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OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1198

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Dennis G. Hall
Operator's Signature

10/2/03
Date

2003 HOUSE POLITICAL SUBDIVISIONS

HB 1198

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10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1198

House Political Subdivisions Committee

Conference Committee

Hearing Date: January 30, 2003

Tape Number	Side A	Side B	Meter #
1	X		0.0-51
1		X	0.0-12.0
Committee Clerk Signature <i>Mickie Schmidt</i> 2-10-03			

Minutes:

TAPE 1: SIDE A:

(0.0) REP. GLEN FROSETH: We will open the hearing on HB 1198. I will have the clerk take the roll. We have a quorum.

(3.2) REP. GIL HERBEL: Testimony in support of HB 1198. (See attachment #1) The State Equalization board may not alter the final decision of the Commissioner.

(5.2) REP. NANCY JOHNSON: The State Tax Equalization Board looks at the value of similar land across the entire state. If you put this at the local level, how do you propose to make the values that the local level puts on their Ag. land equitable with the rest of the state land.

(5.6) REP. GIL HERBEL: This used to be that way, where they did it at the local level. There was some concern on what you just indicated. The Tax Equalization Board has taken over that authority. But the problem is the pendulum never stays in the middle. We in Walsh County have absorbed a 42% increase in evaluation, and the property hasn't gone up, based on the Ag formula.

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House Political Subdivisions Committee

Bill/Resolution Number HB 1198

Hearing Date: January 30, 2003

We believe that we know better what's happening and want to make that decision locally rather than having someone here at the State determine that. Could this possibly happen. I don't think it will happen, because you still need a certain amount of money to render counties in the school districts.

(6.5) REP. CAROL NIEMEIER: Will the State Equalization Board have any input at all?

(6.6) REP. GIL HERBEL: They will in terms of continuing the Ag statistic formula. The Ag community will do nothing differently than what they've done before. The information that comes out of NDSU will be used as a guideline for these people to determine whether or not they want to go up or down.

(7.1) REP. DALE SEVERSON: How long has the Tax Equalization Board been doing this? Is there concern for other counties or just yours?

(7.7) REP. GIL HERBEL: I think it goes back to the late 1970's. I met with a nine county region in early December. And the nine counties, which represents a variety of types of land, all voted in favor of this.

(8.0) REP. DALE SEVERSON: Have you had the opportunity to talk to State Equalization Board?

(8.2) REP. GIL HERBEL: I did not.

(8.3) REP. NANCY JOHNSON: Did you prepare any drafting of the bill to the consideration to the removal of the area's that say per tax year 1999? Are some deletions possible?

(8.6) REP. GIL HERBEL: I did not, I gave the information to the Legislative Council and John Walsh. It was in statute at the time. Yes, it could be amended.

(8.9) REP. MIKE GROSZ: What are your thoughts of putting a cap on it?

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House Political Subdivisions Committee

Bill/Resolution Number HB 1198

Hearing Date: January 30, 2003

(9.1) REP. GIL HERBEL: I did not because I still believe in local control. If you don't object, there is going to be an amendment offered.

(9.6) REP. ROBIN WEISZ: Testimony in support of HB 1198. I believe in bringing local control back to the counties. (See attachment #2, proposed amendments)

(12.0) REP. DALE SEVERSON: The biggest tax they have is the school district tax. This will not change that scenario?

(12.3) REP. ROBIN WEISZ: No, this will not affect the evaluation that that school district is going to use to enroll.

(13.6) REP. NANCY JOHNSON: This just applies to agriculture and land?

(13.6) REP. ROBIN WEISZ: This just applies to Ag land.

(13.9) REP. BRUCE ECKRE: What I hear from other people, they don't believe that it's equalization that's the taxes, because they believe the State is not providing proper funding to our counties and schools. Won't this reduce property tax on Ag land, but not on the cities?

(14.1) REP. ROBIN WEISZ: Again, it's up to local control.

(15.0) MAC HALCROW; PEMBINA COUNTY COMMISSIONER: Testimony in support of HB 1198. (See attachment #3)

(22.0) REP. RON IVERSON: Did the State Board of Tax Equalization give you a reason why they would not take suggestions into consideration about the bureau?

(22.1) MAC HALCROW: The law says that they have the ability to go to zero. The board has made a decision that they will only abate 5%.

(22.4) REP. GIL HERBEL: This plus or minus five is not in the statute.

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House Political Subdivisions Committee
Bill/Resolution Number HB 1198
Hearing Date: January 30, 2003

(22.4) MAC HALCROW: I believe that to be a true statement. My home county has the highest taxable valuation of Ag land in ND. We've already gotten next years certification and it's supposed to go up 9.75%.

(23.3) REP. GLEN FROSETH: Have you heard the proposed amendment, and do you agree with it?

(23.5) MAC HALCROW: I guess I knew about that amendment and I suppose we can live with it.

(24.1) REP. MIKE GROSZ: When the State Board of Equalization told you no, did you go back in and reduce the number of mills?

(24.2) MAC HALCROW: Yes, but the County Commission controls about 20% of the mills levy. We have lowered the mill levy of the county every year I've been here. But to say that it was lowered over all is not a true statement, because we control only 20% of the total.

(25.1) WILLIAM GORDER: WALSH COUNTY COMMISSIONER: (Testimony in support of HB1198.) There is a problem there. I do not fully understand the NDSU formula. It is very complicated. The bottom line is we could have control over Ag evaluations. I'm willing to take that responsibility. My constituents ask me why does it keep going up? We really don't have any control over it.

(28.1) REP. WILLIAM KRETSCHMAR: In your county, do the assessed valuations put on the land, are they in comparison to market values?

(28.4) WILLIAM GORDER: They are all over the board. We have a coat rail that is supposed to come into play. It's called Arc View. We're going to try to access the land by it's value, the

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House Political Subdivisions Committee
Bill/Resolution Number HB 1198
Hearing Date: January 30, 2003

higher land will pay more tax, the lower less expensive land will pay less. We're two years into the program and I think it will be ready in a year. We hope it will be more fair.

(30.1) ARVID WINKLER: FARMER AND TOWNSHIP ASSESSOR IN BARNES

COUNTY: (Testimony in opposition of HB 1198.) (See attachment # 4)

(39.6) REP. GIL HERBEL: Arvid, you had some concern about the Foundation Aide Force.

Does that commend to address your concern that Rep. Weisz put in?

(40.1) ARVID WINKLER: Yes it would but, basically we're keeping two sets of books. You're better off defeating the Bill and just go by the procedures in the first place. If you bought a business for \$100,000, you're going to get assessed made for \$100,000. If you bought a house for \$100,000, you're going to get assessed for \$100,000. But if you buy some Ag land for \$100,000, you're going to get assessed at, luckily 70% according to the state numbers. The state averages is 70.8% in this median thing.

(42.1) SANDY CLARK: ND FARM BUREAU: (Testimony in opposition of HB 1198.) (See attachment #5 and manual #6)

(TAPE 1: SIDE B:)

(3.9) SANDY CLARK: (ONGOING TESTIMONY)

(4.4) REP. ALON WIELAND: You said that the 5% variance is not in statute or in administrative rule. What is it?

(4.6) SANDY CLARK: It was established by the State Board of Equalization some time ago. How that was established, you'll have to ask the Board or Tax Dept.

(4.8) REP. ALON WIELAND: You also stated that you would not like to see it in either. You would not support that?

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Bill/Resolution Number HB 1198
Hearing Date: January 30, 2003

(4.9) SANDY CLARK: We wouldn't want to place the statute, because once you start putting so much in statute, then you don't lose the flexibility of being able to do what you are talking about right here. I'd have to go back and talk about that in our committee, because we have not discussed it in that manner. I do caution, it may be a compromise at best. But we would caution that there might be variation, less variation.

(5.7) REP. GIL HERBEL: You mentioned that there is a Bill in the Senate that deals with the capitalization rates. You are aware of the Bill in the House on capitalization rates already failed?

(5.8) SANDY CLARK: Yes, we did oppose that Bill.

(6.1) REP. GIL HERBEL: Is it of your opinion then that you don't have any confidence in what the County Commissioners at the local level would do with this authority?

(6.3) SANDY CLARK: Not in any way, we have a great deal of confidence in the County Commissioners and in local government. Our opposition is based on uniformity across the state and the appeal process.

(7.0) MARCY DICKERSON; STATE SUPERVISOR ASSESSOR FOR ND STATE TAX

COMMISSION: Testimony in opposition of HB 1198. (see attachment #7)

(12.0) REP. GLEN FROSETH: Any more testimony in opposition? Hearing none, we will close the hearing on HB 1198.

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10/2/03
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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1198

House Political Subdivisions Committee

Conference Committee

Hearing Date: February 13, 2003

Tape Number	Side A	Side B	Meter #
2		X	41.4-53.2
3	X		0.0-3.5
Committee Clerk Signature <i>Micki Schmidt</i>			3-5-03

Minutes:

TAPE 2; SIDE B:

(41.4) CHAIRMAN GLEN FROSETH: We will open the hearing on HB 1198. Rep. Herbel has an amendment to offer. Also another amendment has been offered by Rep. Weisz.

(42.4) REP. ANDREW MARAGOS: I WILL MOVE THE AMENDMENT.

(42.7) REP. WILLIAM KRETSCHMAR: I SECOND IT.

(42.8) REP. GIL HERBEL: What this amendment does is clarify and only applies to agricultural property. It's on page 3, line 19.

(43.7) CHAIRMAN GLEN FROSETH: Any discussion on the amendment? I will take a voice vote on amendment 102: 14-y; 0-n; 0-absent; the amendment carries. We have another amendment offered by Rep. Robin Weisz, in regards to protecting the school districts from the possibly reduced assessment value.

(44.4) REP. MIKE GROSZ: I WILL MOVE AMENDMENT #101.

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House Political Subdivisions Committee
Bill/Resolution Number HB 1198
Hearing Date: February 13, 2003

(44.5) REP. ALON WIELAND: I SECOND IT.

(44.7) CHAIRMAN GLEN FROSETH: Any discussion on amendment #101? Hearing none,
I will take a voice vote on amendment #101: 14-y; 0-n; 0-absent; **THE AMENDMENT
CARRIES.**

(45.2) REP. ANDREW MARAGOS: I WOULD MOVE A DO PASS AS AMENDED.

(45.3) REP. DALE SEVERSON: I SECOND IT.

(45.6) CHAIRMAN GLEN FROSETH: The Senate is also working on another Bill, SB
#2390 which addresses ag property valuations.

(46.4) REP. GIL HERBEL: I would like to address a couple of issues that were brought up
during testimony. I know that the Farm Bureau had a concern that on one of these pages, John
Walz had changed the word from "determined" to "estimated", and the reason that was done was
because there are some crop lands that are not harvested, so the term estimated is more
appropriate. Also the counties taking over valuations, that they have to catch up. I understand that
most of the counties already basically ?????. On the mill levy if they drop the valuation, how are
they going to run their programs, I don't see that as being a real issue either. There was concern
by the Tax Department on the appeal process. I really believe that the appeal process is still in
effect, it's called an election. If the County Commissioner chooses to drop valuations on Ag land
and increase the taxable value, residential or commercial property, those people also vote. If
you're not satisfied and want to appeal this process, you have to come to the state. Pembina
County attempted to do that 2 years ago, their valuations went up like 11 or 12 percent. They
voted to take the entire 12 percent away. The Tax Equalization Board said no and they were

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Bill/Resolution Number HB 1198
Hearing Date: February 13, 2003

going to do it anyhow. They threatened to put the Auditor in jail. All in all, the appeal process still works best at the local level. (53.2)

TAPE 3: SIDE A:

(0.0) REP. GIL HERBEL: (Continued testimony.)

(0.2) REP. ALON WIELAND: The way I understand the Bill, the County Commissioners can still accept the methodology for how their land is being sectioned out, they can still utilize that source if they want to.

