The State Board of Equalization met in the Conference Room of the Office of State Tax Commissioner Tuesday, January 19, 2016, at 11:00 a.m.

The following members were present:
  Governor Jack Dalrymple, Chairperson
  Kelly Schmidt, State Treasurer
  Bob Peterson, State Auditor
  Ryan Rauschenberger, Tax Commissioner and
    Secretary of the State Board of Equalization

Governor Dalrymple called the meeting to order. The Governor explained that the next item on the agenda was a discussion of the litigation strategy of the Board of Equalization relating to the petition for a writ of mandamus filed by Mountrail County in the matter of Mountrail County Board of County Commissioners v. State Board of Equalization. This portion of the Special Meeting of the State Board of Equalization would be closed. The legal authority for closing this portion of the meeting is provided in subsections two and five of North Dakota Century Code Section 44-04-19.1.

Governor Dalrymple then asked members of the public attending the meeting to leave the room. It was noted that no members of the public were in attendance.

Governor Dalrymple then stated the Board would convene in Executive Session. The Executive Session would be recorded and all members of the Board were reminded to limit their discussion during this Executive Session to the announced topic. Any collective decision, collective commitment, or other final action by the Board would occur after it reconvenes in an open meeting.

Governor Dalrymple then directed the minutes to show the Executive Session began at 11:02 a.m.

Governor Dalrymple directed the minutes to show the Executive Session was adjourned at 11:15 a.m. and stated the public has been invited to return to the meeting room and the meeting was now back in open session.

Governor Dalrymple stated during the Executive Session, a discussion was held of the litigation strategy of the Board of Equalization relating to the petition for a writ of mandamus
filed by Mountrail County in the matter of Mountrail County Board of County Commissioners v. State Board of Equalization.

    Governor Dalrymple then asked for a motion to adopt the recommendation of legal counsel.

    It was moved by Tax Commissioner Rauschenberger and seconded by Treasurer Schmidt to approve the recommendation as advised by legal counsel.

    Upon roll call, all members present voted “aye.” Motion carried.

    With no further business before the Board, the meeting adjourned at 11:20 a.m.
The State Board of Equalization met in the Conference Room of the Office of State Tax Commissioner Thursday, April 7, 2016, at 10:30 a.m.

The following members were present:
   Governor Jack Dalrymple, Chairperson
   Bob Peterson, State Auditor
   Doug Goehring, Commissioner of Agriculture
   Ryan Rauschenberger, Tax Commissioner and
      Secretary of the State Board of Equalization

It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve the minutes of the December 3, 2015, and January 19, 2016, meetings. Upon roll call, all members present voted “aye.” Motion carried.

First on the agenda was File no. 705, an application for a five-year, 100 percent income tax exemption submitted by Killdeer Mountain Manufacturing, Inc. of Killdeer, North Dakota. Commissioner Rauschenberger reviewed the application with the Board. The Commerce Department Division of Economic Development and Finance (ED&F) found the project qualified as a primary sector business.

It was moved by Commissioner Goehring and seconded by Auditor Peterson that the Board approve the exemption.

Upon roll call, all members present voted “aye.” Motion carried.

Next on the agenda was File no. 689. A hearing was held to review the Business Incentive Agreement goals of Deere & Company.

Commissioner Goehring suggested reviewing the goals and objectives of the original application.

Discussion was held. Michael Rubino and David Byler of Deere & Company were conferenced in to the meeting. The Governor allowed them to report details of the Valley City facility.

It was moved by Commissioner Goehring and seconded by Auditor Peterson to amend the Business Incentive Agreement to accept the goals identified in the current recipient report.

Upon roll call, all members present voted “aye.” Motion carried.

The Board reviewed amendments to the 2015 electric distribution tax to the corrected amount of $8,220,319.87 and the 2015 electric transmission tax in the corrected amount of $1,516,443.94.
It was moved by Commissioner Goehring and seconded by Auditor Peterson to accept
the electric and transmission revisions as presented.

Upon roll call, all members present voted “aye.” Motion carried.

The request for refund of overpayment on the 2015 tax statement from Capital Electric
Cooperative, Inc. was reviewed.

It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve
the refund to Capital Electric Cooperative, Inc. in the amount of $8.17.

Upon roll call, all members present voted “aye.” Motion carried.

Special Assistant Attorney General Daniel L. Rouse reported the District Judge had ruled
in favor of the State Board of Equalization in the matter of Mountrail County Board of County
Commissioners v. State Board of Equalization.

There being no further business before the Board, the meeting adjourned at 11:30 a.m.
The State Board of Equalization met in the Conference Room of the Office of State Tax Commissioner Thursday, June 2, 2016, at 10:30 a.m.

The following members were present:

Lieutenant Governor Drew Wrigley, Acting Chairperson
Bob Peterson, State Auditor
Doug Goehring, Commissioner of Agriculture
Ryan Rauschenberger, Tax Commissioner and Secretary of the State Board of Equalization

It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve the minutes of the April 7, 2016, meeting. Upon roll call, all members present voted “aye.” Motion carried.

First on the agenda was File no. 706, an application for a five-year, 100 percent income tax exemption submitted by Anchor Ingredients Co., LLC for an expanding business project in Traill County. Commissioner Rauschenberger reviewed the application with the Board. The Commerce Department Division of Economic Development and Finance (ED&F) found the project qualified as a primary sector business.

It was moved by Commissioner Goehring and seconded by Auditor Peterson that the Board approve the exemption.

Upon roll call, all members present voted “aye.” Motion carried.

General Counsel and Special Assistant Attorney General Dee Wald gave the Board an update on the Mountrail County cases. In March 2016, Mountrail County sued the State Board of Equalization ordering the Board to reverse its decision on removing Plains Marketing personal property which is exempt from taxation. Judge Hagerty ruled State Board of Equalization decisions are final.

In 2013 Mountrail County included personal property in an assessment. The State Board ordered the county to remove it. The county then used the omitted property statute which allows counties to assess property that has escaped taxation to return the property to its assessment. Plains Marketing sued the county. The Supreme Court decision stated the county erroneously used the statute. Plains Marketing did not have to pay taxes on the omitted property.

In 2014 the State Board once again ordered the county to remove the personal property for Plains Marketing, which it did.

The 2016 revised assessment to be approved at the Mountrail County Board of Equalization will be meeting on June 7, 2016.
It was moved by Commissioner Rauschenberger and seconded by Commissioner Goehring to give State Supervisor of Assessments Linda Leadbetter the directive to go to Mountrail County and do spot checks on assessments on all classes of property to make sure similar properties are being equalized the same.

Discussion was held.

Upon roll call, all members present voted “aye.” Motion carried.

There being no further business before the Board, the meeting adjourned at 10:50 a.m.
The State Board of Equalization met in the Conference Room of the Office of State Tax Commissioner Tuesday, August 2, 2016, at 3:00 p.m.

The following members were present:
Governor Jack Dalrymple, Chairperson
Kelly Schmidt, State Treasurer
Bob Peterson, State Auditor
Doug Goehring, Commissioner of Agriculture
Ryan Rauschenberger, Tax Commissioner and Secretary of the State Board of Equalization

It was moved by Auditor Peterson and seconded by Commissioner Goehring to approve the minutes of the June 2, 2016, meeting. Upon roll call, all members present voted “aye.” Motion carried.

The purpose of the meeting was to hold a hearing for electric and gas companies, wind generation, railroads, pipeline companies, air transportation companies, and miscellaneous centrally assessed companies on the 2016 tentative assessments of their property.

Tax Commissioner Ryan Rauschenberger thanked the property tax division staff for the great job it has done working with the companies and compiling the information provided.

Commissioner Rauschenberger gave an overview of the electric and gas companies’ assessments. The Electric Distribution Tax, Electric Transmission Tax, Electric Generation from Wind Tax and Electric Generation Tax (from sources other than wind and coal) were reviewed. It was moved by Commissioner Goehring and seconded by Treasurer Schmidt to approve the 2016 electric and generation taxes in the amount of $14,181,385.30. Upon roll call, all members present voted “aye.” Motion carried.

It was moved by Treasurer Schmidt and seconded by Auditor Peterson that the Board approve the 2016 centrally assessed property tentative assessments for electric and gas distribution companies in the amount of $414,533,428. Upon roll call, all members present voted “aye.” Motion carried.

**Electric and Gas Distribution Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Assessed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>XCEL ENERGY SERVICES INC</td>
<td>144,836,000</td>
</tr>
<tr>
<td>MONTANA DAKOTA UTILITIES</td>
<td>179,957,000</td>
</tr>
<tr>
<td>OTTER TAIL POWER COMPANY</td>
<td>88,569,500</td>
</tr>
</tbody>
</table>
The wind generation companies were next on the agenda. Commissioner Rauschenberger stated, as in past years, the original cost with straight line depreciation of twenty years and the economic obsolescence as an adjustment to the cost method had been utilized. It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve the 2016 tentative assessments for wind generation companies in the amount of $686,631,953. Upon roll call, all members present voted “aye.” Motion carried.

