

## Staff Report for 2023 State Board of Equalization

**File No.:** 2023-STEELE-NELSON

**Prepared By:** Property Tax Division

**County or City:** Steele County

**Appellant:** Jeffrey and Karen Nelson

**Issue:** Appeal of Commercial Property Valuation

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**Summary:** Mr. Jeffrey Nelson and Mrs. Karen Nelson are appealing the land value of \$32,487 on parcel numbers 06-0000-01046-035 and 06-0000-01046-040, located on the east side of Golden Lake within Steele County ND.

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**Analysis:** Steele County Board of Equalization approved a 2023 true and full value of \$16,587 on parcel 06-0000-01046-35 and \$15,9000 on parcel 06-0000-01046-040. Property Tax Division Staff reviewed information submitted by Jeffery and Karen Nelson, and Steele County Director of Tax Equalization, Casey Olson.

Jeffrey and Karen Nelson are appealing the land value of two lots of a ten-lot plat that was established in August of 2020 in Golden Lake Township. The Nelsons are asking for a decrease in land value from \$0.70 per square foot to \$0.32 per square foot. Mr. and Mrs. Nelson state that restrictive covenants on the land limit its use, that the two lots are unimproved, and that the land is currently being farmed by a tenant.

Upon investigation by Property Tax Division staff, it has been determined that this land does not qualify as agricultural land. North Dakota Century Code § 57-02-01(a) states in part,

“Property platted on or after March 30, 1981, is not agricultural property when any four of the following conditions exist:

(1) The land is platted by the owner.

**YES. This land was platted in August 2020.**

(2) Public improvements, including sewer, water, or streets, are in place.

**YES. Gravel road in place, electric capable but not currently set up on each lot. Water is connected to these parcels though no spicket is yet in place.**

(3) Topsoil is removed, or topography is disturbed to the extent that the property cannot be used to raise crops or graze farm animals.

**NO. Topsoil is not removed, the land is still being used for farming activities.**

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(4) Property is zoned other than agricultural.

**YES. The land is zoned Residential.**

(5) Property has assumed an urban atmosphere because of adjacent residential or commercial development on three or more sides.

*NO. There is not development on three or more sides.*

(6) The parcel is less than ten acres [4.05 hectares] and not contiguous to agricultural property.

*NO. Parcel 06-0000-01046-035 is 0.55 acres and parcel 06-0000-01046-040 is 0.53 acres but both are contiguous to agricultural property.*

(7) The property sells for more than four times the county average true and full agricultural value.

**YES. The market value indicates that the parcels sell for more than four times the county average true and full agricultural value, which is \$1,135 per acre.**

Property Tax Division staff completed a comparable property study of vacant lots in Steele County which indicated an average value of \$0.79 per square foot. The two lots being appealed by Mr. Nelson are \$0.70 and \$0.69 per square foot. These results indicate that the lots in question not overly assessed.

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**Proposal for Review:** No action required.



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