(0.5) REP. MIKE GROSZ: The budgets of these different political subdivisions met and told all residents that they need to collect. And on this side we have all of the assessments, property of agriculture, residential and commercial. Now when you take the total budget that they need and divide it by the total assessed value. So agriculture gets shifted to residential or commercial. I've never been one to vote for a tax shift, but we need to provide some mechanism to help us out on this side of the equation and have property taxes on this side of the equation.

(1.1) REP. GIL HERBEL: I would like to emphasize the fact that if you take a look at what's happening in our area, the increases are municipal compared to what's happening on the Agricultural land.

(1.5) CHAIRMAN GLEN FROSTH: I Any further discussion? I'll have the clerk take the

Roll Call Vote: 9-y; 5-n; 0-absent; Carrier: Rep. Herbel. (3.5)

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10/2/03
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30312.0104
Title.0200

Adopted by the Political Subdivisions
Committee
February 13, 2003

VR
2/14/03
1082

HOUSE AMENDMENTS TO HOUSE BILL NO. 1198 Po1 Sub 2-14-03

Page 1, line 1, after "sections" insert "15.1-27-05," and after "57-02-27.2" insert a comma

Page 1, line 2, after the first "to" insert "determination of net assessed and equalized valuation of agricultural property for purposes of the school district equalization factor and"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 15.1-27-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-05. (Effective through June 30, 2004) School district equalization factor. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

1. The product of thirty-two mills times the latest available net assessed and equalized valuation of property in the district. However, for purposes of determining net assessed and equalized valuation of agricultural property in the district under this subsection, the average agricultural value per acre estimated by the agricultural economics department of North Dakota state university under subsection 5 of section 57-02-27.2 for cropland, noncropland, and inundated agricultural land for the county must be applied to the acreage within the district in each of those categories of agricultural land.
2. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of seventy-five percent of its actual expenditures plus twenty thousand dollars.

(Effective after June 30, 2004) School district equalization factor. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

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2. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars."

2062

Page 3, line 19, after "estimates" insert "and all other matters that affect the actual value of the agricultural property"

Renumber accordingly

Page No. 2

30312.0104

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Deanna G. Baller
Operator's Signature

10/2/03
Date

Date: 2-13-03

Roll Call Vote #: 4

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1198

House "POLITICAL SUBDIVISION" Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By Rep. Maragos Seconded By Rep. Severson

Representatives	Yes	No	Representatives	Yes	No
Chairman Glen Froseth	✓				
Vice-Chairman Nancy Johnson	✓				
Mike Groez		✓			
Gil Herbel	✓				
Ron Iverson	✓				
William E. Kretschmar		✓			
Andrew Maragos	✓				
Dale Severson	✓				
Alon Wieland	✓				
Bruce Eckre		✓			
Mary Ekstrom		✓			
Carol A. Niemeler		✓			
Sally M. Sandvig	✓				
Vonnie Pletsch	✓				

Total (Yes) 9 No 5

Absent 0

Floor Assignment Rep. Herbel

If the vote is on an amendment, briefly indicate intent:

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REPORT OF STANDING COMMITTEE (410)
February 14, 2003 3:26 p.m.

Module No: HR-29-2840
Carrier: Herbel
Insert LC: 30312.0104 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1198: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1198 was placed on the Sixth order on the calendar.

Page 1, line 1, after "sections" insert "15.1-27-05," and after "57-02-27.2" insert a comma

Page 1, line 2, after the first "to" insert "determination of net assessed and equalized valuation of agricultural property for purposes of the school district equalization factor and"

Page 1, after line 4, insert:

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(2) DESK, (3) COMM

Page No. 1

HR-29-2840

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Date

REPORT OF STANDING COMMITTEE (410)
February 14, 2003 3:26 p.m.

Module No: HR-29-2840

Carrier: Herbel

Insert LC: 30312.0104 Title: .0200

Page 3, line 19, after "estimates" insert "and all other matters that affect the actual value of the agricultural property"

Renumber accordingly

(2) DESK, (3) COMM

Page No. 2

HR-29-2840

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2003 TESTIMONY

HB 1198

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#1 - 1-30-03

**TESTIMONY
HB 1198
Representative Gil Herbel**

Presently the final authority in determining ag valuations rests with the State Tax Equalization Board. What HB 1198 does is returns this authority back to the county commissioners to make that final determination.

We as a legislature and citizens of the State of North Dakota continue to espouse the importance of local control. Here is an opportunity to do just that.

My question on this issue is, who would know better about what is happening with ag valuation than those at a local level? Since only one mill of these property taxes goes to the state, why would we need the State Tax Equalization Board located in Bismarck to make this determination at a local level?

This bill does not change the formula for determining ag valuations. We would still use the formula as a guideline for the commissioners to go by. However, the final authority for any increases or decreases will rest on the commissioners at the local level.

I urge you to support HB 1198. Thank you.

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1/2/03
Date

1-36-03

2

30312.0101
Title.

Prepared by the Legislative Council staff for
Representative Weisz
January 20, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1198

Page 1, line 1, after "sections" insert "15.1-27-05," and after "57-02-27.2" insert a comma

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"SECTION 1. AMENDMENT. Section 15.1-27-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-05. (Effective through June 30, 2004) School district equalization factor. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

1. The product of thirty-two mills times the latest available net assessed and equalized valuation of property in the district. However, for purposes of determining net assessed and equalized valuation of agricultural property in the district under this subsection, the average agricultural value per acre estimated by the agricultural economics department of North Dakota state university under subsection 5 of section 57-02-27.2 for cropland, noncropland, and inundated agricultural land for the county must be applied to the acreage within the district in each of those categories of agricultural land.
2. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of seventy-five percent of its actual expenditures plus twenty thousand dollars.

(Effective after June 30, 2004) School district equalization factor. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

1. The product of thirty-two mills times the latest available net assessed and equalized valuation of property in the district. However, for purposes of determining net assessed and equalized valuation of agricultural property in the district under this subsection, the average agricultural value per acre estimated by the agricultural economics department of North Dakota state university under subsection 5 of section 57-02-27.2 for cropland, noncropland, and inundated agricultural land for the county must be applied to the acreage within the district in each of those categories of agricultural land.
2. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars."

Renumber accordingly

Page No. 1

30312.0101

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Donna Hallmark
Operator's Signature

10/2/03
Date

#3 HB 1198 1-30-03
10/4

PEMBINA COUNTY

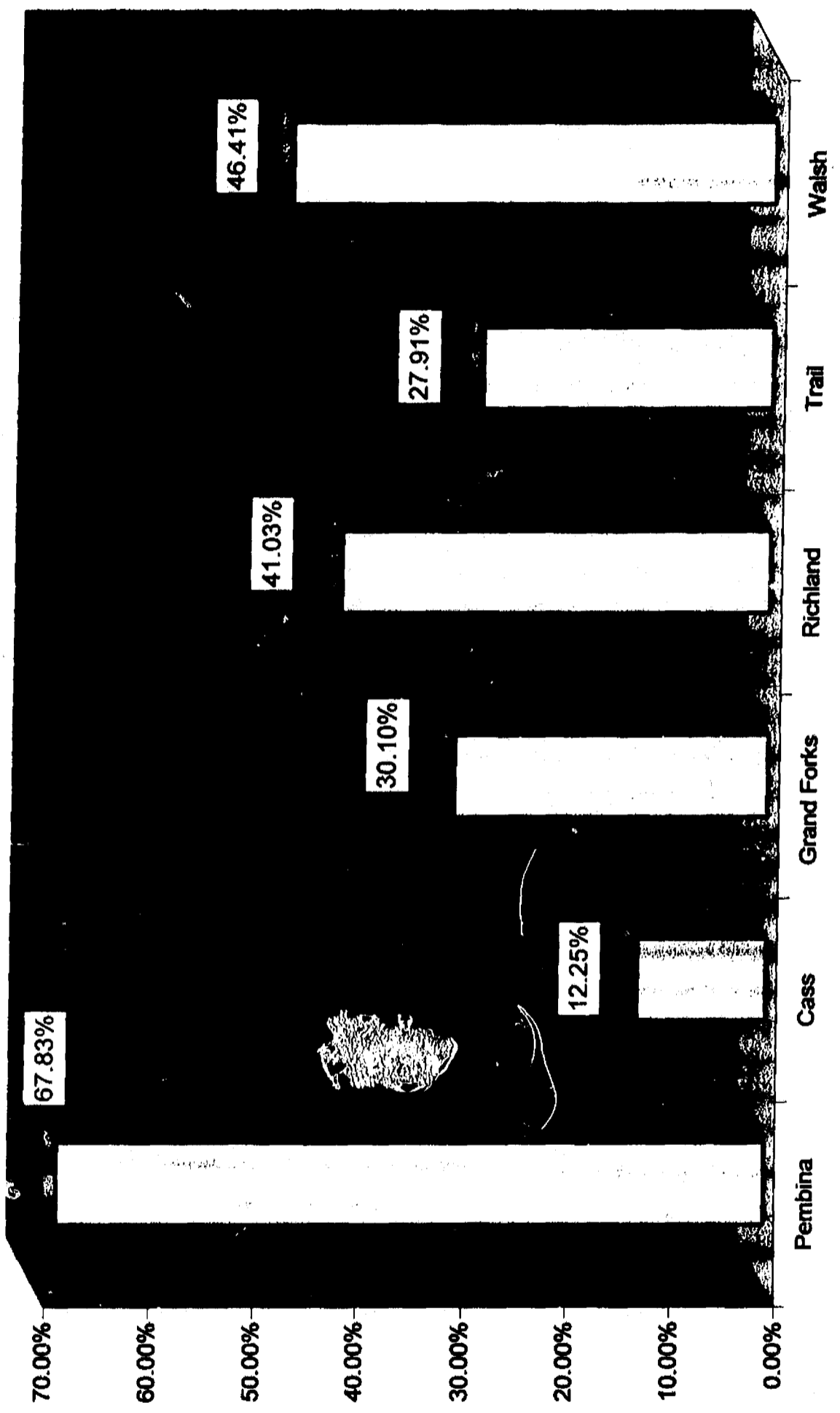
- > MAC HALCROW
- > LOCAL CONTROL
- > CHART ON TAXABLE VALUATION
- > CHART ON TAX INCREASES
- > CHART ON FEMA AND HAZARD MITIGATION MONEY
(ie: Disaster money from Federal, State, and Local)
- > 36 FLOODS SINCE 1947 (Including 3 last year)
- > PRESIDENTIAL DISASTER COUNTY 10 TIMES IN LAST
11 YEARS
- > US CONSTITUTION (Protect Lives, Protect Property, and
manage the monetary exchange)
- > FAIRNESS DOCTRINE (10.04 Increase next yr 1-2003)
(\$543.73 - \$598.30)
Walsh 9.75%

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Deanna Walcott
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12/2/03
Date