Wind Generation Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Assessed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>MONTANA DAKOTA UTILITIES</td>
<td>16,465,953</td>
</tr>
<tr>
<td>ASHTABULA WIND II LLC</td>
<td>75,987,500</td>
</tr>
<tr>
<td>ASHTABULA WIND III LLC</td>
<td>29,892,500</td>
</tr>
<tr>
<td>ASHTABULA WIND LLC</td>
<td>79,090,500</td>
</tr>
<tr>
<td>BALDWIN WIND LLC</td>
<td>48,422,000</td>
</tr>
<tr>
<td>FPL ENERGY BURLEIGH COUNTY WIND LLC</td>
<td>15,791,500</td>
</tr>
<tr>
<td>FPL ENERGY NORTH DAKOTA WIND LLC</td>
<td>13,050,000</td>
</tr>
<tr>
<td>LANGDON WIND LLC</td>
<td>52,796,000</td>
</tr>
<tr>
<td>LANGDON WIND II LLC</td>
<td>23,640,000</td>
</tr>
<tr>
<td>FPL ENERGY OLIVER WIND I LLC</td>
<td>21,511,500</td>
</tr>
<tr>
<td>FPL ENERGY OLIVER WIND II LLC</td>
<td>24,411,500</td>
</tr>
<tr>
<td>WILTON WIND II LLC</td>
<td>32,877,000</td>
</tr>
<tr>
<td>OTTER TAIL POWER COMPANY</td>
<td>36,857,000</td>
</tr>
<tr>
<td>OTTER TAIL POWER COMPANY Langdon Wind Energy Center</td>
<td>23,223,000</td>
</tr>
<tr>
<td>OTTER TAIL POWER COMPANY Luverne Windy Energy Center</td>
<td>24,856,000</td>
</tr>
<tr>
<td>PRAIRIEWINDS ND1 INC</td>
<td>59,054,500</td>
</tr>
<tr>
<td>RUGBY WIND LLC</td>
<td>59,114,500</td>
</tr>
<tr>
<td>TATANKA WIND POWER LLC</td>
<td>47,827,000</td>
</tr>
<tr>
<td>VELVA WINDFARM LLC</td>
<td>1,764,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>686,631,953</strong></td>
</tr>
</tbody>
</table>

Commissioner Rauschenberger reported the 2016 tentative assessments were provided to the railroad companies and that the industry assessments would be reviewed by the State Board of Equalization at its meeting to be held August 9, 2016, allowing all companies to be acted upon at the same time.
Commissioner Rauschenberger gave an overview of the 2016 tentative assessments for the natural gas pipeline companies. It was moved by Commissioner Goehring and seconded by Treasurer Schmidt that the Board approve the 2016 tentative assessments for natural gas pipeline companies in the amount of $1,872,246,400. Upon roll call, all members present voted “aye.” Motion carried.

**Pipeline Companies**

<table>
<thead>
<tr>
<th>Natural Gas Companies:</th>
<th>Assessed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALLIANCE PIPELINE LP</td>
<td>131,936,000</td>
</tr>
<tr>
<td>ARCHER DANIELS MIDLAND</td>
<td>96,000</td>
</tr>
<tr>
<td>ARROW PIPELINE LLC</td>
<td>47,828,500</td>
</tr>
<tr>
<td>AUX SABLE MIDSTREAM LLC</td>
<td>21,950,000</td>
</tr>
<tr>
<td>BISON MIDSTREAM LLC</td>
<td>72,971,000</td>
</tr>
<tr>
<td>BISON PIPELINE LLC</td>
<td>51,867,500</td>
</tr>
<tr>
<td>CALIBER MIDSTREAM PARTNERS LP</td>
<td>49,506,000</td>
</tr>
<tr>
<td>CRESTWOOD CRUDE LOGISTICS LLC</td>
<td>5,200,000</td>
</tr>
<tr>
<td>DAKOTA GASIFICATION CO</td>
<td>10,103,000</td>
</tr>
<tr>
<td>DAKOTA GASIFICATION CO - SNG ANTELOPE PIPELINE</td>
<td>3,098,000</td>
</tr>
<tr>
<td>DAKOTA GASIFICATION CO - SNG HEBRON PIPELINE</td>
<td>5,312,000</td>
</tr>
<tr>
<td>DAKOTA MIDSTREAM LLC - OIL</td>
<td>Not received as of 7/29/16</td>
</tr>
<tr>
<td>DAKOTA MIDSTREAM LLC - NATURAL GAS</td>
<td>Not received as of 7/29/16</td>
</tr>
<tr>
<td>HESS BAKKEN INVESTMENTS II LLC</td>
<td>48,862,500</td>
</tr>
<tr>
<td>HESS NORTH DAKOTA EXPORT LOGISTICS LLC</td>
<td>9,098,500</td>
</tr>
<tr>
<td>HESS NORTH DAKOTA PIPELINES LLC</td>
<td>200,735,000</td>
</tr>
<tr>
<td>HESS TIOGA GAS PLANT, LLC</td>
<td>19,996,000</td>
</tr>
<tr>
<td>HILAND PARTNERS HOLDING LLC</td>
<td>132,974,500</td>
</tr>
<tr>
<td>LIBERTY RESOURCES II, LLC</td>
<td>9,158,500</td>
</tr>
<tr>
<td>MEADOWLARK MIDSTREAM COMPANY, LLC</td>
<td>135,702,500</td>
</tr>
<tr>
<td>NORTHERN BORDER PIPELINE COMPANY</td>
<td>111,849,000</td>
</tr>
<tr>
<td>ONEOK ROCKIES MIDSTREAM LLC</td>
<td>352,816,500</td>
</tr>
<tr>
<td>PARADIGM ENERGY PARTNERS LLC</td>
<td>17,213,000</td>
</tr>
<tr>
<td>PECAN PIPELINE (NORTH DAKOTA) INC</td>
<td>69,445,000</td>
</tr>
<tr>
<td>PETRO HUNT ET AL LLC</td>
<td>33,400</td>
</tr>
<tr>
<td>PETRO HUNT LLC</td>
<td>9,420,500</td>
</tr>
<tr>
<td>QEP FIELD SERVICES COMPANY</td>
<td>9,736,500</td>
</tr>
<tr>
<td>RED RIVER ENERGY LLC</td>
<td>109,000</td>
</tr>
<tr>
<td>ROUGHRIDER PIPELINE CO</td>
<td>193,500</td>
</tr>
<tr>
<td>STATOIL OIL &amp; GAS LP</td>
<td>67,937,500</td>
</tr>
<tr>
<td>STERLING ENERGY INVESTMENTS LLC</td>
<td>107,500</td>
</tr>
<tr>
<td>TARGA BADLANDS LLC</td>
<td>110,310,500</td>
</tr>
<tr>
<td>USG MIDSTREAM BAKKEN I LLC</td>
<td>45,115,000</td>
</tr>
<tr>
<td>USG WHEATLAND PIPELINE LLC</td>
<td>4,553,500</td>
</tr>
<tr>
<td>VIKING GAS TRANSMISSION</td>
<td>163,500</td>
</tr>
<tr>
<td>WBI ENERGY TRANSMISSION INC</td>
<td>36,661,000</td>
</tr>
<tr>
<td>WHITING PETROLEUM CORP</td>
<td>55,980,500</td>
</tr>
<tr>
<td>XTO ENERGY INC</td>
<td>24,205,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,872,246,400</strong></td>
</tr>
</tbody>
</table>
Commissioner Rauschenberger reported on the 2016 tentative assessments for oil pipeline companies. It was moved by Auditor Peterson and seconded by Commissioner Goehring that the Board approve the assessments of the oil pipelines. Upon roll call, all members present voted “aye.” Motion carried.

**Oil Companies:**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Assessed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMERICAN MIDSTREAM GP LLC</td>
<td>23,673,000</td>
</tr>
<tr>
<td>BAKKEN OIL EXPRESS LLC</td>
<td>26,133,000</td>
</tr>
<tr>
<td>BAKKEN PIPELINE COMPANY LP</td>
<td>45,761,000</td>
</tr>
<tr>
<td>BAKKENLINK PIPELINE LLC</td>
<td>62,724,000</td>
</tr>
<tr>
<td>BELLE FOURCHE PIPELINE</td>
<td>24,670,000</td>
</tr>
<tr>
<td>BRIDGER PIPELINE LLC</td>
<td>136,045,500</td>
</tr>
<tr>
<td>CENEX PETROLEUM INC</td>
<td>12,806,000</td>
</tr>
<tr>
<td>ENABLE BAKKEN CRUDE SERVICES LLC</td>
<td>88,221,500</td>
</tr>
<tr>
<td>ENBRIDGE ENERGY LP</td>
<td>71,422,500</td>
</tr>
<tr>
<td>ENBRIDGE PIPELINES SOUTHERN LIGHTS LLC</td>
<td>796,500</td>
</tr>
<tr>
<td>HAWTHORN OIL CO</td>
<td>2,601,000</td>
</tr>
<tr>
<td>HILAND CRUDE LLC</td>
<td>190,871,500</td>
</tr>
<tr>
<td>INDEPENDENT TRADING&amp;TRANSPORTATION COMPANY 1 LLC</td>
<td>18,199,500</td>
</tr>
<tr>
<td>KINDER MORGAN COCHIN LLC</td>
<td>18,533,500</td>
</tr>
<tr>
<td>MAGELLAN PIPELINE COMPANY LP</td>
<td>11,975,500</td>
</tr>
<tr>
<td>ND LAND HOLDINGS LLC</td>
<td>8,442,000</td>
</tr>
<tr>
<td>NORTH DAKOTA PIPELINE COMPANY LLC</td>
<td>223,374,500</td>
</tr>
<tr>
<td>NUSTAR PIPELINE OPERATING PARTNERSHIP LP</td>
<td>12,473,500</td>
</tr>
<tr>
<td>ONEOK BAKKEN PIPELINE LLC</td>
<td>20,161,000</td>
</tr>
<tr>
<td>PELICAN GATHERING SYSTEMS LLC</td>
<td>18,985,000</td>
</tr>
<tr>
<td>PLAINS PIPELINE LP</td>
<td>28,305,500</td>
</tr>
<tr>
<td>TESORO GREAT PLAINS GATHERING AND MARKETING LLC</td>
<td>26,886,000</td>
</tr>
<tr>
<td>TESORO HIGH PLAINS PIPELINE COMPANY</td>
<td>93,313,500</td>
</tr>
<tr>
<td>TIDAL ENERGY MARKETING US LLC</td>
<td>6,481,500</td>
</tr>
<tr>
<td>TRANSCANADA KEYSTONE PIPELINE LP</td>
<td>175,155,500</td>
</tr>
<tr>
<td>VANTAGE PIPELINE US LP</td>
<td>46,745,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,394,757,500</strong></td>
</tr>
</tbody>
</table>

