

The following are “unofficial minutes” subject to change at the next meeting.

PEMBINA COUNTY BOARD OF EQUALIZATION PROCEEDINGS

FRIDAY, JUNE 10, 2022

9:00 AM

Pembina County Board of Equalization met at 9:00 AM in the Commissioner’s Meeting Room of the Courthouse. Roll call vote: Jim Benjaminson, Nick Rutherford, and Dave Moquist. Absent: Laverne Doyle and Andrew Cull. Mikka Willits, Director of Tax Equalization, Lisa Wieler, Deputy Tax Director/GIS Specialist, and Lisa Keney, County Assessor, Carmen Augustin and Casey Krieg, Certified Assessors, also in attendance. Zelda Hartje, Certified Assessor, available by telephone.

Chairperson Rutherford called the meeting to order at 9:00 AM and turned the meeting over to Ms. Willits.

City equalization meeting called to order at 9:00 AM.

Mikka introduced her staff and began by asking if there were any individuals present for an appeal through the city or township. All Local Equalization minutes were submitted as of June 9, 2022. From review of the Local Equalization minutes there were no appeals mentioned, however local Equalization meeting minutes need to be more detailed and turned into the Tax Director’s office in a more timely manner. No individuals appeared for City Equalization.

Agricultural land values were discussed. The value per acre of all Ag land in Pembina County decreased \$9.76/acre from 2021, as computed by the Agribusiness and Applied Economics Department of NDSU. Per North Dakota Century Code 57-02-27.2, agricultural values are determined by productivity of the soils versus market value. The 2022 value per acre for Pembina County is \$1,265.12. Pembina County is the second highest producing county in the state for 2022, with Traill County being the highest. The State Board of Equalization has set the **tolerance** for 2022 between 90-100%. At this time Pembina County is within **tolerance** for agricultural land at approximately 94%.

The County Board of Commission approved to retain the 2021 agricultural valuations for 2022. Pembina County still remains out of **compliance** due to the Board motion to retain the 2021 agricultural valuations on the state soils audit. This may result in consequences through the state to possibly withhold at least 5% of the county’s State Aid distribution each quarter for 2022 assessments.

Mikka discussed the Native Woodland (NWL) program and Watershed Easement program benefits. The Tax Office did an extensive study with the local NRCS office to determine the correct acres on the correct parcels, due to splits, etc, on NWL and watershed easement acres and made the needed adjustments. The NWL program is not a mandated program. If landowners participate in the program, through the State Forestry Department, the benefit to participate is a maximum charge of \$.50/acre for those acres classified as NWL. If acres are declassified from the program, they will be updated to the Land Use Modifier for woodland acres, which is currently \$220.00/acre. The watershed easement program also is not a mandated program. Pembina County has allowed a benefit to acres within the program, received from NRCS valued at \$165.00/acre. At this time, Pembina County has approximately 22,154.71 acres within this program. At the 2021 Equalization meeting a motion was made to retain the updated valuations on the NWL and watershed easement parcels. There are parcels awaiting review by the local jurisdictions, regarding abatements on Watershed Easement/NWL parcels for 2021, prior to coming to the Board of Commission for review. The final decision for those abatements will be reflected in the 2022 valuations. If a parcel is in both a NWL and watershed easement program, the lesser benefit of the two is applied for property tax.

Total sales ratio of all residential properties sold in 2021 shows a median ratio of 85.7%. The total residential adjusted ratio after local equalization for Pembina County is 86.3% for 2022. There were 81 residential usable sales. The residential properties are not within the accepted tolerance of 90%-100%. Since Pembina County is currently out of tolerance. Ms. Willits is recommending a 6% residential increase to be within tolerance.

The sales ratio study for Pembina County shows a median ratio of 85.9% for commercial properties. The sales ratio requires a list of at least 30 sales. If we do not have this many sales, the State then requires us to add supplement sales of commercial property done within the past year or earlier. There were 36 useable commercial sales in which 19 had to be obtained from prior year's sales, but were updated to 2021 final valuations. The adjusted Commercial Sales Ratio for 2022 is 86.4%, which is not within the accepted tolerance of 90%-100%. Since Pembina County is out of tolerance, Ms. Willits is recommending a 6% commercial increase to be within tolerance. Carsen Appraisal Services recently completed appraisals on several commercial properties, in Drayton City, Drayton Township, and St Thomas City, which include CHS (08-1870001, and 29-4230020), Love's Truck Stop (29-4240028), Ewing Oil/Cenex (29-3950010), Northdale Oil (29-3900000, 29-3890000 and 29-3890010), Eastdale (29-3880000) and ADM (34-0260010 and 34-0260015). Mikka is recommending the parcels that were professionally appraised by Carsen Appraisal Services in the last few years not be increased the recommended 6%.

