CITY OF Fargo

Assessment Department

ANNUAL REPORT

To The Fargo
City Board of Equalization

May 12, 2009

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Overview of Assessment Function

The overall function of the Fargo Assessment Department is to maintain a record of property ownership boundaries and to appraise all property in Fargo. 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 Cass 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 process determines how much revenue must come from property taxes. That amount is then levied against the total taxable value of property in Fargo. 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:

Assessor's Value X Assm't Ratio X Assm't Factor X Mill Levy = 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 455.43 mills in School District #1, 404.30 in School District #6, and 353.50 in School District #2 in Fargo in 2008.

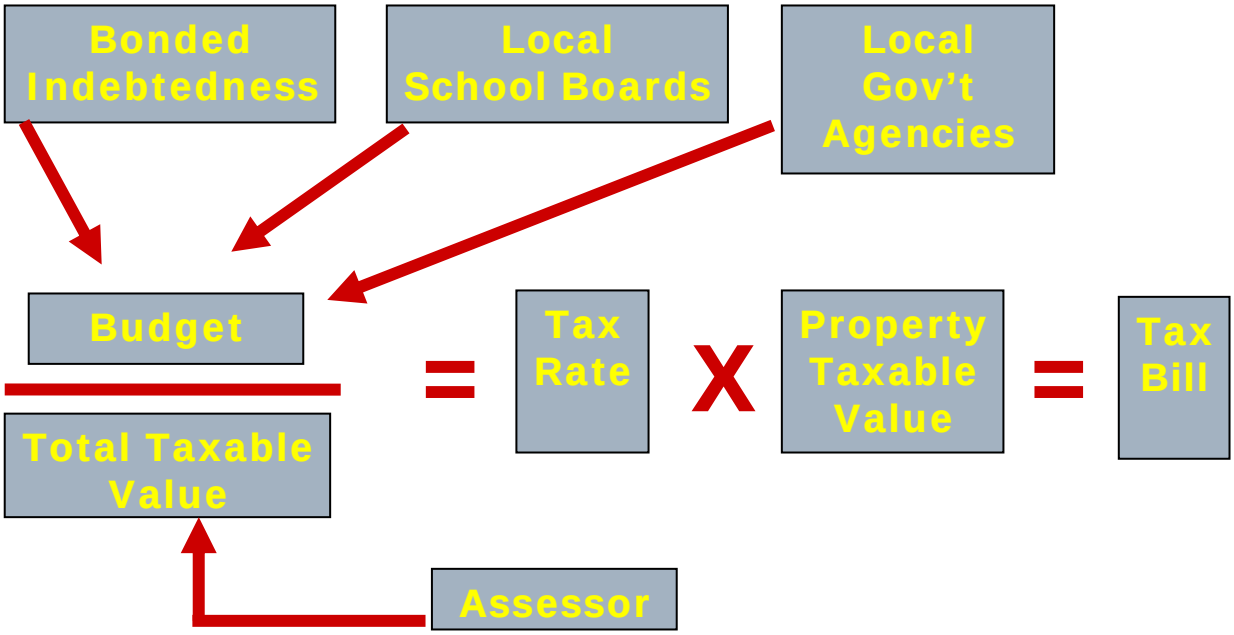
Property Tax Basics

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 the services they provide.

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

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



Property Tax Basics

Here are a couple of basic examples of how this process works. The assumptions used in the first example are that the total amount of approved budgets in a jurisdiction is $2,000,000 and the total taxable value of all properties is $100,000,000. The second example assumes that property values increase and the total budget remains the same.

The following illustrates the effect on a home valued at $100,000:

BUDGET = $2,000,000 **TAXABLE VALUE = $100,000,000**

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

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

If property values were to increase in this example community, that in itself should not affect the amount of budget required.

The following illustrates the effect of a 50% valuation increase on property values without an increase in a community's total budget:

BUDGET = $2,000,000 **TAXABLE VALUE = $100,000,000**

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

HOME VALUE = $150,000X.0133 = $2,000 TAX

2008 Mill Levy

The mill levy is calculated each year by the County Auditor, usually in late September. That levy appears on the tax bill that most property owners receive in December of the same year. The most recent bill is 2008 and the mill levies in Fargo were 455.43 in School District #1, 404.30 in School District #6, and 353.50 in School District #2. For the most part, School District #6 is the area west of I-29. See the map on page 11 for the location of the school districts in Fargo. The following illustrates how that levy is broken down:

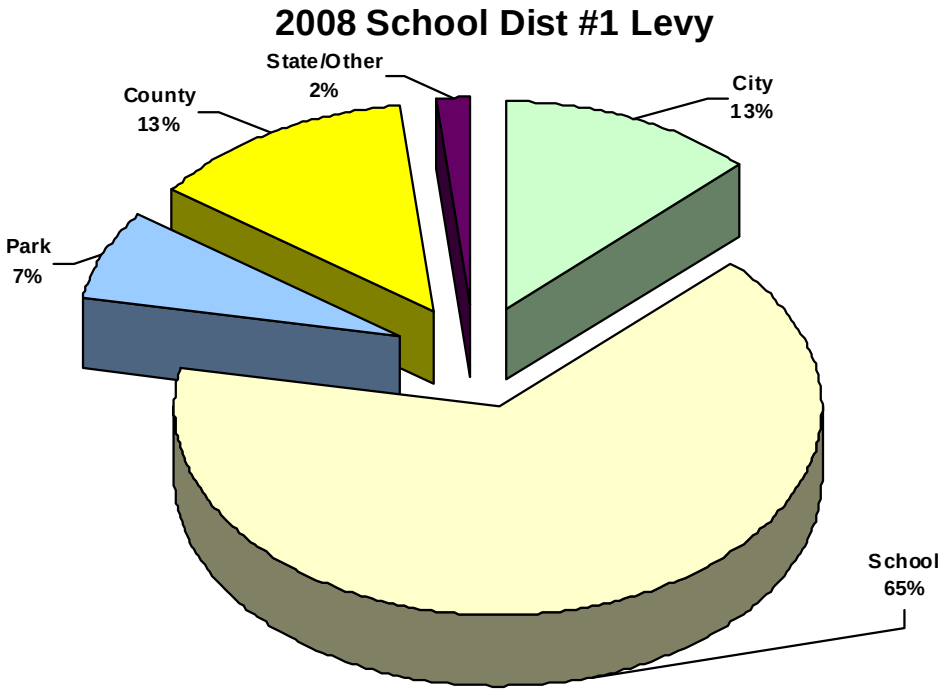
2008 MILL LEVY BREAKDOWN

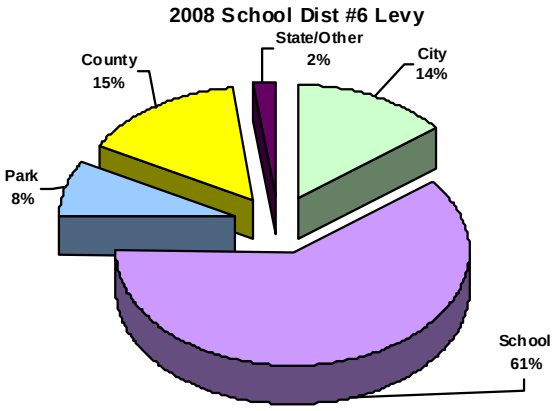
	School Dist #1	School Dist #6	School Dist #2
State/Other	3.45	3.45	3.45
Cass County	61.00	61.00	61.00
City of Fargo	58.25	58.25	58.25
Park District	31.56	31.56	31.56
School District	296.77	245.64	194.84
Water District	4.40	4.40	4.40
TOTAL	**455.43**	**404.30**	**353.50**

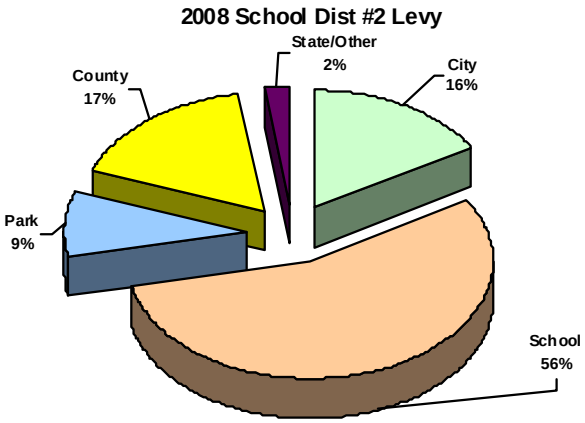
Mill Levy History School District #1 1998-2008

YEAR	CITY	COUNTY	PARK	SCHOOL	OTHER	TOTAL
1998	61.53	69.26	32.38	322.66	7.39	493.22
1999	60.24	67.37	33.07	320.24	7.60	488.52
2000	60.31	65.37	32.67	327.40	8.00	493.75
2001	60.13	62.69	32.76	327.88	7.98	491.44
2002	60.30	65.05	32.87	323.84	7.96	490.02
2003	60.24	65.00	32.73	320.20	8.41	486.58
2004	58.73	65.00	32.46	319.55	8.32	484.06
2005	59.25	62.00	32.58	318.62	8.31	480.76
2006	57.25	61.00	32.07	309.02	7.91	467.25
2007	58.25	61.00	31.85	299.99	7.95	459.04
2008	58.25	61.00	31.56	296.77	7.85	455.43