Commissioner Rauschenberger reviewed air transportation companies. It was moved by Treasurer Schmidt and seconded by Auditor Peterson that the Board approve the 2016 tentative assessed values of air transportation companies as presented, in a total amount of $7,133,500. Upon roll call, all members present voted “aye.” Motion carried.

**Airline Companies:**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Assessed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegiant Air, LLC</td>
<td>1,072,200</td>
</tr>
<tr>
<td>Delta Airlines, Inc.</td>
<td>3,165,000</td>
</tr>
<tr>
<td>Envoy Air, Inc.</td>
<td>208,800</td>
</tr>
<tr>
<td>Federal Express Corp</td>
<td>557,300</td>
</tr>
</tbody>
</table>
 Commissioner Rauschenberger gave an overview of the telecommunication companies. There are 240 different companies that pay this tax. It was moved by Commissioner Goehring and seconded by Treasurer Schmidt to approve the 2016 telecommunications gross receipts taxes in the amount of $11,337,683.56. Upon roll call, all members present voted “aye.” Motion carried.

It was moved by Treasurer Schmidt and seconded by Commissioner Rauschenberger that the Board approve the State Medical Center Resolution as follows:

**STATE MEDICAL CENTER RESOLUTION**

WHEREAS, ARTICLE X, SECTION 10 of the North Dakota Constitution requires that a one mill levy on all taxable property within the State shall be spread for the purpose of establishing a Medical Center at the University of North Dakota

THEREFORE, BE IT RESOLVED, that a Medical Center levy for the year of 2016 is hereby levied at a rate of one mill on each dollar of net taxable valuation of all property subject to the general property tax for the year 2016.

Upon roll call, all members present voted “aye.” Motion carried.

Commissioner Rauschenberger stated the Board would be meeting in the Brynhild Haugland Room; Ground Floor of the Capitol, Tuesday, August 9, 2016, at 8:30 a.m. to act on the 2016 tentative assessment for railroad companies and to act on a new business exemption, the review of locally assessed property will begin at 9:30 a.m.

There being no further business before the Board, the meeting adjourned at 3:35 p.m.
The State Board of Equalization met in the Brynhild Haugland Room of the State Capitol Tuesday, August 9, 2016, at 8:30 a.m.

The following members were present:
Governor Jack Dalrymple, Chairperson
Kelly Schmidt, State Treasurer
Bob Peterson, State Auditor
Doug Goehring, Commissioner of Agriculture
Ryan Rauschenberger, Tax Commissioner and Secretary of the State Board of Equalization

It was moved by Treasurer Schmidt and seconded by Auditor Peterson to approve the minutes of the August 2, 2016, meeting. Upon roll call, all members present voted “aye.” Motion carried.

First on the agenda was File no. 707, an application for a five-year 100 percent income tax exemption, submitted by Gun Dog House Door, Inc. of Bismarck, North Dakota, for a new business project. The Commerce Department Division of Economic Development & Finance (ED&F) found the project qualified as a primary sector business.

It was moved by Treasurer Schmidt and seconded by Commissioner Rauschenberger that the Board approve the Gun Dog House Door, Inc. exemption.

Upon roll call, all members present voted “aye.” Motion carried.

Commissioner Rauschenberger stated the postponed centrally assessed item from the August 2, 2016, utility assessment meeting was the 2016 tentative assessments for railroad companies. Commissioner Rauschenberger gave an overview of the assessments. It was moved by Commissioner Goehring and seconded by Treasurer Schmidt that the Board approve the 2016 tentative assessments for railroad companies in the amount of $479,132,000. Upon roll call, all members present voted “aye.” Motion carried.

<table>
<thead>
<tr>
<th>Railroad Companies</th>
<th>Assessed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNSF RAILROAD COMPANY</td>
<td>322,000,000</td>
</tr>
<tr>
<td>DAKOTA, MISSOURI VALLEY &amp; WESTERN RAILROAD</td>
<td>28,975,500</td>
</tr>
<tr>
<td>DAKOTA NORTHERN RAILROAD INC.</td>
<td>1,119,500</td>
</tr>
<tr>
<td>NORTHERN PLAINS RAILROAD INC.</td>
<td>1,847,500</td>
</tr>
<tr>
<td>RED RIVER VALLEY &amp; WESTERN RAILROAD COMPANY</td>
<td>27,437,500</td>
</tr>
</tbody>
</table>
The meeting recessed at 8:38 a.m.

The meeting reconvened at 9:30 a.m. Governor Dalrymple welcomed participants and called the meeting to order.

Commissioner Rauschenberger asked State Supervisor of Assessments Linda Leadbetter to give an update on the spot check ordered by the State Board of Equalization. Ms. Leadbetter stated at the June 2, 2016, meeting of the Board she had been directed to perform spot checks in Mountrail County to review all classes of property to ensure that they were being equalized appropriately.

Ms. Leadbetter stated she visited the Mountrail County Director of Tax Equalization office on June 8, 2016. At that time, records from the taxation program and assessment information prepared for the county were reviewed.

Ms. Leadbetter reported the tax department staff was working to schedule onsite visits to the rail loading facilities to review possible inclusion of personal property in the assessments.

Commissioner Rauschenberger explained the purpose of today’s meeting was to equalize assessments of locally assessed property among counties and to hear appeals of individual taxpayers. He stated the Board would not be making any decisions at this meeting.

Ms. Leadbetter reviewed the tolerance level adopted for use by the State Board of Equalization for locally assessed property. The tolerance level was established as 90 to 100 percent. She stated any ratio outside tolerance by less than half a percent above 100 percent would not be required to make adjustments. All other ratios outside tolerance would be reviewed and moved to within tolerance.

Testimony began with Pierce County. No one spoke on behalf of Pierce County, Ramsey County, the City of Devils Lake, Ransom County, Renville County, Richland County, the City of Wahpeton, Rolette County, Sargent County, Sheridan County, Sioux County, Slope County or Stark County.

Ethan Horn of Ryan Property Tax Services addressed the Board on behalf of two property owners in the City of Dickinson, Sierra Ridge Apartment Homes and Microtel Inn & Suites. Mr. Horn stated Sierra Ridge had an appraisal done by CBRE – Valuation & Advisory Services that showed a value of $16,550,000, the current value assessed by the city was $41,213,400. They are asking the value be reduced to the appraisal value.
Mr. Horn stated the second property, the Microtel Inn & Suites, has a current value of $5,305,000, but based on the review of the income and performance of the property the indicated value of the property should be $2,010,197. Mr. Horn stated with the state of the market in Dickinson and the decline in the price of oil these industries have been hit hard and they cannot afford to operate at the current value.

Dickinson City Assessor Joe Hirschfeld addressed the Board. Mr. Hirschfeld thanked Governor Dalrymple for his years of service for the great state of North Dakota. Mr. Hirschfeld stated the City of Dickinson decreased the assessment of all apartment buildings last year by 7.5 percent; to try giving a 50 percent decrease the city would have fallen out of compliance.

No one spoke on behalf of Steele County. It was noted an appeal had been filed for the City of Luverne within Steele County from the Luverne Farmers Elevator.

No one spoke on behalf of Stutsman County, the City of Jamestown, Towner County or Traill County.

No one spoke on behalf of Walsh County. It was noted an appeal had been filed by Mr. Joseph Fietek; he disputes the assessment of property within the City of Park River.

No one spoke on behalf of Ward County, the City of Minot or Wells County.

William Richards, representing the Tioga Center, LLC, addressed the Board. Mr. Richards stated his clients believe the valuation on their property should be reduced as they have no tenants. Ms. Leadbetter asked Mr. Richards to provide contact information and details to staff for investigation purposes. It was noted they had not attended the county board of equalization meeting.

