

Staff Report for 2023 State Board of Equalization

File No.: 2023-GRANT-NODLAND

Prepared By: Property Tax Division

County or City: Grant County

Appellant: Chad (Jillian) Nodland

Issue: Appeal of Residential Property Valuation

Summary: Mr. Chad Nodland is appealing the residential property value of \$235,000 on parcel number 05678100 located at 30 Bluegill Bluffs, Cabin Area 3, Lot number 30, Lake Tschida, ND.

Analysis: Grant County contracted with Vanguard Appraisals, Inc. to conduct a reappraisal of the county in 2022 for the February 1, 2023, assessment date. The reappraisal of Grant County included all parcels with the classification of residential, agricultural dwelling, commercial. Contained in the letter of transmittal were the conclusions of the three approaches to value which were used to complete the mass appraisal of Grant County. Discussion at the Grant County Board of Equalization meeting prompted the removal of a \$40,000 lake influence adjustment for all properties it was applied to initially. After removing a \$40,000 lake influence adjustment and correcting a discrepancy about Mr. Nodland's cabin having central air, the Grant County Board of Equalization approved the 2023 true and full value of Mr. Nodland's lake cabin of \$235,000, no land value is assessed with this cabin.

Mr. Nodland appealed to the State Board of Equalization, arguing he was being double taxed because he is paying a permit fee to the Tri-Cities Joint Job Development Authority (TCJJDA) for the right to use this lake parcel for seven months of the year. He argues that he should pay no tax because he already pays the permit fee. In the alternative, Mr. Nodland argues he should pay tax on 7/12ths of the assessed value as he is only permitted to use the property for seven months of the year. Mr. Nodland provided a copy of a seasonal recreation use permit that is required between cabin and mobile homeowners of the Heart Butte Reservoir at Lake Tschida and the TCJJDA.

Property Tax Division staff visited with Mr. Nodland as well as Randy Binengar, Heart Butte Association President, and Steve Thilmony, all being cabin owners, to discuss the appeals in the Cabin Areas of Lake Tschida as well as with Ms. Steinmetz, Grant County Director of Tax Equalization.

The Property Tax Division investigated Mr. Nodland's claim that his cabin should be partially or fully exempt from taxation because he is seasonally using federally owned land on a permitted basis. Essentially, Mr. Nodland argues that a portion of his permit fee is paid by the TCJJDA to the county as a payment in lieu of tax.

North Dakota Century Code § 57-02-03 provides that “[a]ll property in this state is subject to taxation unless expressly exempted by law.” Although there is an exemption for property owned by the United States, set forth in North Dakota Century Code § 57-02-08, that exemption applies only to property owned exclusively by the United States.

The United States does not own the cabins or mobile homes that are situated on the federal land surrounding Lake Tschida, including Mr. Nodland’s cabin. Therefore, those structures are not exempt from property tax. Mr. Nodland’s assessment value is only the cabin and does not include any value for the land.

The permit and documentation provided do not demonstrate that a payment in lieu of tax applies to the improvement value of Mr. Nodland’s cabin.

The terms of the permits make permitholders aware of the restrictions on use of the land. All real property in this state is subject to taxation unless an exemption applies. No exemption applies to the cabin. No payment in lieu of tax is in place with regard to the cabin. There is also no provision in law which provides a discount for seasonally used property. Mr. Nodland is not being taxed upon the value of the permit he holds or the value of the federal land. He is being assessed property tax solely upon the value of the cabin he owns.

After research and consideration of all the information presented by Mr. Nodland, Grant County, and independent research, the results indicate that the assessment has been properly applied.

Proposal for Review: No action required.