

JOE HIRSCHFELD

**CITY ASSESSOR
ASSESSING**

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April 4, 2025

Dickinson City Commissioners
Dickinson, ND 58601

Honorable Mayor and Commissioners:

I have prepared the 2025 annual report of the City of Dickinson Assessor's Department to the City of Dickinson Commissioners who act as the City Board of Equalization. This report will include a statistical analysis of property values within Dickinson, and provide the True and Full value of all taxable property that is not exempt from property taxes by state law. Within this report will be charts and graphs to help illustrate the breakdown of values for both Residential and Commercial class properties.

The State of North Dakota requires that properties be valued at 90-100% of median property values based upon Mass Appraisal methodology. Preliminary figures from the State of North Dakota indicate that Dickinson properties have been selling for more than that of appraised values, with median Residential properties sale price at 84.95% of True and Full value. Commercial properties are also below tolerance at 86.7%. To comply with state law (N.D.C.C. § 57-02-11), the Dickinson Assessor's Office has spent the last year from June 2024 until now researching market conditions in preparation for making any changes.

1551 properties received a Notice of Increase, meaning that their property value increased by at least \$3,000 and 10% or more. Predominate reasons for receiving an increase would be due to new construction, being part of a revaluation area where a correction to the property card was made, or due to a current sale, where the property card was updated. Changing the class of a property from/to residential/commercial or from exempt to taxable would also result in a Notice of Increase. 873 of these notices went to owners of vacant residential lots, where the vacancy factor was removed.

As a reminder, sales adjustments made to the property record card may occur in areas that have not been revalued; however, it should be noted that those adjustments will result in no additional change once the neighborhood does go through the revaluation process.

With both classes of properties within tolerance after adjustments, the Assessing Department respectively requests that no changes be made to the 2025 valuations as submitted.

Honorable Mayor and Commissioners
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Page 2.

2025 True and Full Value for the City of Dickinson is \$3,344,732,288, an increase of \$349,124,620 from 2024. The True and Full valuation of Residential properties is \$2,037,637,800 and Commercial properties increased in True and Full valuation to \$1,307,094,488. These values are as of April 1, 2025, new totals will be run just prior to the BOE meeting and will be on the **Highlights** page, where the motion should be taken from.

Increases to New Construction total \$84,798,818 of True and Full Value with decreases in value of \$3,392,300. A poll of Assessment officials from North Dakota's larger cities noted that no other jurisdiction besides Dickinson was providing an exemption to medical clinics. Therefore, the clinic portion of CHI St. Alexius was given a taxable value, while the hospital remains exempt. Sanford Clinic was also fully valued for taxation. This added significantly to the new value added by commercial properties. The new construction Taxable Value increase from new growth is \$3,992,438 that can be used towards new property taxes without changing existing Mills.

The Assessing Department asks that you review the data that we have provided to you and that you approve the 2025 assessment roll as submitted. We have spent the past several weeks visiting with property owners and listening to their concerns. We corrected errors when noticed, and at every turn, attempted to educate the public as to the assessment process and Mass Appraisal valuations.

April 9, 2025 is the date of the next Board of Equalization meeting, and we are at your service in reviewing any property concerns brought before you by concerned citizens and taxpayers. We ask that they bring a copy of an appraisal, or other market-derived data with them to support their opinion of value, if it differs from that of the Assessing Departments. We are looking for specific market derived data not considered in the assessment as to why the valuation is incorrect, not just a differing opinion based upon personal tastes and preferences.

Respectfully submitted,

Joe Hirschfeld
Assessor
City of Dickinson

Assessing Department Staff:

Deb Kirschenheiter
Heather Avers-Davis
Tracy Simnioniw
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Denise Barth


Function of the Assessing Department

The function of the Dickinson Assessing Department is to provide a Fair and Equitable valuation of all property located within the City of Dickinson. The Assessing Department keeps a record of property ownership and boundaries in the appraisal process. Many varied tasks and responsibilities are included in attaining this objective.

The Appraisal Process

The Assessing Department is responsible for the valuation of all classes of property and performing an extensive analysis of the factors affecting these values. New properties are entered into the CAMA (computer aided mass appraisal) system, in a manner consistent with existing properties. A sales ratio study is then conducted to determine the percentage a property is selling at, compared to its assessed value. State of North Dakota law requires the State Board of Equalization (SBOE) to determine the valuation process and SBOE policies require that, on a median basis, properties assessed value must be within 90-100% of their True and Full value. If this ratio falls outside of the 90-100% tolerance zone, an adjustment to the median property values is required.

