



**CITY OF  
MANDAN**

"WHERE THE WEST BEGINS"

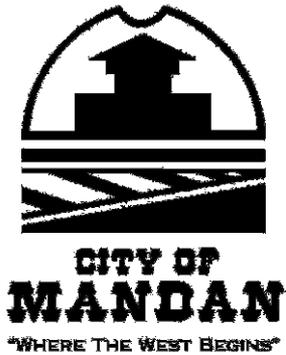
# City of Mandan City Board of Equalization

## April 21, 2015

### 7:00 PM



*Photo credit: N.D. Department of Transportation*



**TO: MAYOR VAN BEEK & MANDAN CITY COMMISSIONERS**  
**FROM: SHIRLEY SHAW, CITY ASSESSOR**  
**DATE: APRIL 21, 2015**  
**SUBJECT: 2015 ANNUAL ASSESSMENT REPORT**

This 2015 annual report of the Mandan Assessing Division is a summary of the 2015 assessment roll and a review of what has occurred in terms of real estate value and appraisal activity of this division through December 2014. Procedures of assessment and appraisal are conducted under guidance from the North Dakota Tax Commissioner's Office, the North Dakota Century Code and nationally recognized standards of mass appraisal of real property. North Dakota law requires assessors to value or appraise property at true and full value as of February 1 of each year. This amount can also be referred to as market value. It is the value most people would likely pay for a given property in its present condition. Assessors apply mass appraisal techniques. The Assessing Department 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. The assessing department maintains all property records for each parcel within our jurisdiction. This condensed report is a summary of the final assessment roll. Any changes in value that the Local, County or State Boards of Equalization may make will be reflected in the final assessment.

The 2015 assessment roll total market value after exemptions is \$1,566,983,990. This is an increase from the 2014 assessment roll total of \$299,589,576 or 24%. Of this increase, new construction contributed \$85,836,200. An extensive review of existing properties indicated that an update in market values was needed to accurately reflect Mandan's increasing market, the increase for residential properties was \$221,179,465 or 24%. To comply with North Dakota State Tax Department guidelines, and the State Board of Equalization 2013 recommendation that the City of Mandan reappraise all vacant land and equalize improved commercial properties for 2014, the assessing department has continually been working on this project, and completing it for the 2015 assessment year. The review indicated that existing commercial properties saw an increase of \$93,838,953 or 36%. Vacant land values saw an increase of \$2,546,200 or 10%. Adjustments have been made on individual properties within all classes of real estate.

The City of Mandan has a total parcel count of 8,506 which is slightly down from last year due to combining several parcels into one.

Our office sent out 4,772 notices of increase this year, and of those we had several hundred phone calls, making adjustments and reassessing properties as warranted. We were able to completely convert all our parcel data from the old assessing program to our new Vanguard CAMA system.