Taxable Valuation Increases 1980-2002

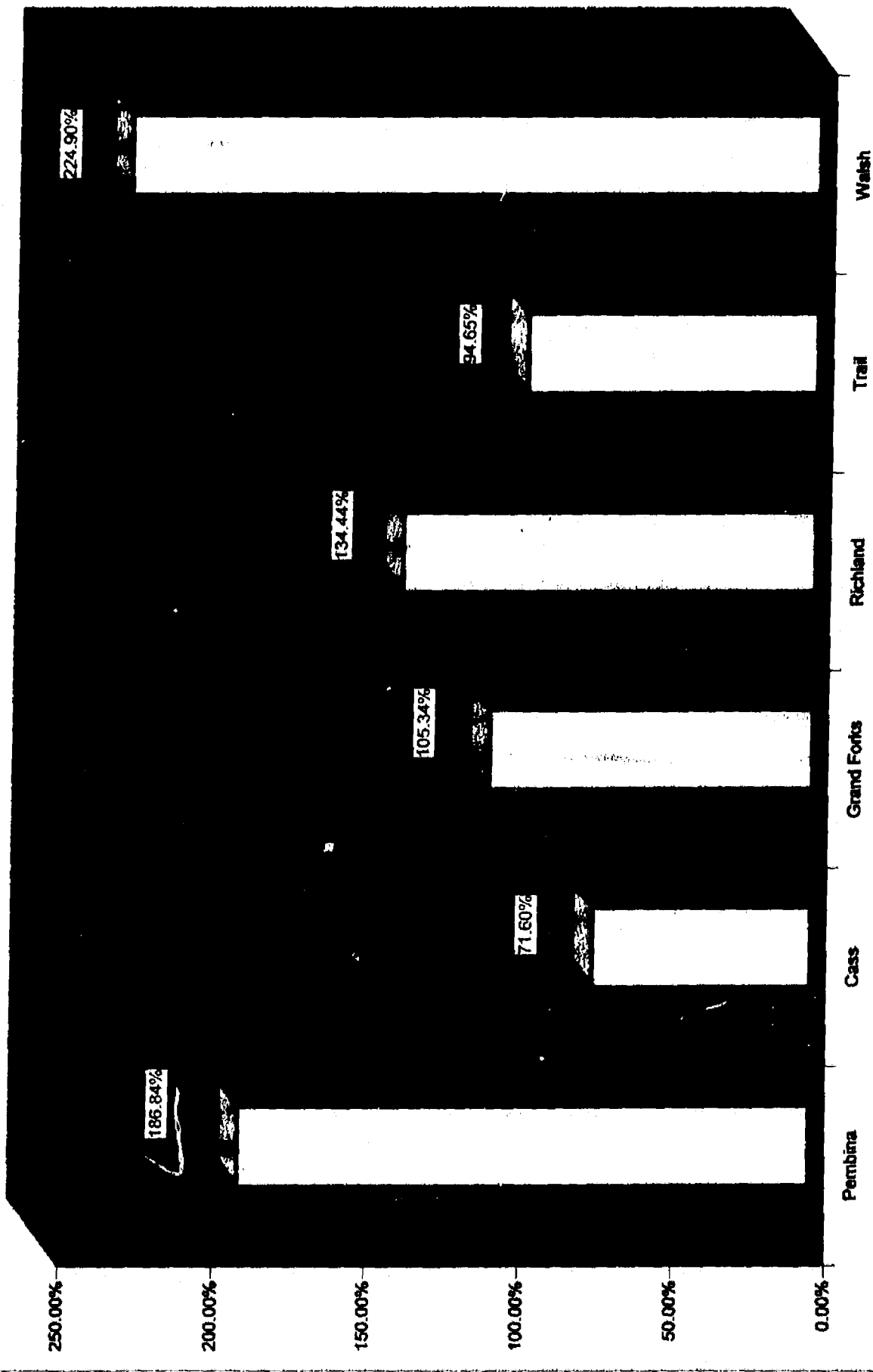


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Deanna Hall
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Tax Dollar Increases 1980-2002

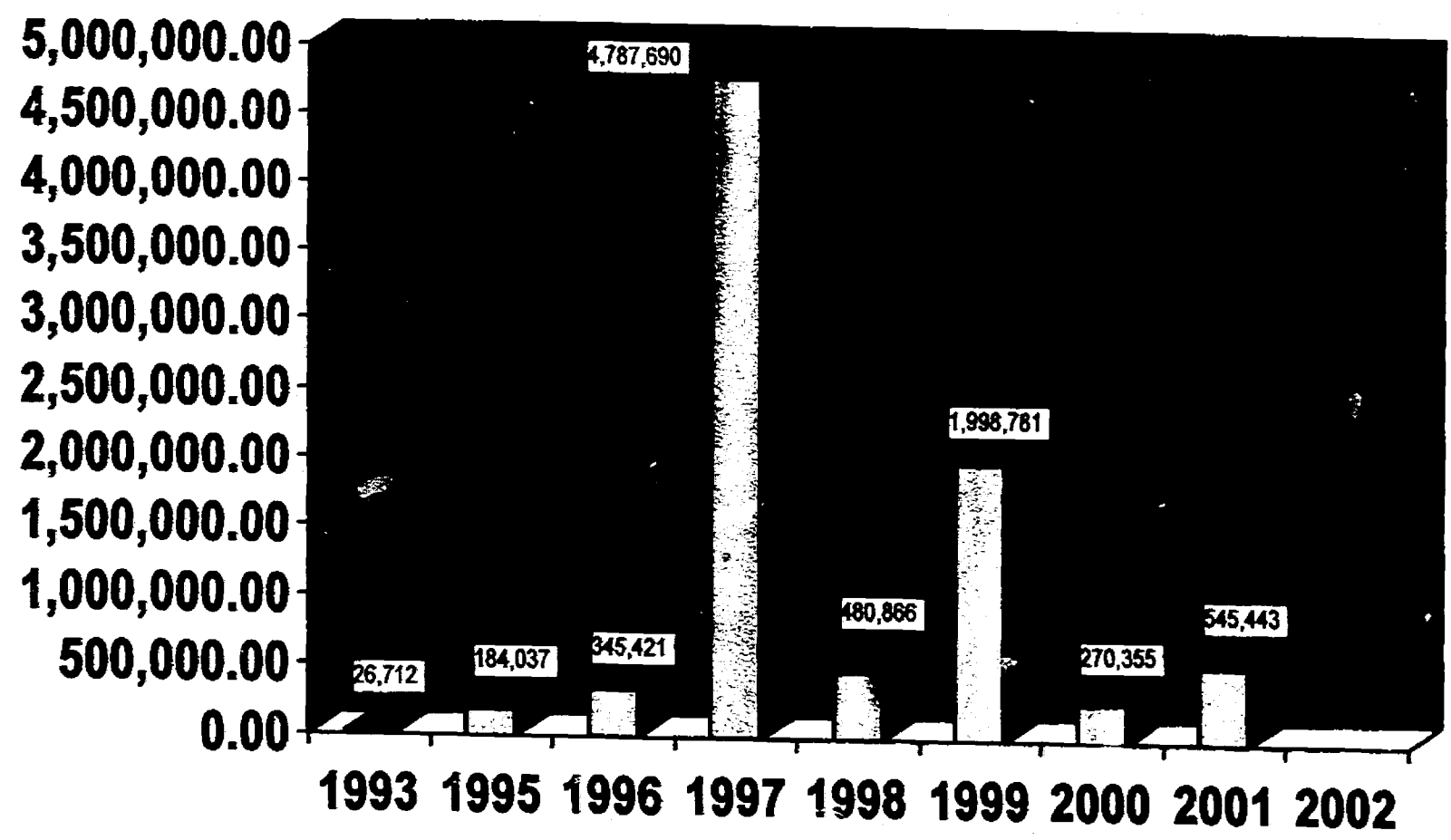


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Deanna Halverson
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PEMBINA COUNTY DISASTER ASSISTANCE



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Operator's Signature: *D. W. ...*
 Date: 12/10/03

#4 - 1-30-03

183

Testimony

House Bill 1198

January 30, 2003

House Political Subdivisions Committee

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Dorena G. Baller
Operator's Signature

1/2/03
Date

My name is Arvid Winkler, I am a farmer and township assessor in Barnes County. I have been the Cuba Township assessor since 1977. I have a bachelor's degree in civil engineering from NDSU.

I am very much opposed to HB 1198. It strikes me that the bill will do little good, but has the potential to do considerable harm.

The state board of equalization currently permit's the counties to comply with the NDSU valuations by means of a tolerance. Thus the county valuations can be higher or lower than the NDSU determination as long as the variation remains within the accepted tolerance.

The proposed limitation for the state board of equalization on page 5 strikes me as being unreasonable. It is this very board which keeps some semblance of order in this whole process. In 1994 my township worked through the state board of equalization to undo some manipulations done by the local county commissioners. Another township in the county took the same route about 1996 to force implementation of some new procedures.

We need to maintain some relevance in the valuation procedures for commercial, residential, and agricultural property in order that each class of property bear its proper proportion of the eventual tax burden.

There are several dates in the agricultural land assessment process that are fixed by statute.

- 1) By December first NDSU is to report valuations by classification to the tax commissioner.
- 2) By January first the tax commissioner is to certify valuations to the counties.
- 3) By February first the local assessor is to start the valuation process.
- 4) The local township equalization meeting is to be held on the second Monday in April.
- 5) The county equalization meeting is to be held in June.
- 6) The state equalization meeting is to be held in August.

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Dawn Hallmark
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10/2/03
Date

In addition, the counties need to report their acres by the various classifications of cropland, noncropland, and inundated to NDSU by the end of October for use in calculating the average value of agricultural land in the county. The proper reporting of these acres is essential in determining agricultural property valuations in the county.

Making this legislation effective after the 2003 taxable year would solve these scheduling problems. The problems caused by some emergency legislation in the 1999 session regarding inundated acres need not be repeated.

If you insist on passing this legislation, I would suggest you edit the various old implementation language for those taxable years prior to 2000 on page 2. HB 1055 used agribank rather than federal land bank.

Reporting of production by the individual producers in each county to the ND Statistics Service is done on a voluntary basis when requests are made. Voting is also voluntary. The more the cooperation, the better the results.

I will be happy to answer any questions the committee may have on this issue.

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10/2/03
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North Dakota Farm Bureau

www.ndfb.org

House Political Subdivisions Committee

January 30, 2003

Testimony by North Dakota Farm Bureau

presented by Sandy Clark, public policy team

Good morning, Mr. Chairman and members of the committee. For the record, my name is Sandy Clark and I represent North Dakota Farm Bureau. We appreciate the opportunity to appear before you this morning.

Property taxes have always been a high priority for North Dakota Farm Bureau. Without question the ag productivity formula is complicated. But just because it is complicated and many people do not understand it does not mean it is flawed or that it is not working.

North Dakota Farm Bureau opposes HB 1198. When you change the language from "determined" to "estimated" and give county commissioners the authority to arbitrarily establish land values, this bill suddenly makes the ag productivity formula simply an advisory tool. Under this bill, there would be no true consistent mechanism to establish land values. County commissioners would simply establish the average county land value as they saw fit. This is a dangerous road to travel.

This system would probably only work for one year. In subsequent years, counties could be so far off from any "true" value that you would no longer have any uniformity across the state. If a county continued to lower the land valuation, some day they would have to take a huge increase and then they would be in real trouble. Before the ag productivity formula was put in place, some counties were in that position. What is the purpose in traveling down that road again?

At the same time, there would be even greater variation in land valuations on property between counties on land on either side of a county line. We have variation now, but that would increase. And, of course, school districts cross county lines.

One future. One voice.

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Sandy Clark
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10/2/03
Date

The two methods of establishing land valuations are the ag productivity formula or the old market value/sales ratio.

If this bill was implemented and it failed, you have a real risk of going back to sales ratio. None of us wants to go down that road again.

Another concern we have with this bill is the appeal process. If the State Board of Equalization cannot change the land valuations set by the county, then there is no state appeal process for ag landowners. Their only recourse would be the county board of tax equalization. Residential property owners would still have a state appeal process. Now, I'm not a lawyer, but I have to question if this would become a legal issue.

As legislators you have an obligation to establish laws that serve the needs of all the residents in the state. I urge you to use extreme caution when you start to consider changes in the law that will serve the needs of one area of the state to the detriment of the remainder.

There are ways to lower property taxes when land valuations are high, county commissioners can simply reduce the mill levy and they will generate the same number of dollars.

Another method would be to change the +/-5% variation that is available to counties. At this point I would like to distribute a manual that we put together that includes every calculation in the ag productivity formula. Beside each calculation is a description of the calculation.

This is obviously complicated reading. But we only provide it to you as a resource tool as you study the formula. I draw your attention to page 12. This explains the process of how the State Board of Tax Equalization functions, as well as county tax directors and local tax assessors.

