

# 2025 BOE Meeting

April 9, 2025



< Insert Link to Video Here>

L:\Video Archive\2010-2019\2016\3 - March

# House Bill 1176 – Governor's Tax Bill

- **Increases Primary Residence Credit to \$1,250 from \$500**
- **Caps Taxing Entities Budget Increases to 3%**
- **Skin in the Game – Residents will pay at least 25% of Property Tax Bill**
- **Bonded Debt, Special Assessments, and Voter Approved Levys are unaffected**
- **No Change to Property Valuation procedure, must still be completed for Bonded Debt and Insurance purposes**
- **Passed Senate unanimously with amendments and returned to the House for consideration**
- **Governor still needs to sign**

# • Basics

The makeup of the property tax contains three primary elements:

- BUDGET: Taxing authorities (school, city, county, park, etc.) approve budgets annually for services residents want or asked for.
- VALUATION: Buyers and sellers in the market create value. Assessors study the market transactions and estimate value.
- TAXATION: Approved budgets are divided by the total taxable value and tax rates (mill levies) are set.

The amount of tax to be collected is calculated by dividing the budget by the taxable valuation:

$$\frac{\text{BUDGET}}{\text{TOTAL TAXABLE VALUE}} = \text{TAX RATE} \times \text{INDIVIDUAL PROPERTY TAX VALUE} = \text{TAX BILL}$$



The mill levy is calculated by taking the tax rate multiplied by 1,000.  
A mill is equal to 1/10 of 1¢.

# • Defining Property

Most property, but NOT all property, is subject to taxation. How and if property is taxed is defined as:

- Locally Assessed Property
  - All real property subject to property tax. Value as of February 1 of each year is used as the True and Full Value when calculating property taxes for that tax year.
- Centrally Assessed Property
  - The State Board of Equalization values certain property. These include railroads, pipelines, airlines, and investor-owned public utilities.
- Taxes Paid in Lieu of Property Taxes
  - As title states, this economic development tool is used to promote development. A property owner may apply to the City to provide a type of exemption allowing property taxes to be a pre-determined amount for a certain amount of years instead of paying the calculated amount.
- Rural Electric Cooperatives, Telecommunications Companies, Tourism, and other state owned and nonprofit organizations have guidelines set by State Tax Department and are assessed differently. (NDCC Chapter 57)
- In addition, the City can approve many different tax exemptions providing relief and encouraging growth. These exemptions include Homestead Credit, Improvements to Commercial and Residential Structures, New or Expanding Businesses, New Residential Property, etc.



# • Determining Property Values

- The first step in determining property taxes is calculating property values for all properties subject to taxation. The City Assessor is responsible for appraising each property, based on market value as the standard and to apply periodic updates to values as market conditions and properties change.
  - True & Full Value or Assessment Value. The starting point of assessing real property and standard of value to be used. Amount believed by assessor to be correct should be used even though property owner may disagree.
  - Market Value. The price a property would bring if it were offered for sale in the open market for a reasonable length of time and purchased by a willing buyer.
  - Property Classification. Buildings are most commonly classified as residential or commercial depending on use and qualifications determined by the State Tax Commissioner. Other classifications such as incomplete buildings and agriculture are other factors that affect actual value.

# • Equalization

Equalization is required to ensure the tax levy is fairly spread over all taxable property. The City governing board meets annually as the Board of Equalization during the first 15 days in April. Their responsibility is to make sure the assessment values (or true and full values) are fair, reasonable, and equitable. Taxpayers are provided an opportunity to appeal, and the Board may increase or decrease valuation to whatever is reasonable and fair.

The City's decisions are then brought to the County Equalization Board for review and approval and then finally to the State Board of Equalization.

# Equalization - Grading



## Grade Scale: 1-6

Grade 4: Avg for Pre 1990

Grade 3: Avg for Post 1990



Grade 5



Grade 3

# • Equalization & Sales Ratio

The State Board of Equalization requires the use of sales ratio as an indicator of assessment value compared to market value.

The information about sales compared to true and full values is used to determine different statistical measurements. An important ratio used in equalization is the Median Ratio. Per the guidelines set by the ND State Tax Commissioner's Office, the level of assessment should be 90% - 100% using the median calculation. These calculations should be provided by the City Assessor and presented at the Board of Equalization Meeting.

# • Equalization & Auditor Roles

The City Assessor will provide the completed assessment value list (assessment roll) to the City Auditor to have available for public inspection.

Notice must be provided to any owner of property that the true and full value has been increased by 10% or more and by \$3,000 or more. Notice must be completed at least 15 days before meeting.

