



# ***CITY OF JAMESTOWN***

**Assessment Department**

**Annual Report**

**To The Jamestown**

**City Board of Equalization**

**April 8, 2013**

# City Board of Equalization Statute

**57-11-03. Duties of board –Limitation on increase – Notice.** At its meeting, the board of equalization shall proceed to equalize and correct the assessment roll. It may change the valuation and assessment of any real property upon the roll by increasing or diminishing the assessed valuation thereof as is reasonable and just to render taxation uniform, except that the valuation of any property returned by the assessor may not be increased more than twenty-five percent without first giving the owner or his agent notice of the intention of the board to increase it. The notice must state the time when the board will be in session to act upon the matter and must be given by personal notice served upon the owner or his agent or by leaving a copy at his last known place of residence.

**57-11-04. Application for correction of assessment.** During the session of the board, any person, or the attorney or agent of any person feeling aggrieved by anything in the assessment roll, may apply to the board for the correction of alleged errors in the listing or valuation of real property, and the board may correct the errors as it may deem just.

**57-11-05. Adding property to assessment list.** The board of equalization shall place upon and add to the assessment roll any real property subject to taxation which has been omitted by the owner or the assessor and shall enter the property at a valuation which will bear an equal and just proportion of the taxation.

**57-11-06. No reduction after session of board - Exception.** After the adjournment of the board each year, neither the governing body of the city nor the city board of equalization may change or alter any assessment. Neither may the governing body or the board of equalization reduce or abate, or authorize the reduction, abatement, or return, of any taxes levied upon such assessments for any cause except that the property assessed was not subject to taxation at the time the assessment was made.

**57-11-07. Effect of failure of board to meet.** The failure of the board of equalization to hold its meeting does not vitiate nor invalidate any assessment or tax except as to the excess of valuation or tax thereon shown to have been made or levied unjustly.

# **Overview of Assessment Function**

The overall function of the Jamestown Assessment Department is to maintain a record of property ownership boundaries and to appraise all property in Jamestown. This encompasses many varied tasks and responsibilities but all serve that overall objective.

## **Property Ownership Maintenance**

This is accomplished by analysis of the various instruments by which property rights may be acquired, transferred, or disposed of. This department collects all such instruments that have been legally recorded. The status of property ownership is reflected in the city on a real time basis.

Therefore, each year's tax bill for a property reflects the ownership according to the most recently recorded property transfers. Tax bills normally are sent by the Stutsman County Treasurer in mid-December.

## **Property Appraisal**

Extensive analysis of the factors affecting the value of all classes of property is conducted by this department. Once the forces that affect property value are quantified, new and existing properties are appraised on an individual basis. This is done by appraising all new properties as they are constructed and periodically reappraising existing properties by type or location.

Market forces that affect the value of real estate over broad subclasses of property are dealt with by the Assessment Department through a process called value trending. This involves applying value changes uniformly across various classes of property based upon careful statistical analysis.

## **Property Taxes**

Property taxes are determined by each local political body (city, county, school, etc.) by setting their budget. This determines how much revenue must come from property taxes. That amount is then levied against the total taxable value of property in Jamestown. The work of the Assessment Department results in determining the distribution of each property's share of that tax burden. In order to calculate gross taxes on a property, the following formula is used:

$$\underline{\text{Assessor's Value}} \times \underline{\text{Asm't Ratio}} \times \underline{\text{Asm't Factor}} \times \underline{\text{Mill Levy}} = \underline{\text{Gross Tax}}$$

The Assessment Ratio is 50% for all properties. The Assessment Factor is 9% for residential and 10% for all other classes of property. The mill levy changes every year but was **430.44 mills for Jamestown in 2012.**

# Property Tax Basics

The makeup of the property tax system is very 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.

