

CITY OF JAMESTOWN

Assessment Department **ANNUAL REPORT**

To The Jamestown
City Board of Equalization

April 12, 2011

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:

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

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 447.35 mills for Jamestown in 2010.

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

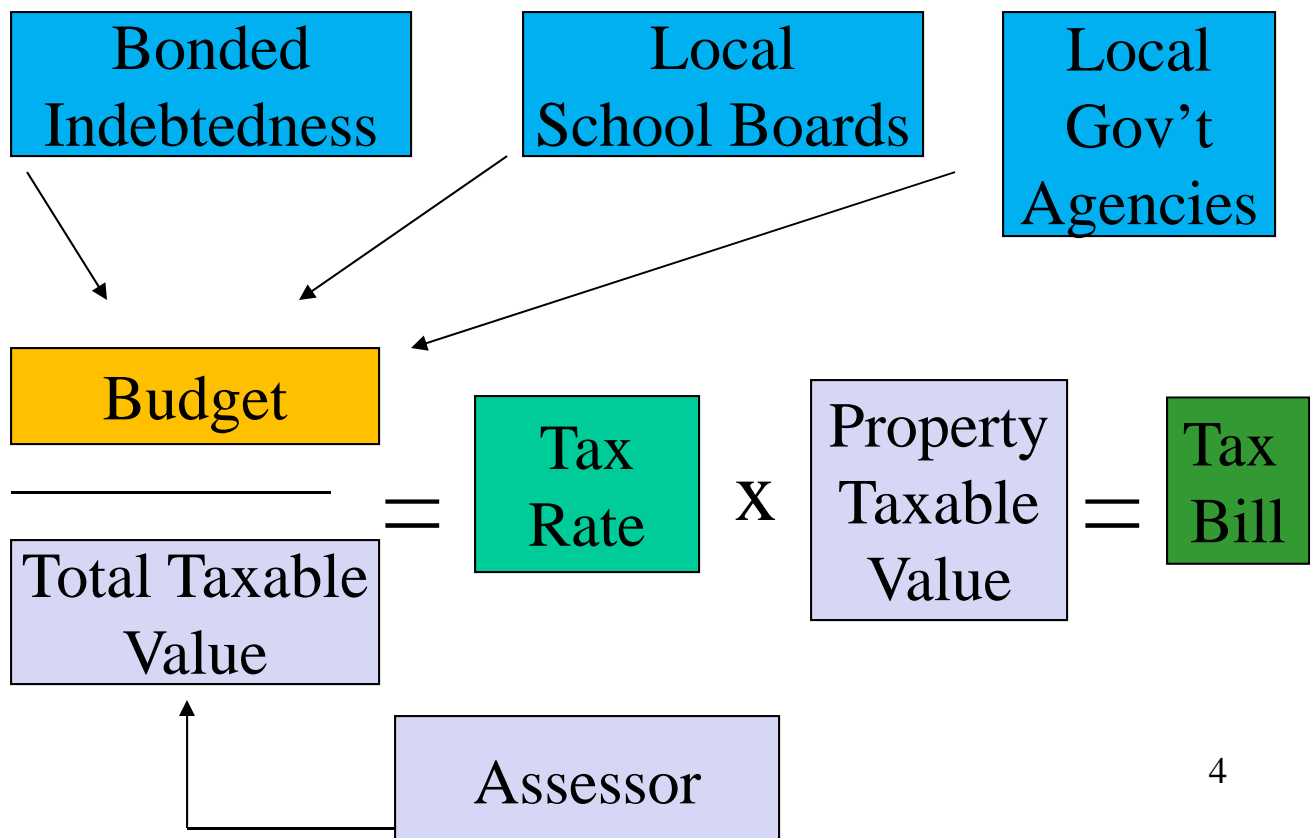
Taxing authorities (school, city, county, etc.) approve budgets annually for services they think people want or have asked for.

• 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.



