

Staff Report for 2023 State Board of Equalization

File No.: 2023-RANSOM-COMMERCIAL TOLERANCE

Prepared By: Property Tax Division

County or City: Ransom County

Appellant:

Issue: Commercial Sales Ratio is not within tolerance.

Summary: The sales ratio study indicates a commercial sales ratio of 101%.

Analysis: Ransom County's commercial value indicates a sales ratio of 101%. This sales ratio is above the State Board of Equalization's 2023 acceptable tolerance range of 90% - 100%.

Property Tax Division staff investigated Ransom County's sales information from 2018 through 2022 with emphasis of the commercial market trend of 2022. During the investigation, it was determined that the historical average sales ratio has been 96% and that the following are the primary causes of the high sales ratio:

- The City of Enderlin shows a commercial sales ratio of 103.2%
- The City of Lisbon shows a commercial sales ratio of 100.3%
- Commercial property located in the county, outside of any city's jurisdiction, show a commercial sales ratio of 103.5%

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

Proposal for Review: Direct Ransom County to decrease commercial property within the City of Enderlin by 7% to an approximate value of \$46,840,752, decrease commercial property within the City of Lisbon by 4% to an approximate value of \$31,429,920, and decrease commercial property located in Ransom County, outside of any city's jurisdiction, by 7% to an approximate value of \$19,625,604. The result of these three decreases will be an overall decrease of 5% to an approximate cumulative total county commercial assessment of \$101,770,776.