The State Board of Tax Equalization distributes the land valuations to the counties. and the county tax assessor and local assessors place determine land valuations on each parcel of land within the county using soil type. When they have completed their work the average county land valuation can vary +/- 5% from what the State Board of Tax Equalization determined.

Deanna Hall
Operator's Signature

10/2/03
Date

The State Board of Tax Equalization established this variance many years ago. It is not in statute or administrative rule. An attorney general's opinion has established that the +/-5% is a reasonable level.

However, maybe you could go to the Board of Equalization and request a change to +/-10% variance. There would be no need to change the statute. We would not support adding the variance level to the statute.

The +/- 10% would probably be the upper limit that you would want to go. Anything over that would probably be ruled no longer reasonable.

This method is certainly not our first choice because you will still have a huge variation between counties. If one county raised 10% and the neighboring county reduced 10%, you would have a 20% variation in land valuations. But in our opinion that option is better than the bill you have before you today.

North Dakota Farm Bureau concurs that land valuations and property taxes are too high. We support a bill that will be heard in the Senate. It is SB2390. Now I don't mean to testify on another bill here, but I do want to point out that there is another option available that will do what this bill is intended to do without jeopardizing the formula itself.

SB2390 places a floor on the capitalization rate of 9.5%. You will find the capitalization rate explained on page 10 in your manuals. The capitalization rate is simply the interest rate over the last 12 years with the high and lows dropped and the remaining ten averaged. The capitalization rate is the last divisor in the formula. As interest rates go down, the capitalization rate goes down and land valuations go up.

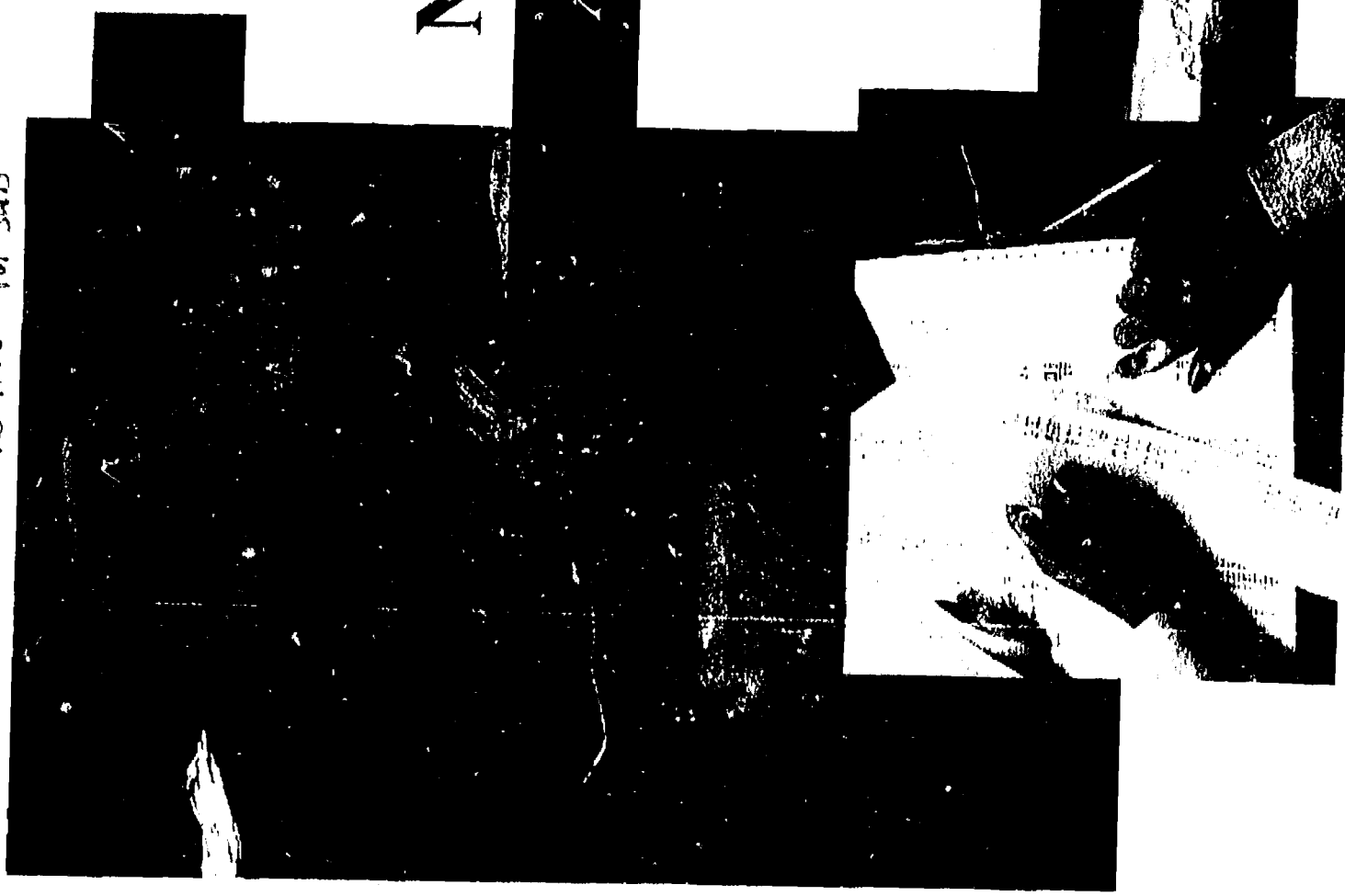
A floor on the capitalization rate will keep land values from going higher than they were in 2000.

In conclusion, Mr. Chairman, NDFB urges a "do not pass" recommendation to HB1198. Thank you and I would entertain any questions.

#6- 1-30-03 HB 1198 - Pl Sub

North Dakota Property Tax Ag Productivity Formula

January, 2003



Presented by
**North Dakota
Farm Bureau**
One future voice.

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Operator's Signature *Dwight Aakre* Date 12/21/03

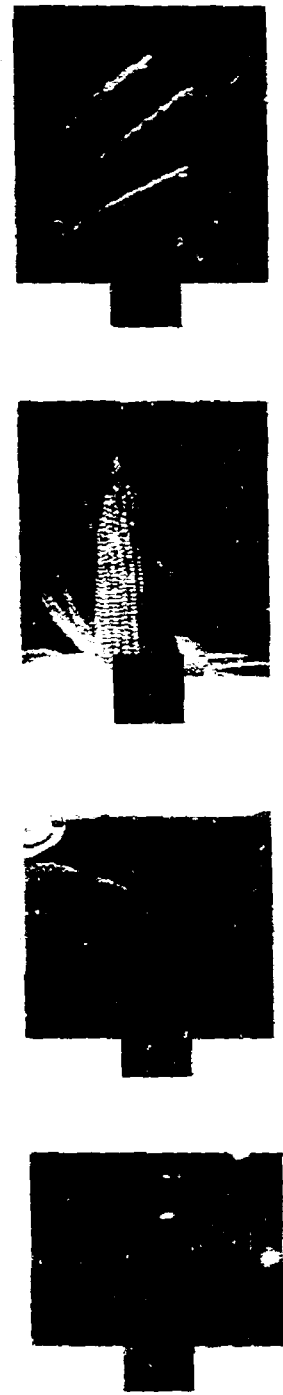


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Thank You

- Dwight Aakre, Farm Management Specialist, NDSU Extension Service, for his assistance and cooperation in the production of this information.
 - ND Tax Department for reviewing this presentation.
- Sources of information and statistical data:
- Formula and its related statistics from Dwight Aakre, NDSU
 - ND Ag Statistics Service • ND Legislative Council
 - State Tax Commissioner • North Dakota Century Code

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History -- Productivity Formula Established in 1981

Until 1981, ag property taxes were based on sales ratio and market value. The 1981 Legislative Assembly restructured property tax assessments in the state and changed the basis for valuation of agricultural property to a formula to determine its productive value. True and full value of agricultural property for property tax purposes is now based on productivity, as established through computation of the capitalized average annual gross return of the land as made by the NDSU Extension Agricultural Economics Department as required by North Dakota Century Code Section 57-02-27.2.

Glossary of Terms

Ad Valorem Tax: A tax based on the value of the property subject to tax. Property tax is an ad valorem tax.

Agricultural Productivity Formula: A formula used to establish the valuation and assessment of agricultural lands in the state of North Dakota.

Agricultural Property: Platted or unplatted lands used for raising agricultural crops or grazing farm animals, except lands platted and assessed as agricultural property prior to March 30, 1981, shall continue to be assessed as agricultural property until put to a use other than raising agricultural crops or grazing farm animals. The time limitations contained in this section may not be construed to prevent property that was assessed as other than agricultural property from being assessed as agricultural property if the property otherwise qualifies under this subsection. Property platted on or after March 30, 1981, is not agricultural property when any four of the following conditions exist:

- a. The land is platted by the owner.
- b. Public improvements including sewer, water, or streets are in place.
- c. Topsoil is removed or topography is disturbed to the extent that the property cannot be used to raise crops or graze farm animals.
- d. Property is zoned other than agricultural.
- e. Property has assumed an urban atmosphere because of adjacent residential or commercial development on three or more sides.
- f. The parcel is less than ten acres [4.05 hectares] and not contiguous to agricultural property.
- g. The property sells for more than four times the county average true and full agricultural value.

Assessed Valuation: Means fifty percent of the true and full value of property.

AUMs: One AUM is the carrying grazing capacity it takes to support a 1,000 pound cow and her calf for one month.

Capitalization: The average interest rate as reported by Agribank, St. Paul, MN

Capitalized Average Annual Gross Return: The value of agricultural land.

Cost of Production Index: This index is a reflection of prices paid by farmers for inputs and indexed for inflation. It is determined by NDSU by comparing Economic Research Service, USDA, indexes of prices paid by farmers over a period of ten years, with the high and low years dropped, and averaging the remaining eight years.

Equalization Process: Equalization is a method required by law to adjust assessments so that they are consistent. Local assessments are reviewed and equalized by the Township Board of Equalization on the second Monday in April. The Board of County Commissioners meets within the first ten days of June to equalize among assessment districts within the county. The State Board of Equalization has the responsibility to equalize among counties and assessment districts in a county and meets the second Tuesday in August.

Farmstead Exemption: Property exempt from property taxes, including farm residences, farm structures and improvements located on agricultural lands.

Inundated Agricultural Land: Property classified as agricultural property containing a minimum of ten contiguous acres if the value of the inundated land exceeds ten percent of the average agricultural value of noncropland for the county, which is inundated to an extent making it unsuitable for growing crops or grazing farm animals for two consecutive growing seasons or more, and which produced revenue from any source in the most recent prior year which is less than the county average revenue per acre for noncropland calculated by the agricultural economics department of the North Dakota state university.

Mill Levy. Local mill rates are established to meet the revenue needs of the taxing district. Each taxing district prepares a budget to determine the money needed to provide services. To determine the mill rate, the county auditor divides the total property taxes to be collected for each taxing district by the district's total taxable value.

Personal Property: Personal property is exempt in North Dakota.

Olympic Average: Used when establishing averages over a period of years, by dropping the high and low, and averaging the remaining years.

Taxable Valuation: Signifies the valuation remaining after deducting exemptions and making other reductions from the original assessed valuation, and is the valuation upon which the rate of levy finally is computed and against which the taxes finally are extended.

True and Full Value: The value determined by considering the earning or productive capacity, if any, the market value, if any, and all other matters that affect the actual value of the property to be assessed. This shall include, for purposes of arriving at the true and full value of property used for agricultural purposes, farm rentals, soil capability, soil productivity, and soils analysis. True and full value for residential and commercial property is market value, as established by the local assessor. True and full value of agricultural property is based on productivity as established through computation by NDSU of the capitalized average gross return of the land.

