

## Staff Report for 2019 State Board of Equalization

September 25, 2019

**File No.:** 2019-SHERIDAN-RESIDENTIAL

**Prepared By:** Property Tax Division – LL

**County or City:** Sheridan County

**Appellant:**

**Issue:** Residential property not within tolerance – reports indicated 89.4%

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**Summary:** The ratio adjustment worksheet for 2019 calculated an indicated True & Full/Market Value ratio of 89.4%.

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**Analysis:** Reports submitted by Sheridan County were reviewed. There are 27 townships in the county, of which Berlin, Edgemont, Fairview, and Highland were reassessed by the county in 2018 for the 2019 tax year. All the remaining townships have not had an increase in many years. Sales ratio median reported for the cities of Goodrich, Martin, and McClusky is 89.4%.

During reassessment processes, the county director of tax equalization must take into consideration those properties that are not individually reviewed. Mass assessment considerations must be applied to address similar property qualities, age, etc. Adjustments to assessments should be applied locally to address the areas not individually reviewed; recognizing that a county is not equipped to perform site reviews of every property every year.

The townships of Berlin, Edgemont, Fairview, and Highland were reassessed for the 2019 tax year. Removing those townships from the 2019 assessment abstract and applying an adjustment to the rural residential properties of 9%, the Sheridan County residential property will be within tolerance for the 2019 tax year.

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**Recommendation:** Direct Sheridan County to increase rural residential assessments, excluding the townships of Berlin, Edgemont, Fairview, and Highland, by 9% to bring the residential property to 92.9%. Review property assessment notice requirements provided in North Dakota Century Code §57-02-53(1)(b) and administer as applicable.