

Staff Report for 2023 State Board of Equalization

File No.: 2023-EMMONS-COMMERCIAL TOLERANCE

Prepared By: Property Tax Division

County or City: Emmons County

Appellant:

Issue: Commercial Sales Ratio is not within tolerance.

Summary: The sales ratio study indicates a commercial sales ratio of 87%.

Analysis: Emmons County's commercial value indicates a sales ratio of 87%. This sales ratio is below the State Board of Equalization's 2023 acceptable tolerance range of 90% - 100%.

Property Tax Division staff investigated Emmons County's sales information from 2018 through 2022. During the investigation, it was determined that the historical average sales ratio has been 94% and that the following are the primary causes of the low sales ratio:

- Vacant lots in unorganized townships show a commercial sales ratio of 79%
- The City of Linton shows a commercial sales ratio of 89%

Commercial valuations must be increased to bring the commercial sales ratio within tolerance. Tailoring the adjustments to the primary causes of the countywide low sales ratio best accomplishes equalization in Emmons County.

Proposal for Review: Direct Emmons County to increase vacant lot assessments in unorganized townships by 21% to an approximate value of \$6,784,470 and all commercial properties in the City of Linton by 11% to an approximate value of \$12,297,912. The result of these two increases will be an overall increase of 6% to an approximate cumulative total county commercial assessment of \$39,965,782.

Review property assessment notice requirements in North Dakota Century Code § 57-02-53(1)(b) and administer as applicable.