



# NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER GUIDELINE - PROPERTY TAX: DATES AND PROCEDURES FOR THE ASSESSMENT OF REAL PROPERTY

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## VALUATION AND LISTING OF REAL PROPERTY

All real property subject to taxation is listed and is assessed according to its valuation on February 1 of each year. [See N.D.C.C. § 57-02-11]

In a separate list, the assessor must describe, list and value all real property exempt from taxation, except for property of the United States, the State of North Dakota, a political subdivision of the State of North Dakota, or farm buildings or farm residences exempt from property taxes by law. [See N.D.C.C. § 57-02-14]

In the valuation of exempt properties, the assessor must designate the properties exempted by local discretion or charitable status. This means property exempt from taxation as new or expanded businesses under N.D.C.C. ch. 40-57.1; improvements to commercial and certain residential property in N.D.C.C. ch. 57-02.2; buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under N.D.C.C. § 57-02-08.

## ASSESSORS RECEIVE ASSESSMENT BOOKS

By the second Wednesday in February of each year, the county auditor furnishes the assessment books and forms necessary to complete the assessment of real property to all the assessors. [See N.D.C.C. § 57-02-31]

The assessment list sets out all tracts of real property subject to taxation, the name(s) of the owner(s), the number of acres, and the lots and parts of lots or blocks included in each description.

## DUTIES OF ASSESSORS N.D.C.C. § 57-02-34

Assessors complete their assessment duties during the 12-month period preceding April 1 of each year. Assessors should physically inspect properties in their jurisdictions.

Generally taxable buildings, structures, and improvements, even if owned by someone other than the landowner, must be assessed with the land on which they are located. See exceptions in N.D.C.C. § 57-02-26.

The assessor is responsible for determining the true and full value of each tract of real property subject to taxation and all taxable improvements and structures located on it. Those values are entered into separate columns opposite the description of the property. The assessor must also set out the assessed value of each property. Each class of property---agricultural, residential and commercial---is listed separately.

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The assessment list should set out the following facts:

**Agricultural land** - total taxable acres in each parcel, total true and full value, total assessed value, total taxable value (10% of assessed value).

**Residential property** - true and full value of each lot or tract, true and full value of all structures on each lot or tract, total true and full value of the property, total assessed value, total taxable value (9% of assessed value).

**Commercial property** - true and full value of each lot or tract, true and full value of all structures on each lot or tract, total true and full value of the property, total assessed value, total taxable value (10% of assessed value). Commercial property includes all vacant lots and all property that does not qualify as agricultural, residential, centrally assessed, or exempt.

\* **Total taxable value before homestead credit and disabled veterans' credit** - sum of agricultural, residential and commercial taxable values.

**Homestead credit allowance** - a reduction on the taxable valuation of the homestead of a qualifying individual as set out in N.D.C.C. § 57-02-08.1.

\* **Disabled veterans' credit allowance** - a reduction on the taxable valuation of the homestead of a qualifying disabled veteran as set out in N.D.C.C. § 57-02-08.8.

\* **Total taxable value after homestead credit and disabled veterans' credit** - the valuation remaining after the deduction of any homestead credit or disabled veterans' allowance.

## NOTICE OF INCREASED ASSESSMENTS

When any assessor has increased the true and full valuation of any lot or tract of land including any improvements thereon to an amount that is an increase of \$3,000 or more and 10 percent or more from the amount of the last assessment, the assessor shall deliver written notice of the amount of increase and the amount of the last assessment to the property owner at the expense of the assessment district for which the assessor is employed. Delivery of written notice to a property owner must be completed at least fifteen days before the meeting of the local board of equalization.

\* If written notice by the assessor was not required and action by the township, city, or county board of equalization or order of the state board of equalization has increased the true and full valuation of any lot or tract of land and improvements thereon to an amount that results in a cumulative increase of \$3,000 or more and 10 percent or more from the amount of the last assessment, written notice of the amount of increase and the amount of the last assessment must be delivered to the property owner. The written notice must be mailed or delivered at the expense of the township, city, or county that made the assessment increase or at the expense of the township, city, or county that was ordered to make the increase by the state board of equalization. Delivery of written notice to a property owner must be completed within fifteen days after the meeting of the township, city, or county board of equalization that made or ordered the assessment increase and within thirty days after the meeting of the state board of equalization, if the state board of equalization ordered the assessment increase. (See N.D.C.C. § 57-02-53)

Examples of how this procedure works are as follows:

**Property A** - The assessor increases true and full value from \$24,000 to \$29,600.

Current year	=	\$ 29,600
Last year	=	24,000
Increase in valuation	=	\$ 5,600
		or 23.3% increase

The current year true and full valuation increased more than \$3,000 and more than 10% over the last assessment. Therefore a notice **MUST** be mailed, delivered, or provided by electronic mail to the property owner.