Todd Shebesta, CMI, Agent for the Olsen Tioga Apartments appeal regarding seven commercial property assessment parcels within the City of Tioga, addressed the Board. Mr. Shebesta stated they feel the sale price should be discounted to take into consideration the dramatic changes in the apartment market, not only increased vacancy but also declining rents.

Kyle Ledbetter with Murex Petroleum Corporation, representing the Tioga Apartments, addressed the Board. They are contesting the assessment of their property in the City of Tioga. Ms. Leadbetter asked that he also provide contact information and details to staff for investigation purposes.

Todd Shebesta, representing Prairie Pines at the Ridge, addressed the board. They are disputing the assessment of four parcels within the City of Williston. They feel the property’s combined 2016 assessment of $46,242,500 is excessive and request the subject property’s combined fair market value be adjusted to $37,550,800.
Mark Irby, Owner Representative, Williston Apartments, LLC addressed the Board. They were appealing the assessment conducted by Williams County and asked that it be reviewed and reduced from $18,286,100 to the $7,000,000 to $9,000,000 range.

Ted Sanders, Real Estate Development Manager representing the Fair Hills Apartments Complex in Williston, addressed the Board. He stated they appeared before the county board of equalization at that time the county was unaware of the change the city had done, going from a cost approach to income approach. Mr. Sanders stated they feel the occupancy approach should be used.

Ethan Horn of Ryan Property Tax Services presented handouts for the Board regarding six apartment complexes and two hotels in the City of Williston, namely the North Gate Apartments, Williston Gardens, Dakota Commons, Renaissance Heights, Regency Apartment Homes, University Commons, Hampton Inn and the Microtel Inn.

Mr. Horn reviewed the properties with the Board. They had appeared before the city and county boards of equalization regarding all these properties. All of their appeals are the result of the decline in oil prices during 2015. Rental rates and occupancy levels were at an all-time low during 2015 and they feel the tax assessor did not properly estimate market rent.

Williams County Director of Tax Equalization and Williston City Assessor Darcy Anderson addressed the Board. Ms. Anderson reiterated what Mr. Hirschfeld had stated as Dickinson and Williston are both in the same position. She stated this year in the City of Williston they had done an analysis of the income from the apartments in the City of Williston and an adjustment was made from the value based on the market information they had received.

Governor Dalrymple questioned the Board reviewing apartment buildings every year and coming up with an average, and what happens to property owners that don’t appeal. Do they have to wait until next year to come out the same as those who had appealed?

Ms. Leadbetter stated when dealing with any type of assessment for residential or commercial property there are different approaches used to try find the common number in the middle that seems to fit the property the best. The cost approach, income approach and market approach are used. With these properties there may be some indications of that income changing, but it would have to be used from the previous year’s statistics. The same thing happens with the market value. Ms. Leadbetter stated the department will have to look at these properties very carefully to see which income information is available and how specific that will be to changes or adjustments being made.

Ms. Leadbetter stated when an appeal is presented and acted upon; the county is asked to look at equalizing. An individual would always have the opportunity for an application for abatement.
Governor Dalrymple thanked Ms. Leadbetter for her information.

No one spoke on behalf of Adams County.

No one spoke on behalf of Barnes County. It was noted two appeals were received from Barnes County, one from Robert Bruns who contends the taxable status of his rural residential home should qualify for the farm residence exemption. The second appeal was from Donald Berge contesting his agricultural land assessments; parcel # 38-1720200 in particular.

No one spoke on behalf of the City of Valley City, Benson County, Billings County, Bottineau County or Bowman County.

Ray Sheldon, General Manager, Basin Transload LLC, addressed the Board regarding the commercial assessment of their property in Fay Township, Burke County. Mr. Sheldon stated they have a crude oil transload facility located two miles east of Columbus, North Dakota. This facility was developed in stages from 2011 through 2013. They are questioning the 1,371 percent increase in assessment from 2015 to 2016. Mr. Sheldon stated they engaged counsel to help them review and understand the appraisal the county had done by an outside appraisal firm, as they had questions and concerns about the process.

Mike Andrews, representing Basin Transload, addressed the Board. Mr. Andrews stated he wanted to emphasize to the Board that the process of increasing Basin Transload’s assessment had been initiated improperly and the invalid notice was in violation of the North Dakota Century Code Section 57-02-53(1)(a). Handouts were presented and reviewed with the Board.

Burke County Director of Tax Equalization Kris Hillaert addressed the Board and stated she had been hired on January 1, 2016. Ms. Hillaert said she had gone out to do an inspection of this property in January as she had a building permit with a larger dollar amount. Representatives from Basin Transload had accompanied her. She stated as a new tax director she realized she could not assess this property. The county then hired Thos. Y Pickett & Co., Dallas, Texas, to assess all industrial property in Burke County, North Dakota.

Mr. Robert T. (Bob) Lehn, Executive President of Thos. Y Pickett & Co., addressed the Board and explained the complex assessment of the facility in question. Mr. Lehn stated they had not been hired by Burke County until March 15, 2016. He said they could not physically inspect nor report as they normally would because of the time frame allowed. They used replacement cost new as the method for starting the valuation of this site, as little other information had been provided. This information had been provided to the township on time following the guidance of the tax director. They had revised their appraisal after they were given updated appraisal information once they signed a very restrictive non-disclosure statement. Mr. Lehn stated they are very confident in their results and feel it is uniform and equal to the other properties they have done in this state.
No one spoke on behalf of Burleigh County, the City of Bismarck, Cass County, the City of Fargo or the City of West Fargo.

Cavalier County resident Tom Valentine addressed the Board. Mr. Valentine was contesting the assessment of agricultural land and the valuation of road right of way as well as the application of modifiers for parcel #35040000 and #35079000.

No one spoke on behalf of Dickey County. It was noted an appeal had been filed by Harris Industries, LLC, Oakes, North Dakota for a parcel located in Bear Creek Township of Dickey County.

No one spoke on behalf of Divide County, Dunn County, Eddy County or Emmons County.

Foster County requires an 11 percent increase for agricultural and commercial properties and a 42 percent increase for residential property to reach 100 percent.

Foster County Director of Tax Equalization Karen Evans addressed the Board. She thanked the Board for the assurance that they would look into these numbers, and if necessary provide corrections and instructions on how to proceed to get the county in compliance. Ms. Evans stated the county board and the City of Carrington are drafting a proposal for a county wide reassessment as the Board had directed them to do last year.

No one spoke on behalf of Golden Valley County, Grand Forks County or the City of Grand Forks.

No one spoke on behalf of Grant County. It was noted a letter had been received from Jennifer Werner, the Grant County Tax Director. The residential assessments in Grant County require an 18 percent increase to be in tolerance. Ms. Werner had proposed a plan to bring the county into compliance within the next three years. The property tax division will do an investigation on those assessments.

No one spoke on behalf of Griggs County.

No one spoke on behalf of Hettinger County. It was noted two appeals had been received during the meeting, one from Dennis Boknecht of Solon Township in Hettinger County and one from Nicholas J. & Anita M. Kehr in the City of New England in Hettinger County.

Hettinger County Director of Tax Equalization Paula Fedder addressed the Board. Ms. Fedder stated that neither appellant had appeared at the township, city or county boards of equalization meetings.

No one spoke on behalf of Kidder County, LaMoure County or Logan County.
No one spoke on behalf of McHenry County. It was noted an appeal had been filed for the City of Velva within McHenry County from Dana Erin Triggs. The appellant contends the valuation of her residential lot.

No one spoke on behalf of McIntosh County, McKenzie County or McLean County.

Ben Lenzen, Beulah, North Dakota addressed the Board regarding two lots Julie & Ben Enterprises own in Beulah. One lot (12) had a building on it and one lot (11) was vacant. They sold lot 11 and when the tax statements came out all the valuation went with the lot that was sold and there was no valuation or tax owed for the other lot. Mr. Lenzen stated they have been to the city and the county to get this issue resolved, but to date it had not been.

Mr. Lenzen was also appealing the assessments as they were not timely filed. Ms. Leadbetter stated the property tax division would be investigating their concerns.

No one spoke on behalf of Morton County, the City of Mandan or Mountrail County.

Nelson County resident Rodney Brossart addressed the Board. He was questioning how his drained farmland was being taxed unfairly. He stated he had met with the township supervisors and the township assessor. They had all agreed that drained quarters should be assessed higher because the farmer is making better use of the land than the one without drains. Mr. Brossart stated he had presented information found in the Guide to Assessing Agricultural Lands in North Dakota – 2008 Edition – page 26 under Agricultural Improvements.

Mr. Brossart also questioned assessment by soil survey. Nelson County does not go by soil survey. He stated the tax director said it would be done this year, but they did not know if they could make it work.

There are four counties in the state that do not have soil survey process in place. They are: Burke, Dunn, Mountrail and Nelson.

State Treasurer Kelly Schmidt stated a portion of state distribution monies are being withheld from these counties and will be until these counties initiate this process.

Oliver County Director of Tax Equalization Teri Schulte addressed the Board. She stated Vanguard Appraisals had completed the reappraisal of the City of Center, and felt an increase in the residential assessments would be unwarranted at this time because of the extreme value changes.

