

**TESTIMONY TO THE  
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS**

Prepared November 20, 2013 by  
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**REGARDING VARIOUS INFORMATION REQUESTS**

Chairman Heller and members of the Commission – our Association was asked to provide several specific sets of information for today’s meeting. This testimony has been prepared to respond to as many of these as possible, beginning with the topic of uniform accounting system feasibility.

Clearly, the goal for uniform accounting from a Legislative perspective is to understand and track what sources of revenue support what services in each level of local government, and how those service costs are growing and how the revenue supporting that growth is changing. This requires a uniform chart of accounts that is consistently applied ideally through uniform accounting software, customizable for the size of the county.

Planning for the second half of this – uniform software – was first attempted with the ACIR grant funds discussed in Mr. Walstad’s memorandum of the ACIR’s efficiency planning grants almost 20 years ago.

The grant was requested at a time when very few counties had local area networks, and some still lacked automated systems for accounting and tax billing. The state’s central data processing (DCP) division of OMB (now ITD) had just rolled out its first statewide email system for state agencies the year before, and was in the process of bringing its IP network to every courthouse and school.

NDACo used the grant to support a statewide planning effort to begin the process of taking the state’s Wide Area Network from the courthouse door and into all aspects of county government. Originally used only as a mainframe connection to social services, there was tremendous potential to leverage this resource to improve the accuracy and efficiency of local government reporting to state agencies, particularly in the area of property tax and financial reporting.

The goal of the grant was to identify and encourage the adoption of uniform internal technology to allow this statewide network (and its connection to the internet) to become an asset for all of county government. At the same time conduct a study of finance/tax automation systems that would be robust enough for the large counties, but still affordable for all counties regardless of size – Something that could increase the consistency of the data, while improving the efficiency.

The effort did result in local area network adoption and installation in many counties, but the single-platform concept for finance/tax software was unsuccessful. A taxing series of meetings and vendor presentations resulted in the selection of a product; however when pricing was obtained it unfortunately placed the product out-of-reach for many of the smaller counties – particularly in contrast to the low-cost, home grown systems that were being marketed.

The “other half” of the issue – the development and maintenance of a uniform chart of accounts however is probably more foundational to this entire discussion. This is something that I have been led to believe was maintained by the state many years ago, but no longer exists. Its recreation was floated during the last legislative session, as a Rep. Headland amendment to a tax bill I believe, but it was never adopted. Stutsman County Auditor, Casey Bradley, has provided more detailed testimony regarding this issue.

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The next information request asked about the posting of county budgets to the state website, as provided for in House Bill 1015. Although the new section of law does not become effective until January 1, 2014, 24 counties have already begun submitting budgets or links to budgets to OMB. (Map & List).

As you can see, the formats vary, and as I indicated in my testimony at the previous ACIR meeting, the detail of the budgets is quite varied as well. In my discussions with OMB, they plan create some type of index, convert all files to the pdf format and place the contact information for the county auditor on the page with the downloadable file (or web link) so that users have a source for more information and explanation. I have discussed with OMB, the goal of getting as many counties as possible to submit a link to a county web page that will consistently be the location for the budget, therefore annual updates to OMB will become unnecessary.

