
The Mandan Board of Equalization met in regular session at 7:00 p.m. on April 15, 2014 in the Ed “Bosh” Froehlich Room at City Hall. Present were Commissioners Van Beek, Braun, Tibke, Rohr and Frank. Also present were Finance Director Greg Welch, City Attorney Malcolm Brown, City Administrator Neubauer, and City Assessor Shaw.

PRESENTATION OF THE BOARD OF EQUALIZATION DOCUMENTATION DATA: Shirley Shaw, Mandan City Assessor, presented the Mandan Board of Equalization Report for 2014 summarized as follows:

The 2014 annual report of the Mandan Assessing Division is a summary of the 2014 assessment roll and a review of what has occurred in terms of real estate value and appraisal activity of the division through December 2013. The procedures of assessment and appraisals are conducted under the guidance of the North Dakota State Tax Commissioner Office, the North Dakota Century Code, and the nationally recognized standards of mass appraisal of real properties. North Dakota law requires assessors to value or appraise property at true and full value as of February 1st of every year. This amount is also referred to as a market property value. It is the value most people will likely pay for 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 property subject to taxation and all taxable improvements and structures located on the property. The Assessing Department maintains all property records for each parcel within its jurisdiction. The following condensed report is a summary of the final assessment roll for 2013. Any changes in the values that the local, county or state Boards of Equalization may make will be reflected in the final assessment. The 2014 Annual Assessment Report is as follows:

- The 2014 assessment roll total market value after exemptions is \$1,267,394,414;
- The increase from 2013 was \$154,219,463 or a 11.38% increase;
- New construction contributed \$94,092,540 million; North Annexation contributed \$4,910,800. An extensive review of existing properties indicated that an update in market values was needed to accurately reflect Mandan’s increasing market, that average increase for residential properties was 9%. To comply with the ND State Tax Dept. guidelines, the State Board of Equalization 2013 recommended that the City of Mandan reappraise all vacant land and equalize improved commercial properties for 2014, the review indicated that existing vacant lots saw an average increase of 15% and existing commercial properties saw an average increase of 3%. Adjustments have been made on individual properties within all classes of real estate.
- The City Assessor’s Office sent out 1,079 notices of increase this year, and of those there were 21 phone calls received. The City has a total parcel count of 8,624.
- An introduction of the Assessor’s Office Staff was provided: Jon Benz, Assessor/Building & Plumbing Inspector; George Railsback, Assessor/Building

Inspector; Steve Roe Assessor/Building & Plumbing Inspector; Rachel Hastings, Administrative Assistant and Data Collector.

Assessor Shaw reviewed the following numbers - and provided comparisons back to the 2010 statistics on record. The following are the 2014 figures:

- ~ Commercial Properties:
 - o \$376,996,433 = True and Full value for Commercial buildings
 - o True and Full value less exemption: \$305,931,000
- ~ Residential Properties:
 - o \$1,013,054,650 = True and Full value for Residential structures
 - o True and Full value less exemption: \$961,463,414
- ~ Total before exemptions: \$1,390,051,983
- ~ Total after exemptions: \$1,267,394,414
- ~ Total parcels = 8,624

Assessor Shaw reviewed the exemptions allowed under state statute:

- Public Hospital
- Churches
- Cemeteries
- Nursing Home
- Non Profit Lodges/Organizations
- Public Schools
- City/County/State owned property
- Utilities and Northern Pacific

Total of Fully Exempt Properties: 830

Total Market Value: \$80,489,900

Discretionary Exemptions (Left to or regulated by one's own discretion or judgment.

Voted on and Approved by City Commission as offered to the public NDCC 57-02)

- New & Expanding Business
- Commercial remodeling
- Residential remodeling
- Renaissance Zone
- 2 year new home construction
- Blind
- Wheelchair

Total: 246

Total Market Value: \$42,166,769

2014 New Business Exemptions

Total: 16

New Construction Values

~ Residential	\$63,075,800
~ Commercial	\$31,016,740
Total:	\$94,092,540

2014 Completed Exemptions New Values added to the City of Mandan:

1. 61 2 yr. new home construction, structural value added \$4,575,000
2. 9 Renaissance Zone, structural value added \$3,032,400
3. 3 New Business, structural value added \$2,444,300
4. 31 New Subdivisions were added 2014
5. 162 Single Family Dwellings
6. 8 Apartment Buildings
7. 18 Commercial Buildings
8. 1,899 Total permits issued