Bob Ehler, President, Vanguard Appraisals, Inc. addressed the Board. He stated they had done a complete revaluation for the City of Center and that revaluation raised aggregate value in the City of Center by 54 percent. Mr. Ehler stated these were not across the board changes, as some increases were more and some were less, and some decreased in value. These changes made it difficult for Ms. Schulte to identify those value changes. Vanguard had contracted with
the county to reassess the rest of the county, and asked that the Board withhold an increase this year to let the county continue with its assessments.

No one spoke on behalf of Pembina County.

Ms. Leadbetter stated the review of the jurisdictions was completed.

Commissioner Rauschenberger stated the property tax division had a lot of work to do checking into appeals and tolerance levels.

Commissioner Rauschenberger noted this will be the last meeting with Auditor Peterson and Governor Dalrymple working the local assessment officials. He recognized all the work they have done and thanked them for their service.

With no further business before the Board, the meeting adjourned at 11:45 a.m.
The State Board of Equalization met in the Conference Room of the Office of State Tax Commissioner Wednesday, September 28, 2016, at 9:05 a.m.

The following members were present:
Governor Jack Dalrymple, Chairperson
Kelly Schmidt, State Treasurer
Bob Peterson, State Auditor
Doug Goehring, Commissioner of Agriculture
Ryan Rauschenberger, Tax Commissioner and Secretary of the State Board of Equalization

It was moved by Treasurer Schmidt and seconded by Auditor Peterson to approve the minutes of the August 9, 2016, meeting. Upon roll call, all members present voted “aye.” Motion carried.

Commissioner Rauschenberger gave a brief overview of today’s meeting and then turned the meeting over to the State Supervisor of Assessments Linda Leadbetter. Ms. Leadbetter explained the review of locally assessed property.

Ms. Leadbetter reported Adams County commercial property assessments required a ten percent decrease to be within tolerance. In working with Adams County it was noted that the sales ratio study included the 2016 true and full value on the supplemental appraisals; which reflected value added for 2016 due to new construction. The 2015 sales ratio study transactions are to include finalized 2015 true and full values. After correcting the report, the Adams County commercial median was 80 percent. Approved tolerance levels adopted by the State Board of Equalization require that if a jurisdiction is outside the tolerance the Board will increase to 93 percent. Ms. Leadbetter recommended the Board direct Adams County to increase commercial assessments by six percent to be at 93 percent and within tolerance.

It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Tax Service Specialist Marci Gilstad reported on the appeal of Barnes County taxpayer Robert Bruns. Mr. Bruns had contested the taxable status of his rural residential home. He believed he should qualify for the farm residence exemption. After reviewing the information submitted by Mr. Bruns, and phone conversations with the Barnes County Tax Equalization Office and Mr. Bruns himself, it was determined that Mr. and Mrs. Bruns were not eligible to claim the Farm Residence Exemption for the 2016 assessment year. This determination was made due to their non-farm income exceeding the $40,000 limit as set forth in the North Dakota Century Code §57-02-08(15)(b)(5). No action was required by the Board.
Property Tax Specialist Dustin Bakken reported on the appeal of Barnes County taxpayer Donald Berge. Mr. Berge contested his agricultural land assessments; parcel #38-1720200 in particular. For 2016 Barnes County implemented new soils types and Production Index (PI) rating for each soil type according to Natural Resources Conservation Service (NRCS) information. Barnes County is now using the new map unit system which is more current than the map units from the initial soil survey completed in the 1980s. That changed some of the PI ratings on some of Mr. Berge’s parcels. Modifiers in Barnes County have also been updated. The use of some modifiers has been removed. Mr. Bakken stated Mr. Berge’s parcels are equalized within the county using the new valuation methods. No action was required by the Board.

Ms. Leadbetter said the ratio adjustment worksheet for 2016 indicated a two percent decrease was needed on residential property in Burke County. The Sales Ratio Study for Burke County included 43 residential transactions with a resulting median of 100 percent. Parcel information had been requested for the 2014 sales included as supplements to the sales ratio study. The majority of these sales’ true and full value had been directly changed to reflect the sales price reported. This procedure did not reflect appropriate use of sales data.

Ms. Leadbetter stated the 2014 supplemental transactions were removed from the 2015 sales ratio study to reflect the work of the current director of tax equalization. Seventeen residential transactions were used to determine the 2015 residential median of 90.8 percent for Burke County. A new ratio adjustment worksheet had been calculated to determine that residential property within Burke County required an eight percent increase to be at a hundred percent of market value. Ms. Leadbetter recommended the Board direct Burke County to continue to review residential assessments and equalize like properties. No action was required by the Board as Burke County was within the tolerance level.

Mr. Bakken reported on the appeal of Basin TransLoad LLC, regarding the commercial assessment in Fay Township, Burke County. Information was provided regarding the timeline of events relating to the Basin TransLoad assessment as well as the Notice of Increase requirements under N.D.C.C. §57-02-53(b). It was concluded that Fay Township failed to provide proper written notice to Basin TransLoad after the April 29, 2016 township equalization meeting. Mr. Bakken recommended to reduce the value on parcel #04710000 as equalized by the Burke County Board of County Commissioners to $4,918,354, or 9.9 percent higher than the 2015 true and full value due to the township’s failure to provide proper notice under N.D.C.C. §57-02-53(b). It was also recommended that Burke County perform a site visit and in-depth appraisal of the facility to determine the presence of plant machinery and equipment and the classification of real versus personal property in those items.

It was moved by Commissioner Goehring and seconded by Auditor Peterson that the Board approve staff recommendations.

Upon roll call, all members present voted “aye.” Motion carried.

Mr. Bakken reported on the appeal of Tom Valentine of Cavalier County. Mr. Valentine was contesting the assessments on two parcels in South Dresden Township. Mr. Valentine
contested the assessment of agricultural land and the valuation of road right of way as well as the application of modifiers for parcels #35040000 and #35079000. Mr. Bakken stated Mr. Valentine had met with the township board of equalization and presented information on road right of way as well on other parcels in South Dresden that have acreage modified. The board voted to return the value of the road right of way. The county board of equalization moved to deny the request to remove the road right of way. Mr. Bakken stated N.D.C.C. §57-02-10 provides for the removal from the tax rolls and exemption from taxation all lands which the owner has granted or hereafter shall grant an easement for a highway or road right of way.

In regards to the application of modifiers, Mr. Bakken stated the Cavalier County Soils Committee developed definitions and requirements for the various modifiers. Before any modifiers can be applied, the area to be modified must be at least ten contiguous acres. Cavalier County does not modify map units that fall into the non-cropland category. Mr. Bakken stated the NW1/4 of section 9 had acreage that appeared to be wet or prone to salinity (alkaline). However, the acres are in map units that are categorized as non-cropland because of the characteristic water retentive nature. The NE1/4 of section 17 had acreage that appeared to be high in salinity, and also poorly drained. Mr. Bakken stated he delineated 6.9 acres that appeared to have extreme saline limitation. This did not meet the minimum acreage requirement of ten acres of affected area, so no modifiers were applied.

Mr. Bakken recommended to reduce the value of parcel #35040000 (NW4 of Section 9) in South Dresden Township by two percent for road acres. Reduce the value of parcel #35079000 (NE1/4 of Section 17) in South Dresden Township by one percent for road acres, and recommend Cavalier County remove all federal, state, and township road acres from agricultural land assessment as they are exempt from taxation, and no reduction for the use of modifiers.

It was moved by Treasurer Schmidt and seconded by Commissioner Goehring to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Gilstad reported on the appeal of Dickey County taxpayer Jay Harris, representing Harris Machine Company. Mr. Harris contended the assessed value of his commercial property was not supported by sales. An onsite investigation showed structure deterioration and effects of little use in recent years. Consideration was given to the three approaches to value. The resulting opinion of assessment for parcel #03562003 is $869,550. Ms. Gilstad recommended the Board direct Dickey County to decrease the structure value of parcel #03562003 by seven percent.

It was moved by Treasurer Schmidt and seconded by Auditor Peterson to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.
Ms. Leadbetter reported the Emmons County Ratio Adjustment Worksheet indicated a 13 percent increase was needed on commercial property in Emmons County to be at a hundred percent of market value. After visiting with Ann Bernhardt, Emmons County Director of Tax Equalization, it appeared that each sale and supplemental sale had been submitted correctly by Emmons County.

Ms. Leadbetter stated Vanguard Appraisals, Inc. was currently finishing a countywide reassessment for the 2017 tax year. A three percent across the board increase for commercial property in Emmons County would bring the percentage to 90 percent and within tolerance for this year and allow for adjustments to be made following the reassessment. Historically, the State Board of Equalization has not required a jurisdiction to obtain a 93 percent tolerance level, using an overall percentage increase of a class of property, when an active reassessment is being completed. Percentage increases do not correct equalization concerns that are being addressed by the countywide reassessment. Ms. Leadbetter recommended the Board direct Emmons County to increase commercial assessments by three percent to be at 90 percent and within tolerance; acknowledging the reassessment to be completed for 2017. Ms. Leadbetter also recommended the Board encourage Emmons County review property assessment notice requirements provided in North Dakota Century Code §57-02-53(1)(b) and administer as applicable.

