



City of Medora

Board of Equalization

Tuesday, April 7, 2020

5:00 p.m.

Todd Corneil, Mayor

Doug Ellison, Tracy Sexton, Kinley Slauter, & John Tczap - Council Members

Gary Ridenhower, City Auditor

Stacey Swanson, City Assessor

Overview of Assessment Process

The overall objectives of the City Assessor are to appraise all property in Medora and to maintain a record of property ownership, boundaries, and characteristics. This encompasses many varied tasks and responsibilities, but all serve these overall objectives.

- ***Property Ownership Maintenance***

This is accomplished by analyzing the various instruments by which property rights may be acquired, transferred, or disposed of. This department files ownership documents that have been recorded with the property cards and databases. The status of property ownership is reflected 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 Auditor's Office in mid-December.

- ***Mass Appraisal of Real Property***

The assessor's office also reviews the factors affecting the value of all classes of property in the city and county. This is done by comparing sales and their assessed values through mass appraisal techniques, like the sales ratio study. Assessments change year to year by appraising all new properties as they are constructed and periodically mass appraising existing properties by type or location. The assessment date for North Dakota is February 1st - new construction appraisals are prorated based on their completion status as of this date.

- ***Sales Ratio Study***

The Sales Ratio Study is conducted annually by the County and State Tax Department. Real estate sales are compared to the property's true & full value and statistics are calculated to determine if the county's assessments overall are within 10% of market value. The county must make adjustments to the current year valuations in order to be within compliance of the state statutes.

2020 Recap of the Appraisal Process

- The purpose of this meeting is to equalize properties located in city limits. Periodic inspection and reappraisal of properties are necessary as all types of properties do not increase or decrease in value at the same rate. With limited sales data available for Medora, the Cost Approach is the method that is most relied on for setting the valuations and the figures are adjusted due to changing market conditions over time.
- Notice of Increases are sent to property owners when their True and Full Value increases by \$3,000 or more and the increase was also 10% or more. Those receiving notices this year were for properties that had new construction or remodeling. Notices were also sent for land increases as well. Most questions on the notices are handled by the assessor's office, but the notice also invites the owner to the Board of Equalization meetings if they wished to discuss or appeal their valuation changes further.

<u>Type of Property</u>	<u>2020 Number of Parcels</u>
Residential	45 (36 real property & 9 mobile homes)
Residential, Possessory Interest	10 (8 TRNP & 2 City rental houses)
Commercial	54
Multi Class	8 (Residential & Commercial)
Vacant Lots (commercial)	34
Exempt Property	52
<u>Centrally (State) Assessed</u>	<u>2 (BNSF & Roughrider Electric)</u>
TOTAL PARCELS:	205

2020 Residential Values

- **Residential Lots**

Periodic adjustments need to be made to the land values for changing market conditions. For 2020 the base value for lots in Medora was increased by \$0.50 to \$4.00/sf. The last time land values were increased was in 2015.

- **Residential Buildings**

The median Sales Ratio for residential property in Billings County is 90.4%, this is just within tolerance and indicates that overall assessments are near market value. To avoid larger percentage increases in the future, it is best to make incremental adjustments from year to year. For 2020, a 1% increase was made in the mass-appraisal modeling for the City of Medora.

- **New construction/remodeling assessments**

Russell & Darlene Mitchell – 685 2nd ST S - new construction appraisal for sunroom and deck.

2020 Commercial Values

- **Commercial Lots**

Periodic adjustments need to be made to the land values for changing market conditions. For 2020 the base value for lots in Medora was increased by \$0.50 to \$4.00/sf. The last time land values were increased was in 2015.

- **Commercial Buildings**

The median Sales Ratio for commercial property in Billings County is 99.1%, however, due to a lack of commercial sales, no overall change was made for 2020.

- **New construction/remodeling assessments**

Theodore Roosevelt Medora Foundation – 301 5th ST – updated assessment for conversion of old boys dorm to daycare center and illusion exhibit space for 2020.