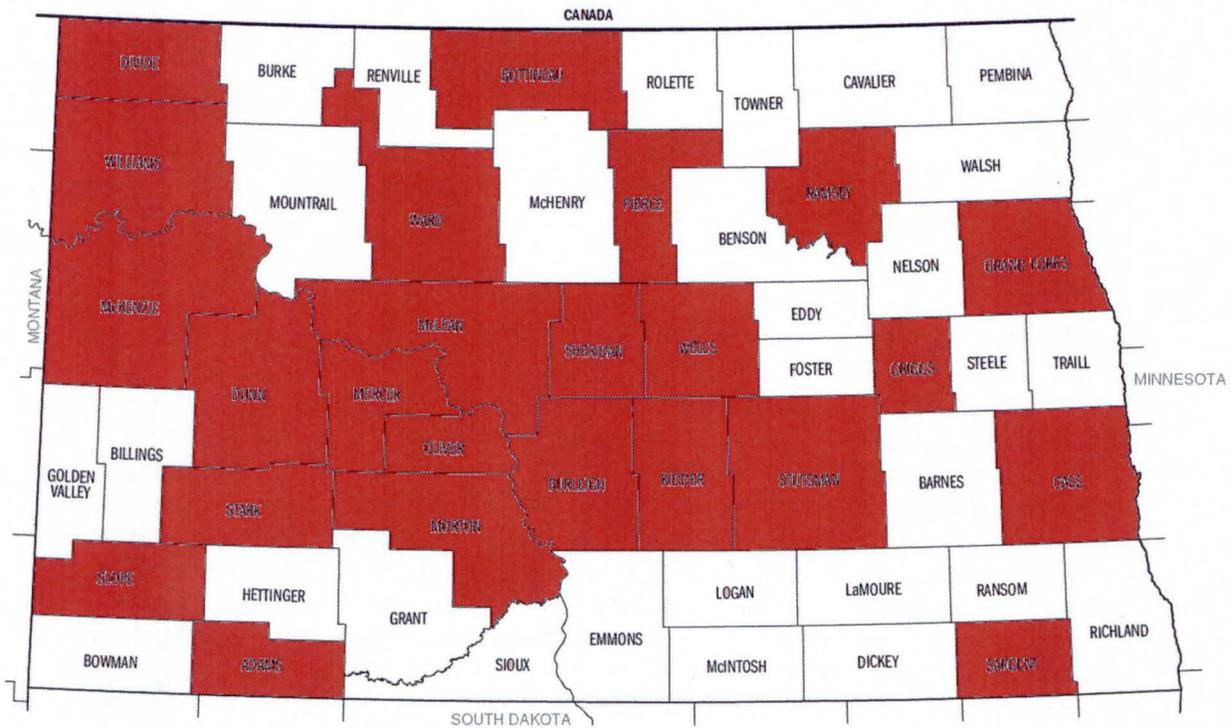
**SECTION 26.** A new subsection to section 54-44.1-18 of the North Dakota Century is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget. The director of the budget shall include on the office of management and budget website any information submitted by a participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, and participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

**SECTION 41. EFFECTIVE DATE.** Section 26 of this Act becomes effective on January 1, 2014 and section 27 of this Act is effective for taxable years after December 31, 2012.

## Counties that have submitted their 2014 budget to OMB As of November 20, 2013

| County      | Excel | PDF | Word | Web Link | Date Submitted | County   | Excel | PDF | Word | Web Link | Date Submitted |
|-------------|-------|-----|------|----------|----------------|----------|-------|-----|------|----------|----------------|
| Adams       | X     |     |      |          | 10/23/13       | Pierce   |       | X   |      |          | 10/28/13       |
| Bottineau   | X     |     |      |          | 10/23/13       | Ramsey   | X     |     |      |          | 10/24/13       |
| Burleigh    |       | X   |      |          | 10/25/13       | Sargent  | X     |     |      |          | 11/04/13       |
| Cass        |       |     |      | X        | 10/23/13       | Mercer   |       | X   |      |          | 11/15/13       |
| Divide      | X     |     |      |          | 10/23/13       | Morton   | X     |     |      |          | 11/15/13       |
| Dunn        |       | X   |      |          | 10/23/13       | Sheridan | X     |     |      |          | 10/23/13       |
| Grand Forks |       |     |      | X        | 10/24/13       | Slope    | X     |     |      |          | 11/04/13       |
| Griggs      |       | X   |      |          | 10/23/13       | Stark    | X     |     |      |          | 10/24/13       |
| Kidder      | X     |     |      |          | 10/23/13       | Stutsman |       | X   |      |          | 10/24/13       |
| McKenzie    | X     |     |      |          | 10/23/13       | Ward     |       |     |      | X        | 11/14/14       |
| McLean      | X     |     |      |          | 11/04/13       | Wells    |       |     | X    |          | 11/04/13       |
| Oliver      | X     |     |      |          | 10/24/13       | Williams | X     |     |      |          | 10/23/13       |



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The next information request was about unelected boards with the authority to certify tax levies for county collection.

I have copied the relevant part of my testimony on this topic and the associated table from the previous ACIR meeting. I am not sure what I can add to that. I believe the Supreme Court was quite clear in its interpretation – NO APPOINTED BOARD has levy authority – that authority rests with elected bodies only. HOWEVER, since that Supreme Court opinion in 1907, the Legislature has enacted a number of statutory provisions that appear to conflict with the Court’s interpretation of the Constitution. Clearly the Constitution should prevail in this conflict, but some would suggest that practice at times follows the law, not the court’s opinion.