**Property B** - The assessor increases true and full value from \$17,700 to \$19,300.

Current year	=	\$ 19,300
Last year	=	17,700
Increase in valuation	=	\$ 1,600
		or 9.0% increase

The current year true and full valuation increased less than \$3,000 and less than 10% over the last assessment. Therefore, a notice does **NOT** have to be mailed, delivered, or provided by electronic mail to the property owner.

**Property C** - The assessor increases true and full value from \$79,000 to \$84,000.

Current year	=	\$ 84,000
Last year	=	79,000
Increase in valuation	=	\$ 5,000
		or 6.3% increase

The current year true and full valuation increased more than \$3,000 but less than 10% over the last assessment. Therefore, a notice does **NOT** have to be mailed, delivered, or provided by electronic mail to the property owner.

**Property D** - The assessor increases true and full value from \$13,000 to \$15,000.

Current year	=	\$ 15,000
Last year	=	13,000
Increase in valuation	=	\$ 2,000
		or 15.4% increase

The current year true and full valuation increased more than 10% over the last assessment but less than \$3,000. Therefore, a notice does **NOT** have to be mailed, delivered, or provided by electronic mail to the property owner.

The notice must set out the true and full values used by the assessor to make the assessment for the current year and for the previous year and must also set out the dates of the meetings of both the local and county boards of equalization. The notice is mailed or delivered at the expense of the assessment district in which the assessor is employed.

## NOTICE OF EQUALIZATION MEETINGS TO BE PUBLISHED

Each year the county auditor shall publish in the official county newspaper for two successive weeks, a notice that proceedings for the equalization of assessments will be held by the several local equalization boards and for the proceedings of the county board of equalization. The notice of the local equalization boards may not be earlier than March 1 and the second publication may not be later than March 20. The notice must contain a statement that the proceedings will be held at the regular meeting place of the governing board or other place designated by that board of the township or city, as the case may be. The notice of the county equalization board may not be earlier than May 1 and the second publication may not be later than May 20, however, the second notice must be published more than 10 days prior to the date of the meeting. The notice must contain the date, time, and location of the meeting. Both publications must also contain a statement that each taxpayer has the right to appear before the appropriate board of review or equalization and petition for correction of the taxpayer's assessment. The equalization proceedings in an organized township must be held on the second Monday in April and in a city on the second Tuesday in April and the county equalization proceedings must be held no later than June 10. [See N.D.C.C. §§ 57-02-51 and 57-02-52]

The primary responsibility for a fair distribution of the tax burden rests with the assessors and local boards of equalization.

## TOWNSHIP BOARD OF EQUALIZATION

The township board of equalization consists of the members of the township board of supervisors. The board meets annually on the second Monday in April at its usual meeting place. However, if a person is the assessor for two or more townships or cities, the township clerk, after consulting with the assessor, sets an alternate date in April for the equalization meeting. At least ten days before the alternate meeting, the township clerk posts a notice at the usual meeting place and publishes a notice in the official newspaper of the township. The notice must state the meeting time and date. [See N.D.C.C. ch. 57-09]

\* It is the duty of the township board of equalization to determine whether or not all taxable property has been properly listed and valued by the assessor. If any real property has been omitted, the board is responsible for listing the property on the assessment list at its true and full value. It is also the duty of the board to correct any assessment which is not listed at its true and full value. The board may not increase the valuation returned by the assessor to an amount that results in a cumulative increase of more than 15% from the amount of the last assessment without giving the owner, or the owner's agent, reasonable notice and opportunity to be heard regarding the intention of the board to increase it.

All complaints and grievances of residents of the township must be heard and decided by the board. Complaints by nonresidents must be heard and determined by the county board of equalization. [See N.D.C.C. § 57-09-04]

Errors in valuation made by the assessor that are not corrected at the local level are difficult to correct later. Therefore, the board should thoroughly examine the assessment list and carefully equalize assessments.

The township board of equalization must complete the equalization process within 10 days.

