

# City of Minot

Assessor's Office

DATE: 3/25/2014  
TO: ND Legislative Interim Taxation Committee  
FROM: Kevin Ternes, Minot City Assessor  
SUBJECT: Information on 2014 Property Assessments in Minot, ND

Thank you for giving me the opportunity to present a brief snapshot of property tax assessments currently in Minot with a quick look at property taxes 10 years ago.

For 2014 I have the following property assessment facts:

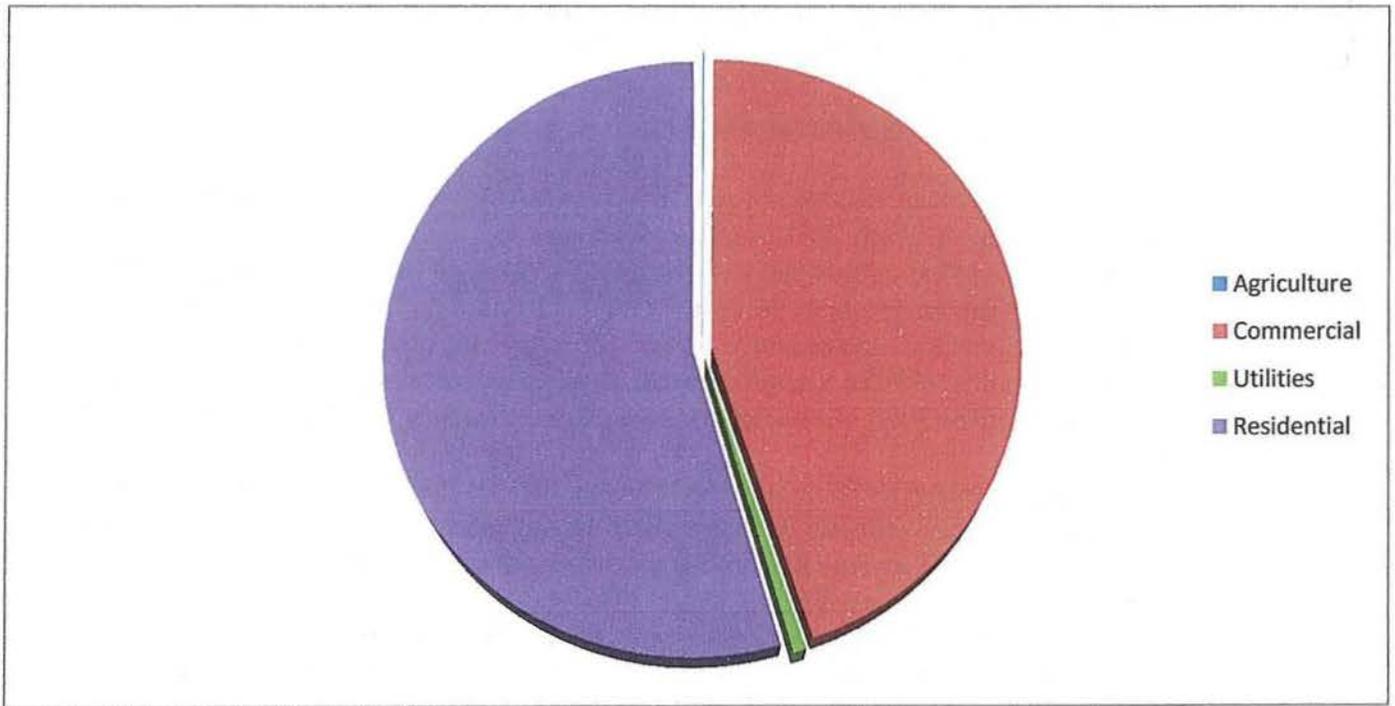
- True and Full Value of taxable property is up about 10% for 2014 to about 4.5 billion. Last year the increase was 28% from the prior year.
- The increase this year as was last year, is mostly a result of new construction, development of property, or annexation into the Minot City Limits and includes an estimated 1% overall decrease in residential assessment valuation for many neighborhoods.
- The average home will see a small decrease in assessed value or no significant change for 2014 unless construction or repairs were completed to reflect that the market has leveled off.
- In 2013, approximately 625 home sales were studied for the state tax department sales study and the median assessment was 93% of selling price. This indicates that on average, the assessed value of a home that sold last year was about 7% below the selling price. This meets the ND State Board of Equalization tolerance levels and that is why no across the board adjustments were necessary for residential property for 2014.
- Median home sale in Minot for 2013 was about \$232,500. Down from \$239,000 for 2012.
- Commercial valuation will need some adjustments to meet state board tolerance. Commercial property on average sold about 15% higher than the assessment across all property styles.
- There are approximately 300 homes yet that have not been repaired from the 2011 flood. This is down from 600 homes in 2012 and from a total of about 2600 single family homes flooded.
- Tax rate in Minot for residential homes last year was 1.1% of True and Full Value before the 12% Legislative Property Tax discount. This is down about 50% from a high in 2004 of about 2%. (Consolidated Minot Levy in 2004 was 449.66 mills vs. 249.16 for 2013.)
- There has been a gradual shift in property tax assessment from the residential classification to the commercial classification. For instance in 2004, commercial valuation was about 38% of the total assessment. For 2014 commercial valuation is closer to 46%. Commercial valuation by state statute is any building with 4 or more living units and all non-residential property.