State of North Dakota Office of State Tax Commissioner 2013-2014 Ratio Adjustment Worksheet – is within the medians of 90-100%:

1. Commercial Sales: 95.8%
2. Residential Sales: 91.5%

2013 Real Estate Property Tax Breakdown “Where do your local property taxes go?”

- 24.7% City
 - 33.6% School
 - 29.3% State and County
 - 11.3% Parks
 - 1.1% Water District
- 100%

2013 Comparison of the 12 Largest Cities in North Dakota:

18, 978 Mandan Population
 \$51,346,602 2013 Taxable Valuation
 81.78 City 2013 Mill Levy for a Total of 331.16

Finance Director Welch directed the Commission’s attention to a handout on the overhead that was provided to everyone. He stated that the work the Board of Equalization performs eventually translates into taxable valuations of which the City’s Budget and Finance Committee uses to determine what the value of one mill will be, for example, for the 2015 budget. This also assists in determining what the mill levy will be and also the property taxes. Finance Director Welch provided information from the last five years as to what the increase has been in the City taxable valuation. This would include residential and commercial for new values and existing increases in valuations for residential and commercial property. The City has “turned the corner” as far as property taxes and the reliance on them and there was actually a 1% decrease in city property tax in 2012 for the 2013 budget. In 2013 we reduced reliance on city property taxes by an additional 4%. This turning of the corner for the City is largely due to the growth of the local economy due to increased sales tax due to construction activity. For 2014, the City Commission approved 10% of sales taxes to be transferred to the General Fund to help with property tax relief. The total contribution from sales tax is .50 on the dollar which has helped in stepping down the property taxes. It is uncertain where the 2015 budget will be but this is a start in the step down to support the local budget.

Marshall Feland came forward to speak. He stated that Assessor Shaw said approximately 15% is average valuation. He indicated that they raised the valuation on his house 12.674%. He has no problem with that but said that he has not lived in the house yet. He stated that his other lots are different. One that is an 98.82% increase; another one at 96.296%, and another one at 98.89%, all increased in one year. He questioned how this can be done in one year.

Assessor Shaw stated that to address Feland's concern; he is referring to property that he owns along the strip in Mandan. That is part of the property areas that were focused on up in the northwest part where a lot of new construction is going on. Because the sales in 2012 and 2013 indicated tremendous increases and the values were really low. That fell into where the State Board mandated that the City reassess all of the vacant lots and existing commercial properties for 2014. She indicated that on the property he is referring to, all the lots are approximately one acre or less and he had only \$1.02 per acre value on these properties so they were increased to \$2.00 per square foot for the values. That was done on all the properties in that area and Assessor Shaw stated that all the lots in those areas received the same increase. So his value went from \$41,200 in 2013 to \$84,300 in 2014. The sales show that the properties in that area run anywhere from \$3 to \$6 per square foot.

Commissioner Tibke questioned that since this is a State mandate, what would happen if the City does not follow a State mandate from the City's perspective? Assessor Shaw replied that the State would come in and increase the valuation and it would be higher than what the City has determined. Linda Morris from Morton County was available for questions/answers. Mayor Van Beek indicated this matter can be addressed at a later time at the proper venue, if needed.

Assessor Shaw indicated that if there are questions, citizens can contact her at the City Assessors Office at (701) 667-3232.

Commissioner Frank moved to approve the City of Mandan Board of Equalization Report and assessments as determined by the City Assessor's Office as presented.

Commissioner Braun seconded the motion. Roll call vote: Commissioner Braun: Yes; Commissioner Rohr: Yes; Commissioner Van Beek: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes. The motion passed.

There being no further action to come before the Board, Commissioner Frank moved to adjourn the City Board of Equalization meeting. Commissioner Braun seconded the motion. The motion received unanimous approval of the members present. The meeting adjourned at 7:26 p.m.

/s/ Shirley Shaw

Shirley Shaw, City Assessor

/s/ Arlyn Van Beek

Mayor Arlyn Van Beek