### **EXCERPT FROM NDACo TESTIMONY TO THE ACIR – August 28, 2013**

Surprisingly difficult to answer was the committee’s question on county commissions’ authority when it comes to levying property taxes *“on behalf of other entities such as weed boards or water districts.”* As the table of Attachment 5 shows, there are a number of appointed county boards, some with rather extensive responsibilities. These have been created by the legislature at different times, and under different conditions – some as recently as 2003 (Port Authority) and some prior to statehood (Library Board). As a result, there is quite a variation in the statutory language addressing the authority of these boards when it comes to controlling their own levies. Attachment 11 contains examples of the language specific to many of the boards.

After reading these statutes, the answer appears on the surface to be – “it depends”. However, the ND Supreme court in a 1907 opinion stated “the Legislature cannot enact a law which authorizes a body not elected by the people to levy taxes.” Reading some of the enabling legislation for these boards suggests an inconsistency with that 1907 opinion.

It should be noted that for tax year 2012 the levies supporting these appointed boards total 35.5% of the total property tax revenue collected by the counties – almost two-thirds of that going to the social service board.

### County Boards that Generally Prepare Separate Budgets

|                  |                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Historical Board | 0.25 mills or<br>0.75 mills by<br>electors                             | The board of county commissioners <u>may</u> levy a tax... If sixty percent of the qualified electors voting on the question approve, a tax <u>must</u> be levied                                                                                                                                                                                                                                                                            |
| Job Development  | 5 mills                                                                | board of county commissioners ... <u>shall</u> establish a ... fund and levy a tax                                                                                                                                                                                                                                                                                                                                                           |
| Human Services   | 20 mills<br>Unlimited for<br>deficiencies                              | board of county commissioners ... <u>shall</u> annually appropriate and make available ... an amount <u>sufficient</u> to pay                                                                                                                                                                                                                                                                                                                |
| Weather Mod.     | 7 mills                                                                | The tax (certified) <u>shall</u> be levied by the board of county commissioners                                                                                                                                                                                                                                                                                                                                                              |
| Water Board      | 4 mills<br>Unlimited for<br>deficiencies                               | The board of county commissioners shall either disapprove the budget, amend and approve the budget as amended, or approve the budget as submitted                                                                                                                                                                                                                                                                                            |
| Library Board    | 4 mills or as<br>increased by<br>electors                              | Upon approval by sixty percent of the qualified electors...the governing body <u>shall</u> increase the levy                                                                                                                                                                                                                                                                                                                                 |
| Weed Board       | 2 mills or 4<br>mills by<br>electors                                   | ...the board of county commissioners <u>may</u> levy... If a majority of the qualified electors voting thereon approve, a tax <u>must</u> be levied not exceeding the limitation                                                                                                                                                                                                                                                             |
| Vector Control   | 1 mill                                                                 | The board of county commissioners of each county in which the district is situated <u>shall</u> by resolution levy                                                                                                                                                                                                                                                                                                                           |
| Public Health    | 5 mills                                                                | after approval by the <u>joint board</u> of county commissioners, the district board of health shall certify ... and the budget <u>must</u> be included in the levies of the counties                                                                                                                                                                                                                                                        |
| Fair Board       | 1 mill initial,<br>1.5 more by<br>electors, 0.5<br>more by<br>electors | If the board of county commissioners is satisfied...it <u>may</u> levy for the first year's grant of aid... If an additional levy is approved by the electors, the board of commissioners <u>may</u> make the additional annual levy... If a majority of the votes cast ... the tax <u>must</u> be levied... with the consent of the board of county commissioners <u>may</u> establish a sinking fund in excess of twenty thousand dollars. |
| Port Authority   | 4 mills,<br>unlimited for<br>deficiency                                | The port authority may certify annually to the governing bodies the amount of tax <u>to be</u> levied                                                                                                                                                                                                                                                                                                                                        |

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The next information request related to township assessors. A survey was conducted of county tax directors to provide the information requested. The data includes responses from all 53 counties and I think it is quite helpful. Let me go through a couple counties just so everyone is clear on what the numbers mean.

