

Staff Report for 2023 State Board of Equalization

File No.: 2023-MCINTOSH-RESIDENTIAL TOLERANCE

Prepared By: Property Tax Division

County or City: McIntosh County

Appellant:

Issue: Residential Sales Ratio is not within tolerance.

Summary: The sales ratio study indicates a residential sales ratio of 88%.

Analysis: McIntosh County's residential value indicates a sales ratio of 88%. This sales ratio is below the State Board of Equalization's 2023 acceptable tolerance range of 90% - 100%.

Property Tax Division staff investigated McIntosh County's sales information from 2018 through 2022 with emphasis of the residential market trend of 2021 and 2022. During the investigation, it was determined that the historical average sales ratio has been 92% and that the following are the primary causes of the low sales ratio:

- City of Ashley shows a residential sales ratio of 78%
- City of Lehr shows a residential sales ratio of 79%
- City of Zeeland shows a residential sales ratio of 73%

Residential valuations must be increased to bring the residential sales ratio within tolerance. Tailoring the adjustment to the primary cause of the countywide low sales ratio best accomplishes equalization in McIntosh County.

Proposal for Review: Direct McIntosh County to increase residential assessments in the City of Ashley by 14% to an approximate value of \$24,580,110, increase residential assessments in the City of Lehr by 13% to an approximate value of \$1,791,841, and increase residential assessments in the City of Zeeland by 15% to an approximate value of \$2,016,870. The result will be an overall increase of 4% to an approximate total county residential assessment of \$90,085,942.

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