★ The Magic City ★

As of March 24th, 2014

## 2014 City of Minot True and Full Value

	2013 Value	2014 Value	% of Increase	% of Total
Agriculture	\$ 2,680,000	\$ 3,330,000	24.25%	0.1%
Commercial	\$ 1,684,066,300	\$ 2,022,617,000	20.10%	44.8%
Utilities	\$ 30,350,820	\$ 30,350,820	0.00%	0.7%
Residential	\$ 2,376,857,400	\$ 2,460,174,200	3.51%	54.5%
<b>Total True and Full Value</b>	<b>\$ 4,093,954,520</b>	<b>\$ 4,516,472,020</b>	<b>10.32%</b>	<b>100.0%</b>



\* Utilities Estimated

10 year property tax comparison

2003 Minot Mill Levy

**Based on Median Assessed Value of \$79,400**

	<u>Mills</u>	<u>Tax Dollars</u>	
State Medical Center	1	\$3.57	0.22%
City of Minot	132.77	\$474.39	29.66%
Minot School District	206.93	\$739.36	46.23%
Park District	29.91	\$106.87	6.68%
<u>Ward County</u>	<u>77.02</u>	<u>\$275.19</u>	<u>17.21%</u>
<b>2003 Consolidated Mill Levy</b>	<b>447.63</b>	<b>\$1,599.38</b>	<b>100.00%</b>

2013 Minot Mill Levy

**Based on Median Assessed Value of \$190,000**

	<u>Mills</u>	<u>Tax Dollars</u>	
State Medical Center	1	\$8.55	0.40%
City of Minot	76.05	\$650.23	30.52%
Minot School District	81.98	\$700.93	32.90%
Park District	28.11	\$240.34	11.28%
<u>Ward County</u>	<u>62.02</u>	<u>\$530.27</u>	<u>24.89%</u>
<b>2013 Consolidated Mill Levy</b>	<b>249.16</b>	<b>\$2,130.32</b>	<b>100.00%</b>

	<b>2013</b>	<b>2003</b>
<b>After 12% Legislative Property Tax Relief</b>	<b>\$1,874</b>	<b>\$1,599</b>

Prior to 12% Discount

Median Assessment has gone up 139% in 10 years

Mill Levy has dropped 45%

Property Taxes have gone up 33%

33%/10 years 3.3% per year

Consumer CPI from Bureau of Labor Statistics indicates that it takes \$2,024 to buy what \$1599 purchased in 2003 or about a 26.5% increase.

[http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)

## Comparison of average Minot home's property tax bill in 2012 and 2013.

Median assessed home in 2012 was \$168,000

2012 property taxes were \$2,480

Median assessed home in 2013 was \$187,000

\$2,096 property taxes

Less 12% state paid tax relief \$251

2013 property taxes were \$1,845.

The result in property tax difference from 2012 to 2013 can be summed up for most people who did not build, repair, annex or add on to their property with the following statement:

The median assessment went up about 11%, but the actual dollars paid in property taxes went down about 25% from 2012 to 2013.

## Comparison of Mill Levy from 2012 to 2013

	<u>2012 Mill Levy</u>	<u>2013 Mill Levy</u>	Percentage Change
State Medical Center	1.00	1.00	0
City of Minot	84.29	76.05	- 9.78%
Minot School District	141.02	81.98	-41.87%
Park District	31.65	28.11	-11.18%
Ward County	<u>70.38</u>	<u>62.02</u>	-11.88%
<b>Total</b>	<b>328.34</b>	<b>249.16</b>	<b>24% difference in overall levy</b>