When you look at the top line of totals you see that a little more than a third of the organized townships statewide are assessed by county staff and 511 individual township assessors complete the remaining 832 organized townships.

Similarly, 40% of the cities are assessed by the county tax director's office, and there is considerable sharing among the remaining cities as well. There is some double counting on the two halves of the table, as there are a number of assessors that do both small cities and townships.

Note in the footnote, that we counted the large city assessing offices as "1", even though they obviously have multiple individuals on staff doing assessing – as do some of the larger counties.

As this survey was conducted a month ago to ensure its availability, the request for more qualitative information was simply my assumption of what the Commission members would ask. The actual question request for comment was as follows:

We would also be interested in your impressions about whether you see a trend one way or the other in contracting for local assessing, or any other comments that you would like to share.

The actual comments are attached, but to summarize, it seems most county tax directors believe that the township resources available to employ assessors are so limited that it is difficult to achieve consistent quality assessing – although they will be the first to comment that some township assessors are well-trained, dedicated and do an excellent job. While a number would welcome the incorporation of township and small city assessing into their office, they readily point out that county resources are also limited and this would undoubtedly require more county staff which means more property tax cost.

## Survey of Township/City Assessing - September 2013

|                      | Township Assessing |            |            |            | City Assessing |            |            |                          |
|----------------------|--------------------|------------|------------|------------|----------------|------------|------------|--------------------------|
|                      | # Organized        | County     | Township   | # of Twp   | # Incorporated | County     | City       | # of City                |
|                      | Townships          | Assesses   | Assesses   | Assessors  | Cities         | Assesses   | Assesses   | Assessors <sup>(1)</sup> |
| <b>Statewide</b>     | <b>1,340</b>       | <b>508</b> | <b>832</b> | <b>511</b> | <b>357</b>     | <b>147</b> | <b>210</b> | <b>137</b>               |
| Adams County         | 16                 | 16         | -          |            | 3              | 3          | -          |                          |
| Barnes County        | 42                 | 9          | 33         | 17         | 14             | 6          | 8          | 4                        |
| Benson County        | 37                 | 24         | 13         | 11         | 9              | 9          | -          |                          |
| Billings County      | -                  |            | -          |            | 1              | 1          | -          |                          |
| Bottineau County     | 42                 | 12         | 30         | 23         | 12             | 3          | 9          | 9                        |
| Bowman County        | 24                 | 24         | -          |            | 4              | 4          | -          |                          |
| Burke County         | 29                 | 23         | 6          | 5          | 6              | 6          | -          |                          |
| Burleigh County      | 41                 | 1          | 40         | 25         | 5              | 1          | 4          | 4                        |
| Cass County          | 50                 | 6          | 44         | 27         | 26             | 8          | 18         | 11                       |
| Cavalier County      | 40                 | -          | 40         | 35         | 12             | -          | 12         | 4                        |
| Dickey County        | 32                 | -          | 32         | 14         | 6              | -          | 6          | 3                        |
| Divide County        | 32                 | 17         | 15         | 8          | 4              | 3          | 1          | 1                        |
| Dunn County          |                    |            | -          |            |                |            | -          |                          |
| Eddy County          | 18                 | 16         | 2          | 2          | 2              | 2          | -          | -                        |
| Emmons County        | 1                  | 1          | -          | -          | 5              | 4          | 1          | 1                        |
| Foster County        | 18                 | 14         | 4          | 3          | 4              | 4          | -          | -                        |
| Golden Valley County | 11                 | 11         | -          | 1          | 3              | 3          | -          | 1                        |
| Grand Forks County   | 41                 | 8          | 33         | 26         | 10             | 7          | 3          | 3                        |
