

OFFICIAL PROCEEDINGS
City of Williston
Local Board of Equalization
May 2, 2018 5:30 pm
Williams County Commission Room – Williston, North Dakota

1. Roll Call of Commissioners

COMMISSIONERS PRESENT: Deanette Piesik, Tate Cymbaluk, Chris Brostuen, Brad Bekkedahl (via phone), and Howard Klug

COMMISSIONERS ABSENT: None

OTHERS PRESENT: John Kautzman, David Tuan, Pete Furuseth, Lynn Wallace, Darcy Anderson and County Support Staff

Mayor Klug presented a quorum.

Darcy Anderson, Williams County Tax Director, presented the following:

2. Present Assessment Roll and Related Paperwork

Ms. Anderson presented the Board with Assessment Roll, the 2018 Assessment Report of the City of Williston and other related documents

The Williams County Assessor's Office has prepared this 2018 Assessment Report of the City of Williston. This report includes specific information regarding the 2018 assessment as well as general information about the assessment process.

North Dakota statutes establish specific requirements for the assessment of property. The law requires that all real property be valued at True and Full Value, which is defined as the market value as of the February 1st assessment date.

The estimated market values established through the 2018 assessment are based upon actual real estate market trends of Williston properties taking place from January 1, 2017 through December 31, 2017. From these trends, our mass appraisal system is used to determine individual property values.

The assessment function is governed by North Dakota State statute. The starting point of the assessment of real property is True and Full Value. For property classified as residential or commercial, True and Full Value means its market value, defined as 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 from a willing seller, etc.

Assessors are historians and measure the market based on sales which have occurred previous to the assessment date. Assessors do not create the market or predict what the market will do; rather, the Assessor follows the patterns set by the real estate market. Therefore, the True and Full Value which is put on residences and businesses each February is the assessment that is used for the entire tax year. Values may have decreased or increased by the time the taxpayers receive their tax statements in December.

Information on the sales of real estate is of paramount importance to the Assessors in a market-based property tax system. All sales that occur within this January 1st to December 31st time frame, each year, are closely scrutinized by the Assessor's Office. Evidence suggesting a forced sale, foreclosure, a sale to a relative, or anything other than an arm's-length transaction requires the sales to be discarded from the sales study.

The Assessor's Office is charged with setting estimated market values for tax purposes at actual market value. The relationship between sales prices to estimated market value is called the sales ratio. North Dakota State statute requires (for all classes of property) a median ratio of 90-100%. The Assessor's Office makes every effort to ensure that each class of property in Williston meets this target as consistently as possible, ensuring an equitable distribution of the property tax burden for all Williston city taxpayers.

State statute also requires the Assessor's Office send a notice of increase to all property owners whose property value increased 10% and \$3,000.00 over last year's assessment. There were 1529 notices sent for 2018, compared to 148 in 2017. Within those notices 776 were sent to individual property owners and 842 were less than 15% change.

2018 Residential Sales Study Statistics:

Sales prices stayed steady over the year with the average sale price being \$237,578.00 during 2017 (almost exactly the same as last year), while the number of usable sales increased. There were 298 useable residential sales in 2017 (compared with 232 in 2016). These 2017 sales are what the 2018 assessments are based upon. The sales have been assembled into a ratio study which is attached within the report. Residential properties in Williston sold, on average, 4% higher than they were valued.

The overall Sales Ratio for residential properties was 96.04%. As we are required by the State Board of Equalization to be between 90% and 100% of market value, no overall adjustments were needed. However, analysis of other measures of equality indicated adjustments to individual areas were necessary.

In an attempt to determine where changes were needed; sales were analyzed by class, style and story. Adjustments were made based on this analysis. Residential True and Full Value increased approximately \$18,600,000.00. \$6,423,000.00 in valuation was added to the tax roll from new construction.

Our biggest adjustment to properties was in the residential land. Land rates were analyzed from our sales ratio using the Allocation Method. Adjustments from a 12% decrease to an 85% increase were made to all areas of residential land in the city.

Commissioner Cymbaluk asked in regards to residential lots being the majority of the sales were in the Meadows, which had infrastructure to the lots. People who have vacant lots with no infrastructure, got hit hard and they have no infrastructure and no services. Commissioner Cymbaluk indicated he has received many comments about this issue. Darcy indicated that this is due to a few vacant lots selling for \$60,000., that had been assessed for \$10,000. Commissioner Cymbaluk asked if there could be an adjustment made accordingly for those people whose lots have no infrastructure. Darcy indicated she would need to know which lots exactly and would need to get together with Public Works and this could be done.

2018 Commercial Sales Study Statistics:

The State Tax Department requires a sales study of at least 30 sales, and in the absence of adequate current market sales, 2015, and 2016's sales data was considered. The True and Full Values of the prior year sales were adjusted to 2017's True and Full Value. All the required usable data for Williston has been assembled into a ratio study which is attached within the report.