Change in Valuations between 2019-2020

Residential Assessments		
Residential	2019	2020
Land Value	1,786,300	1,989,100
Building Value	7,559,400	7,594,400
True & Full Value	9,327,700	9,583,500
Assessed Value (50% of T & F)	4,663,850	4,791,750
Taxable Value (9% of assessed)	419,772	431,279
Homestead or Veteran's Credit	No applicants	No applicants
Difference in True & Full Value		255,800
Difference in Taxable Value		11,507

Commercial Assessments		
Commercial	2019	2020
Land Value	4,395,300	4,832,200
Building Value	31,610,200	31,369,000
True & Full Value	36,005,500	36,201,200
Assessed Value (50% of T & F)	18,002,750	18,100,600
Taxable Value (10% of assessed)	1,800,275	1,810,060
Difference in True & Full Value		195,700
Difference in Taxable Value		9,785

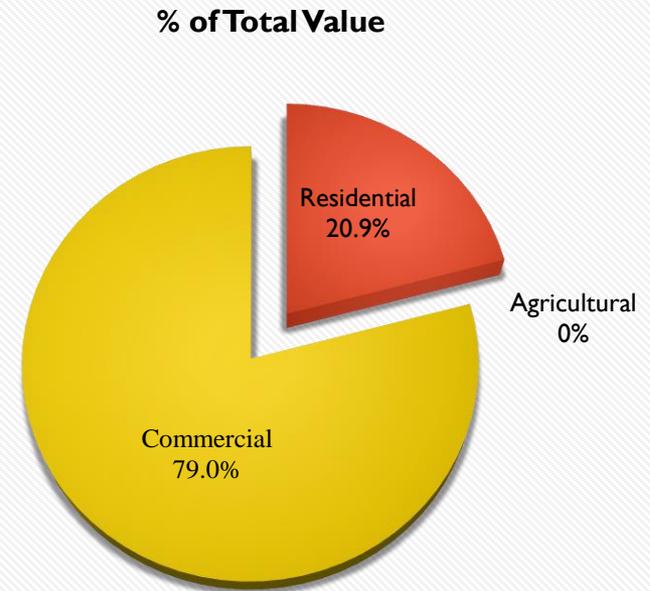
Total True & Full Valuation Residential & Commercial Property Increase: \$451,500
Total Taxable Residential & Commercial Property Increase: \$21,292

2020 Total True & Full Value

Market Value Breakdown

CLASS	TOTAL VALUE	% OF TOTAL VALUE
Residential	9,583,500	20.9%
Commercial	36,201,200	79.0%
Agricultural	0	0%
Total	45,784,700	

Breakdown by Value



Estimated 2020 Taxable Valuation

The following are the projections for the City of Medora:

CLASS	TAXABLE VALUE
Agriculture	\$ 0
Commercial	\$1,810,060
Residential	\$431,279
Subtotal	\$2,241,339
Less Homestead & Vet Credits	\$ 0
Taxable Valuation Total	\$2,241,339

2020 Estimated Value of 1 Mill \$2,241.34

2019 Net Taxable Valuation \$2,216,887
Difference \$ 24,452

These totals DO NOT include central assessments, they are finalized in August. 2019 Central Assessment for Medora = \$22,590 (BNSF)

Property Tax Basics

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. That amount is then levied against the total taxable value of property in Medora. The work of the Assessment Department results in determining the distribution of each property's share of that tax burden.