| Grant County         | 10                 | 10         | -          | -          | 4              | 1          | 3          | 3                        |
| Griggs County        | 20                 | -          | 20         | 9          | 3              | -          | 3          | 2                        |
| Hettinger County     | 30                 | 12         | 18         | 13         | 3              | 2          | 1          | 1                        |
| Kidder County        | 36                 | 4          | 32         | 11         | 6              | 2          | 4          | -                        |
| LaMoure County       | 32                 | -          | 32         | 14         | 8              | -          | 8          | 5                        |
| Logan County         | 7                  | -          | 7          | 6          | 4              | 2          | 2          | 2                        |
| McHenry County       | 45                 | -          | 45         | 14         | 13             | -          | 13         | 6                        |
| McIntosh County      | 1                  | 1          | -          |            | 5              | 1          | 4          | 4                        |
| McKenzie County      | 15                 | 11         | 4          | 4          | 3              | 2          | 1          | 1                        |
| McLean County        | 29                 | 11         | 18         | 10         | 12             | 9          | 3          | 3                        |
| Mercer County        | -                  |            | -          |            | 6              | -          | 6          | 2                        |
| Morton County        | 1                  | 1          | -          |            | 6              | -          | 6          | 4                        |
| Mountrail County     | 49                 | 2          | 47         | 34         | 7              | -          | 7          | 6                        |
| Nelson County        | 27                 | 6          | 21         | 19         | 7              | 3          | 4          | 4                        |
| Oliver County        | 24                 | 24         | -          | -          | 1              | 1          | -          | -                        |
| Pembina County       | 24                 | -          | 24         | 20         | 11             | -          | 11         | 6                        |
| Pierce County        | 15                 | 15         | -          |            | 3              | 2          | 1          | 1                        |
| Ramsey County        | 36                 | 13         | 23         | 23         | 8              | 5          | 3          | 3                        |
| Ransom County        | 24                 | 9          | 15         | 12         | 5              | -          | 5          | 5                        |
| Renville County      | 24                 | 23         | 1          | 1          | 6              | 4          | 2          | 2                        |
| Richland County      | 36                 | 18         | 18         | 10         | 14             | 2          | 12         | 12                       |
| Rolette County       | 3                  | -          | 3          | 1          | 4              | -          | 4          | -                        |
| Sargent County       | 24                 | 23         | 1          | 1          | 7              | 7          | -          | -                        |
| Sheridan County      | 14                 | -          | 14         | 3          | 3              | -          | 3          | 2                        |
| Sioux County         | 1                  | 1          | -          | -          | 3              | 3          | -          | -                        |
| Slope County         | 20                 | 8          | 12         | 9          | 2              | 1          | 1          | 1                        |
| Stark County         | -                  | -          | -          | -          | 5              | 4          | 1          | 1                        |
| Steele County        | 20                 | 6          | 14         | 11         | 4              | 1          | 3          | 3                        |
| Stutsman County      | 62                 | 17         | 45         | 21         | 11             | 8          | 3          | 3                        |
| Towner County        | 28                 | 14         | 14         | 4          | 7              | 1          | 6          | 4                        |
| Traill County        | 25                 | -          | 25         | 19         | 9              | -          | 9          | 2                        |
| Walsh County         | 36                 | 4          | 32         | 4          | 13             | 3          | 10         | 2                        |
| Ward County          | 55                 | 36         | 19         | 16         | 12             | 10         | 2          | 2                        |
| Wells County         | 36                 | -          | 36         | 25         | 7              | -          | 7          | 4                        |
| Williams County      | 57                 | 57         | -          | -          | 9              | 9          | -          | -                        |

