

## Staff Report for 2023 State Board of Equalization

**File No.:** 2023-PEMBINA-STEVENSON

**Prepared By:** Property Tax Division

**County or City:** Pembina County

**Appellant:** Jeff & Jane Stevenson

**Issue:** Appeal of Agricultural Property Valuation

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**Summary:** Mr. Jeff Stevenson and Mrs. Jane Stevenson are appealing the agricultural land valuation on parcels 01-0420000 and 01-0420020 located in Pembina County.

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**Analysis:** The Pembina County Board of Equalization approved a 2023 value of \$87,133 on parcel 01-0420000 which is an increase of \$31,718 over the 2022 true and full value of \$55,415. The Pembina County Board of Equalization approved a 2023 value of \$57,339 on parcel 01-0420010 which is an increase of \$5,558 over the 2022 true and full value of \$51,781.

Pembina County implemented soil type and classification information from a detailed soil survey for tax year 2023. Due to this implementation process, valuations of most agricultural land in Pembina County changed.

Property Tax Division staff reviewed information submitted by Mr. Stevenson, Pembina County Interim Director of Tax Equalization, Lisa Keney, and information that was independently researched.

Mr. Stevenson argues that while his and his neighbor's agricultural property are identical, they are valued differently. In Mr. Stevenson's appeal, he states that he participates in the Conservation Reserve Program while his neighbor participates in the Wetland Reserve Program. Further, Mr. Stevenson states that Pembina County gives a lower valuation to those agricultural acres that participate in the Wetland Reserve Program, but not those agricultural acres that participate in the Conservation Reserve Program.

Pembina County valued soils listed as "NWL" at \$0.50 per acre and soils listed as "Gov Ease" at \$172.00 per acre. Upon further research, it was determined that soils labeled "NWL" refer to the Forest Stewardship program outlined in North Dakota Century Code §57-57. It was further determined that Pembina County began participating in the Forest Stewardship program prior to counties being legislatively required to approve participation through resolution. North Dakota Century Code §57-57-06 states in part, "The owner shall pay to the county treasurer, at the time taxes on other real property are due, a forest stewardship tax computed at a rate of fifty cents per acre ... The payment of taxes under this chapter is in lieu of all ad valorem taxes ..." Pembina County is incorrectly valuing an acre of land with a true and full value of \$0.50 per acre instead of assessing a \$0.50 tax per acre.

Additionally, Property Tax Division Staff reviewed information regarding soil acres listed as "Gov Ease". It was determined that soils listed as "Gov Ease" refer to land that participates either the Watershed Easement Program or Wetland Reserve Program. Pembina County is granted authority to value different land uses as it deems appropriate within the boundaries set forth in North Dakota Century Code.

Upon review of all information submitted by Mr. Stevenson, Pembina County, and individually researched, Mr. Stevenson's parcels are valued equitably with other parcels in the same situation.

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**Proposal for Review:** No change to appellant's parcels.

Direct Pembina County to correctly administer North Dakota Century Code § 57-57.

Direct Pembina County to review land use value per acre, specifically the soil labeled "Gov Ease" to determine if the value is equitable with other government programs that property owners participate in.