The City Auditor is responsible for keeping the record of changes, if any, to valuations and of all other proceedings. Within 10 days after the completion of equalization, the assessment value lists must be delivered to the County Auditor.

## • Taxable Valuation

- The taxable valuation is the amount that is considered the *tax base*. This represents the net assessed value of all property within the jurisdiction subject to taxation.
- This amount is calculated by using an *assessment ratio* of 50%, then a factor of 9% to residential and 10% to all other property classes.
- The valuation multiplied by the mill levy will determine the total revenue to be received from property taxes.

# • Example

A house is valued at \$400,000. What is its taxable value?



True and Full x .5 = Assessed Value

Assessed Value x .09 = Taxable Value

Taxable Value =

\$400,000 x .5 x .09 = \$18,000

# • Example

Assuming the total amount of approved budgets is \$36,534,135 and total taxable value of all properties is \$140,461,880.

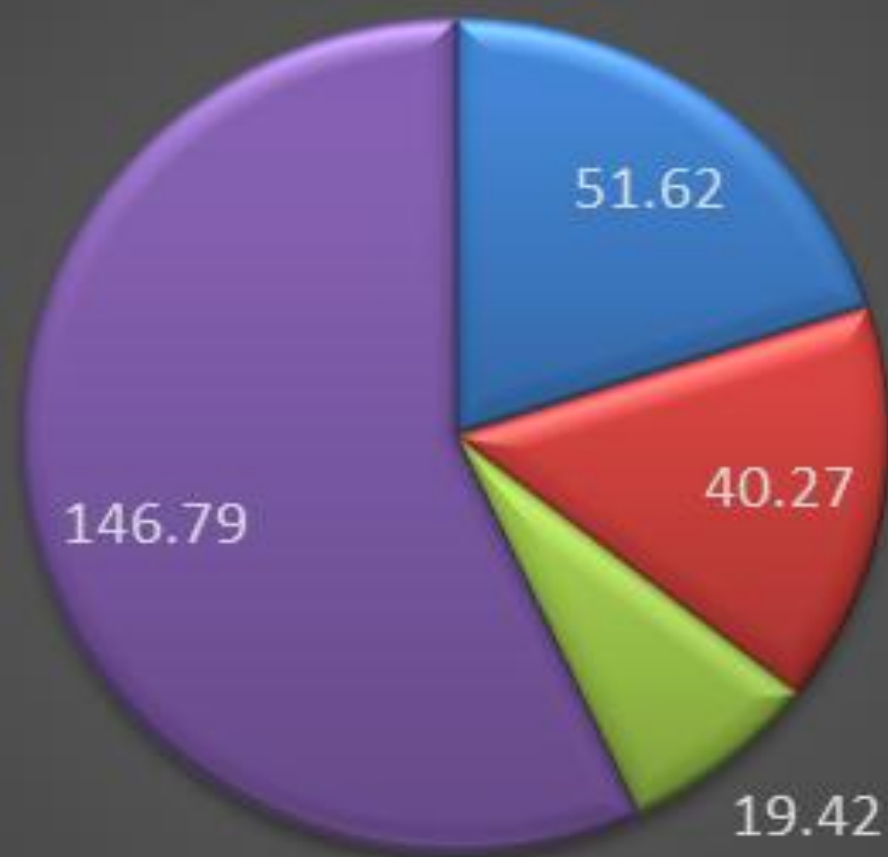


$$\frac{\$36,534,135}{\$140,461,880} = .26010$$

