

House Bill 1303

General Assessment Procedure

- ND Legislature provides an agricultural land productivity formula which determines the county average value per acre. Crop revenue is capitalized into a value for the county as a whole.
- NDSU makes the calculation and forwards the results to State Tax Commissioner, who then forwards the results to counties.
- Tax Director, **WHENEVER POSSIBLE**, shall use soil type and soil classification data (soils maps) to establish township average values per acre.
- Local assessor determines the relative agricultural land value within the jurisdiction using soils maps or the most appropriate method (cash rents, production, use, etc).

Post HB 1303 Procedure

- Tax Director **SHALL** use soils survey information to determine township average.
- Local assessor **SHALL** apply the following in descending order of significance:
 - Soil Survey maps
 - Schedule of modifiers
 - Actual use of the property
- Must be implemented for the 2010 assessment
- Failure by county to implement results in withholding of 5% of State Aid Distribution monies (about \$250k per year to Cass)

Post HB 1303 Result

The legislation does not change the county average value of agricultural land

The legislation will change the current township averages per acre.

- The legislation will change the values of individual tracts of land.

There will be documentation on how an agricultural assessment was determined.

Steps Necessary to Implement

- Draw tax parcel maps (complete)
- Import Soils maps overlay (complete)
- Determine land use (not complete)
 - FSA Maps
 - Field Inspection
- Set soil pricing schedule (not complete)
 - Productivity Indexes
 - Soils committee

Steps Necessary to Implement

- Determine Modifiers (not complete)
 - Excess salinity
 - Land use covenants
 - Drainage issues
- Compute valuation for each parcel and notify taxpayer of new assessment).
- Review by township board of equalization
- Review by county board of equalization

Timeline

- 2008 Purchase software
- 2008 Import Land use layer
- 2008 Develop preliminary values/modifiers
- 2009 Adopt pricing schedule values
- 2009 Adopt modifiers
- 2009 Price individual parcels
- 2009 Assessor reviews and applies modifiers
- 2010 Township/County/State Review

Major Issues

- Determine Land use
- Soil Pricing Schedule
- Application of Modifiers
- Township Assessor work load & costs
- County work load & costs
- Technical assistance
- Compliance

End Result

- An assessment that complies with HB1303
- An assessment that is equitable according to statute
- An assessment that is acceptable to the agricultural community