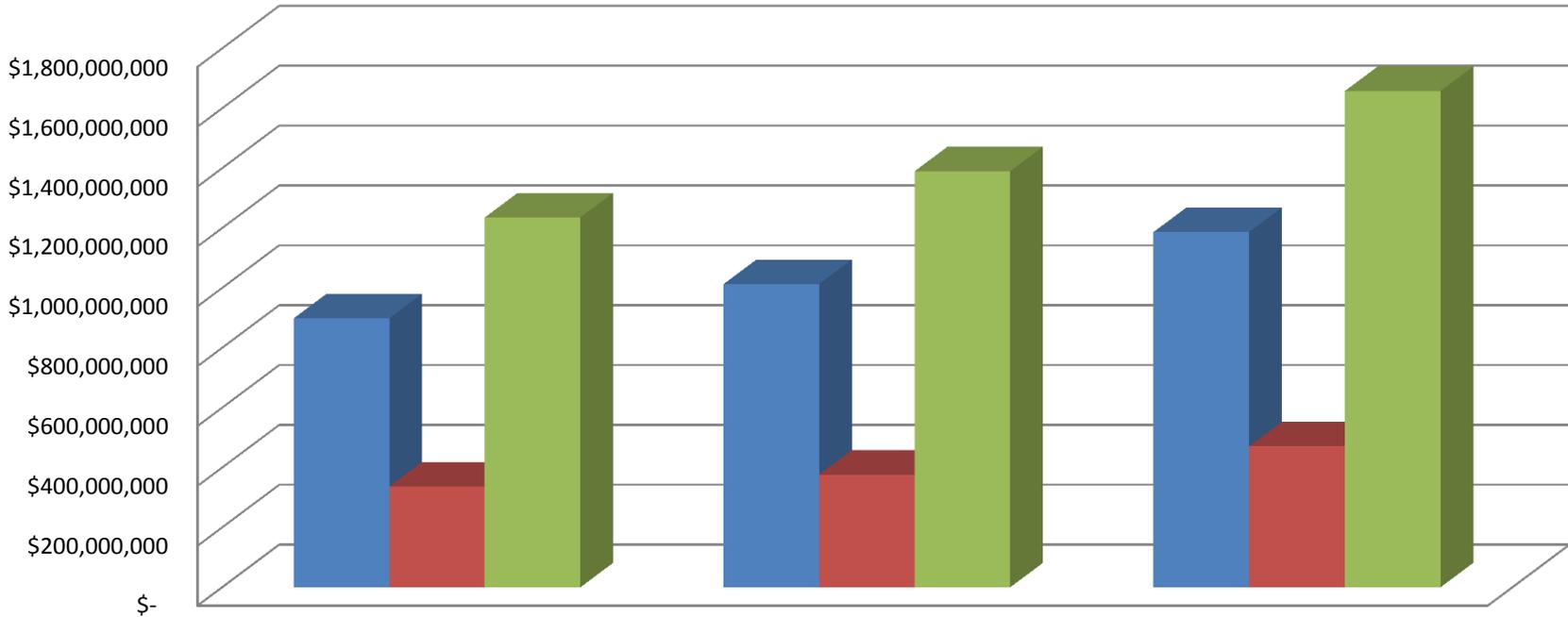
**If any property owner has a question regarding the value of their property, please print your name and best phone number to reach you at on the sign-up sheet and we will contact you within the next few weeks to review your property, and make adjustments if warranted. If adjustments are warranted we will submit the changes to the Morton County Board of Equalization at the June 2nd meeting at 5:30pm.**

The assessing department did review and reassess all commercial properties within the city, breaking it into different categories, for example, gas stations, stores, restaurants/bars/fast food services, motels, apartments, shop condos, storage facilities and so on.

The Mandan Assessing Division respectfully recommends that the assessment roll be approved as submitted. Should anyone appear before the Board to protest an assessment in the 2015 report, the Mandan Assessing Division will employ the abatement process pursuant to the State law. Respectfully Submitted,

Shirley Shaw  
City Assessor  
City of Mandan

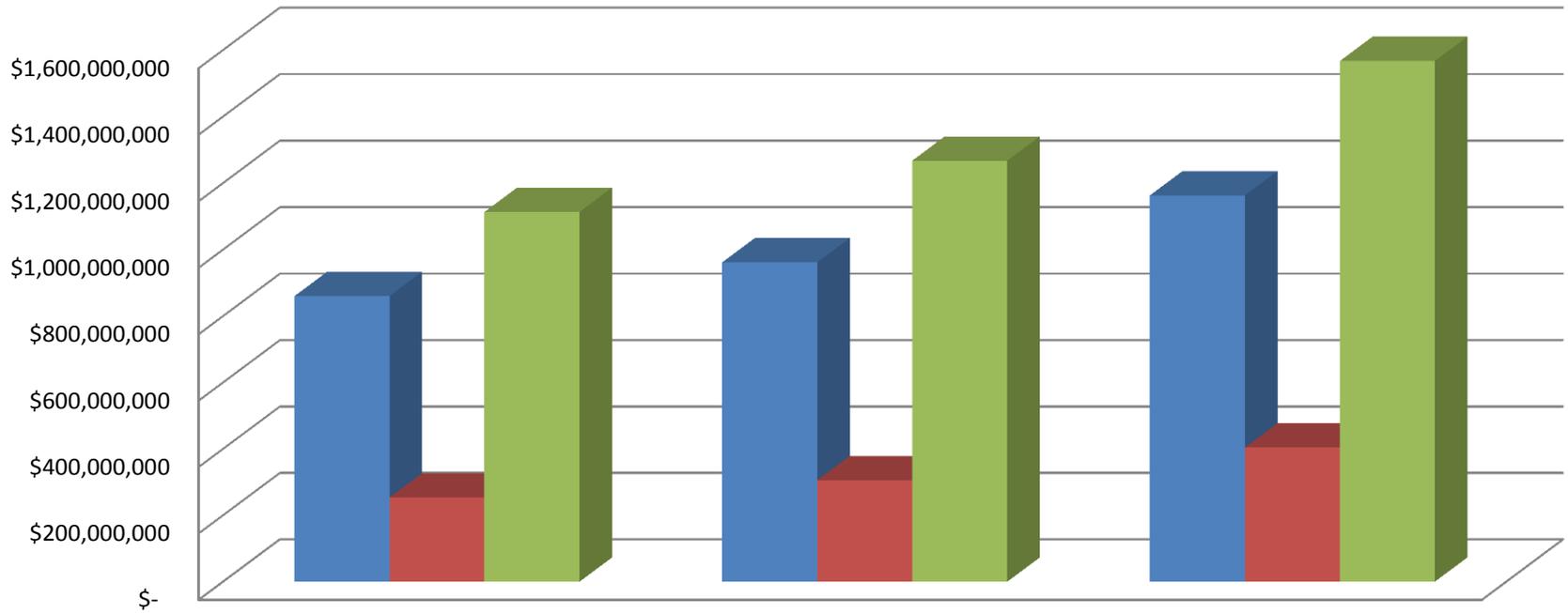
## True and Full Values before Exemptions