## Comments Regarding Township/Small City Assessing

|                  |  |
|------------------|--|
| Barnes County    | Our county seat is large enough that it has it's own full time assessor. The townships and other cities are having a hard time finding someone to do the assessing, so more and more are hiring the county to do the assessing.  |
| Benson County    | The trend seems to be townships contracting with the county for assessment work. Last year we took on 3 more townships.  |
| Bowman County    | I feel that having no Township/City Assessors is a benefit to our county. It makes the Tax Director's Office the place to get the property value information instead of tracking down multiple personnel or levels of information to get answers. I feel as a result, it makes our Tax Assessment system more efficient.   |
| Burke County     | We rely on the township boards to keep us informed about the happenings In their townships. The local assessor is valuable in that sense...eyes and ears of the remote / out of sight areas. Very few people have stepped up to do the job...the capable are busy with family and jobs and the technical part of the assessing job isn't easily handled for the couple months of the year when they need to be up to speed. I do a lot of assisting even the townships that retain their assessor.   |
| Cass County      | 35 assessors perform the assessing for the 61 cities and townships. It's becoming more difficult for part time local assessors to provide the services for assessing.  |
| Dickey County    | Please note: For the 14 assessors who assess our townships, 9 only assess one township. The remaining 5 share the assessment of the remaining 23 townships. The 3 who assess the 6 cities (2 each) are a part of the 5 who assess multiple townships.  |
| Eddy County      | Since the change to value by soil type, most of the assessment work is done at the County level anyway.  |
| Emmons County    | To be the tax director as well as the county assessor is TOO much work, there is no way I can possibly stay on top of county values. There is too much paperwork !   |
| Foster County    | Townships have a hard time finding enough people to be on the Township Board, let alone another to be an assessor. Since the implementation of value by soil type more of the work needs to be done at the County level anyway.  |
| Golden Valley    | County tax director does all the assessing in the county   |
| Grand Forks      | I see the trend going towards the county doing all of the assessing. Townships have a harder and harder time finding local people to do the assessing. It would be nice if the county did do all of the assessing as it would be more uniform and consistent.  |
| Grant County     | I think the law should be changed for areas with a low population, say under 4,000 people. "All assessments should be done by the County Equalization Office county wide." That way the values for properties throughout the County will be more equalized.  |
| Griggs County    | It is getting harder and harder to find people interested in doing assessing at the township level. In my opinion, all assessing should be handled by the county Tax Equalization Office. There would be more consistency in the assessment. However, that would mean increasing staff for that office as one person could not handle it all.  |
| Hettinger County | The trend that I am seeing is that townships are now more inclined to just have the county do the assessing. Our townships are sparsely populated. Of those that live in the townships, most are farmers that are too busy to take on the responsibilities and/or are serving in another capacity on the township board already. Also, my understanding is that the pay is minimal. (\$125 or less). In my opinion it is nice to have "eyes and ears" out in the townships, but the number of hours spent on assessing, on average annually, would be less than 10 total. (This number includes the 4 hour annual assessor seminar). Our county has only one assessment official, myself aka the Tax Director, and 14 local assessor. The county is 1132 square miles, and that would be alot of area for one person to cover :( |
| Kidder County    | Our county is facing fewer and fewer people living in townships and the ones that are living in the townships want to have the responsibility of this position.  |
| LaMoure County   | In our county with 32 townships and 8 cities, I have 14 local assessors and between those 14 they have all the townships and cities.   |
| McHenry County   | As assessors quit Townships/Cities are having a hard time finding replacements. Usually current assessors pick up more jurisdictions. I rarely have new assessors.   |
| McIntosh County  | As for a trend in the future, I think here in McIntosh County it will Stay for a while as is.  |
| McLean County    | I see the county taking on more of the assessing duties in the future...we have another organized township that will have the county also take over in 2014.   |
| Morton County    | Our county with only 4 city assessors/assessing offices and no township assessors does not have the concerns or issues with township or city assessors. We have no impressions one way or the other or any concerns on this matter.  |
| Mountrail County | To help clarify the data regarding townships - 34 townships have assessors, 4 assessors do two townships each and we currently have 9 townships with vacancy which the County may pick up. With the Cities, two cities had the same assessor for 2013. Also, one other City Assessor does two townships. I would like to see more townships go together and hire one assessor but we still have alot of local townships who like to have their own control. The County has six unorganized townships that we take care of.   |
| Nelson County    | County ends up putting 99.9% of the properties on the roles in the townships anyway. I wish we just had a contact person for each township and took them ALL over, along with the payment we aren't getting now. It seems to me that there are not alot of people wanting the assessing job and end up getting "stuck" taking the position because of so few people in that township.  |

