



**CITY OF
MANDAN**

"WHERE THE WEST BEGINS"

SPECIAL ASSESSMENT POLICY

BENEFIT DETERMINATION AND DISTRIBUTIONS

Adopted by the Mandan City Commission on January 19, 2016

<u>Table of Contents:</u>	<u>Page</u>
General Policies and Procedures:	2
Background of 2015 Legislative Requirements:.....	2
Determination and Distribution of Assessments:.....	3
Special Assessment Districts:.....	4
1. Storm Sewer.....	4
2. Street Lights	4
3. Streets (local, collector and arterial) and Alleys.....	4
4. Sidewalks, driveways	5
5. Water Mains.....	5
6. Sanitary Sewer Mains	6
7. Weed Cutting, Snow Removal, Building Demolition, Delinquent Bills, and Health and Safety.....	7
8. Flood Protection	7

GENERAL POLICIES AND PROCEDURES

Special Assessments are the method the City of Mandan uses to defray the cost of public improvements as power given by the North Dakota Century Code (NDCC) Chapter 40-22. The costs of the improvements are allocated to parcels or lots that directly benefit from these improvements. The policies and procedures are an effective tool for the management of municipal resources which support a highly functional and well maintained system of infrastructure that promotes economic development and growth. They also provide for and ensure consistent, uniform, fair and equitable treatment, insofar as is practical, lawful and possible for all property owners in regards to the assessment of cost for benefits to properties for the qualifying improvements as listed in the NDCC.

Special assessments respond to the community needs and desires for health, safety, welfare, accessibility and mobility thus reducing the burden on the property tax levy as provided by new infrastructure and the maintenance of existing assets. Property owners benefiting from public improvements have the opportunity for involvement with the Special Assessment Commission and City Commission through Public Hearings.

The majority of the improvement district types the City special assesses are water and sewer districts as approved by the City Commission, street paving districts for new development, reconstruction and rehabilitation of existing streets, storm sewer districts, street lighting districts and/or district type as outlined and allowable according to NDCC 40-22-01. The City of Mandan follows requirements of Chapter 40-22 in the creation of all special assessment districts.

BACKGROUND ON 2015 LEGISLATIVE REQUIREMENTS

The Sixty-fourth Legislative Assembly of North Dakota in their regular session which commenced on Tuesday, January 6, 2015 passed House Bill No. 1392. This bill became effective August 1, 2015.

Reference House Bill No. 1392

AN ACT to create and enact a new section to Chapter 40-22 of the North Dakota Century Code (NDCC), relating to adoption of municipal policy establishing special assessment determination methods for allocation of assessments among and within classes of property.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 40-22 of the North Dakota Century Code is created and enacted as follows:

40-22-01.2 Municipal policy providing special assessment determination methods for allocation of assessments among and within classes of property.

“Within five months of this section becoming applicable to a city, the governing body of each city with a population exceeding ten thousand shall adopt written policies, after a public hearing for consideration of the policies, which can be applied for cost allocation among properties benefited by a special assessment project. Policies established under this section must provide separately the policy that can be applied for cost allocation for each kind of special assessment and the cost allocation method for residential, commercial and agricultural property and for any property subject to separate or special assessment factors or assessment rates.”

DISCLAIMER: The following policies, procedures and methods of determining benefits serve as a guide used for the City of Mandan’s special assessment process as set forth by North Dakota Century Code 40-23. The City Commission has the authority to alter, apply exceptions or discontinue any policy as deemed necessary at any time.

DETERMINATION AND DISTRIBUTION OF BENEFITS

The determination of benefits for each lot or parcel within the improvement district is the jurisdiction of the Special Assessment Commission (three-member committee appointed by the City Commission) as stated in NDCC Chapter 40-23. Municipality personnel provide the Special Assessment Commission with information, advice and assistance as it may request or deem necessary. The methods of distribution indicates a typical distribution of benefits; however, there may be additional methods that may be applied to a project to distribute the benefit if deemed necessary. The basic methods of assessments are per lot or parcel unit cost, front footage, lot area or a combination of these methods. Unique or unusual circumstances may justify special consideration.

Special Assessment Districts

1. Storm Sewer

- 1.1. The district boundaries are determined by the watershed areas.
- 1.2. The preferred method of distributing benefits for single-family, multi-family, commercial, industrial and agricultural properties is by using the area of each property draining into the system. Each property is generally recognized as receiving a benefit in proportion to the size of the lot.
- 1.3. For unannexed parcels of land receiving benefit from the construction of a new storm sewer, the cost is held in abeyance and assessed when the parcel and/or parcels are included within a district as the land is annexed to the City. The City Commission may defer assessments for the period of years in which the original assessments were spread.