By definition, median means that ½ of the properties will be over a certain value and ½ will be under. With a valuation that has a median sales ratio at 100%, ½ of properties will be valued above sales price, this is acceptable by North Dakota law. I would like to describe the following scenario, which simplifies the valuation method but accurately describes the Ad Valorem tax valuation process.



Column1	Sale Price	T&F	Ratio %
	\$460,000 Asking Price		
1	\$490,000	\$388,066	79%
2	\$460,000	\$388,066	84%
3	\$300,000	\$388,066	129%
4	\$425,000	\$388,066	91%
5	\$375,000	\$388,066	103%

In a recent workshop with the Dickinson City Commission, a current property listed for sale in Dickinson for \$460,000 was presented. Each Commissioner was to “buy” this property for what they thought the value is. The purpose was to show variability in the market and there was no right or wrong answer. There is quite a bit of variance, with one “outlier” which can and does occur in the market naturally. The Assessing Departments job is then to make sense out of these sales and to value parcels appropriately for taxation.

There is a lot of information missing, for instance, if the sales occurred in order during the year as sale #3 first, followed by #5, #4, #2 and #1 respectively, one could say that the market is increasing. If they occurred in reverse order, the market would be decreasing. Either way, when assessed values come out the following spring, certain homeowners would/could have legitimate concerns about their value.

If the above sales occurred randomly, it could be said that the market is inconsistent. In ALL THREE scenarios, the method of valuing the properties for assessment would be the same. A review of the sales ratio (yellow column) would occur. The median (middle value) has to be identified (in this case 91% is the middle). As 91% is the median value, and it falls between 90-100%, ALL properties are eligible to maintain the True and Full value of \$388,066, despite the widely varying sales prices. The assumption is that the Assessing Office's property record cards' data matches the actual characteristics of the property. If the \$388,066 assessed value represents a house in average condition, and the \$490,000 sale is of an updated house, then the record card has to be updated and a higher assessed value is likely. Similarly, if the \$300,000 sale reflects a shell of a house and not one in average condition, then the property record card would be adjusted by the Assessing Department to reflect a house in poor condition, and thereby lower the value.

If the median (91% value) had instead been 84%, such as sale #2's, that would then require an increase of 6%, at a minimum, to return the median values above 90%. An across-the-board increase would then be given to the \$388,066 base value for all 5 properties.

If valuations were completed utilizing the exact sales price, then each of these exactly similar houses could end up having differing property tax amounts. As each of these five properties share similar city amenities, the tax burden, as structured by the State of North Dakota, should be shared equally.

The Assessing Department utilizes these same steps throughout the City of Dickinson and among differing classes of properties, to maintain a Fair and Equitable valuation.

Ownership

The Assessing Department is responsible for tracking the ownership of 10,521 parcels. This includes tracking not only buyers and sellers, but also property boundaries and splits/combos of individual parcels, through the various deeds and instruments that record property rights. Property ownership status is updated as recorded instruments become available.

Property Taxes

The Assessing Department does not have any direct responsibility for property taxes. Rather, the local taxing jurisdictions utilize the property value in conjunction with their individual

budget to arrive at a Mill Rate. These combined Mill rates become the Mill Levy, and are subject to change annually. The formula for determining the property taxes for a specific property is:

T&F Value X Assessment Ratio X Assessment Factor X Mill Levy = Gross Tax

Where T&F value is the Assessors True and Full value opinion.

Assessment Ratio is a factor of ½.

