Guideline

Property Tax
Dates and Procedures for the Assessment of Real Property

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Valuation And Listing of Real Property

All real property subject to taxation is listed and is assessed according to its valuation on February 1 of each year. [See N.D.C.C. § 57-02-11]

In a separate list, the assessor must describe, list and value all real property exempt from taxation, except for property of the United States, the State of North Dakota, a political subdivision of the State of North Dakota, or farm buildings or farm residences exempt from property taxes by law. [See N.D.C.C. § 57-02-14]

In the valuation of exempt properties, the assessor must designate the properties exempted by local discretion or charitable status. This means property exempt from taxation as new or expanded businesses under N.D.C.C. ch. 40-57.1; improvements to commercial and certain residential property in N.D.C.C. ch. 57-02.2; buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under N.D.C.C. § 57-02-08.

Assessors Receive Assessment Books

By the second Wednesday in February of each year, the county auditor furnishes the assessment books and forms necessary to complete the assessment of real property to all the assessors. [See N.D.C.C. § 57-02-31]

The assessment list sets out all tracts of real property subject to taxation, the name(s) of the owner(s), the number of acres, and the lots and parts of lots or blocks included in each description.

Duties of Assessors N.D.C.C. § 57-02-34

Assessors complete their assessment duties during the 12-month period preceding April 1 of each year. Assessors should physically inspect properties in their jurisdictions.

Taxable buildings, structures, and improvements must be assessed with the land on which they are located, even if owned by someone other than the landowner.

The assessor 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. Those values are entered into separate columns opposite the description of the property. The assessor must also set out the assessed value of each property. Each class of property---agricultural, residential and commercial---is listed separately.

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The assessment list should set out the following facts:

Agricultural land - total acres in each parcel, total true and full value, total assessed value, total taxable value (10% of assessed value).

Residential property - true and full value of each lot or tract, true and full value of all structures on each lot or tract, total true and full value of the property, total assessed value, total taxable value (9% of assessed value).

Commercial property - true and full value of each lot or tract, true and full value of all structures on each lot or tract, total true and full value of the property, total assessed value, total taxable value (10% of assessed value).

Total taxable value before homestead credit - sum of agricultural, residential and commercial taxable values.

Homestead credit allowance - a reduction on the taxable valuation of the homestead of a qualifying individual as set out in N.D.C.C. § 57-02-08.1.

Total taxable value after homestead credit - the valuation remaining after the deduction of any homestead credit allowance.

Notice of Increased Assessments

* Whenever the assessor increases the total true and full valuation of land and improvements by 15% or more over the last assessment, written notice must be mailed or delivered to the property owner at least 10 days before the meeting of the local equalization board, unless the increase in true and full valuation is less than $3,000, in which case notification is not required. [See N.D.C.C. §§ 57-12-09 and 57-14-08]

Examples of how this procedure works are as follows:

Property A - The assessor increases true and full value from $24,000 to $29,600.

Current year	=	$ 29,600
Last year	=	24,000
Increase in assessed valuation	=	$ 5,600

or 23.3% increase

The current year true and full valuation increased more than 15% AND more than $3,000 over the last assessment, therefore a notice MUST be mailed or delivered to the property owner.

Property B - The assessor increases true and full value from $17,700 to $20,600.

Current year	=	$ 20,600
Last year	=	17,700
Increase in assessed valuation	=	$ 2,900

or 16.4% increase

The current year true and full valuation increased more than 15% over last year's valuation; however, the dollar amount of the increase is less than $3,000, therefore a notice DOES NOT have to be mailed or delivered to the property owner.

The notice must be on a form prescribed by the tax commissioner and must be mailed or delivered to the property owner at least 10 days before the meeting of the local equalization board. The notice must set out the true and full values used by the assessor to make the assessment for the current year and for the previous year and must also set out the dates of both the local and county boards of equalization meetings. The notice is mailed or delivered at the expense of the assessment district in which the assessor is employed.

Notice of Equalization Meetings to be Published

* The county auditor shall publish in the official county newspaper for two successive weeks, between March 1 and March 20, a notice that the local equalization boards will meet as follows: in any organized township on the second Monday in April and in any city on the second Tuesday in April. [See N.D.C.C. § 57-23-02]

The primary responsibility for a fair distribution of the tax burden rests with the assessors and local boards of equalization.

Township Board of Equalization

The township board of equalization consists of the members of the township board of supervisors. The board meets annually on the second Monday in April at its usual meeting place. However, if a person is the assessor for two or more townships or cities, the township clerk, after consulting with the assessor, sets an alternate date in April for the equalization meeting. At least ten days before the alternate meeting, the township clerk posts a notice at the usual meeting place and publishes a notice in the official newspaper of the township. The notice must state the meeting time and date. [See N.D.C.C. ch. 57-09]

It is the duty of the township board of equalization to determine whether or not all taxable property has been properly listed and valued by the assessor. If any real property has been omitted, the board is responsible for listing the property on the assessment list at its true and full value. It is also the duty of the board to correct any assessment which is not listed at its true and full value. The assessment of any property may not be raised without notification to the property owner of the board's intent to raise the assessment.