	2013	2014	2015
■ Residential	\$898,817,115	\$1,013,054,650	\$1,186,802,959
■ Commercial	\$336,803,585	\$376,996,433	\$471,068,476
■ Total	\$1,235,620,700	\$1,390,051,083	\$1,657,871,435

\*Please note that the difference in the Exempted values from previous years to the current 2015 year; in previous years we tried to calculate a total number for Non-Discretionary Exemptions which is hard to do as we don't have values on all those properties, so this was removed to give a more accurate number. Please see next slide for Non-Discretionary properties.

## True and Full Values after Exemptions



	2013	2014	2015
Residential	\$859,822,595	\$961,463,414	\$1,162,897,800
Commercial	\$253,352,356	\$305,931,000	\$404,086,190
Total	\$1,113,174,951	\$1,267,394,414	\$1,566,983,990

\*Please note that the difference in the Exempted values from previous years to the current 2015 year; in previous years we tried to calculate a total number for Non-Discretionary Exemptions which is hard to do as we don't have values on all those properties, so this was removed to give a more accurate number. Please see next slide for Non-Discretionary properties.

**PROPERTY EXEMPTIONS OFFERED IN CITY OF MANDAN**  
**EXEMPTIONS CLAIMED PURSUANT TO ONE OF THE SECTIONS OF THE**  
**NORTH DAKOTA CENTURY CODE**