## • BUDGET

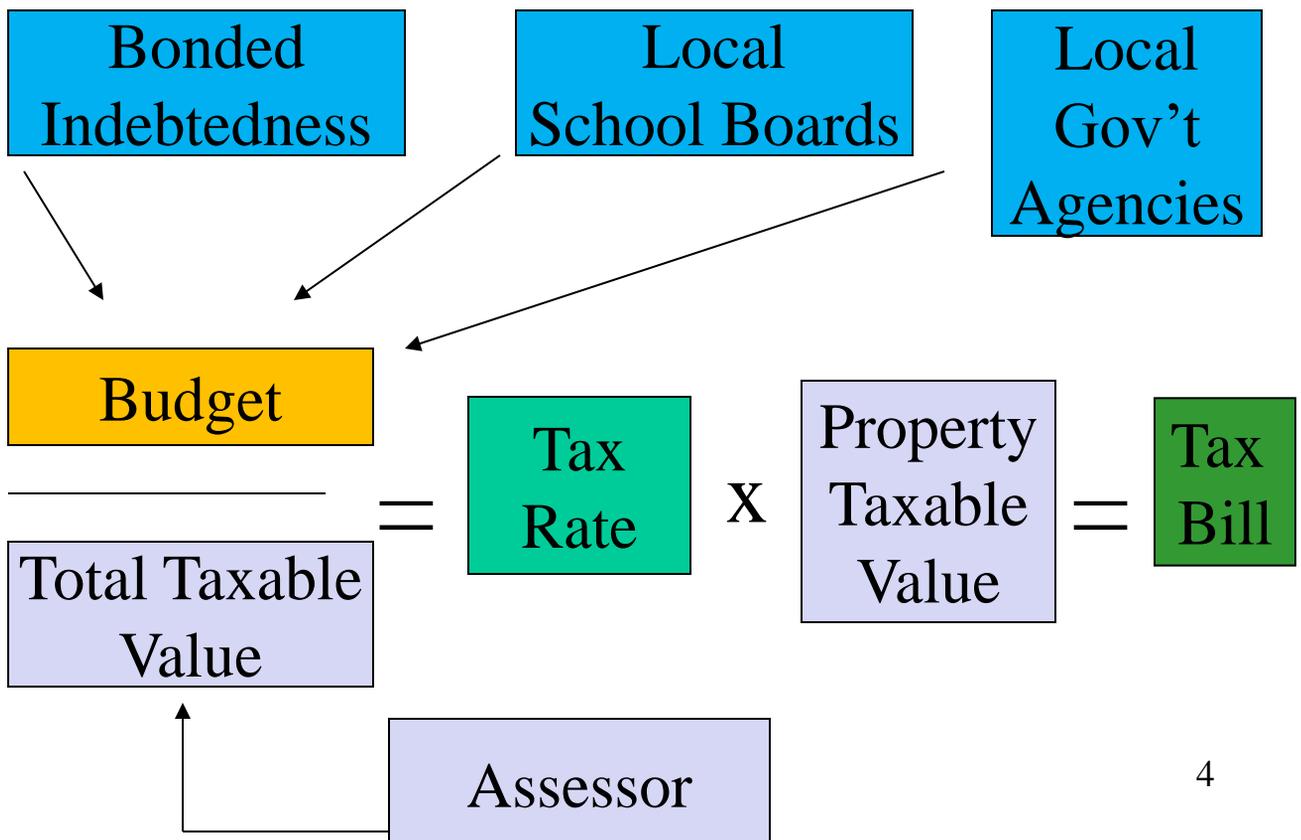
Taxing authorities (school, city, county, etc.) approve budgets annually for services they think people want or have asked for.

## • VALUATION

Buyers and sellers in the market create value. Assessors study market transactions and estimate value.

## • TAXATION

Approved budgets are divided by the total taxable value and tax rates (mill levies) are set.



## Property Tax Basics

- Here are a couple of basic examples of how this process works. The assumptions used in the first example are that the total amount of approved budgets in a jurisdiction is \$2,000,000 and the total taxable value of all properties is \$100,000,000. The Second example assumes that property values increase and the total budget remains the same.
- The following illustrates the effect on a home valued at \$100,000:

Budget = \$2,000,000    Taxable Value = \$100,000,000

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$$\frac{\$2,000,000}{\$100,000,000} = .02 \text{ (or 2\% tax rate)}$$

\$100,000,000

**HOME VALUE = \$100,000 X .02 = \$2,000 TAX**

- If property values were to increase in this example community, that in itself should not affect the amount of budget required.
- The following illustrates the effect of a 50% valuation increase on property values without an increase in a community's total budget.:

Budget = \$2,000,000    Taxable Value = \$150,000,000

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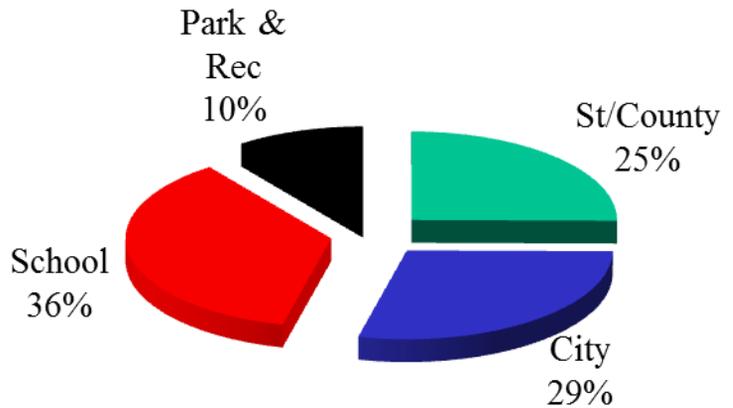
$$\frac{\$2,000,000}{\$150,000,000} = .0133 \text{ (or 1.3\% tax rate)}$$

\$150,000,000

**HOME VALUE = \$150,000 X .013 = \$2,000 TAX**

# 2012 Mill Levy Breakdown

| <u>Taxing District</u> | <u>Mills</u>  |
|------------------------|---------------|
| State                  | 1.00          |
| County                 | 107.19        |
| School                 | 155.40        |
| City:                  |               |
| General                | 102.65        |
| Animal Shelter         | 0.50          |
| Library                | 15.00         |
| Airport                | 5.22          |
| Park & Rec             | 43.48         |
|                        |               |
| <b>Total</b>           | <b>430.44</b> |



How much in taxes does  
1 mill bring in      \$ 28,667

# Mill Levy/Property Tax Comparison

| CITY                       | 2012<br>Total Mill<br>Levy | 2012 City<br>Mill Levy | Est. Tax<br>\$125,000<br>Residential | City Tax only<br>for<br>Residential | Est. Tax<br>\$125,000<br>Commercial | City Tax<br>only for<br>Commercial |
|----------------------------|----------------------------|------------------------|--------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| Jamestown                  | 430.44                     | 131.11                 | \$2,421                              | \$737                               | \$2,690                             | \$819                              |
| Wahpeton                   | 424.62                     | 124.14                 | \$2,388                              | \$698                               | \$2,654                             | \$776                              |
| Devils Lake                | 421.71                     | 112.66                 | \$2,372                              | \$634                               | \$2,636                             | \$704                              |
| Grand Forks                | 408.10                     | 109.07                 | \$2,296                              | \$614                               | \$2,551                             | \$682                              |
| Mandan                     | 394.46                     | 115.84                 | \$2,219                              | \$652                               | \$2,465                             | \$724                              |
| West Fargo                 | 390.52                     | 91.03                  | \$2,197                              | \$512                               | \$2,441                             | \$569                              |
| Fargo (School Dist #1)     | 382.06                     | 58.25                  | \$2,149                              | \$328                               | \$2,388                             | \$364                              |
| Valley City                | 375.35                     | 93.61                  | \$2,111                              | \$527                               | \$2,346                             | \$585                              |
| Minot                      | 328.34                     | 76.67                  | \$1,847                              | \$431                               | \$2,052                             | \$479                              |
| Dickinson                  | 313.87                     | 84.95                  | \$1,766                              | \$478                               | \$1,962                             | \$531                              |
| Bismarck (School Dist #1)  | 308.70                     | 79.05                  | \$1,736                              | \$445                               | \$1,929                             | \$494                              |
| Williston (School Dist #1) | 249.50                     | 60.17                  | \$1,403                              | \$338                               | \$1,559                             | \$376                              |

## Building Permit Info

- Part of appraising properties for assessment purposes is to add for improvements to the property. Normally this is done by inspecting parcels of land where building permits are issued. The chart below shows the number of residential & commercial building permits that were issued in 2012.

| <u>Permit Type</u>  | <u>Count</u> | <u>True &amp; Full Value of<br/>New Construction</u> |
|---------------------|--------------|--|
| Residential Permits | 79           | 1,334,200  |
| Commercial Permits  | 39           | 12,291,800   |

- Because February 1<sup>st</sup> is the assessment date, new construction totals include partial assessments for work completed as of February 1<sup>st</sup> of the current year and final assessments for work completed after February 1<sup>st</sup> of the previous year.