The overall commercial ratio is 95.7%. Of the 36 sales considered "usable" to be included in the ratio study, 24 sales occurred during 2017, including 11 vacant land sales. Analysis of these 24 sales indicated a ratio of 93.4%.

Commercial True and Full Value decreased approximately \$62,400,000.00. Over \$25,000,000.00 of new construction was added to the commercial valuation of the city.

The Income Approach to Valuation was applied to apartment buildings across the city. Questionnaires regarding income and expenses were sent out. The Assessor's Office analyzed the information received from the 41 returned questionnaires (out of 177 sent out) and created our model. Smaller apartment complexes on average were increased 30% while larger complexes decreased 17%.

From our analysis of the questionnaires returned, we determined the average rates for the various types of units, expenses and capitalization rate.

The Assessor's Office continued economic obsolescence of 25% to the hotels and motels in town.

3. Present Recommendations

A. Residential

The Assessor's Office recommends residential property be left, as a class, at the level presented. In reviewing the Ratio Adjustment Worksheet included in the report, residential property is assessed at 97.47% of market and would need an increase of 2.6% to reach the statutory level of 100%. The State Board of Equalization allows a 10% tolerance level.

B. Commercial

The Assessor's Office recommends commercial property be left, as a class, at the level presented. In reviewing the Ratio Adjustment Worksheet included in the report, commercial property is assessed at 91.77% of market and would need an increase of 8.97% to reach the statutory level of 100%. The State Board of Equalization allows a 10% tolerance level.

Ms. Anderson reviewed the 2018 Assessment Summary of True and Full Values of each class of property in Williston. Commercial property makes up the majority of the total valuation at 59.06% and residential is at 36.13%.

Ms. Anderson also reviewed the historical True and Full Value data for 2009-2018 and the 2018 Summary of Privileged Exemptions included in the report. These exemptions are allowable by century code and include churches, low income rentals, blind residences, etc. Darcy also indicated, City Auditor John Kautzman asked for the Trenton Indian Housing to be included, as

they are in the City of Williston and what their total valuation will be, however, they are absolutely exempt and do not have to file for this exempt status.

Ms. Anderson further reviewed the 2017-2018 Mobile Home Court Occupancy data included in the report. There has been a decrease in 2018. Mobile homes are taxable, however, are not included in the report. A separate report is provided to the State, as mobile homes are not taxed in arrears, as real estate is.

Ms. Anderson explained that the makeup of the property tax system is simple. It contains only three primary elements: budget, valuation and tax. The amount of tax to be collected is calculated by dividing the budget by the taxable valuation.

Finally, Ms. Anderson also reviewed the historical mill levy data for 2008-2017, as well as, a mill comparison of major cities in North Dakota with Williston being the lowest, both city and total.

Commissioner Cymbaluk asked if Williston was the only city that does not have a Mill Levy for their Park Board, as he gets this question a lot. Darcy indicated she does not know. City Auditor John Kautzman indicated the Mill Rate for the Park Board is approximately 20-30 mils, comparable to Dickinson and Bismarck. Commissioner Cymbaluk indicated this has been used against us legislatively, however John Kautzman reminded him the tax payers voted to have a sales tax in its place, it is still being paid for, just through a different form.

Mayor Klug opened the hearing for public comment and protests.

4. Open Public Hearing

A. Audience Comments & Protests

1. Eleanor (Bob) Olson spoke regarding the property they own, located at 2905 13th Avenue East, they own 3 parcels, a 1-acre lot, a 10-acre lot (which has always be agricultural) and this lot increased by double and a 5-acre lot, which their home is located on. She indicated they have lived there for 48 years. She stated her house is nearly 50 years old, aside from a new roof they have not done any renovations and feels the \$75,000.00 increase is not fair, due to the homes in the area that have been bought, gutted and re-sold. She asked if their assessment is based on this. Mayor Klug asked what we are assessing other agricultural land in the City on. Darcy indicated if it meets the requirements, it is based on the soil productivity method and would be between \$140-700 an acre, depending on the productivity. Commissioner Cymbaluk indicated some of this property is land locked with no infrastructure and believes this is truly agricultural land and needs to be looked at. Darcy Anderson indicated they would come and do an inspection, in order to re-evaluate.

Mayor Klug asked if there were additional audience comments or protests, he asked a third time and hearing no response from the audience.

Mayor Klug restated the public hearing was still open and the Board would now hear formal protests received prior to equalization.

B. Formal Protests Received Prior to Equalization

Ms. Anderson presented the formal protests to the Board. A complete list of protests was included in the 2017 report:

- Schlumberger Tech Corp - 13959 Hwy 2
- Site-West Properties #3 LLC – 5005 139th Lane
- A M F TurboScope ETAL – 611 58th Street
- Dowell Schlumberger Inc. - 12 E Dakota Pkwy
- Vintage Lionwood, LLC – Harvest Hills Subdivision
- 1505 15th Avenue Co LLC – 1505 15th Street W
- Nakota Ridge LLC – 2205 28th Street W
- Ridgeview Apartments LLC – 2014 10th Avenue E
- Ann & Marshall Holmen – 8th Street W
- JLC Williston LLC – 1726 14th Avenue W
- JLC Williston LLC – 1726 14th Avenue W

Commissioner Bekkedahl joined the meeting via phone at 6:15pm**5. Close Public Hearing**

Mayor Klug asked if there were any more comments, he asked a third time, hearing none; Mayor Klug closed the public hearing.