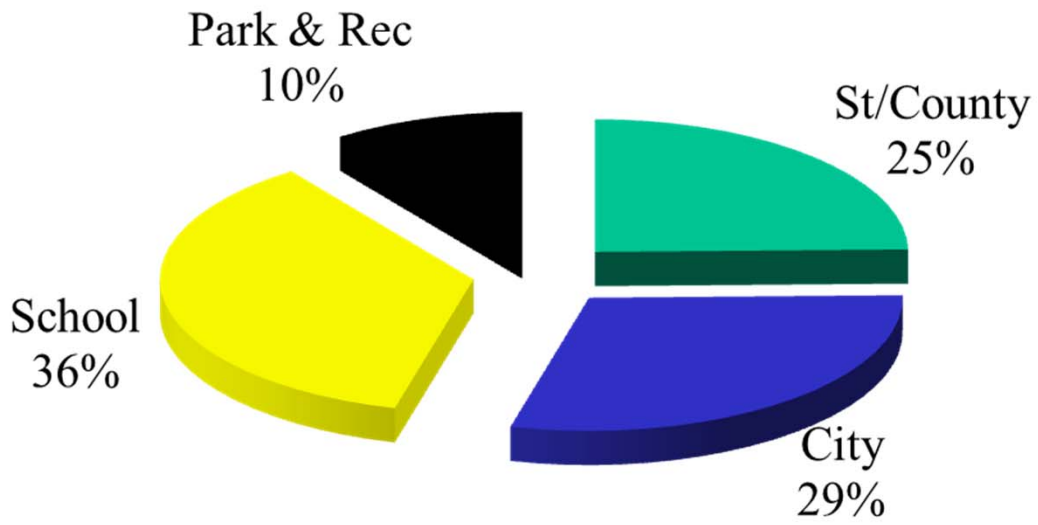
2010 Mill Levy Breakdown

<u>Taxing District</u>	<u>Mills</u>
State	1.00
County	109.51
School	161.46
City:	
General	110.66
Animal Shelter	0.50
Library	15.00
Airport	5.01
Park & Rec	44.21
Total	447.35

Mill Levy/Property Tax Comparison

CITY	2010 Total Mill Levy	2010 City Mill Levy	Est. Tax \$125,000 Residential	City Tax only for Residential	Est. Tax \$125,000 Commercial	City Tax only for Commercial
Jamestown	447.35	175.38	\$2,516	\$987	\$2,796	\$1,096
Mandan	409.39	97.98	\$2,303	\$551	\$2,559	\$612
Grand Forks	404.83	107.77	\$2,277	\$606	\$2,530	\$674
Fargo (School Dist #1)	385.13	58.25	\$2,166	\$328	\$2,407	\$364
West Fargo	370.68	91.59	\$2,085	\$515	\$2,317	\$572
Dickinson	341.09	116.96	\$1,919	\$658	\$2,132	\$731
Minot	339.57	107.33	\$1,910	\$604	\$2,122	\$671
Bismarck (School Dist #1)	318.18	80.68	\$1,790	\$454	\$1,989	\$504
Williston (School Dist #1)	317.64	63.49	\$1,787	\$357	\$1,985	\$397

% Breakdown 2010 Mill Levy



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 inspected in 2009.

Residential Permits	99	Total New Construction	4,158,000
Commercial Permits	50	Total New Construction	4,936,800

- Because February 1st is the assessment date, new construction totals include partial assessments for work completed as of February 1st of the current year and final assessments for work completed after February 1st of the previous year.
- Market forces which affect the value of real estate over broad subclasses of property are dealt with through a process called value trending. This involves applying value changes uniformly across various classes of property based upon sales ratio statistics.