NORTH DAKOTA FF BUREAU

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The Components -- The Input Data

Components of Ag Productivity Formula

Crop Production of Crops
Total Cropland Acres
CRP Payments
Government Payments
Irrigated Production
Cost of Production
Non-Cropland Production (livestock grazing)
Total Acres of Rangeland and Pastureland
Inundated Lands
Capitalization Rate (average interest rate)

Statistical Input Data

The data comes from the North Dakota Agricultural Statistics Service and the National Agricultural Statistics Service of USDA. It is acquired from the September surveys for small grains and December surveys for row crops that are submitted by farmers and ranchers, who are actively engaged in farming in North Dakota. If a large percentage of small grains are not harvested in September, a call back is done in October.

The data is scanned both by human and machine method to determine any gross inaccuracies. NDASS staff call producers if something appears inaccurate. FAS data is also cross referenced as a check. Except for the capitalization rate, ten years of data are utilized with the highs and lows dropped and the remaining eight years averaged.

As a result of the collection process and timing, a two-year time lapse occurs between the actual production year and the property tax year.

Cropland Module

Crops Included in the Module

Spring Wheat	Winter Wheat	Rye
Durum	Sunflower Non Oil	Sunflower Oil
Barley	Corn Silage	Corn Grain
Alfalfa Hay	Flaxseed	Oats
Other Hay	Soybeans	Canola
Sugar Beets	Potatoes	Dry Edible Beans
Irrigated Durum	Irrigated Spring Wheat	Irrigated Barley
Irrigated Potatoes	Irrigated Corn Grain	Irrigated Corn Silage
Summerfallow		

County Data to Estimate Gross Cropland Revenue

Acres for crops (that might be grown) and summerfallow (see above)
Yield per acre for crops (yield is based on harvested acres, but is divided by total county acres. Therefore, the revenue per acre is lower because of preventive planting and inundated lands.)
Prices for crops are adjusted for transportation

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10/21/03
Date

Estimating Gross Return from Crop Production

- 1) **Production of each crop = Acreage x Yield per Acre** _____ Acreage is based on harvested acres of each crop.
- 2) **Production Irrigated Land = Acreage x Yield per Acre = Total x .5** Irrigated Land: 50% of the annual gross income from irrigated cropland must be considered additional expense of production and may not be included in computation of the average agricultural value per acre for cropland for the county. (see #5 below for 15% net effect.)
- 3) **Value of Production = Production x Price** _____ Price is the district price, adjusted for transportation costs.
- 4) **Landlord share for sugar beet & potato cropland revenues =** _____ Sugarbeets & Potatoes: These high-value crops are weighted differently (20%) to reflect higher inputs, rent, crop share, etc.
Value of Production x 0.2 (20% sugarbeet & potato revenues)
- 5) **Landlord share for other cropland revenues =** _____ All other crops based on 30% to reflect inputs, rent, crop share, etc.
Value of Production x 0.3 (30% all other crop revenue) Irrigated cropland would be the 50% (#2) and then 30% (#5) for a net effect of 15%.
- 6) **Cropland Revenue = Irrigated Revenue + Sugar Beet/Potato Revenue + Other Cropland Revenue** — (In the instance of irrigated potatoes, 100% of revenue is reduced by 50% (#2) and then 20% of that (#4) for a net effect of 10%.
- 7) **County Total Cropland Acreage = all crop acreage + CRP acres + summerfallow acres** This is based on all acres, whether harvested or not, but unharvested acres are included at zero and later divided by all total acres.
- 8) **CRP Payments = CRP payments in county x .50 (50%)** **CRP Payments:** Data received from Farm Service Agency (FSA)
 - Acres enrolled in CRP program, by county
 - Payments for CRP, by county
 - One half of the total CRP payments are entered as CRP gross revenue
- 9) **Government Payments = All government payments x 0.3 (30%)** **Government Payments:** Data received from Farm Service Agency
 - All government payments (except CRP) for commodities are included at 30% of gross revenue.
- 10) **Landlord Share of Cropland Revenues = Cropland Revenue (#6) + CRP Payments (#8) + Government Payments (#9)**

NORTH DAKOTA FFA BUREAU

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Operator's signature: *[Signature]*

Date: 12/10/03

11) Data for the last ten years are collected for Landlord Share of Cropland Revenues (#10), the high and low years are dropped, and the remaining eight are averaged.

Cost of Production Index

Cost of Production Index is a reflection of prices paid by farmers for inputs and indexed for inflation. It is determined by NDSU by comparing Economic Research Service, USDA, indexes of prices paid by farmers over a period of ten years, with high and low dropped, and averaging the remaining eight years.

12) Cost of Production Index = Avg 8-yr index* / Base Year Index**

Annual Index Example for 2003:
 $112 / 102 \text{ (base year)} = 1.098 \times 100 = 109.8$

13) Adjusted Landlord Share of Cropland Revenues (includes cost of production) =
Landlord share of cropland revenues (#11)
 Cost of Production Index (#12)

14) Landlord Share of Gross Return per Acre of Cropland =
Landlord Share of Annual Return per Acre Cropland Revenue (#13)
 Total County Cropland Acres (#7)

** Base Year Index of Prices Paid by Farmers

** Base year index is a 7-year base from 1995-1989, with highs and lows dropped, and the remaining five years averaged.

Year	Index
1995	108
1994	106
1993	104
1992	101
1991	100
1990	99
1989	95
Olympic Average	102

Example:
 $112 / 102 \text{ (base year)} = 1.098 \times 100 = 109.8$
 (Net effect is reducing value of production by 9.8%)

*Annual Index of Prices 2003 Assessment

* The annual index of prices paid by farmers for the last 10 years, with high and low years dropped, are collected and the remaining eight are averaged.

Year	Index
2001	122
2000	118
1999	113
1998	113
1997	119
1996	115
1995	108
1994	106
1993	104
1992	101
1991	100
1990	99
Olympic Average	112

The next step includes computing the capitalized average annual gross return. See page 10.

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Non-Cropland Module

Data Used in Non-Cropland Productivity Formula

Total rangeland acres in county Rangeland AUMs for county
Total pastureland acres in county Pastureland AUMs for county
Cull cow income per AUM
Calf income per AUM

Estimating Gross Return from Non-Crop Production

Estimating the value of native rangeland and pasture involves estimating the value of calves and cull cows produced per acre of those lands. These estimates are based on the livestock carrying capacity, measured in animal unit months (AUMs). One AUM is the grazing capacity it takes to support a 1,000 pound cow and her calf for one month.

The AUMs used in the formula were originally established by NRCS for each county (see Appendix A, page 16.)

Cull Cow Weight per AUM = 0.25 cwt per month of grazing season

Cull Cow Income Calculations

- One sixth of the cow herd is culled each year
- Six month grazing season is assumed
- Production equals 1/6 of 1000 pounds or approximately 1.5 cwt per year or 0.25 cwt per month

Calf Production per AUM = 0.5275 cwt per month of grazing season

Calf Income Calculations

- Production is adjusted for assumed calving rates and heifers held for replacements. These rates were established during the original formula and have not changed.
- Assumed calf production for sale per cow is 316.5 pounds or 0.5275 cwt per month.

15) Value of Production per AUM =
(Calf production per month x calf price) +
(weight of cull cows per month x cull cow price)

2000 example:

\$40.00 (cow price per cwt) x 0.25 per cwt (cull cow wt)	= \$10.00
+ \$98.60 (calf price per cwt) x 0.5275 per cwt (calf wt)	= \$52.011
Total Value of Production per AUM	= \$62.011/AUM

Value of Production per AUM

- Price is that reported by ND Agricultural Statistics Service. (See page 9)

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Returns for Pastureland and Rangeland

16) Returns for Pastureland =
 Returns per AUM x Pastureland AUM capacity x Pastureland acres

17) Returns for Rangeland =
 Returns per AUM x Rangeland AUM capacity x Rangeland acres

18) Total County Non-Cropland Returns =
 Return for Pastureland + Return for Rangeland

19) Landlord Share of Non-Cropland Revenues =
 Total Non-Cropland Returns (#18) x .25

20) Data for the last ten years for Landlord Share of Non-Cropland Revenues (#19) are collected for total non-cropland returns, the high and low years are dropped, and the remaining eight are averaged.

Gross Annual Return for non-cropland used for livestock grazing is based on 25%

Cost of Production

Cost of Production Index is a reflection of prices paid by ranchers for inputs and indexed for inflation. Determined by NDSU by comparing National Agricultural Statistics indexes of prices paid.

Cost of Production Index

21) Cost of Production Index = $\frac{\text{Avg 8-yr index}^*}{\text{Base Year Index}^{**}}$

22) Adjusted Landlord Share of Non-Cropland Revenue (with cost index) =
 $\frac{\text{Landlord share of non-cropland revenues (\#20)}}{\text{Annual index (\#21)}}$

23) Total Non-Cropland Acres = Pastureland Acres + Rangeland Acres

24) Landlord's Gross Return per Acre of Non-Cropland =
 $\frac{\text{Non-Cropland Revenues (\#22)}}{\text{Non-Cropland Acres (\#23)}}$

**** Base Year Index of Prices Paid by Farmers**

** Base year index is a 7-year base from 1995-1989, with highs and lows dropped, and the remaining five years averaged.

Year	Index
1995	108
1994	106
1993	104
1992	101
1991	100
1990	99
1989	95
Olympic Average	102

Example:
 $112 / 102 \text{ (base year)} = 1.098 \times 100 = 109.8$
 (Net effect is reducing value of production by 9.8%)

***Annual Index of Prices 2003 Assessment**

* The annual index of prices paid by farmers for the last 10 years, with high and low years dropped, are collected and the remaining eight are averaged.

Year	Index
2001	122
2000	118
1999	113
1998	113
1997	119
1996	115
1995	108
1994	106
1993	104
1992	101
1991	100
1990	99
Olympic Average	112

The next step includes computing the capitalized average annual gross return. See page 10.

Non-Cropland Example

In 1999, the Stark County value of production for non-cropland is as follows:

- Total rangeland in Stark County = 242,200 acres
Carrying capacity of 0.55 AUM per acre
 $242,200 \times 0.55 = 133,210$ AUMs from rangeland
- Total pastureland in Stark County = 28,720 acres
Carrying capacity of 0.60 AUM per acre
 $28,720 \times 0.60 = 17,232$ AUMs from pastureland
- Total value of production =
 $133,210 + 17,232 = 150,442$ AUMs \times \$55.248 per AUM = \$8,311,620
- Total acres of pastureland + rangeland = $242,200 + 28,720 = 270,920$ acres
- Total value of production per acre = $\$8,311,620 / 270,920$ acres = \$30.679
- Landowner's share of value of production = 25 percent \times \$30.679 = \$7.669 per acre

Livestock Prices Used in the Land Value Assessment Model

Year	Calves	Cull Cows
1990	\$99.47	\$49.91
1991	\$101.60	\$46.24
1992	\$94.28	\$45.26
1993	\$103.96	\$45.82
1994	\$93.57	\$41.05
1995	\$69.20	\$36.10
1996	\$54.10	\$30.80
1997	\$75.50	\$34.90
1998	\$77.90	\$35.50
1999	\$87.20	\$37.00
2000	\$98.60	\$40.00
2001	\$95.50	\$40.80

Sample does not include cost of production index

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Capitalization Rate

Landlord return per acre is computed as follows

14) Landlord Share of Gross Return per Acre of Cropland =

$$\frac{\text{Landlord Share of Annual Return per Acre Cropland Revenue (\#13)}}{\text{Total County Acres (\#7)}}$$

24) Landlord's Share of Gross Return per Acre of Non-Cropland =

$$\frac{\text{Non-Cropland Revenues (\#22)}}{\text{Non-Cropland Acres (\#23)}}$$

25) Capitalized Cropland Land Value =

$$\frac{\text{Landlord's Share from Cropland (\#14)}}{\text{Capitalization Rate}}$$

26) Capitalized Non-Cropland Land Value =

$$\frac{\text{Landlord's Share from Cropland (\#24)}}{\text{Capitalization Rate}}$$

The annual weighted average interest rate is used to capitalize the landland share of gross revenue. Interest rates are acquired from Agribank in St. Paul, utilizing the last 12 years with the high year and low year dropped, so the interest rate used in the formula is the average of the remaining ten years.

