits believes the current ratio is 91.7%, which is within the accepted tolerance of 90% - 100%, no adjustments should be necessary.

In 2021, we assessed 157 mobile homes, 5 of these are under the Homestead Credit. Total taxable value of mobile homes after Homestead Credit is \$55,947.00.

In 2020, there were 113 residential and 6 mobile home applicants that qualified for the Homestead Credit Program. This is a decrease of 13 due to sales, or other reasons. We will be reimbursed by the state general fund to the amount of \$59,751.89 (\$76,485.29 for 2019) for this credit.

In 2020, there were 31 applicants that qualified for the Disabled Veteran's Credit program. Pembina County will be reimbursed by the state general fund to the amount of \$21,331.71 (\$21,140.80 for 2019) for this credit. In 2021, during the 67th Legislative Session, the maximum true and full value allowed on the homestead for the exemption was increased from \$150,000.00 to \$180,000.00 and the taxable valuation was increased from \$6,750.00 to \$8,100.00.

Mikka discussed the motion made by the Commission at the March 20, 2018 meeting to obtain valuations for all exempt parcels that required an annual application including, but not limited to Farm Residences, Homestead Credits, Veteran's Credit, charitable, religious and non-profit organizations. The Commission allowed the assessors 2-3 years to complete the request. Most local assessors have completed or are still in the process of obtaining initial valuation on parcels that require an annual application. St Thomas Township has completed the process but made a motion in their 2021 meeting minutes to not give those valuations to the county unless the parcel no longer qualifies for the exemption. Mikka cited NDCC 57-02-03, NDCC 57-02-11 and NDCC 57-02-14 related to taxation of property. Due to not receiving information in a timely manner, there will be parcels that will need to be reviewed as Omitted Property.

The following listing of parcels in Crystal City and Crystal Township was presented for appeals review:

28-0020006 – Estad Farm Corporation

28-1640000 – H & V Partnership

28-1630000 – O. C. Schulz & Sons, Inc (Added 28-1610000 and 28-1320010)

07-0610005 – Estad Farm Corporation

07-0610010 – Crystal Chippers

07-2080000 – Heuchert Willow Creek Ranch

Ms. Willits is recommending the Board of Equalization leave all parcel assessment as commercial, due to insufficient information, difference in interpretation and lack of

clarification from the State of North Dakota and legislation. SB 2041 was brought to the 67th legislation and no further clarification or determination was made. Ms. Willits suggest the appellants follow Equalization formality and appeal to the State Board of Equalization for final determination.

Terin Riley, Fleming, DuBois & Fleming, LLP, reviewed the documentation she presented at the June 8, 2021 Equalization meeting on the following parcels, 28-0020006, 28-1640000, 07-0610005, and 07-2080000. Ms. Riley informed the Board that Parcel 07-0610010 is now included with the original parcels and expressed her opinion related to that parcel.

Rebecca Flanders, Pembina County State's Attorney, presented her findings after review of the documentation presented at the June 8, 2021 Equalization meeting. Ms. Flanders reviewed several Attorney General Opinions regarding tax exemption for farm structures and improvements and the determinations of Judge Whelan for Case No. 34-2020-CV-79 and Case No. 34-2020-CV120. Ms. Flanders recommends the Board of Equalization leave all parcels assessed commercially.

Discussion followed on the definition of "raising crops", railroad property, platted and unplatted land, Attorney General Opinions and case law.

Board reviewed the appeal for Parcel 28-0020006, owned by Estad Farm Corporation. Motion made by Jim Benjaminson to change the assessment of the building from taxable to exempt. Motion died due to lack of a second.

Motion made by Hugh Ralston and seconded by Nick Rutherford to leave Parcel 28-0020006 on the tax rolls as commercial property. Discussion followed. Roll call vote: Jim Benjaminson – no; Laverne Doyle – no; Nick Rutherford – no; Hugh Ralston – no. Motion failed.

Motion made by Jim Benjaminson and seconded by Nick Rutherford to exempt the building and change the designation of the property from commercial to agricultural on Parcel 28-0020006. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – yes; Nick Rutherford – yes; Hugh Ralston – yes. Motion carried.