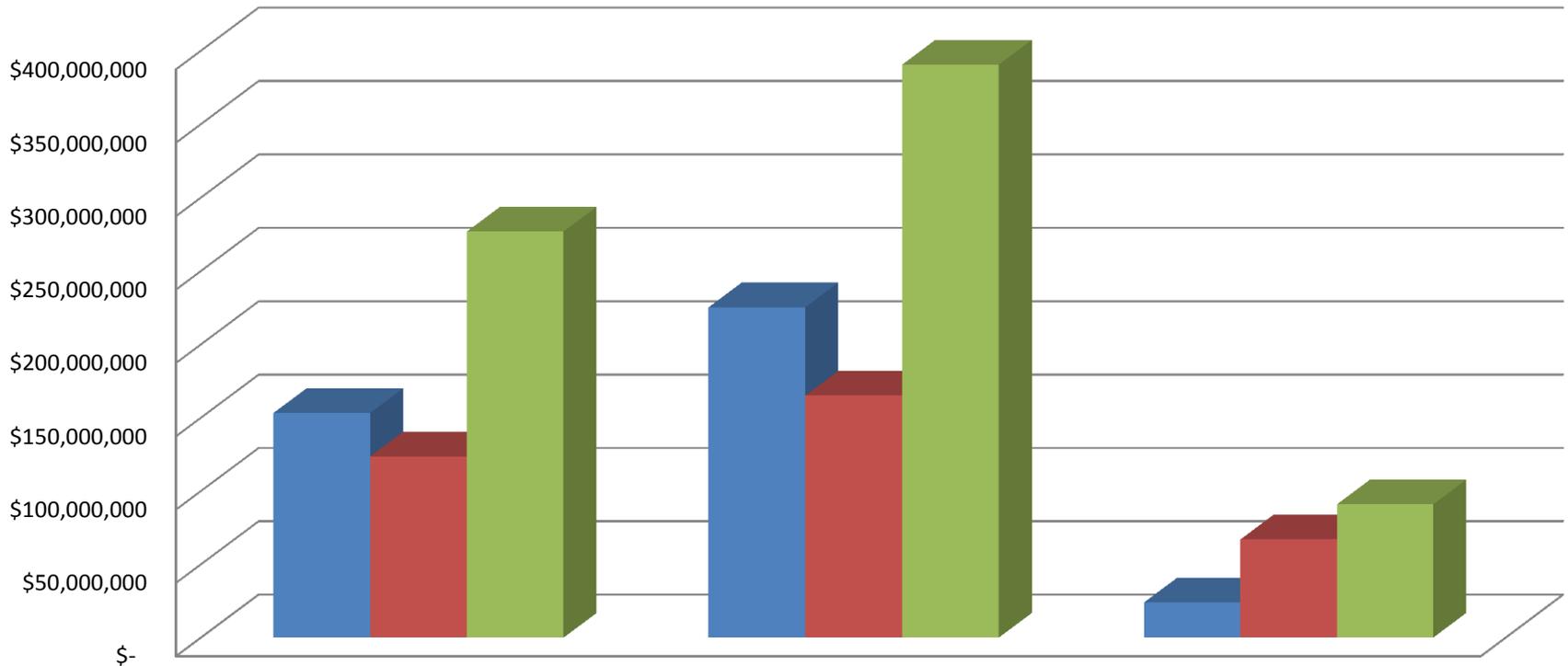
**AN EXEMPTION IS A REDUCTION IN VALUE OF A PROPERTY, AUTHORIZED BY LAW, AND MAY BE DISCRETIONARY (AT THE DISCRETION OF THE LOCAL GOVERNING BODY) OR NON-DISCRETIONARY (REQUIRED BY LAW). AFFECTED POLITICAL SUBDIVISIONS FOREGO TAXES THAT WOULD OTHERWISE HAVE BEEN LEVIED ON THE EXEMPT PROPERTY.**

Non-Discretionary Exemptions: (Absolute Exemption: absolutely exempt from all process, levy or sale: NDCC 28-22-02 & 40-01-07)

- Public Hospitals
- Churches
- Cemeteries
- Nursing Homes
- Non Profit Lodges/Organizations
- Public Schools
- City/County/State owned property
- Utilities & Northern Pacific

Total of Fully Exempt Properties: 830

## Exempted Values



	2013	2014	2015
Residential	\$153,232,055	\$225,339,545	\$23,905,159
Commercial	\$123,644,077	\$165,137,476	\$66,982,286
Total	\$276,876,132	\$390,477,021	\$90,887,445

\*Please note that the difference in the Exempted values from previous years to the current 2015 year; in previous years we tried to calculate a total number for Non-Discretionary Exemptions which is hard to do as we don't have values on all those properties, so this was removed to give a more accurate number. Please see next slide for Non-Discretionary properties.

Discretionary Exemptions: (Left to or regulated by one's own discretion or judgment. Voted on & approved by City Commission as offered to the public. NDCC 57-02)

- New & Expanding Business = 22 = \$54,339,125 (Still Active prior to change)
- Commercial Remodeling = 14 = \$3,142,718
- Residential Remodeling = 30 = \$1,312,659
- Renaissance Zone 16 Total = \$9,670,743 (2 Residential = \$170,300)
- 2 year New Home Construction = 251 = \$18,825,000
- Blind (Up to \$160,000) = 16 Total = \$2,333,600
- Wheelchair (Up to \$100,000) = 13 Total = \$1,263,600

Total: 362

Total Exempted: \$90,887,445

## **2 Credits offered: Reimbursed by the State**

- Homestead Credit (251 active applicants)
- Disabled Veteran (50% or greater disabled)  
(104 active applicants)