It was moved by Commissioner Goehring and seconded by Treasurer Schmidt to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Leadbetter reported the Emmons County Ratio Adjustment Worksheet indicated residential property assessments required a 21 percent increase to represent 100 percent of market value. A site visit was completed to review sales ratio information. Sales information was reviewed and comparable properties were identified in the City of Linton. Sales ratio information indicated that the cities of Hazelton and Strasburg were within tolerance and minimal sales for Hague did not support changing assessments for 2016. The biggest area of concern was the riverfront property. Vanguard Appraisals, Inc. had been contracted to complete a reassessment for the 2017 tax year. Ms. Leadbetter stated applying a percentage increase to all residential properties in Emmons County would create greater inequities in assessments. Ms. Leadbetter recommended the Board direct Emmons County officials to increase residential assessments by ten percent in the City of Linton and increase residential structure assessments by 15 percent for lakeshore/river property. Ms. Leadbetter also recommended the Board direct Emmons County to review property assessment notice requirements provided in N.D.C.C. §57-02-53(1)(b) and administer as applicable.

It was moved by Commissioner Goehring and seconded by Commissioner Rauschenberger to approve staff recommendation.
Upon roll call, all members present voted “aye.” Motion carried.

Mr. Bakken reported Foster County Ratio Adjustment Worksheet indicated agricultural land assessments required an 18 percent increase to reach 100 percent. Mr. Bakken stated the Foster County Board of Equalization did not make an overall adjustment to all agricultural land values in 2016. To bring Foster County’s agricultural land valuation within the tolerance as set by the State Board of Equalization, Mr. Bakken recommended the Board direct Foster County to increase agricultural assessments by five percent. Mr. Bakken also recommended the Board direct Foster County to review property assessment notice requirements provided in N.D.C.C. §57-02-53(1)(b) and administer as applicable.

It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Mr. Bakken reported the Foster County Ratio Adjustment Worksheet indicated commercial property assessments required an 11 percent increase to reach 100 percent. Mr. Bakken stated the sales ratio statistics for the county were reviewed and it had been noted that sales had been included in the original ratio study that were not allowable. The supplementary abstract had also been reviewed and it had been noted that there were changes included on the report that were market adjustments that should not have been included. Mr. Bakken stated that after making corrections to the sales ratio study and the supplementary abstract it was determined the county needed a 15 percent increase to be at one hundred percent. By increasing all commercial property assessments within Foster County by eight percent, assessments would represent 93 percent of market value and be within tolerance. Mr. Bakken recommended the Board direct Foster County to increase all commercial property assessments by eight percent. Mr. Bakken also recommended the Board direct Foster County to review property assessment notice requirements provided in N.D.C.C. §57-02-53(1)(b) and administer as applicable.

It was moved by Treasurer Schmidt and seconded by Commissioner Goehring to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Mr. Bakken reported the Foster County Ratio Adjustment Worksheet indicated residential property assessments required a 42 percent increase to represent 100 percent of market value. Mr. Bakken stated the sales ratio statistics for the county were reviewed and it had been noted that sales had been included in the original ratio study that were not allowable. The supplementary abstract had also been reviewed and it had been noted that there were changes included on the report that were market adjustments that should not have been included. Mr. Bakken stated that after making corrections to the sales ratio study and the supplementary abstract it was determined the county needed a 24 percent increase to be at one hundred percent.
By increasing all residential property assessments within Foster County by 17 percent, assessments would represent 93 percent of market value and be within tolerance. Mr. Bakken recommended the Board increase all residential property assessments in Foster County by 17 percent, and also direct Foster County to reassess all residential property. Foster County officials must continue to provide semi-annual updates to the State Board of Equalization. Mr. Bakken also recommended the Board direct Foster County to review property assessment notice requirements provided in N.D.C.C. §57-02-53(1)(b) and administer as applicable.

It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Leadbetter reported the Grant County Ratio Adjustment Worksheet indicated residential property assessments needed an 18 percent increase to reach 100 percent. Ms. Leadbetter reported the sales ratio study included 40 residential transactions. The transactions reported included sales of vacant lots, which are required to be classified as commercial property. The vacant lots transferred to the commercial ratio calculated an 89.9 percent median for the residential property. A new ratio adjustment worksheet was calculated and determined residential property required no adjustment. A new ratio adjustment worksheet was calculated to determine that commercial property required no adjustment. Ms. Leadbetter recommended the Board make no change. No action was required by the Board.

Ms. Leadbetter reported Griggs County Sales Ratio Worksheet indicated an 11 percent increase was needed on commercial property to be at 100 percent of market. After visiting with the county official appointed to the tax director responsibilities, it appeared that each sale, supplemental appraisal or sale had been submitted correctly by the county. Ms. Leadbetter recommended the Board direct Griggs County to increase commercial assessments by four percent to be at 93 percent and within tolerance. Ms. Leadbetter also recommended the Board direct Griggs County to review property assessment notice requirements provided in N.D.C.C. §57-02-53(1)(b) and administer as applicable.

It was moved by Treasurer Schmidt and seconded by Auditor Peterson to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Leadbetter reported Griggs County Sales Ratio Worksheet indicated residential property needed a 12 percent increase to be at 100 percent of market. Ms. Leadbetter stated after visiting with the county official appointed to the tax director responsibilities, it appeared that each sale and supplemental sale was submitted correctly by the county. Ms. Leadbetter recommended the Board direct Griggs County to increase residential assessments by five percent to be at 93 percent and within tolerance. Ms. Leadbetter also recommended the Board direct
Griggs County to review property assessment notice requirements provided in N.D.C.C. §57-02-53(1)(b) and administer as applicable.

It was moved by Auditor Peterson and seconded by Commissioner Goehring to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Property Tax Specialist Kimberly Vietmeier reported on the appeal of Hettinger County taxpayers Nicholas & Anita Kehr. Mr. & Mrs. Kehr disputed the assessment of their residential property and separate vacant lot assessment located in the City of New England. The proceedings of the New England City Board of Equalization and the Hettinger County Board of Equalization showed Mr. & Mrs. Kehr did not appeal at either meeting. No action was required by the Board.

Ms. Gilstad reported on the appeal of Hettinger County appellant Dennis Boknecht. Mr. Boknecht disputed the assessment of his property in Solen Township. The proceedings of the Hettinger County Board of Equalization were reviewed. Mr. Boknecht had not appealed at the township or county level. No action was required by the Board.

Ms. Gilstad reported on the appeal of McHenry County resident Dana Erin Triggs. Ms. Triggs contends that the valuation of her residential lot exceeds market value. Property cards for seven parcels of land all located adjoining to or within the same neighborhood and of the same square footage as Ms. Triggs’ property were reviewed. Ms. Gilstad recommended no change be made. In comparing the seven lots reviewed, Ms. Triggs’ land value is equalized with those adjacent and within the same neighborhood. No action was required by the Board.

Ms. Leadbetter reported commercial property in McIntosh County needs a one percent decrease to be at 100 percent. The Sales Ratio Study for McIntosh County included 33 commercial transactions. A vacant lot worksheet was prepared by the director, as provided by N.D.C.C. §57-02-27.2. A new ratio adjustment worksheet was calculated which determined that commercial property now required a zero percent adjustment to be at a 100 percent of market. No action was required by the Board.

Ms. Leadbetter reported on the appeal of Mercer County residents Julie and Ben Lenzen. Mr. & Mrs. Lenzen questioned the accuracy of the tax statement for 2015, following a sale of lot 11 to Ross Lenzen. Timely recording of assessment by the City of Beulah had also been questioned. The questions they presented were not under the authority of the State Board of Equalization. The assessment for their 2015 property tax statement did not reflect the parcel split they had done between two lots. Ms. Leadbetter stated because this appeal presented information for 2015 and no appeal had been made regarding the 2016 assessment, no action was required by the Board.
Mr. Bakken reported on the appeal of Nelson County resident Rodney Brossart. Mr. Brossart contested the valuation of his agricultural land in relation to surrounding parcels. Mr. Brossart has several quarters where drain tile has been installed to minimize the impact of wet conditions. Mr. Bakken stated he and Ms. Vietmeier visited with the Nelson County Director of Tax Equalization Michele Linstad about the assessment of Mr. Brossart’s drained parcels. Mr. Brossart had appealed at both the township and county boards of equalization. During the investigation they compared his parcels to the surrounding parcels. It did not appear that upward adjustments for the use of drain tile were used. Based on the information provided, Mr. Brossart’s parcels were equalized with the surrounding parcels. Mr. Bakken recommended no action on Mr. Brossart’s parcels as they had been equalized with neighboring parcels. Mr. Bakken also recommended the Board direct Nelson County to be in compliance with the soil survey method by the next assessment cycle, and to request the Nelson County Tax Director to educate township officials, in her area, about the use of agricultural improvement practices and the impact on assessments.

Ms. Leadbetter reported statistics indicated that Oliver County residential property assessments required a 21 percent increase to be at market value. The sales ratio information was reviewed with Teri Schulte, Oliver County Tax Director and indicated that the City of Center was within the tolerance for residential property. The sales ratio study also indicated that rural residential properties were out of tolerance. Ms. Leadbetter stated that Ms. Schulte testified that Vanguard Appraisals, Inc. had begun a reassessment for the entire county excluding the City of Center, which was independently assess recently. This reassessment will be completed for the 2017 tax year. The ratio adjustment worksheet prepared after an increase of 11 percent for Oliver County’s rural residential properties indicated that a ten percent increase would be required to reach 100 percent of market value. Ms. Leadbetter recommended the Board direct Oliver County to increase all rural residential property assessments, lot and structure values, by 11 percent. Ms. Leadbetter also recommended the Board direct Oliver County to review property assessment notice requirements provided in N.D.C.C. §57-02-53(1)(b) and administer as applicable.