Tax Exemptions

<u>EXEMPTION AUTHORITY</u>	<u>COUNT</u>	<u>EXEMPT TAXABLE VALUE</u>
New Business / Improvements	5	200,035
Charitable Org	10	236,130
Daycare	1	12,715
Sngl Family Dwelling	11	74,403
Ren Zone (RES)	4	26,550
Ren Zone (COM)	7	109,465
Disabled Veteran	44	128,018
TOTAL	98	697,791

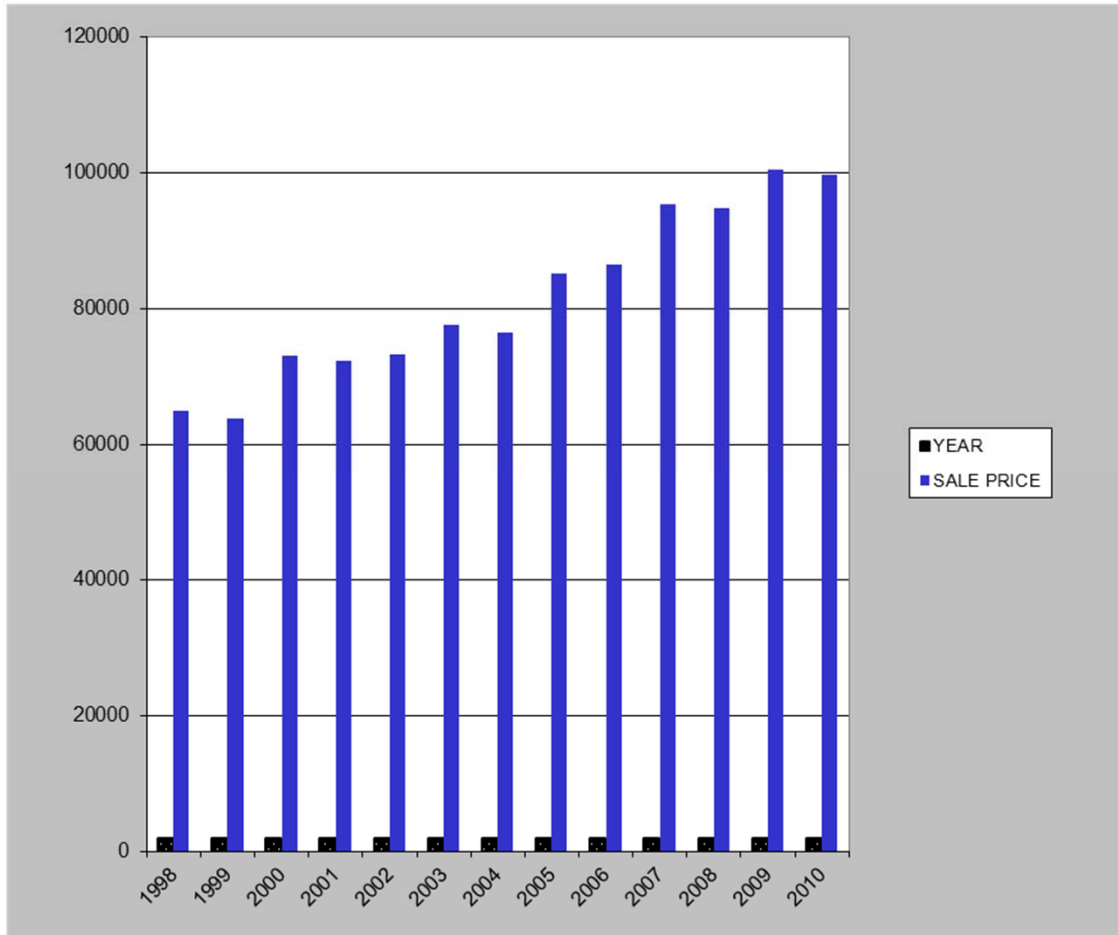
57-02 Improvements to Commercial Buildings