As interest rates decline, land valuations will increase. As interest rates increase, land valuations will decrease. Land valuations as reflected in this formula are simply utilized to determine property taxes.

The impact of capitalization rate is also reflected by the inclusion of cost of production into the formula. An NDSU Economist has indicated the effect of capitalization rate is lowered by 60% by the inclusion of cost of production into the formula.

Interest rates/interest costs are often one of the largest line items in a farm/ranch budget. Therefore, producers benefit more significantly from lower interest rates, (because of the impact it has on land and machinery interests, as well as operating loans) than on the negative impact higher interest rates have on the property tax ag productivity formula and higher land valuations.

Historic Capitalization Rates

1989 10.54%	1996 10.76%
1990 10.79%	1997 10.47%
1991 11.12%	1998 10.14%
1992 11.35%	1999 9.77%
1993 11.40%	2000 9.45%
1994 11.40%	2001 9.18%
1995 11.11%	2002 8.91%
	2003 8.53%

* The last 12 years are used in the formula with the high and low years dropped, so the rate used in the formula is the average of the ten remaining years.

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Inundated Lands Module

Inundated Land -- Exception to the Formula

- 10% of the average agricultural value of non-cropland for the county (see #24 for non-cropland formula). The non-cropland value is used for both cropland and non-cropland.
- Definition: Ag property with minimum of ten contiguous acres, if the value of the inundated land exceeds 10 percent of the average agricultural value of non-cropland for the county, which is inundated to the extent making it unsuitable for growing crops or grazing farm animals for two consecutive growing seasons or more and which produced revenue from any source in the most recent prior year which is less than the county average revenue per acre for non-cropland.
- Written application must be submitted to township assessor or county director of tax equalization by March 31 of each year.
- County Commissioners must approve application

27) Inundated Lands Return per Acre = _____
$$\frac{.1 (10\%) \times \text{Landlord's Share from Non-Cropland (\#24)}}{\text{Total Inundated Acres}}$$

28) County directors of tax equalization provide total taxable acres for cropland, non-cropland and inundated acres (including all acres, whether they were planted or harvested)

29) County Cropland Capitalized Average Annual Gross Return =
Capitalized cropland land value (#25) x county taxable cropland acres

30) County Non-Cropland Capitalized Average Annual Gross Return =
Capitalized non-cropland land value (#26) x county taxable non-cropland acres

31) County Inundated Acres Average Annual Gross Return =
Inundated land value (#27) x county taxable inundated acres

32) Avg All Land Value for County = $\frac{\text{Total county values}}{\text{Total taxable acres in county}}$

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What Happens Next?

Tax Commissioner

The average agricultural value per acre is established for cropland and non-cropland on a statewide and countywide basis. The Department of Agriculture provides the information to the Tax Commissioner by December 1 of each year.

County Director of Tax Equalization & Soil Surveys

The Tax Commissioner provides the information to each county director of tax equalization. The county director of tax equalization uses the countywide average received from the Tax Commissioner as the basis for determining and providing each assessor in the county with an estimate of the average agricultural value of agricultural lands within the assessor's district.

The estimate must be based upon the average agricultural value for the county adjusted by the relative values of lands within each assessment district compared to the county average. In determining the relative value of lands for each assessment district compared to the county average, the county director of tax equalization, whenever possible, shall use soil type and soil classification data from detailed and general soil surveys. When such data cannot be used, the county director of tax equalization shall use whatever previous assessment data is best suited to the purpose. These estimates shall be provided to local assessors by February 1.

Local Assessor

The assessor uses the average valuation received from the county director of tax equalization to determine the value of each assessment parcel within that district. Within each county and assessment district, the average of values assigned to agricultural property must approximate the averages determined under the formula for the county or assigned to the district by the county director of tax equalization.

Property Tax Liability

- Assessed value is 50% of land value.
- Taxable value for ag property is 10%; residential is 9% and commercial is 10% of assessed value.
- Property taxes are due January 1. If paid by February 15, taxpayer entitled to 5% discount. Taxes are payable without penalty until March 1 (penalties accrue after March 15)

County Average May Vary +/- 5%

The county director of tax equalization will report the countywide average back to the State Board of Tax Equalization, which will verify that the county average does not vary more than +/- 5%.

Assessed Value = Land Value x .5 (50%) _____

Taxable Value = Assessed Value x .10 (10%) _____

Property Tax Liability = Taxable Value x Mill Rate

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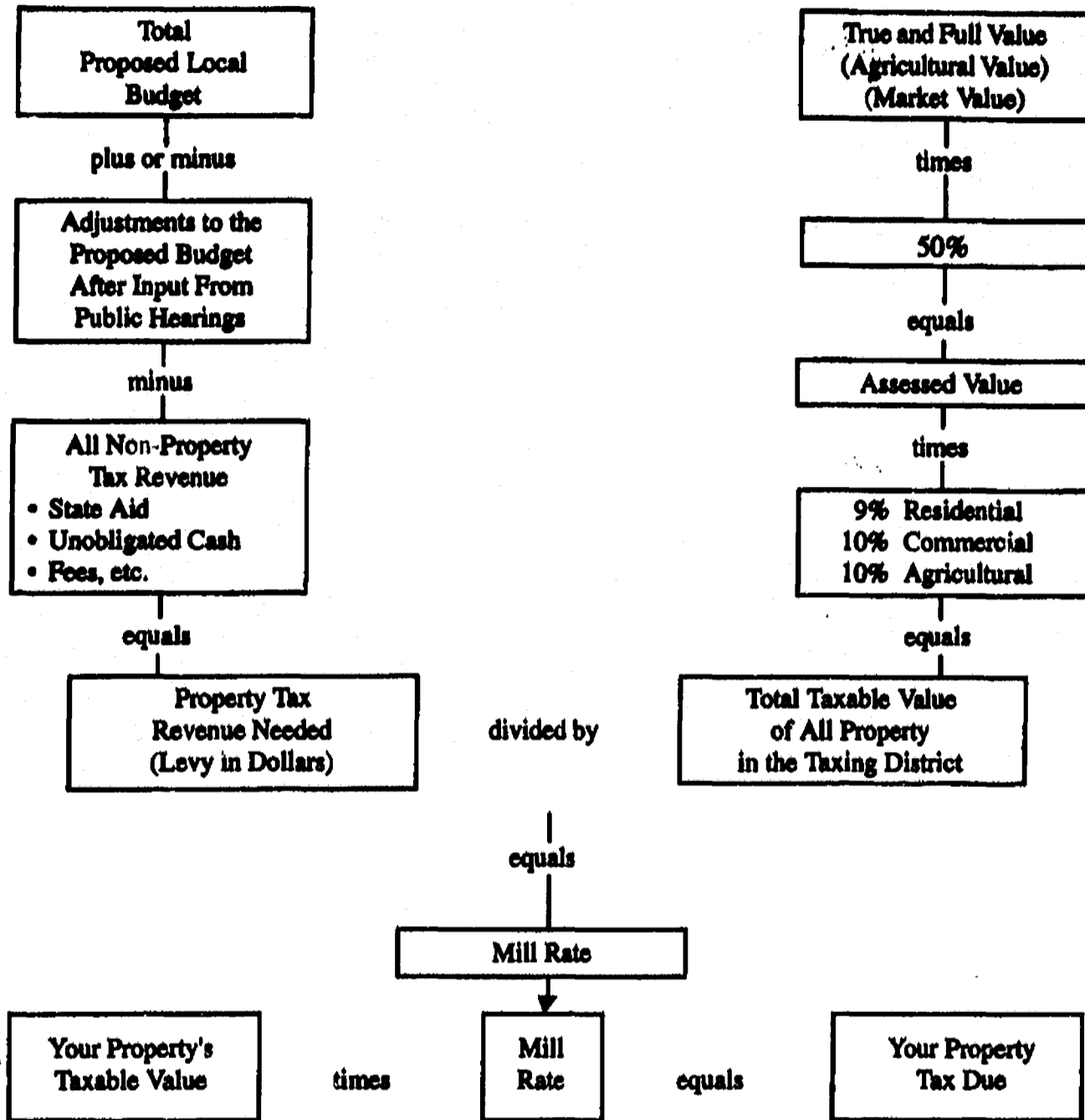
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North Dakota Property Tax System

BUREAU OF NORTH DAKOTA F



All property in North Dakota is subject to property tax unless it is specifically exempted. Except for a one-mill levy for the State Medical Center, property taxes are administered, levied, collected and expended at the local level for the support of schools, counties, cities, townships and other local units of government. The State does not levy a property tax for general government operations.

The property tax is an "ad valorem" tax, that is, it is based on the value of the property subject to tax. The other element of the property tax is the amount of revenue that needs to be raised.

(Source: "State and Local Taxes: An Overview and Comparative Guide 2000" distributed by North Dakota Tax Department)

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Century Code -- 2001 -- Property Tax

57-02-27.1. Property to be valued at true and full value. Beginning with the year 1981, all assessors and boards of equalization shall place the values of all items of taxable property at the true and full value of the property except as otherwise specifically provided by law, and the amount of taxes that may be levied on such property for the year 1981 and each year thereafter must be limited as provided in this chapter. For the purposes of sections 57-02-27, 57-C2-27.1, 57-02-27.2, and 57-55-04, the term "true and full value" has the same meaning as provided in subsection 15 of section 57-02-01, except that "true and full value" of agricultural lands must be as determined pursuant to section 57-02-27.2.

57-02-27.2. Valuation and assessment of agricultural lands.

1. "True and full value" of agricultural lands must be their agricultural value for the purposes of sections 57-02-27, 57-02-27.1, 57-02-27.2, and 57-55-04. Agricultural value is defined as the "capitalized average annual gross return", except for inundated agricultural land. The "annual gross return" must be determined from crop share rent, cash rent, or a combination thereof reduced by estimated property taxes and crop marketing expenses incurred by farmland owners renting their lands on a cash or crop share basis.

2. For purposes of this section, "annual gross return" for cropland used for growing crops other than sugar beets and potatoes means thirty percent of annual gross income produced, "annual gross return" for cropland used for growing sugar beets and potatoes means twenty percent of annual gross income produced, and "annual gross return" for land used for grazing farm animals means twenty-five percent of an amount determined by the agricultural economics department of North Dakota state university to represent the annual gross income potential of the land based upon the animal unit carrying capacity of the land.

3. The "average annual gross return" for each county must be determined as follows:

a. For taxable year 1989, total the annual gross returns for the nine years immediately preceding the current year for which data is available and discard the highest and lowest annual gross returns of the nine. For taxable year 2000 and thereafter, total the annual gross returns for the ten years immediately preceding the current year for which data is available and discard the highest and lowest annual gross returns of the ten.

b. The agricultural economics department of North Dakota state university shall establish a base year index of prices paid by farmers using annual statistics on that topic compiled by the national agricultural statistics service for the seven-year period ending in 1985, discarding the highest and lowest years' indexes, and averaging the remaining five years' indexes. For taxable year 1989, the agricultural economics department shall gather the national agricultural statistics service annual index of prices paid by farmers for the nine years ending with the most recent year used under subdivision a, discard the highest and lowest years' indexes, average the remaining seven

years' indexes, and divide the resulting amount by the base year index of prices paid by farmers. For taxable year 2000 and thereafter, the agricultural economics department shall gather the national agricultural statistics service annual index of prices paid by farmers for the ten years ending with the most recent year used under subdivision a, discard the highest and lowest years' indexes, average the remaining eight years' indexes, and divide the resulting amount by the base year index of prices paid by farmers. This amount must be divided into the amount determined under subdivision a.

c. For taxable year 1988, divide the figure arrived at in subdivision b by six. For taxable year 1989, divide the figure arrived at in subdivision b by seven. For taxable year 2000 and thereafter, divide the figure arrived at in subdivision b by eight.