Commissioner Cymbaluk commented that he had received a call from Rick Tofte, in regards to the lots on the corner of 26th & E Dakota Pkwy and stated this may need to be re-evaluated also, due to the fact those lots have been assessed at \$120k per lot, with no infrastructure. Darcy indicated she would call and meet with him.

6. Board Actions Regarding Public Hearing

- A. Individual Actions – Audience Comments & Protests
- B. Individual Actions – Formal Protests Received Prior to Equalization
- C. Concerns & Comments Received Prior to Equalization

Motion by Brostuen, Seconded by Cymbaluk that a finding be made that the comments and protests as noted in the minutes have been reviewed by the City of Williston Board of Equalization

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

Motion by Piesik, Seconded by Cymbaluk to move that the recommendations of the assessor's office regarding the protests be followed except where noted in the minutes on #10 & #11 as presented

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

7. Corrections

Ms. Anderson presented corrections and changes to the Board. A complete list of corrections was included in the 2018 report.

Commissioner Piesik asked when easements are given to property owners, is that like going forward on their taxes. Darcy indicated that when the land is platted and the easements are put in, we try and take them out of their taxable square footage at that point and these were two that just got missed.

- A. Black Pine Holding, Inc. – 101 14th Street W
Change of the use from apartment to hotel.
- B. Williston Village – 2324 17th Avenue W
Corrected information to accurately reflect that all are low income housing.
- C. Katie Shannon B. Living Trust – 221 14th Street E
Corrected the lot size.
- D. Cynthia, Wayne & Phillip Sorenson – 2308 #3 50th Street W
Removed A/C.
- E. Anneliese & Dale Fix – 2201 13th Avenue E
Easements were taken out of the pricing of the lot.
- F. Pronghorn LLC
Easements were taken out of the pricing of the lot.
- G. Saving Grace Community Church – 1701 4th Street W
They have turned in their privileged exemption paperwork.
- H. Kelly Moody – 1002 14th Avenue W
A unit count correction.

Motion by Cymbaluk, Seconded by Piesik that a finding be made that the corrections and changes as noted in the minutes have been reviewed by the City of Williston Board of Equalization

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

8. Exemptions

Ms. Anderson presented exemptions to the Board.

Commissioner Piesik asked where Williston State College fell. Darcy indicated they are exempt.

Motion by Cymbaluk, Seconded by Brostuen that a finding be made that all exemption applications have been reviewed by the City of Williston Board of Equalization and find them proper as presented or corrected as noted in the minutes

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

9. Homestead Credit Applications

Ms. Anderson presented homestead credit applications to the Board.

Motion by Piesik, Seconded by Cymbaluk that a finding be made that all homestead credit applications have been reviewed by the City of Williston Board of Equalization and find them proper as presented or corrected as noted in the minutes

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

10. Veteran's Credit Applications

Ms. Anderson presented veteran's credit applications to the Board.

Motion by Cymbaluk, Seconded by Piesik that a finding be made that all veteran's credit applications have been reviewed by the City of Williston Board of Equalization and find them proper as presented or corrected as noted in the minutes

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

11. Office Personnel Properties
Ms. Anderson presented the office employee properties to the Board. A complete list of properties was included in the 2018 report.

Motion by Brostuen, Seconded by Cymbaluk that a finding be made that the valuation of properties owned by employees of the Williams County Tax Equalization Office have been reviewed by the City of Williston Board of Equalization and find them proper as presented or corrected as noted in the minutes

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

12. Findings & Motions

Motion by Cymbaluk, Seconded by Brostuen that a finding be made that all classifications of property have been reviewed and find them proper as assessed or corrected as noted in the minutes

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

Motion by Piesik, Seconded by Cymbaluk that a finding be made that the overall Assessment Roll for the City of Williston for 2018 has been reviewed and find it proper as assessed or corrected as noted in the minutes

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

Motion by Brostuen, Seconded by Cymbaluk the corrections and changes be made as noted in the minutes

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

Motion by Cymbaluk, Seconded by Brostuen, based on the preceding findings and a thorough review of the Assessment Rolls and Statistical Reports, the City of Williston Board of Equalization declare the City of Williston Assessments for 2018 Equalized as assessed or corrected as noted in the minutes

AYE: Piesik, Cymbaluk, Brostuen, Bekkedahl, Klug

NAY: None

ABSENT AND NOT VOTING:

CARRIED: 5-0

13. Adjourn

**Motion by Cymbaluk, Seconded by Brosteun to adjourn the meeting.
UNANIMOUS BY VOICE VOTE**

APPROVED:

Howard Klug, President
Board of City Commissioners

ATTEST:

John Kautzman, City Auditor