# Tax Exemptions

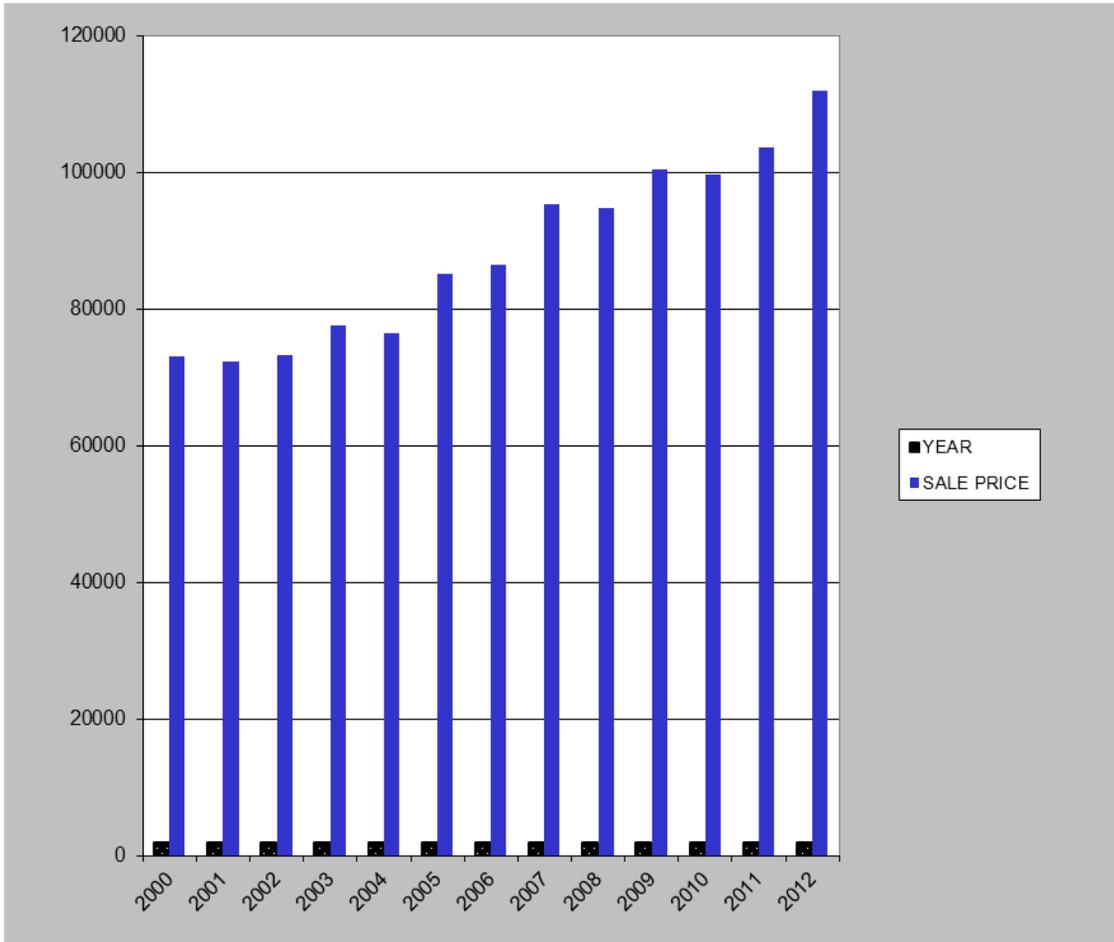
| <u>Type of Exemption</u>                                  |   |              | <u>Count</u> | <u>Exempt Taxable Value</u> |
|---|---|--------------|--------------|-----------------------------|
| <b><u>New Business / Improvements (Discretionary)</u></b> |   |              | 3            | 172,915                     |
| 74 175 2000   | Heritage Centre<br>Phase III                      | \$2,006,100  |              |                             |
| 74 254 4000   | Marvin Brown                                      | \$1,238,500  |              |                             |
| 74 300 1700   | Allen Enterprises                                 | \$213,700    |              |                             |
| <b><u>Charitable Org</u></b>                              |   |              | 18           | 1,502,810                   |
| 74 122 1210   | ND Heart<br>Association                           | \$116,900    |              |                             |
| 74 157 0090   | Community Action                                  | \$149,100    |              |                             |
| 74 172 3510   | 20 <sup>th</sup> Regimental<br>Infantry Ft Seward | \$48,600     |              |                             |
| 74 251 0900   | Buffalo Foundation                                | \$300,500    |              |                             |
| 74 315 2000   | Lutheran Charity<br>(new hospital)                | \$20,954,300 |              |                             |
| 74 329 2640   | Alano Society                                     | \$62,700     |              |                             |
| 74 337 9000   | Progress Enterprises                              | \$397,900    |              |                             |
| 74 361 1480   | Progress Enterprises                              | \$261,500    |              |                             |
| 74 361 6120   | Jmst Gymnastics                                   | \$77,500     |              |                             |
| 74 362 1000   | Community Action                                  | \$817,700    |              |                             |
| 74 432 1700   | ASI   | \$1,026,200  |              |                             |
| 74 511 0080   | LSS Housing<br>(old hospital)                     | \$1,034,900  |              |                             |
| 74 511 4100   | Salvation Army                                    | \$113,900    |              |                             |
| 74 511 8560   | Jmst Fine Arts                                    | \$77,500     |              |                             |
| 74 511 8770   | Jmst Fine Arts                                    | \$110,000    |              |                             |
| 74 568 1000   | Eventide  | \$3,811,300  |              |                             |
| 74 668 4100   | Alpha Opportunities                               | \$260,700    |              |                             |
| 74 668 5000   | Alpha Opportunities                               | \$435,000    |              |                             |