# NEW CONSTRUCTION INCREASES BREAKDOWN 2015

- COMMERCIAL PROPERTY

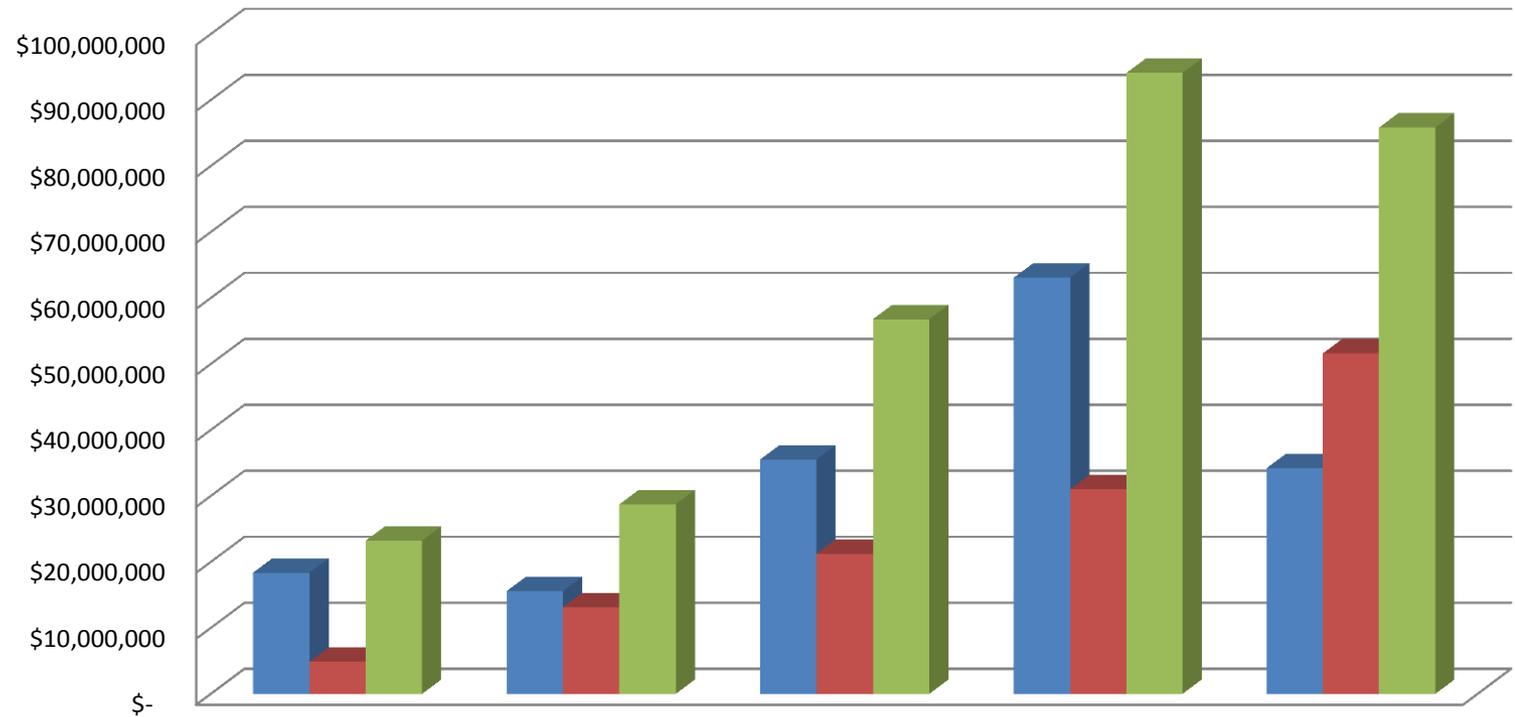
<u>LAND:</u>	\$3,645,100
<u>STRUCTURES:</u>	\$47,967,100
<u>TOTAL:</u>	\$51,612,200

- RESIDENTIAL PROPERTY

<u>LAND:</u>	\$3,575,100
<u>STRUCTURES:</u>	\$30,648,900
<u>TOTALS:</u>	\$34,224,000

\*Please note these are total values that are added on the taxable valuations.

## New Construction Values



	2011	2012	2013	2014	2015
■ RESIDENTIAL	\$18,372,947	\$15,577,600	\$35,531,860	\$63,075,800	\$34,224,000
■ COMMERCIAL	\$4,854,700	\$13,149,000	\$21,255,200	\$31,016,740	\$51,612,200
■ TOTAL	\$23,227,647	\$28,726,600	\$56,787,060	\$94,092,540	\$85,836,200

# 2015 COMPLETED EXEMPTIONS/NEW VALUES ADDED TO CITY OF MANDAN

- 2 YEAR NEW HOME CONSTRUCTION EXEMPTION:  
TOTAL: 120 Completed  
STRUCTURAL VALUE ADDED: \$9,000,000
  
- RENAISSANCE ZONE EXEMPTION:  
TOTAL: 1 Completed  
STRUCTURAL VALUE ADDED: \$86,200
  
- NEW BUSINESS EXEMPTION:  
TOTAL: 16 Completed  
STRUCTURAL VALUE ADDED: \$20,854,400

- **57-01-06.1. Statement of legislative Intent concerning use of sales, market, and productivity studies.**