It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Leadbetter reported residential property in Sheridan County needed a one percent decrease to be at 100 percent. In preparing for the 2016 assessment, the Sheridan County Director of Tax Equalization used an incorrect sales ratio median to project the required assessments for the tax year. Ms. Leadbetter recommended the Board direct Sheridan County to reduce residential assessments by one percent.
It was moved by Treasurer Schmidt and seconded by Commissioner Goehring to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Leadbetter reported Sioux County commercial property needed a 12 percent decrease to be at 100 percent. The 2016 abstract of assessments for Sioux County had erroneously contained centrally assessed property from 2015. A correct abstract of assessments, containing only locally assessed property, was provided by the county. A new ratio adjustment worksheet had been calculated using the appropriate 2016 values to determine that commercial property within Sioux County required a zero percent adjustment to be at a hundred percent of market value. Ms. Leadbetter recommended the Board make no change. No action was required by the Board.

Ms. Vietmeier reported Sierra Ridge Apartment Homes, represented by Ethan Horn, protested the valuation on a large apartment complex located within the City of Dickinson, Stark County. The City of Dickson Board of Equalization and the Stark County Board of Equalization had approved a valuation of $41,213,400 ($1,532,700 land and $39,680,700 for improvements). Mr. Horn believed the valuation did not take into account the external obsolesce that the market faced in 2015 and stated the true and full value was too high. Ms. Vietmeier stated an onsite inspection had been completed. Consideration had been given to the three approaches to value. Using the income approach Ms. Vietmeier stated her estimate was approximately 12 percent lower than Dickinson City Assessor Hirschfield’s valuation. Considering the three approaches to value, since the subject is an income producing property, the income approach was the most relevant. Ms. Vietmeier recommended the Board direct Stark County to reduce the improvement value of Sierra Ridge Apartment Homes based on the analysis provided by 12 percent.

It was moved by Commissioner Goehring and seconded by Auditor Peterson to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Vietmeier reported Dickinson Properties LLC, represented by Ethan Horn, protested the valuation on the Microtel Inn and Suites within the City of Dickinson, Stark County. The Stark County Board of Equalization had approved a valuation of $5,305,000. The appellant had requested a valuation of $2,010,107. The cost, sales and income approaches were reviewed. Ms. Vietmeier stated the income approach was the best indicator of value given the information that had been presented by both sides of the appeal. The assessment approved by the Dickinson City Board of Equalization and the Stark County Board of Equalization had been correctly equalized, with similar properties. Ms. Vietmeier recommended the Board make no change to the value as equalized by the Stark County Board of Equalization. No action was required by the Board.
Mr. Bakken reported the Luverne Farmers Elevator located in the City of Luverne, Steele County, represented by Alan Leadbetter, General Manager contended the valuation of the elevator exceeded market value. Mr. Bakken stated Steele County performed a re-appraisal of all grain elevator facilities in the county for the 2016 year. The reappraisal had been performed by an outside contractor. A site visit had been conducted on September 12, 2016. During this visit they spoke to Mr. Leadbetter. The various physical assets of the facility were reviewed including licensed capacity of those components as well as the year built. Photographs had been taken. The resulting value of the property tax staff’s assessment of the facility was substantially similar to the county outside appraiser value. Mr. Bakken recommended the Board make no change to the assessment as equalized by the Steele County Board of Equalization. No action was required by the Board.

Ms. Gilstad reported Walsh County resident Joseph Fietek had disputed the assessment of his residential property assessment within the City of Park River. The proceedings of the Park River City and Walsh County Board of Equalization meeting were reviewed. Mr. Fietek had not appealed to either the city or township level. North Dakota Century Code (N.D.C.C.) §57-13-04(03) provides in part that the State Board of Equalization does not have authority to reduce an assessment unless the owner provides evidence that the owner first appealed the assessment to the local and county boards of equalization. Ms. Gilstad recommended the Board make no change. No action was required by the Board.

Ms. Leadbetter reported the ratio adjustment worksheet for 2016 indicated an 11 percent increase was needed on commercial property in Wells County to be at 100 percent of market value. The 2016 supplementary abstract for Wells County erroneously had also contained the supplementary abstract information for 2015. New office personnel understood that changes for 2016 were also to be added to the changes reported for 2015. The abstract had been verified to contain data reported for 2015. Ms. Leadbetter stated a corrected supplementary abstract containing only 2016 increases and decreases had been provided by the county. A new ratio adjustment worksheet had been calculated using the appropriate 2016 abstracts to determine that commercial property within Wells County required a zero percent increase to be at a hundred percent of market. Ms. Leadbetter recommended the Board make no change. No action was required by the Board.

Ms. Leadbetter reported the ratio adjustment worksheet for 2016 indicated a 12 percent increase was needed on residential property in Wells County to be at 100 percent of market value. Ms. Leadbetter stated the residential property worksheet was like the commercial property situation, and once a corrected supplementary abstract, containing only 2016 increases and decreases was provided Wells County residential property was found to be within tolerance. Ms. Leadbetter recommended the Board make no change. No action was required by the Board.

Mr. Bakken reported the Olsen Apartments, represented by CTMI, LLC, disputed the assessment of parcels #03-000-00-68-04-035; 03-000-00-68-04-030; 03-000-00-68-04-025; 03-
The City of Tioga Board of Equalization and the Williams County Board of Equalization had approved an assessment of $12,621,100 ($730,700 land and $11,890,400 for the improvements). CTMI, LLC believed the true and full value was too high due to rental market conditions. Mr. Bakken stated an onsite inspection had been completed on August 29, 2016. Staff toured a model unit and walked around the complex grounds. There are seven apartment buildings with a total of 84 units; some furnished, with off street parking and no garage space available.

The income approach was calculated using actual income and actual expense information provided by the appellant. In reviewing the supplied information, the appellant proposed using a capitalization rate applied to the actual net operating income. In the staff’s research, it had been determined that a slightly lower capitalization rate is more appropriate in comparison to other rental markets in the western half of the state, including the cities of Williston and Dickinson. With the information available, staff determined market value of all parcels to be $10,551,983. The City of Tioga’s assessor had relied strictly on a cost approach without consideration of income. The income approach was more relevant in income producing properties such as these. Mr. Bakken recommended the Board direct Williams County to reduce the improvement value of parcels #03-000-00-68-04-035; 03-000-00-68-04-030; 03-000-00-68-04-025; 03-000-00-68-04-020; 03-000-00-68-04-015; 03-000-0068-04-010 and 03-000-00-68-04-005 by 17.4%.

It was moved by Treasurer Schmidt and seconded by Commissioner Goehring to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Vietmeier reported on the appeal of William Richards of Williams County. Mr. Richards disputed the assessment of Tioga Center, LLC located in the City of Tioga. The proceedings of the Tioga City Board of Equalization meeting were reviewed. Mr. Richards had not appealed at the local level. North Dakota Century Code (N.D.C.C.) §57-13-04(03) provides in part that the State Board of Equalization does not have authority to reduce an assessment unless the owner provides evidence that the owner first appealed the assessment to the local and county boards of equalization. Ms. Vietmeier recommended the Board make no change. No action was required by the Board.

Mr. Bakken reported on the Murex Petroleum Corporation, represented by Kyle Ledbetter. Mr. Ledbetter disputed the assessment of an apartment building they own within the City of Tioga.

The City of Tioga Board of Equalization and the Williams County Board of Equalization had approved an assessment of $1,798,000 ($100,400 land and $1,697,600 for the improvements). Murex believed the true and full value was too high due to rental market conditions. An onsite inspection had been completed on August 29, 2016. Staff toured a model unit of an adjacent, identical building and walked around the complex grounds. There was one
single apartment building with a total of 12 units with off street parking and no garage space available. Mr. Bakken stated “as this property is identical to the Olsen Apartments we believe that placing a value identical to that facility is justified. The buildings themselves are of the exact construction, floor plan, layout, and finishes.” Mr. Bakken recommended the Board direct Williams County to reduce the improvement value by 17.35% for parcel #03-000-00-68-04-040.

It was moved by Auditor Peterson and seconded by Commissioner Goehring to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Idyle reported on the appeal of Prairie Pines at the Ridge in the City of Williston, represented by Todd Shebasta of CTMI, LLC, and protested the valuation on an apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on August 24, 2016. Consideration had been given to the three approaches to value. Using the income approach the estimate per unit was approximately 55 percent lower than Williston City Assessor Anderson’s valuation. The cost approach had been considered using information from the Marshall & Swift Valuation Service Book. The costs provided indicated a lower total than the overall true and full value. Based on the gathered information, the subject property’s assessment was $33,682,150. The construction costs were not reviewed to verify the validity of the reported cost. Ms. Idyle stated due to the changing market conditions in the City of Williston, Assessor Anderson decreased the apartment property by 23 percent for the 2016 tax year. The income and cost approaches were both relevant and had been used due to the lack of current comparable sales. The assessment of $46,242,500, placed by the City of Williston and the assessment as a result of the investigation of $33,682,148 warranted a reduction of 25 percent; bringing the property within the tolerance level and equalized with other properties. Ms. Idyle recommended the Board direct a 25 percent reduction of the structure value. Ms. Idyle also recommended the Board direct the Williston City Assessor to continue monitoring the economic factors affecting the apartment homes and make adjustments as the market changes.