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

- **BUDGET**

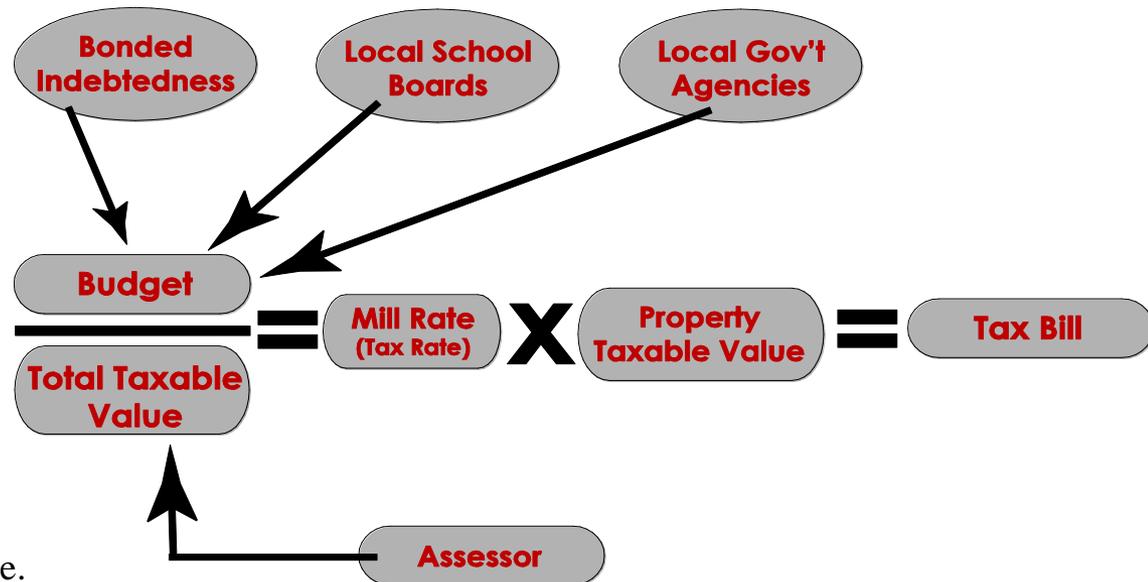
Taxing authorities (school, city, county, etc.) approve budgets annually for the services they provide.

- **VALUATION**

Buyers and sellers in the market create value.
Assessors study market transactions and estimate value.

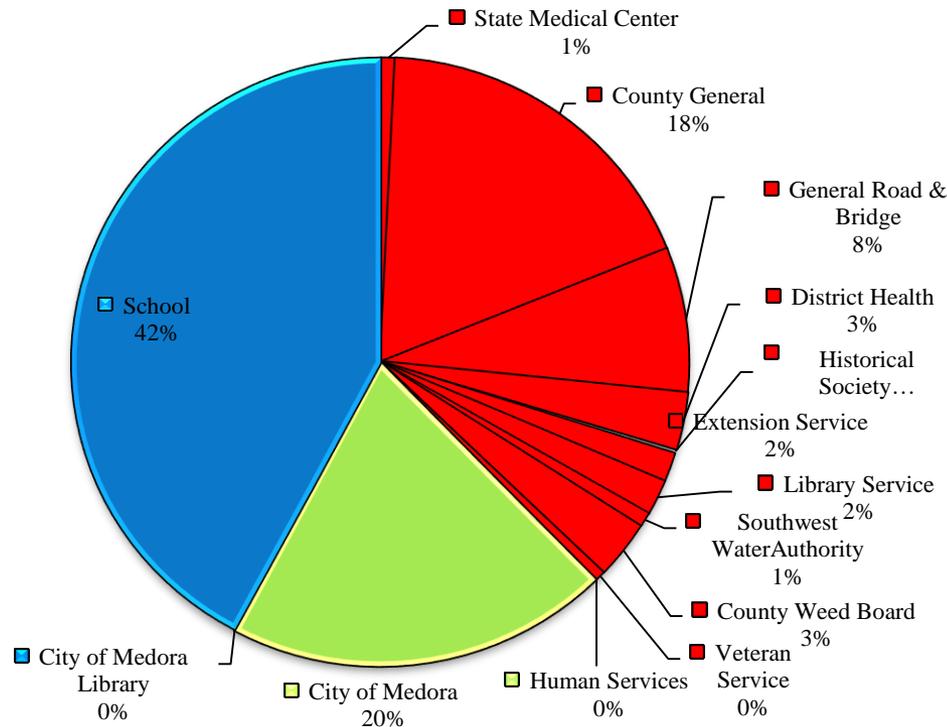
- **TAXATION**

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

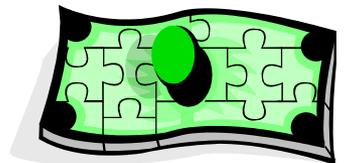


Mill Rate.....What does it mean?

