

State Board of Equalization  
August 9, 2022

The State Board of Equalization met in the Brynhild Haugen Room of the North Dakota State Capital and virtually through Microsoft TEAMS, Tuesday, August 9, 2022.

The following members were present:

Lieutenant Governor Brent Sanford, Chairperson  
Thomas Beadle, State Treasurer  
Doug Goehring, Commissioner of Agriculture  
Brian Kroshus, Commissioner of Tax  
Josh Gallion, State Auditor

Lt. Governor Sanford called the meeting to order at 8.33 a.m.

It was moved by Commission Goehring and seconded Treasurer Beadle to approve the minutes of the July 12, 2022, meeting. Upon a voice vote, all participating members voted “aye”. Motion carried.

The Lt. Governor Sanford introduced the second item of business was the review of application for tax exemption, submitted by Red River Potato’s LLC – File #726, for a new business project. Commissioner Kroshus provided information about the business plan. Commissioner Goehring moved for approval for a five-year, one-hundred percent income tax exemption. The motion was seconded by Treasurer Beadle. No discussion. Upon roll call, all voting members vote “aye”. Motion carried.

Commissioner Kroshus provided information on the hearing for telecommunications carriers’ gross receipts taxes. It was moved by Commissioner Goehring to approve the total of \$4,918,971.48 for the year of 2022. Seconded by Treasurer Beadle. Upon roll call vote, all participating members voted “aye”. Motion carried.

Commissioner Kroshus turned the meeting over the Melanie Aeschilman, State Supervisor of Assessments. Ms. Aeschilman explained the technical processes for the hybrid meeting. She reviewed the tolerance level adopted for use by the State board of Equalization for locally assessed property. The tolerance level was established as 90-100 percent. Ms. Aeschilman explained the process of when a county could speak on behalf of its tolerance issues if desired and stated the property tax division will work to address the assessment issues with those jurisdictions.

## **Tolerance Issues**

Mountrail County: Tolerance levels of 102 percent on their commercial properties. Lori Hanson, Tax Director of Mountrail County, stated she will work with the property tax division to prepare the recommendation to the board in September.

Sargent County: Commercial property not within tolerance – reports indicated 107%. No one presented additional information for Sargent County.

Sargent County: Residential property not within tolerance - report indicates 88%. No one presented additional information for Sargent County.

Commissioner Kroshus thanked local and city assessors for their efforts and went through the procedural items. Commissioner Kroshus explained there will be no action taken today regarding the appeals. Individual investigations for the presented appeals set before the board, will be assigned to the property tax division staff following the meeting. The meeting was turned over to Ms. Aeschilman. Ms. Aeschilman explained the technological process for the hybrid meeting and began calling counties/cities for appeals.

## **Appeals, Public Comments**

Stutsman County: Christopher and Yvonne Ebertz are appealing the assessment increase of \$100,000 on their property in Jamestown. No additional information was presented to the board.

No appeals: City of Jamestown, Towner County, Traill County, Walsh County, City of Grafton, Ward County, Wells County, City of Minot, or City of Williston.

Williams County: Nolan Williams from KE Andrews representing Hess North Dakota Export Logistics presented an appeal of the value of commercial property located in the city of Tioga. He believes with no new additions or capital expenditures there should be economic obsolescence applied to this property.

Williams County: Nolan Williams from KE Andrews representing Hess Tioga Gas Plant presented an appeal of the value of commercial property located in the city of Tioga. He is appealing the decision of no reduction in value due to insufficient information. Darcy Anderson, Tax Director of Williams County, stated she would be willing to work with the State Board of Equalization and inspectors on this and any other appeals in Williams County.

No appeals: Adams County, Barnes County, city of Valley City, Benson County, Billings County, Bottineau County, Bowman County, or city of Bismarck.

Burke County: Emmet O'Neil and Hugh O'Neil are appealing the value of soil types on a property in Burke County. No additional information presented to the board.

City of Fargo: James Poliyansky from Amazon.com representing Preylock Fargo, LLC, presented an appeal for a reduction on valuation of land on a commercial property.

Commissioner Kroshus requested Ms. Aeschliman repeat the technological process for the hybrid meeting and began calling counties/cities for appeals for those who may have joined the meeting late.

City of Fargo: Wayne Tannenbaum from Pivotal Tax representing Fargo South Hospitality, LLC, presented an appeal for a lower property valuation due to the current economic and market condition surrounding the property.

City of West Fargo: Wayne Tannenbaum from Pivotal Tax representing Hull Family Partnership, LLC, presented an appeal for a lower property valuation due to the current economic and market condition surrounding the property. Nick Lee, City Assessor for West Fargo, stated he would be willing to work with the State Board of Equalization and inspectors on this and any other appeals in the city of West Fargo.

City of West Fargo: Tami Norgard with Vogel Law Firm representing Tevye, LLC, presented an appeal for a reduction in valuation for a residential property located on Sheyenne St. She stated the Tevye property is outside of the typical bell curve used to calculate property taxes. There are 2 homes on this property, a 1996 home and a newer home. Independent assessors Ms. Norgard hired split the property into 2 parts, 1 for the older home and 1 for the newer home and appraised them separately. The high-end value of this home also makes it difficult to appraise the property due to lack of comparable properties and appraisers may not have experience with this type of high-end home. Commissioner Goehring asked for clarification of land for \$10,000 an acre or \$100,000 an acre that Ms. Norgard used for a comparison in her appeal. Ms. Norgard explained the \$10,000 an acre land is raw land where the land for \$100,000 has city services such as curb, gutter, water, and sewer.