It was moved by Auditor Peterson and seconded by Commissioner Rauschenberger to approve staff recommendation.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Idyle reported on the appeal of Williston Apartments dba The Retreat, represented by Mark Irby, Owner Representative from Heritage Properties Incorporated who protested the assessment of parcel #01-606-00-00-02-000. Mr. Irby protested the valuation on the apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on the property. Consideration had been given to the three approaches to value. The assessment is within tolerance and equalized with other similar properties. Ms. Idyle recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.
Ms. Idyle reported on the appeal of Fair Hills Apartments, represented by Brent Tabor, Owner Representative and Ted Sanders, Real Estate Development Manager, respectively of R.D. Offutt Company who protested the assessments of parcel # 01-170-00-00-01-010; 01-170-00-00-01-020 and 01-645-00-00-22-040. They protested the valuation on an apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on the property. Consideration had been given to the three approaches to value. The assessment is within tolerance and equalized with other similar properties. Ms. Idyle recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Ms. Idyle reported on the appeal of North Gate Apartment Homes, represented by Ethan Horn, Agent for Ryan Innovative Solutions to Taxing Problems. They protested the assessment of parcel # 001-01-457-00-00-02-020. Mr. Horn protested the valuation on the apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on the property. Consideration had been given to the three approaches to value. The assessment is within tolerance and equalized with other similar properties. Ms. Idyle recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Ms. Idyle reported on the appeal of Williston Garden Apartments, represented by Ethan Horn, Agent for Ryan Innovative Solutions to Taxing Problems. They protested the assessment of parcel # 01-766-00-00-01-010. Mr. Horn protested the valuation on the apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on the property. Consideration had been given to the three approaches to value. The assessment is within tolerance and equalized with other similar properties. Ms. Idyle recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Ms. Idyle reported on the appeal of Dakota Commons Apartment Homes, represented by Ethan Horn, Agent for Ryan Innovative Solutions to Taxing Problems. They protested the assessment of parcel # 001-01-675-00-00-07-030. Mr. Horn protested the valuation on the apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on the property. Consideration had been given to the three approaches to value. The assessment is within tolerance and equalized with other similar properties. Ms. Idyle recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Ms. Idyle reported on the appeal of Renaissance Heights Apartment Homes, represented by Ethan Horn, Agent for Ryan Innovative Solutions to Taxing Problems. They protested the assessment of parcel # 001-01-539-00-00-02-010. Mr. Horn protested the valuation on the apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on the property. Consideration had been given to the three approaches to
value. The assessment is within tolerance and equalized with other similar properties. Ms. Idyle recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Ms. Idyle reported on the appeal of Regency Apartment Homes, represented by Ethan Horn, Agent for Ryan Innovative Solutions to Taxing Problems. They protested the assessment of parcel # 01-488-00-00-01-010 and 01-488-00-00-01-020. Mr. Horn protested the valuation on the apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on the property. Consideration had been given to the three approaches to value. The assessment is within tolerance and equalized with other similar properties. Ms. Idyle recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Ms. Idyle reported on the appeal of University Commons, represented by Ethan Horn, Agent for Ryan Innovative Solutions to Taxing Problems. They protested the assessment of parcel # 01-675-00-00-01-020 and 01-677-00-00-01-010. Mr. Horn protested the valuation on the apartment complex located within the City of Williston. Ms. Idyle stated an onsite inspection had been completed on the property. Consideration had been given to the three approaches to value. The assessment is within tolerance and equalized with other similar properties. Ms. Idyle recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Ms. Vietmeier reported on the appeal of Williston Development Group, LLC represented by Ethan Horn, Agent for Ryan Innovative Solutions to Taxing Problems. They disputed the valuation of parcel # 01-122-00-00-01-020. Mr. Horn protested the valuation on the Hampton Inn located within the City of Williston. Ms. Vietmeier stated the Williams County Board of Equalization had approved a valuation of $10,760,800 for the property. Mr. Horn on behalf of Williston Development Group, LLC was requesting a valuation of $7,000,000. Ms. Vietmeier stated the income approach was the best indicator of value given the information that was presented by both sides of the appeal. The assessment approved by the Williston City Board of Equalization and the Williams County Board of Equalization is correctly equalized, with similar properties. Ms. Vietmeier recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Ms. Vietmeier reported on the appeal of Williston Land Investors, LLC represented by Ethan Horn, Agent for Ryan Innovative Solutions to Taxing Problems. They disputed the valuation of parcel # 01-608-00-50-53-500. Mr. Horn protested the valuation on the Microtel Inn located within the City of Williston. Ms. Vietmeier stated the Williams County Board of Equalization had approved a valuation of $5,291,200 for the property. Mr. Horn on behalf of Williston Development Group, LLC was requesting a valuation of $3,170,000. Mr. Horn had been unable to obtain the cost details from the property owner timely enough for the State Board of Equalization investigation due date. Ms. Vietmeier stated the income approach was the best
indicator of value given the information that was presented by both sides of the appeal. The assessment approved by the Williston City Board of Equalization and the Williams County Board of Equalization is correctly equalized, with similar properties. Ms. Vietmeier recommended the Board make no change as equalized by the Williams County Board of Equalization. No action was required by the Board.

Commissioner Rauschenburger thanked the Property Tax Division for all the work it had done to provide this information for the Board.

It was moved by Commissioner Goehring and seconded by Treasurer Schmidt to approve all residential, commercial and agricultural values for all counties across the state, and to make the same changes that were made to agricultural land to: Game & Fish land, Board of University & School Lands, North Dakota National Guard land, Farmland or Ranchland Owned by Nonprofit Organizations for Conservation Purposes and Land Acquired for the Devils Lake Project.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Leadbetter presented an amended return for the OREG Properties for the Electric Generation Tax for sources other than wind and coal in the amount of $937,603.79.

It was moved by Treasurer Schmidt and seconded by Auditor Peterson to accept the amended return as presented.

Upon roll call, all members present voted “aye.” Motion carried.

Ms. Leadbetter stated with no items on the agenda at this time the October, 2016, meeting would be cancelled.

With no further business before the Board, the meeting adjourned at 10:35 a.m.
The State Board of Equalization met in the Conference Room of the Office of State Tax Commissioner Thursday, November 3, 2016, at 10:30 a.m.

The following members were present:
Governor Jack Dalrymple, Chairperson
Kelly Schmidt, State Treasurer
Bob Peterson, State Auditor
Ryan Rauschenberger, Tax Commissioner and Secretary of the State Board of Equalization

It was moved by Auditor Peterson and seconded by Commissioner Rauschenberger to approve the minutes of the September 28, 2016, meeting.

Upon roll call, all members present voted “aye.” Motion carried.

Commissioner Rauschenberger presented information regarding the hearing for centrally assessed companies on the 2016 assessments. Dakota Midstream was delinquent in its filings for 2016. The assessed value was $17,411,500, State Board of Equalization adds ten percent penalty for late filing for a total of $19,152,650.

It was moved by Auditor Peterson and seconded by Commissioner Rauschenberger that the Board approve the oil and natural gas assessment for Dakota Midstream, including the penalty.

Upon roll call all members present voted “aye.” Motion carried.

Commissioner Rauschenberger presented File no. 708, an application for a five-year 100 percent income tax exemption for a new business project submitted by GoodBulb, LLC of Fargo, North Dakota. The Commerce Department Division of Economic Development & Finance (ED&F) found the project qualified as a primary sector business.

It was moved by Auditor Peterson and seconded by Commissioner Rauschenberger that the Board approve the GoodBulb, LLC exemption.

Upon roll call, all members present voted “aye.” Motion carried.

Commissioner Rauschenberger presented File no 709, an application for a five-year 100 percent income tax exemption for an expanding business project submitted by Dakota Specialty Milling, Inc. of Fargo, North Dakota. ED&F found the project qualified as a primary sector business.
It was moved by Auditor Peterson and seconded by Commissioner Rauschenberger that the Board approve the Dakota Specialty Milling, Inc. exemption.

Upon roll call, all members present voted “aye.” Motion carried.

The Board discussed the tolerance to be allowed for the 2017 assessments of locally assessed property.

It was moved by Commissioner Rauschenberger and seconded by Treasurer Schmidt that the Board continue the tolerance of 90 to 100 percent for agricultural, residential and commercial property assessments for taxable year 2017. Jurisdictions outside of tolerance would be increased to 93 percent of market value or agricultural value, or be reduced to 100 percent. The motion would still allow the Board flexibility to deal with certain circumstances where counties might need a little more time to get within tolerance.

Upon roll call, all members present voted “aye.” Motion carried.

The calendar of 2017 meetings of the State Board of Equalization was presented.

There being no further business before the Board, the meeting adjourned at 10:50 a.m.