# Tax Exemptions

| <u>Type of Exemption</u>                             |                 |           | <u>Count</u> | <u>Exempt Taxable Value</u> |
|--|-----------------|-----------|--------------|-----------------------------|
| <b><u>Daycare</u></b>                                |                 |           | 1            | 12,715                      |
| 74 511 2080  | Family Support  | \$254,300 |              |                             |
| <b><u>Renaissance Zone</u></b>                       |                 |           | 3            | 23,365                      |
| 74 511 7860  | Merandian       | \$111,100 |              |                             |
| 74 511 8040  | Heinrich        | \$152,100 |              |                             |
| 74 511 8800  | Waldie          | \$204,100 |              |                             |
| <b><u>Single Family Dwelling (Discretionary)</u></b> |                 |           | 10           | 74,759                      |
| 74 110 1000  | Williams        | \$220,900 |              |                             |
| 74 231 1000  | Torrance        | \$150,000 |              |                             |
| 74 233 0800  | Moser           | \$150,000 |              |                             |
| 74 288 1680  | Jmst Plumbing   | \$172,600 |              |                             |
| 74 309 1800  | Spenningsby     | \$150,000 |              |                             |
| 74 420 2100  | Brickner        | \$150,000 |              |                             |
| 74 420 2400  | Sandness        | \$270,900 |              |                             |
| 74 541 4250  | Rexin           | \$150,000 |              |                             |
| 74 557 3000  | Hoff            | \$150,000 |              |                             |
| 74 680 0390  | KP Home Builder | \$96,900  |              |                             |
| <b><u>Totals</u></b>                                 |                 |           | 35           | 1,775,879                   |

| <u>Non Discretionary: State Reimbursed</u> | <u># of Pcl's</u> | <u>Exempt Taxable Value</u> |
|--|-------------------|-----------------------------|
| Homestead Credit                           | 130               | 361,751                     |
| Disabled Veteran                           | 54                | 182,202                     |

# Average Sale Price of Residential Homes



## 2012 Sales Ratio Stats

|     | Count | Sales      | Asmt       | Arith | Agg Mean | Median | PRD  | AVG   | COEFF | Range High | Range Low |
|-----|-------|------------|------------|-------|----------|--------|------|-------|-------|------------|-----------|
| RES | 216   | 24,200,245 | 21,812,600 | 92.9% | 90.1%    | 93.2%  | 1.03 | 13.5% | .15   | 201.2%     | 45.9%     |

