

Staff Report for 2025 State Board of Equalization

File No.: 2025-REPORT-NELSON-COMMERCIAL TOLERANCE

Prepared By: Property Tax Division

County or City: NELSON COUNTY

Appellant:

Type of Appeal: COMMERCIAL TOLERANCE LEVEL

Appeal Issue: The sales ratio study indicates a commercial sales ratio of 102%.

Analysis: Nelson County's commercial value indicates a sales ratio of 102%.

North Dakota Century Code § 57-13-04.1 states, "In equalizing valuation and assessment of property among assessment districts, the state board of equalization may not approve valuation and assessment in any taxing district in which the true and full value for residential and commercial property as assessed and equalized in that district exceeds the true and full value for those property classifications in that taxing district as determined by the sales ratio study."

Property Tax Division staff investigated Nelson County's commercial sales information from 2020 through 2024, with an emphasis on 2024. During the investigation it was determined that the historical average sales ratio is 99%.

A countywide decrease of 2% will allow Nelson County to be within tolerance.

Summary of Findings: Nelson County's sales ratio study indicates a commercial sales ratio of 102%. Commercial valuations must be decreased to bring the sales ratio within tolerance. A decrease of 2% to commercial property in the county will bring their commercial property within tolerance.

Proposal for Board Review: Direct Nelson County to decrease commercial property located in the county by 2% to an approximate value of \$34,004,404. Property Tax Division staff also recommends a re-evaluation of existing commercial property valuations in Nelson County to accurately reflect current market valuations.