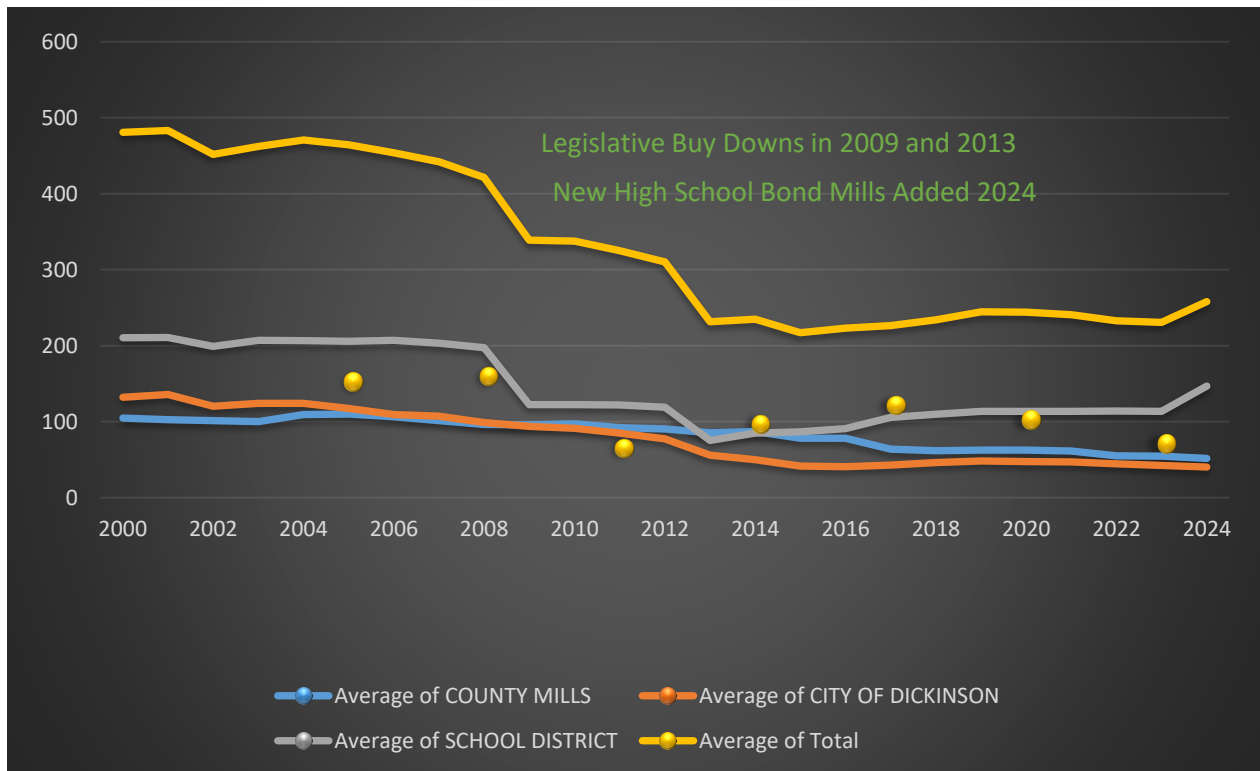
Assessment Factor is a factor of 10% for commercial properties and 9% for residential properties.

A residential property with a T&F value of \$200,000, in 2024 would have a Gross Property Tax estimate of:

\$200,000 X .5 X .09 X .26010 (mill levy of 260.10) = \$2,340.90.

There is an optional 5% discount for full, early payment and current legislation allows a \$500 credit for a primary residence that the homeowner must sign up for.

Comparison of Dickinson Tax Authorities

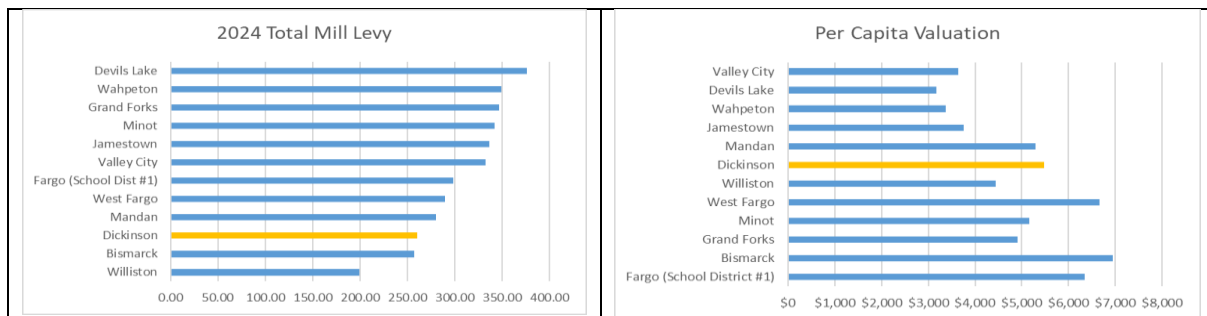


The above chart simply shows the change in both the Mill Levy and the Mills of each of the three largest taxing authorities. Note that Mills have decreased during the time frame that property values (not shown) increased the most (2010-2014). The City of Dickinson Mills have declined to a level below that of the Mills levied by Stark County over the past 10 years. Individual data points are shown for Dickinson Public Schools as well as the City's share.