4. To find the "capitalized average annual gross return", the average annual gross return must be capitalized by a rate that is a ten-year average of the gross federal land bank mortgage rate of interest for North Dakota. The ten-year average must be computed from the twelve years ending with the most recent year used under subdivision a of subsection 3, discarding the highest and lowest years, and the gross federal land bank mortgage rate of interest for each year must be determined in the manner provided in section 20.2032A-4(e)(1) of the United States treasury department regulations for valuing farm real property for federal estate tax purposes, except that the interest rate may not be adjusted as provided in paragraph (e)(2) of section 20.2032A-4.

5. The agricultural economics department of North Dakota state university shall compute annually an estimate of the average agricultural value per acre [.40 hectare] of agricultural lands on a statewide and on a countywide basis; shall compute the average agricultural value per acre [.40 hectare] for cropland, noncropland, and inundated agricultural land for each county; and shall provide the tax commissioner with this information by December first of each year. Fifty percent of the annual gross income from irrigated cropland must be considered additional expense of production and may not be included in computation of the average agricultural value per acre [.40 hectare] for cropland for the county as determined by the agricultural economics department. Before January first of each year, the tax commissioner shall provide to each county director of tax equalization these estimates of agricultural value for each county.

6. For purposes of this section, "inundated agricultural land" means property classified as agricultural property containing a minimum of ten contiguous acres if the value of the inundated land exceeds ten percent of the average agricultural value of noncropland for the county, which is inundated to an extent making it unsuitable for growing crops or grazing farm animals for two consecutive growing seasons or more, and which produced revenue from any source in the most recent prior year which is less than the county average revenue per acre for noncropland calculated by the agricultural economics department of the North Dakota state university. Application for classification as inundated agricultural land must be made in writing to the township assessor or county director of tax equalization by March thirty-first of each year, except that for the year 2001, the written application must be

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made within ninety days from March 16, 2001. Before all or part of a parcel of property may be classified as inundated agricultural land, the board of county commissioners must approve that classification for that property for the taxable year. The agricultural value of inundated agricultural lands for purposes of this section must be determined by the agricultural economics department of North Dakota state university to be ten percent of the average agricultural value of noncropland for the county as determined under this section. Valuation of individual parcels of inundated agricultural land may recognize the probability that the property will be suitable for agricultural production as cropland or for grazing farm animals in the future.

7. Before February first of each year, the county director of tax equalization in each county shall provide to all assessors within the county an estimate of the average agricultural value of agricultural lands within each assessment district. The estimate must be based upon the average agricultural value for the county adjusted by the relative values of lands within each assessment district compared to the county average. In determining the relative value of lands for each assessment district compared to the county average, the county director of tax equalization, whenever possible, shall use soil type and soil classification data from detailed and general soil surveys. When such data cannot be used, the county director of tax equalization shall use whatever previous assessment data is best suited to the purpose.

8. Each local assessor shall determine the relative value of each assessment parcel within the assessor's jurisdiction and shall determine the agricultural value of each assessment parcel by adjusting the agricultural value estimate for the assessment district by the relative value of the parcel. Each parcel must then be assessed according to section 57-02-27. If either a local assessor or a township board of equalization develops an agricultural value for the lands in its assessment district differing substantially from the estimate provided by the county director of tax equalization, written evidence to support the change must be provided to the county director of tax equalization.

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Appendix A -- Livestock Statistics

County	Range Acres	Pasture Acres	Total Acres	Range ALU	Pasture ALU	County	Range Acres	Pasture Acres	Total Acres	Range ALU	Pasture ALU
Adams	224,750	13,200	237,950	0.55	0.60	McLean	296,226	19,000	315,226	0.60	0.65
Barnes	43,400	24,300	67,700	0.75	0.80	Mercer	295,686	3,580	302,266	0.55	0.60
Benson	47,000	70,000	117,000	0.65	0.70	Morton	561,130	28,300	589,430	0.55	0.60
Billings	215,000	3,420	218,420	0.55	0.60	Mountrail	522,200	7,900	530,100	0.60	0.65
Bollinger	50,800	9,640	60,440	0.65	0.70	Nelson	50,700	24,100	74,800	0.65	0.70
Bowman	306,000	46,800	352,800	0.45	0.50	Oliver	194,100	17,000	211,100	0.55	0.60
Burke	131,600	14,700	146,300	0.60	0.65	Pembina	980	22,500	23,480	0.75	0.80
Burlingame	353,600	56,700	410,300	0.60	0.65	Pierce	118,600	9,600	128,200	0.65	0.70
Cass	11,200	18,000	29,200	0.75	0.80	Ramsay	12,100	28,000	40,100	0.65	0.70
Cavalier	33,700	17,800	51,500	0.65	0.70	Ransom	40,500	4,050	44,550	0.75	0.80
Dickey	82,100	38,900	121,000	0.75	0.80	Renville	41,200	5,250	46,450	0.65	0.70
Divide	172,300	5,600	177,900	0.60	0.65	Richland	55,000	56,200	111,200	0.75	0.80
Dunn	714,600	19,900	734,500	0.55	0.60	Rolette	51,700	22,200	73,900	0.65	0.70
Eddy	23,200	44,200	67,400	0.65	0.70	Sargent	41,500	37,600	79,100	0.75	0.80
Emmons	308,300	6,600	314,900	0.60	0.65	Sheridan	214,000	5,700	219,700	0.60	0.65
Foster	42,800	7,250	50,050	0.65	0.70	Sioux	475,000	28,850	503,850	0.55	0.60
Golden Valley	262,900	17,800	300,700	0.45	0.50	Slope	261,000	21,300	282,300	0.55	0.60
Grand Forks	39,600	19,400	59,000	0.75	0.80	Stark	242,200	28,720	270,920	0.55	0.60
Grant	504,600	43,300	550,900	0.55	0.60	Steele	11,300	17,720	29,020	0.65	0.70
Griggs	28,300	18,500	46,800	0.65	0.70	Stutsman	275,000	43,300	318,300	0.75	0.80
Hettinger	102,500	0	102,500	0.55	0.60	Towner	7,300	14,200	21,500	0.65	0.70
Kidder	265,600	92,640	358,240	0.60	0.65	Trail	15,900	14,400	30,300	0.75	0.80
Lalmon	5,250	28,640	33,890	0.75	0.80	Walsh	22,000	6,600	30,600	0.65	0.70
Logan	216,600	23,000	239,600	0.60	0.65	Ward	251,400	3,665	255,065	0.60	0.65
McHenry	348,800	27,300	376,100	0.65	0.70	Wells	56,400	13,600	70,000	0.65	0.70
McIntosh	162,500	4,850	167,350	0.60	0.65	Williams	375,000	19,000	394,000	0.60	0.65
McKenzie	595,200	46,800	642,000	0.55	0.60						
						State	9,800,302	1,229,375	11,029,677		

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Century Code -- 2001 Farmstead Exemption

57-02-06. Property exempt from taxation. All property described in this section to the extent herein limited shall be exempt from taxation:

15. a. All farm structures and improvements located on agricultural lands.

(1) This subsection must be construed to exempt farm buildings and improvements only, and may not be construed to exempt from taxation industrial plants, or structures of any kind not used or intended for use as a part of a farm plant, or as a farm residence.

(2) Any structure or improvement used primarily in connection with a retail or wholesale business other than farming, any structure or improvement located on platted land within the corporate limits of a city, or any structure or improvement located on railroad operating property subject to assessment under chapter 57-05 is not exempt under this subsection. For purposes of this paragraph, "business other than farming" includes processing to produce a value-added physical or chemical change in an agricultural commodity beyond the ordinary handling of that commodity by a farmer prior to sale.

(3) The following factors may not be considered in application of the exemption under this subsection:

- (a) Whether the farmer grows or purchases feed for animals raised off the farm.
- (b) Whether animals being raised on the farm are owned by the farmer.
- (c) Whether the farm's replacement animals are produced on the farm.
- (d) Whether the farmer is engaged in contract feeding of animals on the farm.

b. It is the intent of the legislative assembly that this exemption as applied to a residence must be strictly construed and interpreted to exempt only a residence that is situated on a farm and which is occupied or used by a person who is a farmer and that the exemption may not be applied to property which is occupied or used by a person who is not a farmer. For purposes of this subdivision:

(1) "Farm" means a single tract or contiguous tracts of agricultural land containing a minimum of ten acres [4.05 hectares] and for which the farmer, actually farming the land or engaged in the raising of livestock or other similar operations normally associated with farming and ranching, has received annual net income from farming activities which is fifty percent or more of annual net income, including net income of a spouse if married, during any of the three preceding calendar years.

(2) "Farmer" means an individual who normally devotes the major portion of time to the activities of producing products of the soil, poultry, livestock, or dairy farming in such products' unmanufactured state and has received annual net income from farming activities which is fifty percent or more of annual net income.

including net income of a spouse if married, during any of the three preceding calendar years. "Farmer" includes a "retired farmer" who is retired because of illness or age and who at the time of retirement owned and occupied as a farmer the residence in which the person lives and for which the exemption is claimed. "Farmer" includes a "beginning farmer" who has begun occupancy and operation of a farm within the three preceding calendar years; who normally devotes the major portion of time to the activities of producing products of the soil, poultry, livestock, or dairy farming in such products' unmanufactured state; and who does not have a history of farm income from farm operation for each of the three preceding calendar years.

(3) "Net income from farming activities" means taxable income from those activities as computed for income tax purposes pursuant to chapter 57-36 adjusted to include the following:

- (a) The difference between gross sales price less expenses of sale and the amount reported for sales of agricultural products for which the farmer reported a capital gain.
- (b) Interest expenses from farming activities which have been deducted in computing taxable income.
- (c) Depreciation expenses from farming activities which have been deducted in computing taxable income.

(4) When exemption is claimed under this subdivision for a residence, the assessor may require that the occupant of the residence who it is claimed is a farmer provide to the assessor for the year or years specified by the assessor a written statement in which it is stated that fifty percent or more of the net income of that occupant, and spouse if married and both spouses occupy the residence, was, or was not, net income from farming activities.

(5) In addition to any of the provisions of this subsection or any other provision of law, a residence situated on agricultural land is not exempt for the year if it is occupied by an individual engaged in farming who had nonfarm income, including that of a spouse if married, of more than forty thousand dollars during each of the three preceding calendar years. This paragraph does not apply to a retired farmer or a beginning farmer as defined in paragraph 2.

(6) For purposes of this section, "livestock" includes "nontraditional livestock" as defined in section 36-01-00.1.

(7) A farmer operating a bed and breakfast facility in the farm residence occupied by that farmer is entitled to the exemption under this section for that residence if the farmer and the residence would qualify for exemption under this section except for the use of the residence as a bed and breakfast facility.

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HOUSE POLITICAL SUBDIVISIONS COMMITTEE
January 30, 2003

Testimony of Marcy Dickerson, State Supervisor of Assessments

HOUSE BILL NO. 1198

Mr. Chairman, Members of the Committee, for the record my name is Marcy Dickerson and I am employed by the State Tax Commissioner as State Supervisor of Assessments. My testimony concerns House Bill 1198.

House Bill 1198 places responsibility for establishing the average agricultural value per acre for cropland, noncropland, and inundated agricultural land with the board of county commissioners. It prohibits the state board of equalization from fulfilling its purpose of equalizing the valuation and assessment of property throughout the state. The state board of equalization will continue to equalize assessments of residential and commercial property according to law, but there will be no central oversight of assessment of agricultural land.