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| Oliver County   | Our county contracts assessing thru a contractor and the city also has this contractor do theirs.   |
| Pembina County  | We do have 26 local assessors for the 24 townships and 11 cities, 7 of thme do mulitple cities and townships.   |
| Pierce County   | I am also employed by the City as the city assessor, so I do all of the assessing for the communities in the county, but they have hired me separately. System so far seems to work ok.   |
| Ramsey County   | Trend is more contracting to county. It is less work for the county to do the work than to work with multiple people that lack experience and expertise.  |
| Ransom County   | We have pretty good luck with assessors, if it is just a normal year the assessor tends to keep their job, if it is a reassessment year that is when I notice that they drop out of the job due to the work load asked of them.   |
| Renville County | With cama systems, most townships and cities prefer to "let" the county do the assessing, for ease in compiling information.  |
| Rolette County  | Our county assesses for 22 of the 25 townships. Out of the cities all 4 have remote camavision and 2 of the 4 actually do assessing, sketches and updates. I wish our county had TEETH to make them do the record keeping. The 3 organized townships have very few taxable residences (less than 20). So they bring data to me and I input it to my camavision. There is ONE assessor for the 3 adjacent townships.   |
| Sargent County  | The one township assessor that is left in this county is on paper only. He doesn't do all the functions that the assessor should do. I like it that the county assesses all property. It is easier to have consistency throughout the county. It works for small counties such as ours, I can see where it wouldn't work for counties with large cities. There is no trend as it has been handled this way for 20 plus years.   |
| Sheridan County | Our county has 14 unorganized townships, which are split up into 3 districts and each district has their own assessor.  |
| Sioux County    | In small counties like ours all assessing is done at county level and the county does not charge the cities or the township we just do them or they would not be done.  |
| Stark County    | Our county has no organized townships so the county does all the assessing. I think the trend will be for the cities and townships to contract with the county.   |
| Steele County   | Very little interest in new township assessors. Very difficult to get township assessors to attend training or complete the work to current standards.  |
| Stutsman County | We are seeing a very slight increase in townships that the county is contracting with. The township assessor is a dying breed of individual much the same as township officers in our area. Once you are in, there is no getting out. This creates hurdles in trying to administer a fair and equitable tax system county wide as there are so many different people that are involved. Most of the time these people do not want to deal with their neighbors (whether they get along with them or not) and will not do the job to the full extent that they should for fear of confrontation. The job requirements have evolved over the years and most are stuck in the past. It is easier for them to sit back and collect a small paycheck (and some not at all) and not put in the effort. A great example would be the Farm Residence exemption. I specifically requested all assessors send the application to all farm residences this year as it is an annual application that had not been mailed for about 3 years prior. I am guessing we received less than half the county back. Even prior to that most of my township assessors said this winter that if the farm residence exemption went away they would quit because they don't want to assess theirs neighbors house. That statement alone tells me that not only will they not do their neighbors house, but they won't do anybody's house either. Our property records reflect this also. Most notably the lack of information and the span of time between property visits. Personally I would love to see the county handle all assessing duties but the additional staff that would be needed would also be difficult to plan and budget for. With property tax issues front and center, it is a very tough time to perform essential job functions while keeping a mindful eye on budgets and spending to further fuel the anti-property tax debate. |
| Traill County   | We have a couple that assesses 8 townships and 8 cities and they do a great job we are lucky to have them in our county   |
| Walsh County    | There are getting to be more (jurisdictions) contracting with other assessors all the time. We used to have no sharing.   |
| Ward County     | We have received 3 new townships on contract just this year. The trend seems to be it is easier for them to contract with us.   |
| Williams County | Need to set an amount that cities pay for contracting to the county due to growth. We have 5 local assessors that each have a single township that should get paid more or have the county take over. These assessor once they retire it's difficult to replace.  |

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The final information request asks about 2013 property tax levies.

As discussed at the last meeting, the compilation of statewide property tax data should be available shortly after the first of the year. We did however attempt to gather some anecdotal, but representative, data as sort of a 'sneak peak'.

We asked several county auditors to identify one "average" city residential parcel and one "average" rural agricultural parcel that had no new, additional improvements during the past year, so that any value change would be reflective only of the average value increase due to inflation.

The auditors were asked to provide the parcels' actual value and property taxes levied last year and then the same data for this year (upcoming December statements) – breaking down the tax changes by major taxing district. We requested that the analysis include the 12% state tax credit, as well as the additional school funding, but it does not include the 5% reduction for early payment for either year.

You can see on the next page the results of this request. Obviously, while representative of those jurisdictions, every parcel is unique and values change in different parts of larger communities. Additionally, the mix of taxing districts in which a parcel is located also changes. So, while this is representative, one must understand that it is only a snapshot of individual "average" parcels.

The data appears to suggest an average property tax reduction (in current dollars) of about 20% however differences between the net change in residential and agricultural properties are evident in all four counties. In Morton where residential values increased to a much greater degree than agricultural values, the tax reduction is more for the agricultural properties. In Cass, we see the opposite, as the Auditor there informs me that 70% of their residential property had no change or a decrease in value, resulting in a smaller property tax decrease for the agricultural land.