Comparison of ND Cities

CITY	2024 Total Mill Levy	2024 City Mill Levy	Est. Tax \$200,000 Residential	Effective Tax Rate Residential	Est. Tax \$200,000 Commercial	Effective Tax Rate Commercial
Williston	199.60	42.67	\$1,796	0.90%	\$1,996	1.00%
Bismarck	257.38	78.88	\$2,316	1.16%	\$2,574	1.29%
Dickinson	260.10	40.27	\$2,341	1.17%	\$2,601	1.30%
Mandan	280.47	64.09	\$2,524	1.26%	\$2,805	1.40%
West Fargo	289.92	79.20	\$2,609	1.30%	\$2,899	1.45%
Fargo (School Dist #1)	298.18	57.00	\$2,684	1.34%	\$2,982	1.49%
Valley City	332.72	74.73	\$2,994	1.50%	\$3,327	1.66%
Jamestown	336.56	98.26	\$3,029	1.51%	\$3,366	1.68%
Minot	341.76	97.41	\$3,076	1.54%	\$3,418	1.71%
Grand Forks	346.54	92.25	\$3,119	1.56%	\$3,465	1.73%
Wahpeton	349.60	84.74	\$3,146	1.57%	\$3,496	1.75%
Devils Lake	376.26	90.11	\$3,386	1.69%	\$3,763	1.88%

When making comparisons between cities, it is important to remember that each area has its own Real Estate market and budget. Although substituting these Mills into the formula would provide the tax estimate for a \$200,000 property, the actual property that would command that price could vary greatly between locations. Total Mill Levy and Per Capita Value graphs are included below.

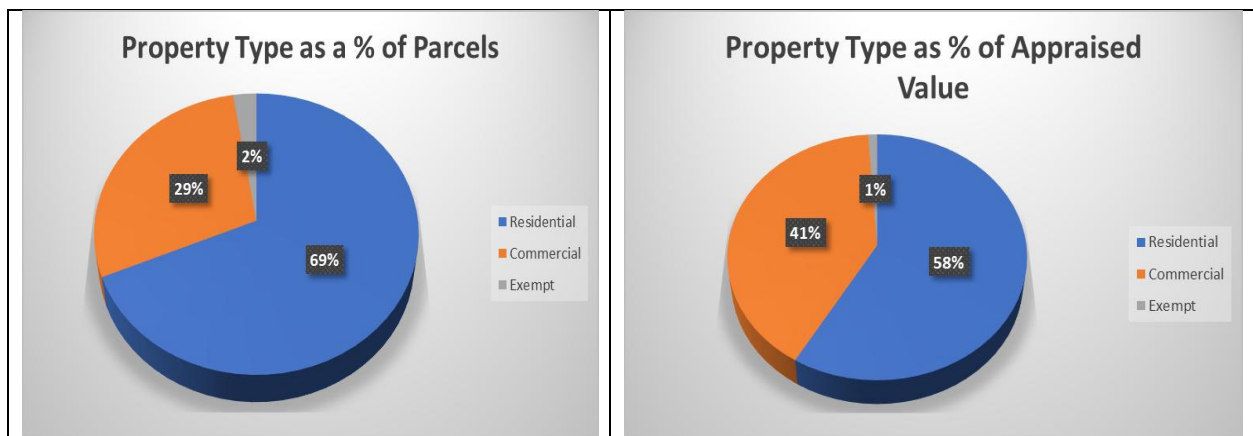


Note that Dickinson's Taxable Value on a per Capita basis is near the top in the State, indicating the amount of value attributed to large, complex properties within its valuation, while maintaining one of the lowest total Mill rates.

2025 Dickinson Valuation

Total Appraised Value

The 2025 Total Valuation for Dickinson is \$3.49 billion and is displayed as a percentage of property type and total value. These values reflect a snapshot in time, as property ownership and valuation are always in a state of change. These values can and most likely will change on a daily, weekly or monthly basis between now and when the budget process is completed in the fall (the numbers included in this report were pulled on April 1, 2025). Note that although residential properties consist of 69% of the City of Dickinson properties, they account for only 58% of value.



Dickinson residential properties number 7,219 parcels, with the commercial property count at 3,015 (including all vacant lots) and exempt properties number 287. The above chart indicates the percentage of properties that belong to each class, as well as the valuation and percentage of the valuation that each property class contributes. Exempt properties historically have not been valued, and unless they have non-exempt income generating revenue, few have a value represented here. This skews the overall value percentages. Blind/Disabled exemptions (as an example) will affect the taxable value of residential properties, as do Renaissance Zone exemptions for commercial properties.

Changes in True and Full Value for Taxation

The State Board of Equalization set the sales ratio tolerance range at 90-100% and requires a minimum of 30 sales. The Dickinson Commercial Sales Ratio study utilized 35 sales, all from 2024, which indicated a ratio of 85.7%.

Within these 35 sales, it was noticed that apartments and hotel/motels were the most out of tolerance. Increases to both classes of properties were made that brought their medians to that of the remainder of the commercial sales.