Existing agricultural valuation law requires the agricultural economics department of North Dakota state university to compute annually an estimate of the average agricultural value of agricultural lands on a statewide and countywide basis. The state board of equalization, recognizing the intricacies of the valuation process, has allowed counties 5 percent tolerance from the target agricultural values and has also allowed 5 percent tolerance from market value for residential and commercial property.

Some sort of central oversight is imperative if taxpayers throughout the state are to be treated equally. Similar agricultural properties with similar production capability, located in different counties, should be valued similarly. Without central oversight there may be little similarity in their treatment by different counties. For a school district located in more than one

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county, valuation without inter-county equalization can cause the school tax burden on a taxpayer in one county to be significantly different from the burden on his counterpart in another county.

Persons who favor this bill are looking for an opportunity to reduce agricultural values in their county or counties. They should pursue that goal by proposing changes to the statutory valuation method, not by trying to enact legislation to circumvent the existing statute. For example, HB 1055 attempted to increase the capitalization rate by adding a property tax component to that rate. That bill was defeated because it was determined that would be double counting, because property taxes are already deducted from income to be capitalized. The effort doesn't have to stop there, however. The Richland County tax director said he believes the percentage deducted for property taxes is too small. Maybe that should be looked into.

A brief comparison of agricultural valuations since 1980 may be helpful. The attached spreadsheet shows percentage changes in agricultural valuations from 1980, the last year for which market value was the basis for agricultural valuations, through 2003. In 1980, assessed value was supposed equal market value (in fact it did not), and taxable value was 50 percent of assessed value. The true and full values per acre shown for 1981, 2002, and 2003 are the values calculated by NDSU and certified by the state tax commissioner, and do not reflect any tolerance granted by the state board of equalization.

The blue column shows the percentage change in taxable value per acre for all agricultural land, by county, from 1980 to 1981. You will see the percentages range from a reduction of 21 percent for Adams County to an increase of 55 percent for Pembina County.

HB 1198
Testimony of Marcy Dickerson
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That indicates that in 1980 Adams County agricultural land was assessed higher than its agricultural value and Pembina County land was assessed lower than its agricultural value.

Continuing with the same two counties, the gold column shows the percentage changes from 1980 (under the old assessment method) to 2002: a 7 percent decrease for Adams County and a 76 percent increase for Pembina County.

The green column shows the percentage changes that have taken place from 1981, when the present valuation method began, through 2002. For Adams County, there was an 18 percent increase; for Pembina County, there was a 14 percent increase.

The pink column shows the percentage changes from 1980 to 2003. For Adams County, there was a 2 percent decrease. For Pembina County, there was an 85 percent increase, caused mostly by the 55 percent increase from 1980, under the old assessment method, to 1981. You will see Sioux County decreased 11 percent from 1980 to 2003. All other counties experienced increases from 2 to 95 percent.

The statewide increase from 1980 to 1981 was 6 percent; from 1980 to 2002, 26 percent; from 1981 to 2002, 18 percent; and from 1980 to 2003, 32 percent.

The figures in the blue column show how far county per-acre valuations were in 1980 from the agricultural values prescribed in 1981. Without oversight by the state board of equalization, it is likely that some counties' future values per acre will again be set far from the values computed by NDSU.

This concludes my prepared testimony. I will be happy to try to answer any questions you may have.

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Donna Hallmark
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COUNTY	AV	T&F	TV	TV	% Change	T&F	TV	% Change	% Change	T&F	TV	% Change	T&F % Change
	1990	1991	1990	1991	1990-1991	2002	2002	1980-2002	1981-2002	2003	2003	1980-2003	2002-2003
Adams	18.07	\$142.05	9.04	7.10	-21%	\$168.20	8.41	-7%	18%	\$176.40	8.82	-2%	4.93%
Barnes	31.19	\$314.89	15.80	15.74	1%	\$366.49	18.42	18%	17%	\$366.72	19.44	25%	5.49%
Benson	20.53	\$235.68	10.27	11.78	15%	\$286.54	13.33	30%	13%	\$279.27	13.96	36%	4.78%
Billings	10.11	\$112.90	5.06	5.65	12%	\$110.57	5.53	9%	-2%	\$116.35	5.82	15%	5.23%
Bottineau	17.67	\$223.91	8.84	11.20	27%	\$280.45	14.02	59%	25%	\$295.06	14.75	67%	5.21%
Bowman	12.40	\$124.47	6.20	6.22	0%	\$141.25	7.06	14%	14%	\$148.73	7.44	20%	5.30%
Burke	15.34	\$167.52	7.67	8.38	9%	\$210.48	10.52	37%	26%	\$219.58	10.98	43%	4.32%
Burleigh	16.54	\$160.06	8.27	8.00	-3%	\$177.09	8.85	7%	11%	\$187.32	9.37	13%	5.78%
Cass	44.92	\$438.68	22.46	21.93	-2%	\$533.11	26.66	19%	22%	\$553.58	27.68	23%	3.84%
Cavaller	25.36	\$266.86	12.68	13.34	5%	\$353.05	17.65	29%	32%	\$386.65	18.33	45%	3.85%
Dickey	22.71	\$249.63	11.36	12.48	10%	\$320.70	16.04	41%	29%	\$337.00	16.85	48%	5.06%
Divide	15.33	\$172.16	7.67	8.61	12%	\$209.84	10.49	37%	22%	\$217.54	10.86	42%	3.67%
Dunn	11.15	\$127.15	5.58	6.36	14%	\$131.99	6.60	18%	4%	\$138.82	6.94	24%	5.17%
Eddy	19.07	\$215.00	9.54	10.75	13%	\$236.65	11.83	24%	10%	\$241.39	12.07	27%	2.00%
Emmons	19.51	\$186.51	9.76	8.33	-15%	\$200.28	10.01	3%	20%	\$215.47	10.77	10%	7.58%
Foster	27.10	\$257.71	13.55	12.89	-5%	\$314.65	15.73	16%	22%	\$325.07	16.25	20%	3.31%
Golden Valley	14.97	\$133.87	7.49	6.89	-11%	\$148.12	7.41	-1%	11%	\$153.42	7.67	2%	3.58%
Grand Forks	35.05	\$432.29	17.53	21.61	23%	\$483.26	24.16	38%	12%	\$496.48	24.92	42%	3.15%
Grant	10.93	\$137.43	5.47	6.87	26%	\$140.65	7.03	29%	2%	\$149.63	7.48	37%	6.36%
Griggs	23.86	\$289.97	11.93	13.50	13%	\$317.56	15.88	33%	18%	\$321.62	16.08	35%	1.26%
Hettinger	16.93	\$166.45	8.47	8.32	-2%	\$226.70	11.34	34%	36%	\$238.47	11.92	41%	5.19%
Kidder	13.72	\$156.48	6.86	7.82	14%	\$175.15	8.76	28%	12%	\$184.63	9.23	35%	5.41%
La Moure	28.27	\$272.73	14.14	13.64	-4%	\$373.06	18.65	32%	37%	\$397.49	19.67	41%	6.55%
Logan	16.26	\$174.46	8.13	8.72	7%	\$182.61	9.14	12%	5%	\$193.85	9.69	19%	6.04%
McHenry	13.45	\$166.21	6.73	8.31	23%	\$206.84	10.34	54%	24%	\$221.34	11.07	64%	7.01%
McIntosh	16.71	\$187.63	8.36	9.38	12%	\$188.75	9.44	13%	1%	\$201.00	10.05	20%	6.49%
McKenzie	13.47	\$144.51	6.74	7.23	7%	\$152.12	7.61	13%	5%	\$158.43	7.92	18%	4.15%
McLean	19.62	\$185.45	9.81	9.27	-6%	\$264.76	13.24	35%	43%	\$279.64	13.98	43%	5.62%
Mercer	16.25	\$142.48	8.13	7.12	-12%	\$174.34	8.72	7%	22%	\$183.44	9.17	13%	5.22%
Morton	15.21	\$145.05	7.61	7.25	-5%	\$153.95	7.70	1%	6%	\$162.44	8.12	7%	5.51%
Mountrail	N/A	\$156.48	N/A	7.82	N/A	\$195.15	9.76	N/A	25%	\$205.78	10.29	N/A	5.45%
Nelson	21.13	\$244.43	10.57	12.22	16%	\$295.45	14.77	40%	21%	\$300.46	15.02	42%	1.70%
Oliver	14.04	\$154.27	7.02	7.71	10%	\$166.58	8.33	19%	8%	\$174.07	8.70	24%	4.50%
Pembina	32.40	\$501.15	16.20	25.06	55%	\$569.99	28.50	76%	14%	\$586.30	29.92	85%	4.97%
Pierce	17.67	\$190.77	8.84	9.54	8%	\$240.99	12.05	36%	26%	\$252.28	12.61	43%	4.68%
Ramsey	25.03	\$257.12	12.52	12.86	3%	\$291.99	14.80	17%	14%	\$297.98	14.90	19%	2.05%
Ransom	25.06	\$316.41	12.53	15.82	26%	\$361.12	19.06	52%	20%	\$400.66	20.03	60%	5.13%

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COUNTY	AV 1980	T&F 1981	TV 1980	TV 1981	% Change 1980-1981	T&F 2002	TV 2002	% Change 1980-2002	% Change 1981-2002	T&F 2003	TV 2003	% Change 1980-2003	T&F % Change 2002-2003
Remville	19.80	\$208.50	9.90	10.43	5%	\$313.42	15.67	58%	50%	\$333.19	16.66	68%	6.31%
Richland	36.13	\$416.13	18.07	20.81	15%	\$527.90	28.40	46%	27%	\$558.51	27.98	55%	5.90%
Rosette	20.10	\$219.32	10.05	10.97	9%	\$264.13	13.21	31%	20%	\$274.99	13.75	37%	4.11%
Sargent	22.98	\$290.85	11.49	14.54	27%	\$412.17	20.61	79%	42%	\$447.69	22.38	95%	8.62%
Sheridan	13.74	\$172.44	6.87	8.62	25%	\$199.74	9.99	45%	16%	\$208.75	10.44	52%	4.51%
Sioux	12.18	\$113.38	6.09	5.87	-7%	\$104.54	5.23	-14%	-8%	\$108.56	5.43	-11%	3.85%
Slope	11.27	\$136.00	5.64	6.80	21%	\$163.26	8.16	45%	20%	\$178.48	8.92	58%	9.32%
Stark	18.97	\$156.88	9.49	7.84	-17%	\$186.90	9.35	-1%	19%	\$197.14	9.86	4%	5.48%
Steele	30.85	\$350.50	15.43	17.53	14%	\$419.59	20.98	36%	20%	\$433.68	21.68	41%	3.30%
Stutsman	24.31	\$238.19	12.16	11.91	-2%	\$265.62	13.28	9%	12%	\$278.05	13.90	14%	4.68%
Towner	20.09	\$265.08	10.05	13.25	32%	\$318.12	15.91	58%	20%	\$326.75	16.34	63%	2.71%
Trail	41.84	\$485.74	20.92	24.29	16%	\$561.78	28.09	34%	16%	\$573.85	28.69	37%	2.15%
Walsh	37.52	\$484.35	18.78	24.22	29%	\$530.39	28.52	41%	9%	\$559.78	27.99	49%	5.54%
Ward	20.49	\$204.50	10.25	10.23	0%	\$287.46	13.37	30%	31%	\$287.45	14.37	40%	7.47%
Wells	23.84	\$241.09	11.92	12.05	1%	\$305.76	15.29	28%	27%	\$309.66	15.48	30%	1.28%
Williams	16.36	\$165.19	8.18	8.28	1%	\$181.47	9.07	11%	10%	\$183.74	9.19	12%	1.25%
STATE	21.02	\$223.44	10.51	11.17	6%	\$284.06	13.20	26%	18%	\$278.36	13.92	32%	5.42%

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