- The mill levy is calculated each year by the County Auditor, usually estimated late September and finalized in October after the county receives the central assessments from the State of ND. That levy appears on the tax statement that property owners receive in December of the same year.
- The City's Mill Rate in 2019 was 129.79 and one Mill was worth \$2,242.64
- The City estimated General & Library Fund tax collection for the 2019 tax year is \$58,734.64 (this can only be an estimate at this time because of discount, penalty, interest)



2019 Mill Levy Distribution



2018-2019 Mill Levies for Billings County & City of Medora

Entity	2018	2019
State Medical Center	1.00	1.00
County General	23.78	23.55
General Road and Bridge	10.00	10.00
District Health	3.79	3.92
Historical Society	0.25	0.25
Extension Service	2.03	2.00
Library Service	2.35	2.47
Southwest Water Authority	1.00	1.00
County Weed Board	4.06	4.00
Veteran Service	0.70	0.68
Human Services	0.00	0.00
City of Medora	26.19	26.19
School	56.52	54.73
City of Medora Library	0.00	0.00
	=131.67 Mills	=129.79 Mills

Property Tax Comparison of local ND Cities

- In order to calculate gross taxes on a property, the following formula is used:

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

\$100,000 Home	X	50%	X	9%	X	.12979	=	\$584.05
\$100,000 Business	X	50%	X	10%	X	.12979	=	\$648.95

Taxes on a \$100,000 Property for Before 5% Discount – 2018 mills

City	Tax Amount		Mills
	<u>Residential</u>	<u>Commercial</u>	
AMIDON	\$587.93	\$653.25	130.65
BEACH	\$691.33	\$768.15	153.63
BELFIELD	\$1,072.22	\$1,191.35	238.27
DICKINSON	\$1,115.50	\$1,239.45	247.89
DODGE	\$625.64	\$695.15	139.03
DUNN CENTER	\$612.99	\$681.10	136.22
GLADSTONE	\$1,080.90	\$1,201.00	240.20
GOLVA	\$677.84	\$753.15	150.63
HALLIDAY	\$591.30	\$657.00	131.40
KILLDEER	\$729.14	\$810.15	162.03
MARMARTH	\$1,080.23	\$1,200.25	240.05
MEDORA – 2019 mills	\$584.06	\$648.95	129.79
RICHARDTON	\$1,113.12	\$1,236.80	247.36
SENTINEL BUTTE	\$565.70	\$628.55	125.71
SOUTH HEART	\$938.61	\$1,042.90	208.58
TAYLOR	\$1,178.06	\$1,308.95	261.79

Exempt Properties

PARCEL	OWNER	LEGAL DESCRIPTION
33 0000 01383 000	TRNP UNIT 111	LOTS 1,2 (UNIT 111) BLOCK 8 MEDORA
33 0000 01414 001	CITY OF MEDORA	E 53' OF S 16' OF LOT 5 & E 53' OF LOT 6 BLK 13 (RESTROOM
33 0000 01416 000	MIDSTATE TELEPHONE COMPANY	N 40' LOTS 9-11 BLOCK 13 MEDORA
33 0000 01442 007	CITY OF MEDORA	TRACT 7 (.305 ACRES) IN SWNW 26-140-102
33 0000 01458 001	CITY OF MEDORA	BLK 9 LOTS 1A 26-140-102 SOUTH MEDORA
33 0000 01458 003	CITY OF MEDORA	BNSF LEASE SITE 225,000 SQ. FT. 26-140-102 POSSESSORY INTEREST
33 0000 01469 004	CITY OF MEDORA	5.60 ACRES (LAGOON) SE1/4NE1/4 SOUTH MEDORA 27-140-102
33 0000 01469 005	CITY OF MEDORA	4.18 ACRE LAGOON, SOUTH MEDORA - EXEMPT
33 0000 01469 006	CITY OF MEDORA	.31 ACRES IN THE NWSW 26-140-102 SOUTH MEDORA (3RD ST S)
33 0000 01600 000	CITY OF MEDORA	LOT 1 BLK 1 SOUTHSIDE 2ND ADDITION MEDORA (7033 SQ. FT.)
33 0000 01600 002	CITY OF MEDORA	LOT 3 BLK 1 SOUTHSIDE 2ND ADDITION MEDORA (10916 SQ. FT.)
33 0000 01600 004	CITY OF MEDORA	LOT 5 BLK 1 SOUTHSIDE 2ND ADDITION MEDORA (8110 SQ. FT.)
33 0000 01600 005	CITY OF MEDORA	LOT 6 BLK 1 SOUTHSIDE 2ND ADDITION MEDORA (9700 SQ. FT.)
33 0000 01600 006	CITY OF MEDORA	LOT 7 BLK 1 SOUTHSIDE 2ND ADDITION MEDORA (10192 SQ. FT.)
33 3000 00020 200	CITY OF MEDORA	LOT 18 BLK 13 (ALLEY) - EXEMPT
33 3000 00020 201	STATE HISTORICAL SOCIETY	LOT 19 BLK 13 MEDORA - EXEMPT
33 3000 00020 202	STATE HISTORICAL SOCIETY	LOT 20 BLK 13 MEDORA - EXEMPT
33 3000 00020 203	STATE HISTORICAL SOCIETY	LOT 21 BLK 13 MEDORA - EXEMPT
33 3000 00020 204	STATE HISTORICAL SOCIETY	LOT 22 BLK 13 MEDORA - EXEMPT
33 3000 00020 205	STATE HISTORICAL SOCIETY	LOT 23 BLK 13 MEDORA - EXEMPT
33 3000 00020 206	STATE HISTORICAL SOCIETY	LOT 24 BLK 13 MEDORA - EXEMPT
33 3000 00385 200	MEDORA CITY SHOP	LOT 4 BLK 7 SOUTH MEDORA, CITY SHOP - EXEMPT