$$\text{HOME TAXABLE VALUE: } \$18,000 \times .26010 = \$4,682 \text{ TAX}$$

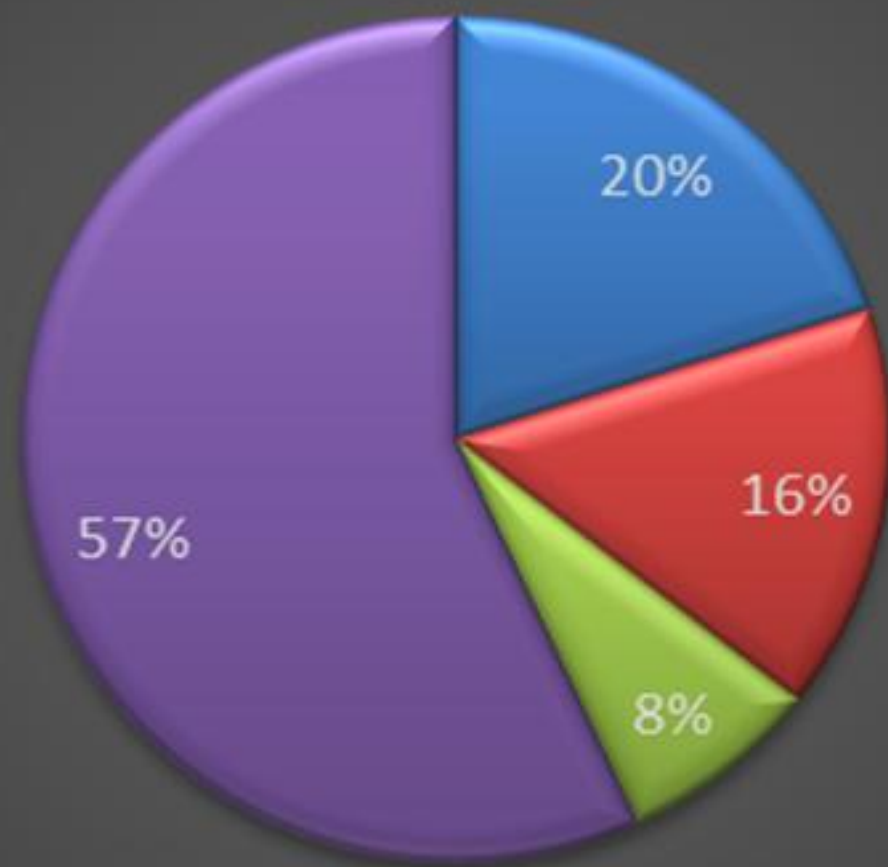
$$\text{MILL LEVY: } .26010 \times 1,000 = 260.10 \text{ MILLS}$$

# Mills Levied by Jurisdiction - 2024



■ COUNTY MILLS   ■ CITY OF DICKINSON   ■ PARK DISTRICT   ■ SCHOOL DISTRICT

# Property Tax by Jurisdiction



■ COUNTY MILLS   ■ CITY OF DICKINSON   ■ PARK DISTRICT   ■ SCHOOL DISTRICT

# • Things to Remember

- Valuation Date – February 1
  - Take characteristics of property on this date
- Increase in valuation does not cause increase in actual taxes
  - For example, valuation increase of \$20,000 doesn't result in an increase of \$20,000 in taxes
- Median sales prices of homes as supplied by the Badlands Board of Realtors has increased from \$145,000 in March 2010 to \$300,000 in March 2025, which is a 207% increase or an annualized amount of 13.8%

# • Property Tax Exemptions

Each City could have different exemptions approved by resolution by the governing body.

Here a list of common exemptions applied to property and approved credits by the State:

