Friday, August 3, 2018

Governor Burgum and the North Dakota State Board of Equalization

RE: Status update of Mountrail County Ag Land Valuation for 2018

Dear Governor Burgum and members of the State Board of Equalization

As reported at the 2017 State Board of Equalization meeting, Mountrail County went through the equalization process for 2017 using NRCS detailed soils utilizing the breakpoint method of Ag Land Valuation. At the County Board of Equalization meeting in June 2017, some property owners representing 10 Townships out of 55 for the county protested the breakpoint method of valuation. Their main concern voiced at the meeting was Mountrail County was not using the actual land use method of property valuation.

For the June 2017 County Equalization meeting, the County Commission voted to return the values to 2016 and move forward with utilizing actual land use method along with the detailed soils in the future.

For the Assessment year of 2018, Mountrail County will NOT be compliant for Agricultural Land valuation as set forth by ND Century Code as we will be utilizing our previous values (with certain yearly percentage increases to be in overall valuation compliance based off of total acreages and total land value).

Much work on our solution to this has occurred since last summer and continues to be achieved as summarized below – Mountrail County is scheduled to be in complete compliance with ND Century Code starting with the 2019 Assessment year.

As of the date of this letter, the following has been accomplished:

- a Soils Committee has been formed, several meetings have followed
- ArcMAP GIS software has been purchased and brought in house
- a contract has been signed with Sidwell, our GIS provider, to develop a land use layer
- A drawing land use layer ruleset has been adopted and is being followed by all parties involved
- A pilot township was drawn in (Rat Lake), reviewed by Tax Equalization staff, soils committee members, and the township board (Sidwell drawing accuracy was found to be at 98% based off acreage updates)
- Updates have been made to the township of Rat Lake
- Sidwell has completed drawing in the entire county, ahead of schedule
- A robust review process by each Township section has been formalized with involvement from the soils committee, Township boards, along with interested land owners for each Township
- 41 of 55 Townships in the county have been reviewed utilizing the above process; any updates have been returned to the GIS vendor for updating
• A comprehensive and detailed Ag Land Valuation meeting was held with the soils committee and two county commissioners to step through the actual Ag Land Use and detailed soils valuation methodology and process
  o Soils committee approved the valuation method and is recommending adoption at Mountrail County Commissioner meeting August 7, 2018
• The final Township reviews are estimated to be complete by Labor Day 2018 or shortly thereafter
• Additional updates will be occurring in the fall 2018 timeframe, to ensure our records are very accurate, and processing valuations for the 2019 Assessment year will occur once Ag Land Valuation averages are received from the ND State Tax Dept. (generally in the December timeframe)
• **Mountrail County will be utilizing Actual Land Use and Detailed Soils from NRCS for the 2019 Assessment year and following years**

In addition to the steps above, in the course of the last several months, Mountrail County has provided updates to the ND Tax Department on our progress with implementing Actual Land use. The response to our methods, practices and ideas has been favorable.

If you have any questions, or require clarification on any item, please do not hesitate to contact me.

Sincerely,

Lori

*Lori Hanson*  
*Director of Tax Equalization*