In 2022, Pembina County assessed 152 mobile homes, 5 of those are under the Homestead Credit. Many mobile homes are listed as permanent homes in the County and are assessed as real estate. Total taxable assessed valuation after Homestead Credit is \$57,439.00. There have been a few mobile homes added and deleted since the 2022 assessing. There are several mobile homes that are not registered with the county or titles are not being updated once they have been sold. A County Mobile Home application is to be obtained either online through the State Tax Department or can be picked up in the Tax Director's Office within 10 days of acquiring a mobile home. A Mobile Home Moving Permit should be obtained through the Tax Director's Office prior to moving a mobile home.

In 2021, Pembina County had 114 (last year 133) applicants that qualified for the Homestead Credit program. We will be reimbursed by the state general fund to the amount of \$54,822.45 (last year \$76,485.29) for this credit.

In 2021, there were 33 (last year 31) applicants that qualified for the Disabled Veteran's Credit program. We will be reimbursed by the state general fund to the amount of \$22,576.57 (last year \$21,140.80) for this credit.

Ms. Willits reviewed the following changes for city properties:

Bathgate City: Parcels 25-0900000, 25-0900010, 25-0970000, and 25-1130000 will be added to the tax rolls due to exempt applications not being returned.

Canton City (Hensel): Parcel 26-0150015 will be added to the tax rolls due to an annexation from Parcel 16-0850015

Cavalier City: Parcels 27-6510010, 27-6970021 and 27-6970038 will receive a 2 year SFR exemption on new construction up to \$150,000.00 and Parcels 27-0470010, 27-6050000, and 27-1510000 will receive a 5 year commercial remodeling exemption

Neché City: Parcel 32-0810000 will be added to the tax rolls due to the sale of county property

Pembina City: Parcel 33-1050010 will have the building value removed due to demolition of the residence

Walhalla City: Parcels 35-1610000, 35-1760010, and 35-1710000 will receive a 3 year Commercial Remodeling Exemption, Parcels 35-5280000 and 35-5360000 values will be corrected due to an Assessor error and Parcel 35-3650000 vacant lot value will be added due to the sale of county property

Omitted Property:

City of Crystal – Parcel 28-0230012 will be added to the tax rolls due the parcel being relocated from the township (Parcel 07-0640000) to the city with an Auditor's Correction

City of Pembina: Parcel 33-1110000 will have a building value added due to residence being moved in

Motion made by Jim Benjaminson and seconded by Dave Moquist to adjourn City Equalization. All voting in favor; motion carried. City Equalization adjourned at 9:40 AM.

Township Equalization meeting called to order at 9:40 AM.

Ms. Willits asked if there were any individuals present for an appeal through the townships. Clarence Boettger was present, but was not in attendance for an appeal.

Ms. Willits reviewed the following changes for city properties:

Beaulieu Township: In 2012 the parcels at the CAFS were deemed exempt as the land was leased from the government. After reviewing with Ward County and Grand Forks County who have similar parcels and discussion with other Tax Directors, Ms. Willits suggests the parcels remain exempt. Motion made by Dave Moquist and seconded by Jim Benjaminson to approve the exemption for the Cavalier Air Force Station (now Cavalier Space Force Station). All voting in favor; motion carried.

Cavalier Township: Parcel 06-1690020 will receive a 2 year SFR exemption on new construction up to \$150,000.00, beginning in 2023 and 2024

Lodema Township: Parcel 16-0010005 will receive a 2 year SFR exemption on new construction for 2022 and 2023 and Parcel 16-0850015 will be deleted due to the annexation of the property into Hensel City as Parcel 26-0150015

St Thomas Township: Parcels 22-3470000 and 22-3520000 will be added to the tax rolls since exemption applications were not returned

Omitted Property:

Beaulieu Township – Parcel 04-2560005 will be added to the tax rolls due to an Auditor's Correction

Property Record cards and obtaining valuations for exempt property were discussed.

State Board of Equalization is scheduled for August 9, 2022 starting at 8:30 AM at the State Capitol.

Motion made by Dave Moquist and seconded by Jim Benjaminson to increase residential and commercial properties by 5% for all townships and cities, excluding the commercial properties that were appraised by Carsen Appraisal Service in 2021 and 2022. Roll call vote: Jim Benjaminson – yes; Nick Rutherford – yes; Dave Moquist – yes. Motion carried.

Motion made by Dave Moquist and seconded by Jim Benjaminson to adjourn Township Equalization. All voting in favor; motion carried. Township Equalization adjourned at 10:15 AM.

Chairperson Rutherford declared the County Board of Equalization meeting adjourned at 10:15 AM.