## Property Tax Changes – Sample Properties

|                            | Morton/Mandan<br>Keidels Terrace<br>Single Family Res | Morton/Rural<br>Rural Glen Ullin<br>1/4 Section Ag | Cass/Fargo<br>Osgood Add.<br>Single Family Res. | Cass/Rural<br>Normanna Twp<br>1/4 Section Ag |
|----------------------------|-------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|----------------------------------------------|
| 2012 T&F Value             | \$226,600                                             | \$47,200                                           | \$250,900                                       | \$145,100                                    |
| 2013 T&F Value             | \$252,700                                             | \$47,900                                           | \$250,900                                       | \$159,600                                    |
| Value Inc (Decr)           | 11.52%                                                | 1.48%                                              | 0.00%                                           | 9.09%                                        |
| 2012 Total Taxes           | \$4,022                                               | \$519                                              | \$4,008.08                                      | \$2,045.98                                   |
| 2013 Total Taxes           | \$3,314                                               | \$393                                              | \$3,006.10                                      | \$1,676.44                                   |
| Tax \$ Inc (Decr)          | -18%                                                  | -24%                                               | -25%                                            | -18%                                         |
| 2012 Effective Rate        | 1.8%                                                  | 1.1%                                               | 1.6%                                            | 1.4%                                         |
| 2013 Effective Rate        | 1.3%                                                  | 0.8%                                               | 1.2%                                            | 1.1%                                         |
| <u>Subdivision Changes</u> |                                                       |                                                    |                                                 |                                              |
| School                     | (\$481.00)                                            | (\$69.00)                                          | (\$747.35)                                      | (\$327.57)                                   |
| County                     | (\$77.00)                                             | (\$53.00)                                          | (\$108.09)                                      | (\$30.68)                                    |
| City                       | (\$136.00)                                            |                                                    | (\$88.88)                                       |                                              |
| City Park                  | (\$10.00)                                             |                                                    | (\$47.42)                                       |                                              |
| All Other                  | (\$4.00)                                              | (\$4.00)                                           | (\$10.25)                                       | (\$11.29)                                    |
| TOTAL                      | (\$708.00)                                            | (\$126.00)                                         | (\$1,001.98)                                    | (\$369.54)                                   |

|                            | Mercer/Beulah<br>Single Family Res | Mercer/Rural<br>1/4 Section Ag | Burleigh/Bismarck<br>Pebble Creek Add.<br>Single Family Res. | Burleigh/Rural<br>Trygg Township<br>1/4 Section Ag. |
|----------------------------|------------------------------------|--------------------------------|--------------------------------------------------------------|-----------------------------------------------------|
| 2012 T&F Value             | \$146,670                          | \$42,802                       | \$238,200                                                    | \$49,200                                            |
| 2013 T&F Value             | \$176,950                          | \$47,147                       | \$259,600                                                    | \$55,200                                            |
| Value Inc (Decr)           | 20.64%                             | 10.15%                         | 8.99%                                                        | 12.20%                                              |
| 2012 Total Taxes           | \$2,011                            | \$521                          | \$3,309                                                      | \$412                                               |
| 2013 Total Taxes           | \$1,853                            | \$391                          | \$2,681                                                      | \$326                                               |
| Tax \$ Inc (Decr)          | -8%                                | -25%                           | -19%                                                         | -21%                                                |
| 2012 Effective Rate        | 1.4%                               | 1.2%                           | 1.4%                                                         | 0.8%                                                |
| 2013 Effective Rate        | 1.0%                               | 0.8%                           | 1.0%                                                         | 0.6%                                                |
| <u>Subdivision Changes</u> |                                    |                                |                                                              |                                                     |
| School                     | (\$276.91)                         | (\$69.34)                      | (\$438.12)                                                   | (\$61.39)                                           |
| County                     | \$9.00                             | (\$17.49)                      | (\$62.27)                                                    | (\$11.34)                                           |
| City                       | \$36.64                            |                                | (\$99.25)                                                    |                                                     |
| City Park                  | \$46.69                            |                                | (\$28.15)                                                    |                                                     |
| All Other                  |                                    |                                |                                                              | (\$12.98)                                           |
| TOTAL                      | (\$184.58)                         | (\$86.83)                      | (\$627.79)                                                   | (\$85.71)                                           |