

Staff Report for 2023 State Board of Equalization

File No.: 2023-SARGENT-RESIDENTIAL TOLERANCE

Prepared By: Property Tax Division

County or City: Sargent County

Appellant:

Issue: Residential Sales Ratio is not within tolerance.

Summary: The sales ratio study indicates a residential sales ratio of 89%.

Analysis: Sargent County's residential property indicates a sales ratio of 89%. This sales ratio is below the State Board of Equalization's 2023 acceptable tolerance range of 90% - 100%.

Property Tax Division staff investigated Sargent County's sales information from 2018 through 2022. During the investigation, it was determined that the following are the primary causes of the low sales ratio:

- Residential property in the county, outside of any city's jurisdiction, shows a sales ratio of 74.3%
- The Cities of Forman, Gwinner, Havana, and Milnor show sales ratios of 84.2%, 88.5%, 84.2%, and 87.3%, respectively.

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

Proposal for Review: Direct Sargent County to increase residential assessments in the cities of Forman and Havana by 2% to approximate valuations of \$22,161,948 and \$1,961,664, respectively. Increase residential assessments in the cities of Gwinner and Milnor by 1% to approximate valuations of \$32,493,922 and \$29,827,118, respectively. Increase residential assessments for property in the county, outside any city jurisdiction, by 7% to an approximate value of \$53,508,988. The result of these increases will be an overall increase of 4% to an approximate cumulative residential value of \$144,338,840.

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