2. Street Lights

- 2.1. Costs for street lighting are generally included within the construction of street improvement districts.
- 2.2. If a street lighting district is created by the City Commission or by petition, the cost allocations can be distributed by a per lot/parcel unit cost. For large odd shaped commercial or industrial parcels, the unit factor may be increased to reflect the benefit these properties receive.
- 2.3. A corner lot would receive one-half unit cost for a street light assessment should the other side benefit from street lighting that resides within a different district.

3. Streets (local, collector and arterial) and Alleys

New Pavement/reconstruction/resurfacing-patch, level, mill and overlay. Improvements may also include chip seal, curb and gutter, and street lights.

- 3.1. The district boundaries are drawn to include all properties benefiting from the improvement.
- 3.2. Typical benefit allocations on single-family, residential properties can be assessed by determining a unit cost. The allocation is based on a unit cost, if similar in size, by applying an equal cost share to each parcel/lot within the district. A unit cost may be

determined by taking the total project costs and dividing by the total lots within the district.

- 3.3. If the single-family residential properties vary greatly in size or front footage, the units may be increased or a combination of allowable methods may be used. For calculations purposes, all effective areas and front footages for all properties are provided by the City Assessor's Office.
- 3.4. Multi-family property may be special assessed at a greater number of units proportionate to the properties use of the benefits (apartments, duplexes, condominiums, twinhomes and/or townhomes, mobile home parks/ manufactured homes).
- 3.5. In districts containing strictly commercial and industrial zoning (no residential or multi-family) special assessments are determined by the area of the lot/parcel.
- 3.6. Corner lots are assessed at a rate of one-half the unit cost if only one street abutting the lot/parcel is constructed or improved. When the second street is constructed, one-half the unit cost can be assigned to the lot or parcel abutting that street thus allowing equality amongst the surrounding properties.
- 3.7. Benefits for agriculturally zone lands within a district may be determined based on the area of the parcel/tract of land.
- 3.8. The full cost to pave, resurface, or reconstruct public alleys can be assessed to properties that either abut the alley or have access to their property via the public alley.

4. Sidewalks and driveways

- 4.1. If the sidewalk or driveway is removed and replaced for an individual parcel/lot the total cost can be directly assessed to that parcel/lot.
- 4.2. If sidewalks or driveways are removed in order to construct a project, these costs are included within the project and assessed to the properties within that district.

5. Water Mains

- 5.1. Cost allocations are based on lot/parcel usage as to zoning of properties by residential (single or multiple), commercial and industrial.
- 5.2. Computations for single-family residential properties can be assessed by unit. A unit cost may be determined by taking the total project costs and dividing by the total lots within the district.
- 5.3. The benefits for multi-family, commercial and industrial lots/parcels are the product of the property's zoning and computations are determined by increasing the units based upon size, location and land use.
- 5.4. The assessments for agricultural lands may be determined based on the best and highest use of the property. The number of lots that could be platted for future development can be determined by using the area of the property. This provides the basis for assigning the number of assessable units of cost to the property.
- 5.5. Under certain circumstances the City may assume cost of oversize main installation.

6. Sanitary Sewer Mains

- 6.1. Cost allocations are based on lot/parcel usage according to zoning of the properties by residential (single or multiple), commercial and industrial.
- 6.2. Computations for single-family residential properties can be assessed by unit. A unit cost may be determined by taking the total project costs and dividing by the total lots within the district.
- 6.3. The benefits for multi-family, commercial, industrial and/or agricultural lots/parcels are the product of the property's zoning and computations are made by increasing the units as based upon size, location and land usage.
- 6.4. The assessments for agricultural lands may be determined based on the best and highest use of the property. The number of lots that could be platted for future development can be determined by using the area of the property. This provides the basis for assigning the number of assessable units of cost to the property.
- 6.5. Under certain circumstances the City may assume cost of oversize main installation.

7. Noxious Weeds and Tall Grass, Snow Removal, Building Demolition, Delinquent Bills, and Health & Safety

7.1. The costs to perform these services may be assessed against the properties receiving the benefit from any of these activities.

8. Flood Protection

8.1. The benefits would typically be determined by using the area of all properties within the district as approved by the City Commission.