Exempt Properties

PARCEL	OWNER	LEGAL DESCRIPTION
33 3000 01383 200	TRNP	LOT 3 BLK 8 MEDORA - EXEMPT
33 3000 01383 201	TRNP	LOT 4 BLK 8 MEDORA - EXEMPT
33 3000 01383 202	TRNP	LOT 5 BLK 8 MEDORA - EXEMPT
33 3000 01383 203	TRNP	LOT 6 BLK 8 MEDORA - EXEMPT
33 3000 01383 204	TRNP	LOT 7 BLK 8 MEDORA - EXEMPT
33 3000 01383 205	TRNP	LOT 8 BLK 8 MEDORA - EXEMPT
33 0000 01440 000	HAROLD SCHAFER INTERPRETIVE CENTER	LOTS 19-22 BLOCK 15 INTERPRETIVE CENTER VACATED ALLEY (This is partially assessed now – museum is not taxed the rest of the building is)
33 3000 01440 200	ST MARY'S CATHOLIC CHURCH	ST. MARY'S CATHOLIC CHURCH - EXEMPT
33 3000 01443 200	MEDORA LUTHERAN CHURCH	MEDORA LUTHERAN CHURCH PLUSE VACATED ALLEY - EXEMPT
33 3000 01444 200	BILLINGS COUNTY MUSEUM	BILLINGS COUNTY MUSEUM - EXEMPT
33 3000 01445 200	CITY OF MEDORA	MEDORA COMMUNITY CENTER, PLUS VACATED 5TH ST AND FOURTH AVE - EXEMPT
33 3000 01446 200	BILLINGS COUNTY COURTHOUSE	BILLINGS COUNTY COURTHOUSE - EXEMPT
33 3000 01447 200	CITY OF MEDORA	LOTS 19-20 BLK 18 MEDORA, PLUS VACATED 5TH STREET - EXEMPT - CITY OF MEDORA
33 3000 01474 200	BILLINGS COUNTY RURAL FIRE	BILLINGS COUNTY RURAL FIRE DEPARTMENT
33 3000 01476 200	BILLINGS COUNTY	LOT 2 BLK 7 SOUTH MEDORA - EXEMPT - BC STORAGE BLDG
33 0000 01407 000	COWBOY HALL OF FAME	BLOCK 11 25720 SQ FT DECKING & RETAIL (This is partially assessed now - we assess the gift shop area & patio, museum is not taxed the rest of the building is)

City Board of Equalization Statute

CHAPTER 57-11

CITY BOARD OF EQUALIZATION

- **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. Note: *(This is currently being fulfilled by the county)*
- **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.