It is the intent of the legislative assembly that local assessors, county directors of tax equalization, and city, township, county, and state boards of equalization use the results of sales, market, and productivity studies as a guide in making assessments and in equalizing assessments of property in this state. The legislative assembly recognizes that sales of property alone provide insufficient information to make accurate judgments concerning the market value of property within the various counties of this state, particularly in view of the limited number of sales which occur within a given period of time in many counties, and that, in order to get an accurate picture of market value, consideration must be given to such factors as property appraisals, productivity, and current usage of property.

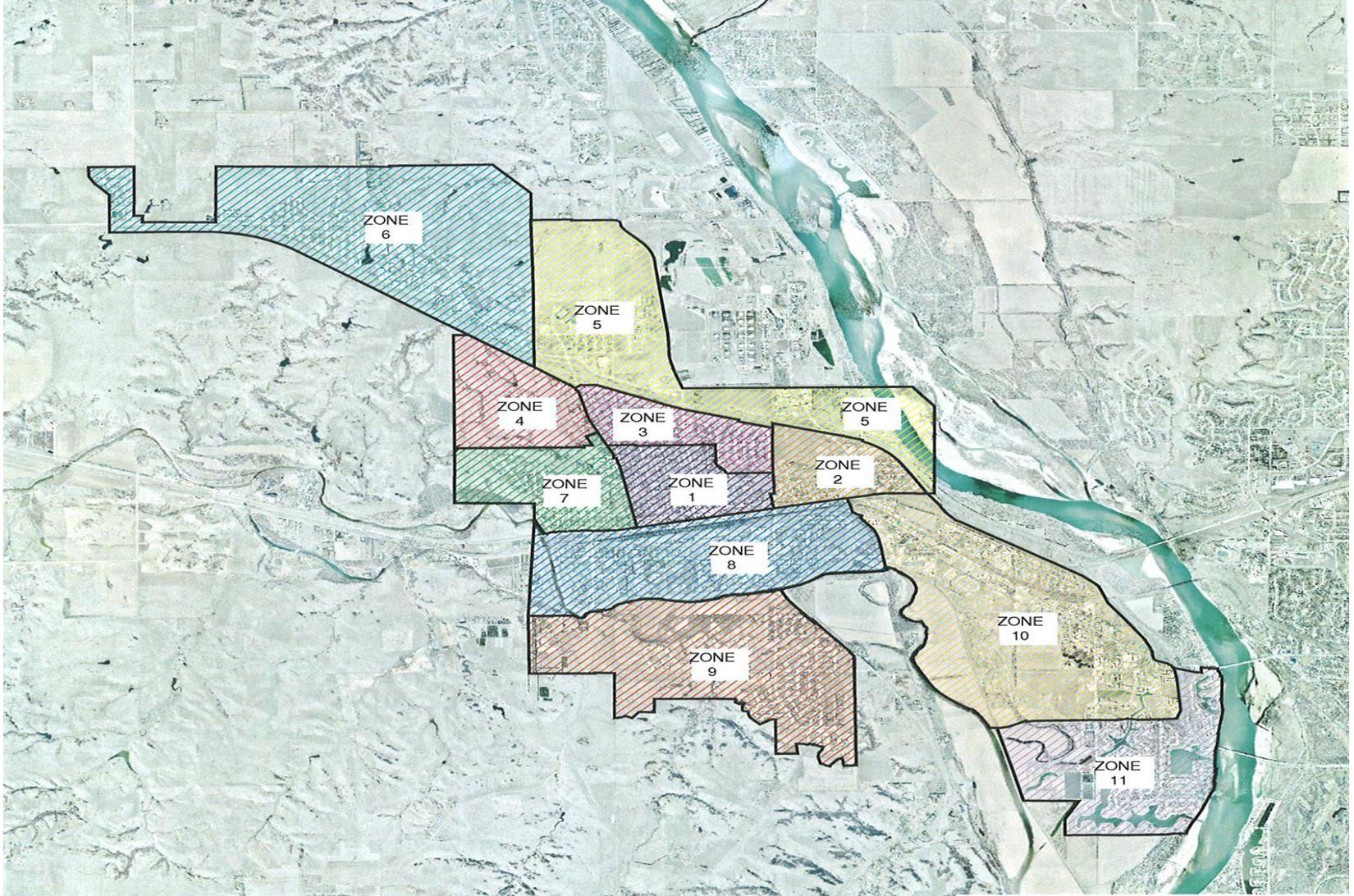
- North Dakota law requires assessors to value, or appraise property at true and full value as of February 1 of each year. This amount can also be referred to as market value. Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.
- Each property's share of the property tax is based on the assessor's value. Although the work of the assessor doesn't determine the total amount of taxes paid, it does affect the uniform distribution of the property tax burden.
- **North Dakota Century Code § 11-18-02.2**, provides for statements of full consideration to be filed with either the state board of equalization or the county recorder. The purpose of the statements of full consideration is to provide information for the Assessment Sales Ratio Study (ASRS) which is done annually. The ASRS consists of comparisons of the assessment to the sale price of property in the year which the property sold. The ASRS for the current year reflects sales prices and assessments during last year, referred to as the base period. The ASRS, Assessment Abstract and the Supplementary Abstract form the basis by which the state board of equalization performs its equalization duties prescribed by law.
- **Use of the Sales Ratio Study for Mass Appraisal Performance Analysis** N.D.C.C. § 57-02-27.1 : N.D.C.C. § 57-01-06
- The sales ratio study is intended to be a tool assessment officials may use to measure and evaluate their assessments. Assessment officials should examine what the statistics are indicating, and correct valuations that do not represent market value and are inequitable. It is improper for assessment officials to change assessments of property that sell to the indicated sale price without reviewing assessments of other similar properties that have not sold. By changing assessments of only the properties that sell, assessment officials create inequities instead of correcting them. The State Board Of Equalization lowered the tolerance level for 2012 agricultural, residential, and commercial property assessments from 95 to 100 percent of true and full value down to 90 to 100 percent for counties and the major cities. The main reasons for lowering the tolerance level were the significant increases in agricultural land values statewide and the increases in residential and commercial property assessments, with most of the significant increases taking place in the western part of the state. Even though we have lower tolerance levels, SBOE encourages assessors to work on getting assessments as closer to 100% of T&F values as required by statute.