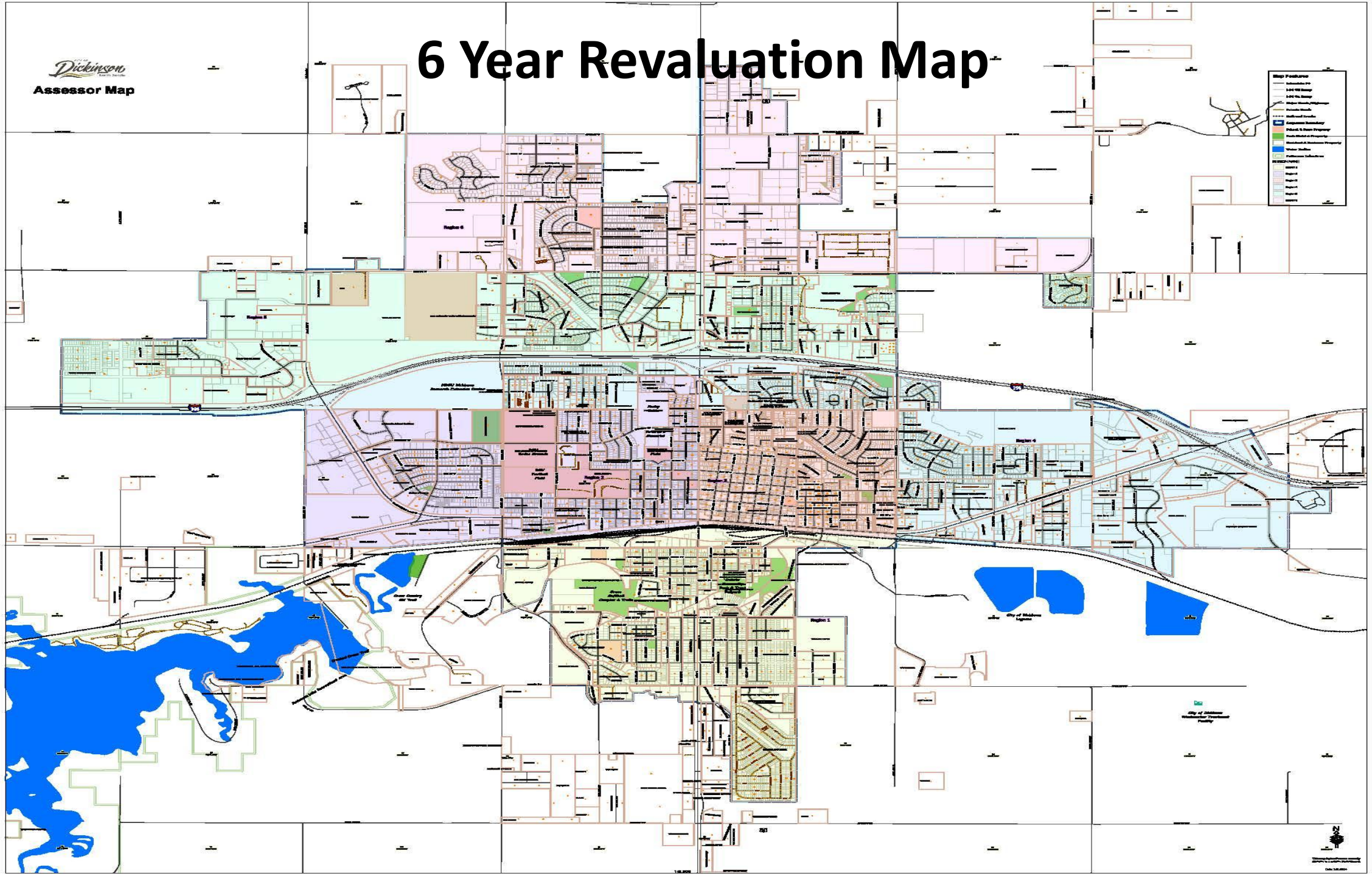
- Homestead Credit
  - Provided to any person over 65 years of age and who meets certain income requirements. Also for any permanently and totally disabled person of any age.
- Disabled Veterans Credit
  - Provided to any disabled veteran with a service connected disability of 50% or greater.
- Improvements to Commercial & Residential Buildings
  - Passed by Resolution of City; City allowed to set limitations and criteria in addition to those provided by the State.
- New Construction of Residential Properties
  - Passed by Resolution of City, has maximum allowed exemption amount and time. State has set conditions and guidelines for approval.
- New or Expanding Businesses
  - Passed by Resolution of City, allowed in cities with population under 40,000 and only for primary sector business. Additional requirements have been set by the State.

1059 Residential Properties Not Visited

# 6 Year Revaluation Map

*Dickinson*  
Assessor Map

Map Features	
	Subdivisions
	Lot 100 Boundary
	Lot 100 Boundary
	Major Road/Highway
	Minor Road
	Unimproved Road
	Unimproved Road
	Public & State Property
	County-Owned Property
	Water Bodies
	Water Bodies
REVISIONS	
	Map 1
	Map 2
	Map 3
	Map 4
	Map 5
	Map 6



Hotels						
PID	SP	Initial T&F	Ratio	Adj T&F	Ratio2	
0905-0000-0500	\$1,950,000	\$1,033,500	53%	\$1,575,000	81%	
0560-0100-0201	\$4,400,000	\$2,481,600	56%	\$4,111,200	93%	
8000-0100-0100	\$9,500,000	\$3,173,000	53%	\$5,864,800	62%	
2500-0300-0500	\$3,500,000	\$3,085,000	88%	\$4,843,800	138%	
Median			55%		87%	

Apartments						
PID	SP	Initial T&F	Ratio	Adj T&F	Ratio2	
0710-0200-1200	\$535,000	\$384,300	72%	\$424,600	79%	
0010-4000-0500	\$415,000	\$440,700	106%	\$487,600	117%	
1140-0700-0102	\$2,200,000	\$1,771,800	81%	\$2,304,800	105%	
1440-0100-0502	\$350,000	\$222,300	64%	\$244,800	70%	
1170-0200-0900	\$900,000	\$741,300	82%	\$816,400	91%	
0610-0400-0101	\$350,000	\$228,000	65%	\$252,000	72%	
Median			76%		85%	

*State of North Dakota*  
*Office of State Tax Commissioner*  
**CLASS I ASSESSOR**

This certifies that

**JOE HIRSCHFELD**

has met the requirements set forth by  
North Dakota Century Code §57-02-01.1.

Certification Number: 3209

*This credential was issued at Bismarck, North Dakota  
January 01, 2024. It is valid through December 31, 2025.*



---

*State Supervisor of Assessments*  
**Shelli Myers**



---

*Governor*  
**Doug Burgum**



---

*State Tax Commissioner*  
**Brian Kroshus**

# Questions?