Business Name	Exempt Bldg Value
McDonalds	\$374,000
Mayor Truck Line	\$87,600

40-57 New or Expanding Business Exemptions

Business Name	Exempt Bldg Value & Pilot Taxes
Heritage Centre Phase II	\$7,901 pilot tax
Heritage Centre Phase III	\$2,006,100
Marvin Brown	\$1,238,500
Allen Enterprises	\$294,500

Average Sale Price of Residential Homes



2010 Sales Ratio Stats

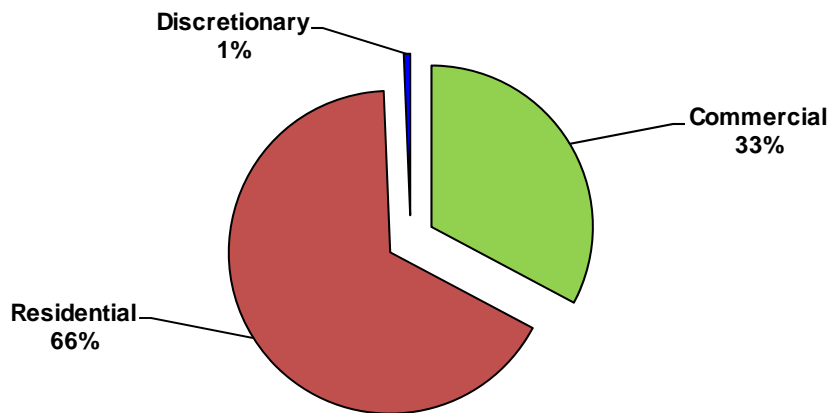
	COUNT	SALES	ASMT	ARITH	AGG		PRD	AVG	COEFF	RANGE	RANGE
					MEAN	MEDIAN				HIGH	LOW
RES	183	18,267,039	17,384,000	98.8%	95.2%	96.8%	1.04	13.9%	0.14	642.2%	53.2%

Estimated Taxable Valuation for 2011

Class	# Pcls	2011 Taxable Value	2010 Taxable value	% Change	2011 True & Full Value
Ag	53	24,710	23,855	3.58%	494,200
Comm	1,906	9,180,600	9,036,311	1.60%	183,612,000
Res	4,510	18,646,884	18,496,840	0.81%	414,375,200
Discretionary	27	523,283	414,770	26.16%	
Subtotal	6,469	28,375,477	27,971,776	1.44%	
Hmst Crdit	121	332,602			
Disabled Veteran	45	220,612			
Discretionary	27	(523,283)			
Subtotal	193	27,852,194			
TIF		0			
2011 Est. Net Taxable Value		27,852,194			
2010 Net Taxable Value		(27,098,558)			
Difference		753,636			
Total increases from all sources				2.78%	598,481,400

	N/C %
Comm N/C	0.87%
Res N/C	0.66%
Percent total increase due to new construction	1.53%

% Breakdown by Class



Residential

		<u>RESIDENTIAL</u>	
		<u>2010</u>	<u>2011</u>
TRUE & FULL	1	413,979,700	415,527,300
INCREASES	2		4,177,700
DECREASES	3	115,600	
ADJ T & F	4	413,864,100	411,349,600
2010 T & F/SR	5		96.8%
IND MRK VAL 2010 LN4/LN5	6		427,545,558
2011 LN4/LN6	7		96.2%
LN6 - 2011 LN4	8		16,195,958
INDICATED CHG NEEDED TO REACH 100% LN 8/2010 LN4	9		3.9%

Commercial

		COMMERCIAL	
		<u>2010</u>	<u>2011</u>
TRUE & FULL	1	181,996,400	186,176,100
INCREASES	2		4,971,700
DECREASES	3	1,357,800	
ADJT & F	4	180,638,600	181,204,400
2010 T & F/SR	5		99.0%
IND MRK VAL 2010 LN4/LN5	6		182,463,232
2011 LN4/LN6	7		99.3%
LN6 - 2011 LN4	8		1,258,832
INDICATED CHG NEEDED TO REACH 100% LN 8/2011 LN4	9		0.7%