Board reviewed the appeal for Parcel 28-1640000, owned by H & V Partnership. Motion made by Jim Benjaminson to exempt the building and change the designation of the property from commercial to agricultural on Parcel 28-1640000. Second by Hugh Ralston. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – yes; Nick Rutherford – yes; Hugh Ralston – yes. Motion carried.

Board reviewed the appeal for Parcel 28-1630000, owned by O. C. Schulz & Sons, Inc. Motion made by Hugh Ralston and seconded by Jim Benjaminson to exempt the building and change the designation of the property from commercial to agricultural on

Parcel 28-1630000. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – yes; Nick Rutherford – yes; Hugh Ralston – yes. Motion carried.

Board reviewed the appeals for Parcel 28-1610000 and Parcel 28-1320010, owned by O. C. Schulz & Sons, Inc. Motion made by Hugh Ralston and seconded by Jim Benjaminson to have both parcels remain on the tax rolls as commercial property. Discussion followed. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – no; Nick Rutherford – no; Hugh Ralston – yes. Motion failed due to lack of a simple majority.

Motion made by Jim Benjaminson and seconded by Nick Rutherford to exempt the building on Parcel 28-1610000 and change the designation of the property on Parcel 28-1610000 and Parcel 28-1320010 from commercial to agricultural. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – yes; Nick Rutherford – yes; Hugh Ralston – no. Motion carried.

Board reviewed the appeal for Parcel 07-0610005, owned by Estad Farm Corporation. Motion made by Jim Benjaminson and seconded by Hugh Ralston to change the designation of the property from commercial to agricultural on Parcel 07-0610005. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – yes; Nick Rutherford – yes; Hugh Ralston – yes. Motion carried.

Board reviewed the appeal for Parcel 07-1610010, owned by Crystal Chippers. Motion made by Jim Benjaminson and seconded by Nick Rutherford to exempt the building and change the designation of the property from commercial to agricultural on Parcel 07-1610010. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – yes; Nick Rutherford – yes; Hugh Ralston – yes. Motion carried.

Board reviewed the appeal for Parcel 07-2080000, owned by Heuchert Willow Creek Ranch. Motion made by Jim Benjaminson and seconded by Hugh Ralston to exempt the building and change the designation of the property from commercial to agricultural on Parcel 07-2080000. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – yes; Nick Rutherford – yes; Hugh Ralston – yes. Motion carried.

Commission received an application for a two year New Single Family Residence exemption, according to NDCC 57-02-08(35), on property described as Lots 1-12, Block 2, Gardar Village, Parcel 11-3190000, in Gardar Township. The exemption allows up to \$150,000.00 off the assessed value for two years. Gardar Township passed a resolution approving the exemption on June 21, 2021. Motion made by Nick Rutherford and seconded by Hugh Ralston to approve the request as presented. Roll call vote: Jim Benjaminson – yes; Laverne Doyle – yes; Nick Rutherford – yes; Hugh Ralston – yes. Motion carried.

Mikka will contact the state regarding an extension on the abstract which was due June 30, 2021.

Carmen Augustin, Certified Assessor, stated that NDCC 57-02-14 does not require assessors to have valuations on exempt properties, such as churches, schools, or farm residences. Zelda Hartje, Certified Assessor, informed the Board of the amount of work involved in assessing these exempt properties and spoke on behalf of Stacey Heuchert, Certified Assessor for St Thomas Township. Ms. Willits reviewed the reasons for the assessors to determine valuations on exempt property. Motion made by Nick Rutherford and seconded by Jim Benjaminson to request St Thomas Township to turn their exempt property valuations into the Tax Director. All voting in favor; motion carried. Board will forward a request to the St Thomas Township Board.

Motion made by Nick Rutherford and seconded by Hugh Ralston to recess and reconvene the Equalization meeting on Thursday, July 22, 2021 at 2:00 PM. All voting in favor; motion carried. Meeting recessed at 2:30 PM.

/s/ Laverne Doyle, Chairperson
Pembina County Board of Commissioners

ATTEST: /s/ Linda Schlittenhard
Pembina County Auditor/Treasurer