

Staff Report for 2021 State Board of Equalization

October 4, 2021

File No.: 2021-STEELE-NELSON

County or City: Steele County

Appellant: Jeffery L. Nelson

Issue: Appeal of property assessment.

Prepared By: Property Tax Division

Summary: Property owner appeals the assessment of ten parcels of land located on the east side of Golden Lake within Steele County. Appellant proposes acre lot value to be \$9,803 or \$6,803. (Parcel Numbers: 06000001046015, 06000001046020, 06000001046025, 06000001046030, 06000001046035, 06000001046040, 06000001046045, 06000001046050, 06000001046055, 06000001046060)

Analysis: Jeffrey Nelson appealed the assessment placed on ten unimproved vacant lots in Golden Lake Township close to Golden Lake. He believes that unimproved vacant lots should be valued less than the values placed by Vanguard Appraisals. In the Letter of Transmittal from Vanugard, it is stated that all vacant lots will be classified as commercial. At the Golden Lake Township Board of Equalization, board members approved to value half acre lots at \$25,000 with a 25% reduction if undeveloped (\$18,750/half acre lot). Values will be adjusted based upon the lot size. Mr. Nelson appealed at the Steele County Board of Equalization also asking for the value to be dropped to \$6,750 for half acre lots. The Steele County Board of Equalization voted to keep the original values adopted by the Golden Lake Township Board of Equalization.

The investigation of the appeal of the property value required a determination of the classification of the land for the 2021 assessment year. The lots identified in this appeal are a plat of agricultural land that was recorded August 24, 2020. Maps have been included on the following pages for review. When agricultural land is platted after March 30, 1981, it remains agricultural land for assessment purposes until a minimum of four conditions, provided in statute, exist. After a thorough review, the following conditions have been determined and notes provided for each provision.

North Dakota Century Code 57-02-01(a) provides (in part):

a. Property platted on or after March 30, 1981, is not agricultural property when any four of the following conditions exist:

- (1) The land is platted by the owner. **Yes, Nelsons platted the land.**
- (2) Public improvements, including sewer, water, or streets, are in place. **Yes, gravel road in place, electric capable but not currently set up on each lot. Lots will be allowed to have a water spicket.**
- (3) Topsoil is removed, or topography is disturbed to the extent that the property cannot be used to raise crops or graze farm animals. **No, the topsoil has not been removed from any of the lots.**
- (4) Property is zoned other than agricultural. **Yes, the lots are zoned recreational/commercial by Golden Lake Township.**

(5) Property has assumed an urban atmosphere because of adjacent residential or commercial development on three or more sides. **No, three sides do not assume an urban atmosphere. The north, east and south sides are agricultural land. The west side of the parcels are a campground and used commercially. This condition will change as lots are sold and uses change.**

(6) The parcel is less than ten acres [4.05 hectares] and not contiguous to agricultural property. **No, the parcels would be contiguous to agricultural land.**

(7) The property sells for more than four times the county average true and full agricultural value. **No, as of February 1, 2021 there were no sales. As sales are recorded and lot appearance and use are changed, the county will be required to review these lots for classification change and reassessment. Commercial and residential property assessments are based on market. Sales prices of the platted lots will be used to determine and support future assessment of the lots in the appeal.**



The picture above shows the platted land owned by Mr. Nelson. The following pictures are two ariel views of the land showing the overall view of the surrounding area.



The average agricultural value of this parcel, prior to the plat being recorded in Steele County, is \$245 per acre.

Upon review with the Steele County Tax Equalization Director, she was in agreement with the results of the review.

Recommendation: Direct Steele County to change the classification of the following parcels, as provided within the appeal, from commercial to agricultural and value at \$245 an acre: 06000001046015, 06000001046020, 06000001046025, 06000001046030, 06000001046035, 06000001046040, 06000001046045, 06000001046050, 06000001046055, and 06000001046060.

Direct Steele County to monitor sales, reclassify, and adjust values as the lots are being sold.