## CITY BOARD OF EQUALIZATION

The city board of equalization consists of the members of the governing body. The board meets at its usual meeting place on the second Tuesday in April each year to equalize and correct the assessment list submitted by the assessor. If a person is the assessor for two or more cities or townships, the city auditor, after consulting with the assessor, sets an alternate date

in April for the equalization meeting. At least ten days before the alternate meeting, the city auditor posts a notice at the usual meeting place and publishes a notice in the official newspaper of the city. The notice must state the meeting time and date. [See N.D.C.C. ch. 57-11]

\* The board may increase or decrease the valuation and assessment to whatever is reasonable and just to ensure equalization. The board may not increase the valuation of any property returned by the assessor to an amount that results in a cumulative increase of more than 15% from the amount of the last assessment without first giving the owner, or the owner's agent, reasonable notice and opportunity to be heard regarding the intention of the board to increase it.

Any errors in valuation made by the assessor should be corrected at the local level. Errors not corrected at the local level are difficult to correct later. Errors which are not corrected may result in unfairness and inequity in taxation.

## COUNTY BOARD OF EQUALIZATION

The county board of equalization consists of the members of the board of county commissioners and meets within the first ten days in June to review and equalize assessments. The chairman of each city and township board of equalization, or the chairman's appointed representative, and each city and township assessor must attend. Assessments of property equalized by the city boards of equalization are reviewed first, followed by the assessments of property equalized by the township boards of equalization. [See N.D.C.C. ch. 57-12]

The county board of equalization, acting as the township board of equalization, equalizes assessments of unorganized territory within the county.

Prior to the meeting in June, the board provides for spot checks upon property within the county to verify the accuracy of the real property listings and valuations.

The county board of equalization, after notice of the local board of equalization, may increase the assessment on any separate piece or parcel of real property, even though such property was assessed in a city or township having a local board of equalization. The county board of equalization may not increase the valuation returned by the assessor or the local board of equalization to an amount that results in a cumulative increase of more than 15% from the amount of the last assessment without giving the owner, or the owner's agent, notice by mail to the owner of the property that such person may appear before the board on the date designated in the notice, which date must be at least five days after the mailing of the notice.

The county board of equalization does not have authority to add omitted property to the assessment list. The county auditor adds omitted property according to N.D.C.C. §§ 57-14-01 through 57-14-07.

The county board should complete equalization of individual parcels and assessment districts. Any existing inequities will not be corrected by a percentage change for a class of property ordered by the state board of equalization.

## STATE BOARD OF EQUALIZATION

The state board of equalization consists of the governor as chairman, state treasurer, state auditor, commissioner of agriculture, and tax commissioner. The tax commissioner is secretary of the state board of equalization. [See N.D.C.C. ch. 57-13]

The state board of equalization meets annually on the first Tuesday in August at the Office of State Tax Commissioner to hear testimony and to consider assessments of all taxable property subject to assessment by the state board of equalization.

The state board of equalization meets annually on the second Tuesday in August at the state capitol. The board examines, compares, and equalizes assessments of locally assessed property to provide for uniform and equal assessments at the true and full value of similar taxable property throughout the state, as required by law.

The state board is responsible for equalizing assessments of real property among assessment districts of the same county and among the different counties of the state. The board may increase or decrease assessments in any assessment district and any county in which it determines the assessments are too low or high.

The state board shall equalize the classification and taxable status of real property in any assessment district in which the board determines the classification or taxable status is incorrect or inequitable.

The state board shall provide for reviews of selected properties, parcels, or lots within each county.

The state board may order a new assessment of any class of property or of all the property located within any political subdivision.

The State Board of Equalization may not approve valuation and assessment in any taxing district in which the true and full value for residential and commercial property exceeds the true and full value as determined by the sales ratio study.

If a taxpayer or representative has appealed an individual assessment, personally or by mail, the state board may change the assessment if it is established that the taxpayer first appealed the issue to the local and county equalization boards. A property owner who is a nonresident of an organized township or whose property is located in an unorganized township or whose property has been included in a new assessment is required to appeal only to the county board of equalization. [See N.D.C.C. §§ 57-09-04, 57-12-02 and 57-14-08.] If the state board believes an assessment on any individual property is too low, it may increase the assessment. The secretary must send a notice of the amount of increase to the property owner.

The tax commissioner certifies to each county auditor the abstract of the proceedings of the state board of equalization and specifies the changes necessary to equalize valuations of each class of real property in the county. The proceedings of the state board of equalization are published in an annual report.

\* Indicates significant change since last revised.

## NEED FORMS OR ASSISTANCE

Phone: 701.328.3127  
Speech/hearing impaired - call Relay North Dakota at 1.800.366.6888  
Email: [propertytax@nd.gov](mailto:propertytax@nd.gov)  
Website: [www.nd.gov/tax](http://www.nd.gov/tax)  
Write: Office of State Tax Commissioner  
600 E. Boulevard Ave., Dept. 127  
Bismarck, ND 58505-0599