City of West Fargo: Tami Norgard with Vogel Law Firm representing Invertase presented an appeal for a reduction in valuation of 4 residential properties located on Sheyenne St and 52<sup>nd</sup> Ave. Ms. Norgard stated after the Tevye owners purchased these properties the property taxes increased substantially while the property uses have not changed.

City of West Fargo: Tami Norgard with Vogel Law Firm representing Michael Svaleson and Deanne Schatz Svaleson, presented an appeal for a reduction in valuation for a residential property located on Sheyenne St. The appraisal on this property completed this year has gained \$680,000 with no improvements since the 2021 appraisal.

County of Cavalier: Dennis Luhmann believes his parcel is not platted land and that the parcel is part of the farm plant. Commissioner Goehring questioned if the tax was based on the soil type. Mr. Luhmann explained the parcel was commercial, but it is now being used as part of his farm plant and needs reclassification.

County of Cavalier: Tom Valentine contends acreage calculations for taxation as prepared by the Cavalier County Tax Director. No additional information presented to the board.

No appeals: Dickey County, Divide County, Dunn County, Eddy County, Emmons County.

County of Foster: Gene Doeling is protesting the assessed value of this property. He believes his land assessment is too high. No additional information presented to the board.

No appeals: Golden Valley County, Grand Forks County, City of Grand Forks, Hettinger County, Kidder County, LaMoure County, Logan County, McHenry County.

County of McIntosh: Randy Wahl, on behalf of the city of Ashley, appeals the McIntosh County Board of Equalization's decision to reject the city recommendation and increase the city assessment roll. Mr. Wahl stated the County Tax Director created neighborhoods that appeared to tax a select few properties with the other properties being undertaxed. Commissioner Kroshus asked if these increases were done at random or by geography. Commissioner Goehring asked what type of notifications were given to the residents of the city of Ashley of the upcoming assessments. Commissioner Goehring asked if there were distinct differences in the properties in the areas of increase. Auditor Gallion asked if there were neighborhoods created in other cities within McIntosh County. Patricia Smith, Tax Director for McIntosh County, stated she looked at 2 years of sales. According to century code over 30 sales is enough to do a sales ration. When Ms. Smith did this sales ratio, she noticed specific trends in 2 additions located near the hospital were undervalued. There was also 1 more addition across from the school that show this area was undervalued. The rest of Ashley did not show this trend. Ms. Smith did set neighborhoods in the city of Wishek and the city of Lehr since she now has software available to create a more equalized value within the cities and jurisdictions as well. Commissioner Kroshus asked to have the timeframe of the new software clarified.

City of Bismarck: Walk-in-Dale and Arvilla Ketterling are appealing their property taxes at the location of 534 S 17<sup>th</sup> St, Bismarck, ND due to the taxes being unable to afford the property taxes on this property. Commissioner Kroshus asked for more detail of the property and approved Vicki Williams, Property Tax Specialist, assisted Mrs. Ketterling with her appeal. Mrs. Ketterling's current year value is \$61,200 higher than the year before. Mrs. Ketterling did not file the appeal in February to the County Equalization Board. Treasurer Beadle referenced the Homestead Tax Credit program as a program Mrs. Ketterling could possibly qualify for. Ms. Williams provided Mrs. Ketterling with information on the Homestead Tax Credit Program and will follow up with an investigation.

No appeals: McKenzie County, City of Watford City, McLean County, Mercer County, Morton County.

City of Mandan: Karen Jordan believes property is assessed incorrectly as prepared by the City of Mandan. No additional information presented to the board.

No appeals: Mountrail County, Nelson County, Oliver County, Pembina County, Pierce County, Ramsey County, City of Devils Lake, Ransom County, Renville County, Richland County, City of Wahpeton, Rolette County, Sargent County, Sheridan County, Slope County, Stark County, Steele County.

Ms. Aeschilman explained all registered appeals have been concluded and asked if anyone else would like to come forward to address the board with other appeals.

Williams County: Martha Amdahl with Crowley Fleck representing SM Hospitality, presented an appeal for a lower property valuation located in the city of Williston.

Williams County: Garth Sjue with Crowley Fleck representing Capital Gains, LLC, presented an appeal for a lower property valuation located in the city of Williston. The property has received no improvements and is in relatively poor condition.

Ms. Aeschilman turned the meeting over to Commissioner Kroshus. Commissioner Kroshus thanked the Property Tax Staff and Legal Counsel and confirmed the next State Board of Equalization meeting to be held on October 6, 2022. The meeting was turned over to Lt. Governor Sanford.

Lt Governor Sanford asked for any other business. Auditor Gallion would ask the investigation to find out what type of notification was given to the residents of the cities of Ashley, Wishek and Lehr for the assessments regarding the appeal from the city of Ashley in McIntosh County.

Lt Sanford adjourned the meeting at 10:35am.