# Residential Home Sales

| Bldg Type & Style  | Count      | Avg SL PRICE   | Avg RATIO   | Avg YR BLT  | Avg \$/SF       | Avg BL SF    |
|--------------------|------------|----------------|-------------|-------------|-----------------|--------------|
| <b>1 STY</b>       | <b>137</b> | <b>104,843</b> | <b>0.93</b> | <b>1962</b> | <b>\$86.90</b>  | <b>1,166</b> |
| CONDO              | 7          | 163,700        | 1.06        | 2000        | \$101.60        | 1,586        |
| DUPLEX             | 1          | 90,000         | 0.98        | 1959        | \$70.53         | 1,276        |
| MOBILE             | 3          | 84,667         | 0.96        | 1994        | \$65.75         | 1,303        |
| SIN                | 125        | 102,509        | 0.92        | 1959        | \$87.12         | 1,134        |
| TNEND              | 1          | 60,000         | 0.98        | 1960        | \$36.01         | 1,666        |
| <b>1.5 FIN</b>     | <b>19</b>  | <b>66,074</b>  | <b>0.88</b> | <b>1938</b> | <b>\$54.77</b>  | <b>1,255</b> |
| DUPLEX             | 1          | 75,500         | 0.98        | 1942        | \$51.29         | 1,472        |
| SIN                | 18         | 65,550         | 0.88        | 1938        | \$54.96         | 1,243        |
| <b>1.5 UNFIN</b>   | <b>1</b>   | <b>51,000</b>  | <b>1.11</b> | <b>1925</b> | <b>\$49.32</b>  | <b>1,034</b> |
| SIN                | 1          | 51,000         | 1.11        | 1925        | \$49.32         | 1,034        |
| <b>2 STY</b>       | <b>30</b>  | <b>129,622</b> | <b>0.96</b> | <b>1950</b> | <b>\$63.56</b>  | <b>1,963</b> |
| CONDO              | 1          | 90,000         | 0.93        | 1965        | \$69.44         | 1,296        |
| DUPLEX             | 2          | 61,750         | 0.97        | 1928        | \$27.50         | 2,405        |
| SIN                | 26         | 137,198        | 0.96        | 1950        | \$65.42         | 1,979        |
| TNEND              | 1          | 108,000        | 0.84        | 1980        | \$81.33         | 1,328        |
| <b>2.5 UFIN</b>    | <b>2</b>   | <b>125,500</b> | <b>0.86</b> | <b>1938</b> | <b>\$69.06</b>  | <b>1,846</b> |
| SIN                | 2          | 125,500        | 0.86        | 1938        | \$69.06         | 1,846        |
| <b>BILEV</b>       | <b>21</b>  | <b>154,719</b> | <b>0.90</b> | <b>1983</b> | <b>\$135.41</b> | <b>1,137</b> |
| SIN                | 18         | 161,944        | 0.89        | 1986        | \$140.82        | 1,141        |
| TNEND              | 3          | 111,367        | 0.93        | 1969        | \$102.91        | 1,112        |
| <b>SPLIT</b>       | <b>6</b>   | <b>190,317</b> | <b>0.92</b> | <b>1993</b> | <b>\$98.59</b>  | <b>1,938</b> |
| SIN                | 6          | 190,317        | 0.92        | 1993        | \$98.59         | 1,938        |
| <b>Grand Total</b> | <b>216</b> | <b>112,040</b> | <b>0.93</b> | <b>1961</b> | <b>\$85.53</b>  | <b>1,309</b> |



# 2013 Residential & Commercial Compliance Worksheets

| <b><u>2013 Residential</u></b>   |                    | <b><u>2013 Commercial</u></b>  |                     |
|--|--------------------|--|---------------------|
| True & Full Value  | 441,448,500        | True & Full Value (doesn't include AG land)  | 207,680,400         |
| Minus Increases (new construction)   | <u>(1,557,320)</u> | Minus Increases (new construction)   | <u>(12,719,700)</u> |
| Adjusted True & Full Value   | 439,891,180        | Adjusted True & Full Value   | 194,960,700         |
| <b><u>2012 Residential</u></b>   |                    | <b><u>2012 Commercial</u></b>  |                     |
| True & Full Value  | 419,767,300        | True & Full Value (doesn't include AG land)  | 189,732,600         |
| Minus Decreases (demolished, moved)  | <u>(88,000)</u>    | Minus Decreases (demolished, moved)  | <u>(90,300)</u>     |
| Adjusted True & Full Value   | 419,679,300        | Adjusted True & Full Value   | 189,642,300         |
| Sales Ratio (city assessment/sales price)  | 93.2%              | Sales Ratio (city assessment/sales price)  | 94.9%               |
| Indicated Market Value (if at 100%)  | 450,299,678        | Indicated Market Value (if at 100%)  | 199,833,825         |
| Jamestown is at this percentage of the Indicated Value   | 97.7%              | Jamestown is at this percentage of the Indicated Value   | 97.6%               |
| The difference between the current adjusted true/full value and the indicated market value if the City was at 100% | 10,408,498         | The difference between the current adjusted true/full value and the indicated market value if the City was at 100% | 4,873,125           |
| Indicated change needed to reach 100%  | 2.4%               | Indicated change needed to reach 100%  | 2.5%                |

The reason the increases & decreases are subtracted from each year is to compare the True & Full Value not being affected by new construction, demolished or moved buildings.

**\*\*\*\* FOR 2013 THE STATE TOLLERANCE LEVEL IS 90% \*\*\*\***