# City of Mandan

## Sales Ratio Map Area Strata

### 2015

	COMMERCIAL		RESIDENTIAL	
	2014	2015	2014	2015
1 TRUE AND FULL VALUE*	\$ 273,776,337	\$ 404,086,190	\$ 974,707,635	\$ 1,162,897,800
SUPPLEMENTARY ABSTRACT				
2 INCREASES		51,612,200		34,224,000
3 DECREASES	6,719,300		2,092,300	
4 ADJUSTED T&F VALUES (Line 1 minus L. 2 or L. 3)	\$ 258,635,037	\$ 352,473,990	\$ 907,494,335	\$ 1,128,673,800
5 2014 T & F/SALES RATIO	70.4%		82.2%	
6 INDICATED MARKET VALUE 2014 (Line 4 ÷ Line 5)	\$ 367,379,314		\$ 1,104,007,707	
7 2015 T & F/MARKET VALUE RATIO % (2014 Line 4)/(Line 6)		95.9%		102.2%
8 MKT VALUE MINUS 2015 T&F (Line 6 - 2014 Line 4)		\$ 14,905,324		\$ (24,666,093)
9 INDICATED CHANGE NEEDED TO REACH 100% VALUE (Line 8 / 2015 Line 4)		4.0%		-3.0%



**LEGEND**

ZONE 1		ZONE 6	
ZONE 2		ZONE 7	
ZONE 3		ZONE 8	
ZONE 4		ZONE 9	
ZONE 5		ZONE 10	
		ZONE 11	



# City of Mandan Assessing Zones

May 1<sup>st</sup> will start the new City of Mandan reassessing 7 year cycle of newly zoned areas.