* All complaints and grievances of residents of the township must be heard and decided by the board. Complaints by nonresidents must be heard and determined by the county board of equalization. [See N.D.C.C. § 57-09-04]

Errors in valuation made by the assessor that are not corrected at the local level are difficult to correct later. Therefore, the board should thoroughly examine the assessment list and carefully equalize assessments.

The township board of equalization must complete the equalization process within 10 days.

City Board of Equalization

The city board of equalization consists of the members of the governing body. The board meets at its usual meeting place on the second Tuesday in April each year to equalize and correct the assessment list submitted by the assessor. If a person is the assessor for two or more cities or townships, the city auditor, after consulting with the assessor, sets an alternate date in April for the equalization meeting. At least ten days before the alternate meeting, the city auditor posts a notice at the usual meeting place and publishes a notice in the official newspaper of the city. The notice must state the meeting time and date. [See N.D.C.C. ch. 57-11]

The board may increase or decrease the valuation and assessment of any real property listed on the assessment list to whatever is reasonable and just and ensures equalization. The board may not increase the valuation of any property more than 25% without first giving notice of the board's intention to increase the valuation to the owner or agent at the last known address. The notice must state the date, time and location of the city board of equalization meeting. The board is responsible for adding any omitted property to the assessment roll at its true and full value.

Any errors in valuation made by the assessor should be corrected at the local level. Errors not corrected at the local level are difficult to correct later. Errors which are not corrected may result in unfairness and inequity in taxation.

County Board of Equalization

The county board of equalization consists of the members of the board of county commissioners and meets within the first ten days in June to review and equalize assessments. The chairman of each city and township board of equalization, or the chairman's appointed representative, and each city and township assessor must attend. Assessments of property equalized by the city boards of equalization are reviewed first, followed by the assessments of property equalized by the township boards of equalization. [See N.D.C.C. ch. 57-12]

The county board of equalization, acting as the township board of equalization, equalizes assessments of unorganized territory within the county.

Prior to the meeting in June, the board provides for spot checks upon property within the county to verify the accuracy of the real property listings and valuations.

At the county board of equalization meeting, it is the duty of the board to examine and compare the assessments returned by all the assessors and to equalize the assessments among the several assessments district of the county. Property owners or their representatives may appeal to the county board of equalization without first appealing to the local board. The county board of equalization, after notice to the local board of equalization, may reduce the assessment on a property if the owner or person to whom it was assessed has appealed to the county board. The county board of equalization, after notice to the local board, may increase the assessment on a property, provided it gives at least five days' notice by mail to the property owner that the owner may appear before the board.

The county board of equalization does not have authority to add omitted property to the assessment list. The county auditor adds omitted property according to N.D.C.C. §§ 57-14-01 through 57-14-07.

The county board should complete equalization of individual parcels and assessment districts. Any existing inequities will not be corrected by a percentage change for a class of property ordered by the state board of equalization.

State Board Of Equalization

The state board of equalization consists of the governor as chairman, state treasurer, state auditor, commissioner of agriculture, and tax commissioner. The tax commissioner is secretary of the state board of equalization. [See N.D.C.C. ch. 57-13]

The state board of equalization meets annually on the first Tuesday in August at the Office of State Tax Commissioner to hear testimony and to consider assessments of all taxable property subject to assessment by the state board of equalization.

The state board of equalization meets annually on the second Tuesday in August at the state capitol. The board examines, compares, and equalizes assessments of locally assessed property to provide for uniform and equal assessments at the true and full value of similar taxable property throughout the state, as required by law.

The state board is responsible for equalizing assessments of real property among assessment districts of the same county and among the different counties of the state. The board may increase or decrease assessments in any assessment district and any county in which it determines the assessments are too low or high.

* If a taxpayer or representative has appealed an individual assessment, personally or by mail, the state board may reduce the assessment if it determines that the individual assessment is too high. The state board does not have the authority to reduce any assessment unless the taxpayer or a representative has first appealed the assessment to the township or city and county boards of equalization. However, a property owner who is a nonresident of an organized township or whose property is located in an unorganized township is required to appeal only to the county board of equalization. [See N.D.C.C. §§ 57-09-04 and 57-12-02] If the state board believes an assessment on any individual property is too low, it may increase the assessment. The secretary must send a notice of the amount of increase to the property owner.

The tax commissioner certifies to each county auditor the abstract of the proceedings of the state board of equalization and specifies the percentage increase or decrease necessary to equalize valuations of each class of real property in the county. The proceedings of the state board of equalization are published in an annual report.

* Indicates significant change since last revised.