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%	

These charts should be read to indicate an original Sales Ratio of 55% to hotels and 76% in apartments, with medians of 87% and 85% respectively following the increase in value.

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%	

In addition, in an effort for fairness, as the vacancy factor was removed from commercial vacant lots last year during the commercial revaluation, the vacancy factor was also removed from vacant residential lots.

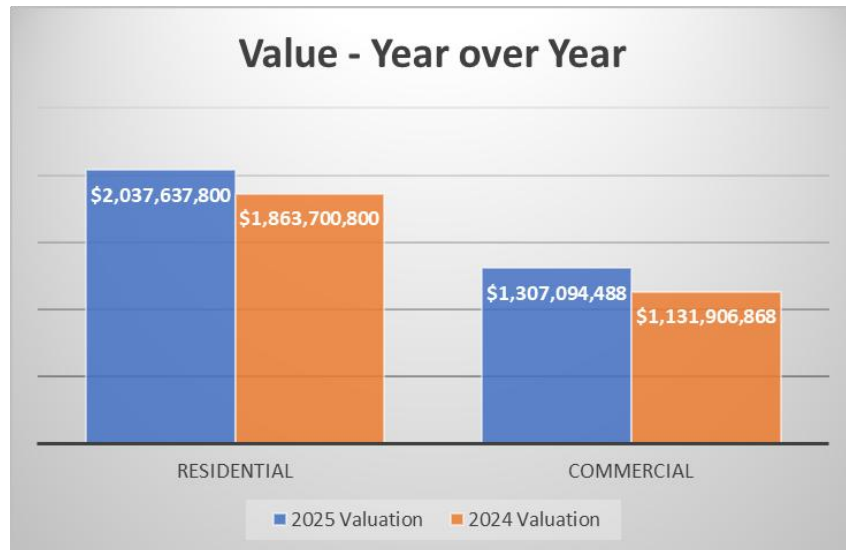
With the added value from removing the vacancy factor to residential lots and the increase to apartment and hotel/motel properties, that increase was enough to bring commercial properties within tolerance at 94% and no further increases are necessary to achieve tolerance. It should be noted, that actual sales still indicate a median ratio of 88.8% and with current market dynamics what they are, increases in commercial value to all properties is likely next year.

279 residential sales included in the sales ratio analysis, all from 2024, had a median sales ratio of 86.7%. After adjustments for changes in property characteristics and new construction, the adjusted ratio of 84.95% was then increased through a Manual Level increase of 10% to structure, or roughly 7.5% to total value. This is the exact increase given to residential properties last year as well.

With this data in hand, the Assessing Department is requesting no change to valuation as submitted during the 2025 Board of Equalization meeting, as both Residential and Commercial valuations are within the 90-100% tolerance, being 92.0% and 94.0% respectively.

Properties that added improvements, were combined, changed from non-taxable to taxable or were part of the Residential revaluation may have seen a change in value. 1551 properties received a Notice of Increase. Meaning, that they received an increase of at least \$3,000 and 10%. Of that number, 873 were vacant lots, where the vacancy factor was removed. New construction and residential revaluation/sales properties are also included.

The chart below shows the change in **Taxable** T&F valuation for both residential and commercial properties. This included new construction, annexed properties, and increases to existing properties. This includes correction of the Exempt List, where three church properties as well as Sanford Clinic and the Clinic portion of CHI/St. Alexius was added. Dickinson was the only large community in North Dakota polled, that had their clinics exempted.



Exempt properties have historically gone unvalued, as they do not pay property taxes; however, the Assessing Department continues the effort to value these properties and adding an appraised value to indicate the total value of all Dickinson properties. This will not add to the Taxable Value, as these properties will remain exempt in their current use, but is required for the State Abstract and is helpful to the community specifically insurance companies and Realtors.

The total 2025 Dickinson T&F valuation is **\$3,344,732,288**, which considers any exemptions for Veterans and the Disabled and exemptions for charitable organizations. The 2025 **TAXABLE** (and value from which the Mill Levy will be calculated) valuation of the City of Dickinson is **\$157,048,425**, up 12% from the 2024 taxable value of **\$140,461,879**. Of this value, \$3,992,438 is considered to be growth from new construction. These numbers are current as of April 1, 2025, however final numbers will be run just prior to the BOE meeting, as the Assessing Department is still following up and completing inspections from informal protests. Those values will be available on the 2025 *Highlights* document.

Income Approach

With the completed commercial revaluation and the several weeks spent completing 2024 BOE directives, the Assessing department has postponed the request for income/expense statements due to inadequate time to complete an analysis, and will make that request for future valuation years.

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