7 Year Cycle: with 3 Assessors

Year 1- Zones 1 & 2 = 1,538 Parcels = 513 Parcels each (2015)

Year 2- Zones 3 & 4 = 1,118 Parcels = 373 Parcels each (2016)

Year 3- Zones 5 & 6 = 1,295 Parcels = 432 Parcels each (2017)

Year 4- Zones 7 & 8 = 1,256 Parcels = 419 Parcels each (2018)

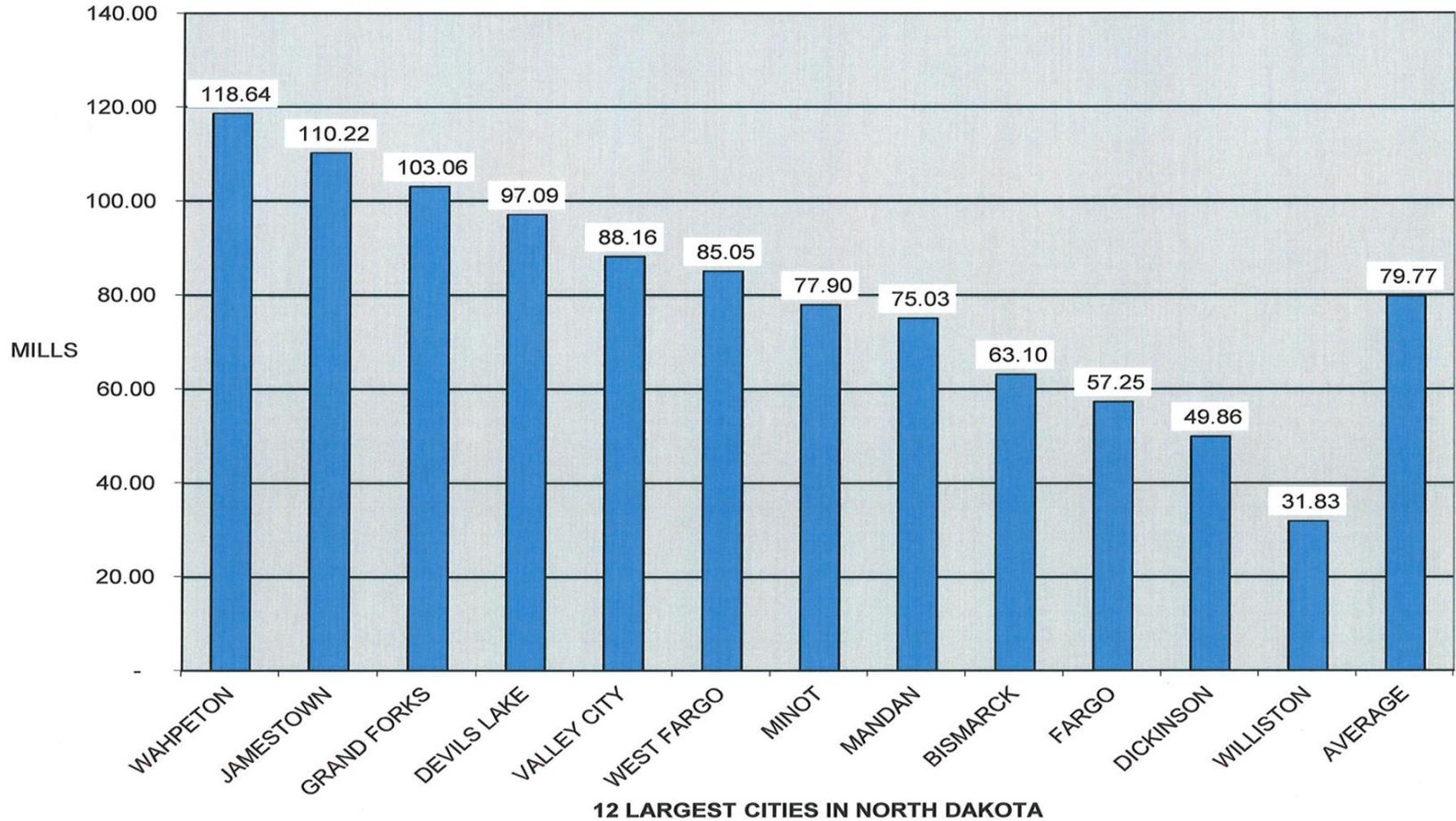
Year 5- Zones 9 & 10 = 1,630 Parcels = 544 Parcels each (2019)

Year 6- Zones 11 & 12 = 1,835 = 612 Parcels each (2020)

Year 7- 2012-2020 New Subdivisions & New Commercial properties, every year we add new subdivisions and those are assessed in current years and would then be added to the 7 year cycle. (2021)

\*Please note that the total numbers for parcels in each zone are subject to change, as parcels are always added in as we get new constructions, or deleted out as they may be combined with other parcels.

# CITY MILL LEVY TAX YEAR 2014



For more information  
Contact the Assessing office at  
701-667-3232

[www.cityofmandan.com](http://www.cityofmandan.com)