Mill Levy


2008 School Dist #1 Levy
State/Other
2%
County
13%
City
13%
Park
7%
School
65%


2008 School Dist #6 Levy
State/Other
2%
County
15%
City
14%
Park
8%
School
61%


2008 School Dist #2 Levy
State/Other
2%
County
17%
City
16%
Park
9%
School
56%

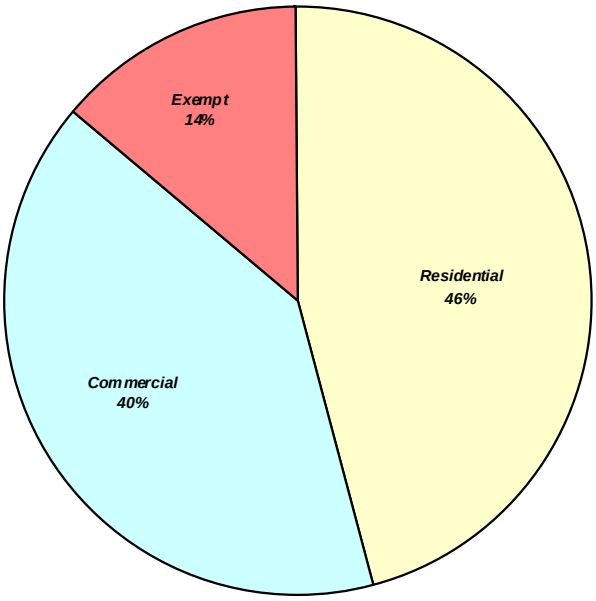
2009 Total Appraised Value

TOTAL MARKET VALUE BREAKDOWN

Class	Count	% Of Total	2009 Total Value	% Of Total
Residential	**25,581**	79.8%	**$ 3,739,089,950**	45.9%
Commercial	**4,997**	15.6%	**$ 3,270,097,150**	40.2%
Agricultural	**168**	.5%	**$ 3,993,200**	.05%
Exempt	**1,326**	4.1%	**$ 1,126,569,000**	13.8%
TOTAL	**32,072**		**$ 8,139,749,300**	

*The *Exempt* property class includes hospitals, schools, government owned property, etc. These properties are not reappraised on as regular a basis as are other classes of property. Therefore, our current value on the books for these properties has been increased by 40% here to better reflect the actual value of exempt property in Fargo.

Breakdown By Value



It should be noted that the figures represented here reflect merely a snapshot of the status of property in the City of Fargo. Property ownership and valuation is always in a state of change. The Assessment Department responds to these changes on a daily basis. The numbers in this report reflect the way things are as of the date of the report. Next month, next week, or tomorrow, the figures will be different. Several figures here also represent estimates of value changes between now and September when mill levies are established. Agencies using the numbers in this report for budget purposes should consult additional sources for verification.

2009 Exempt Property

Exempt property falls into two classes in the property tax assessment roll for Fargo: *partial (or discretionary)* and *fully* exempt. Partial, or discretionary, exemptions are granted for reasons such as relief for the disabled or elderly, economic expansion, or renovation of properties. Fully exempt properties include those such as churches, schools and hospitals. Following is a breakdown of exemptions for the 2009 assessment:

EXEMPTION TYPE	# PROPERTIES	APPRAISED VALUE EXEMPT
Fire Protection Levy		
Comm School Dist #1	36	$ 17,761,000
Residential New Construction		
School Dist #1	186	$ 13,882,900
School Dist #6	202	$ 15,150,000
Sub Total	388	$ 29,032,900
Homestead Credit		
School Dist #1	144	$11,615,000
School Dist #6	1	$ 100,000
Sub Total	145	$ 11,715,000
Wheelchair, Blind, Disabled Veteran		
School Dist #1	262	$ 21,380,800
School Dist #6	12	$ 1,202,900
Sub Total	274	$ 22,583,700
Remodeling		
Res School Dist #1	187	$ 2,841,000
Comm School Dist #1	23	$ 7,803,100
Comm School Dist #6	4	$ 4,297,300
Sub Total	214	$14,941,400
New Industry & Payment In Lieu		
Comm School Dist #6	47	$ 79,284,300
Comm School Dist #1	49	$ 58,731,300
Sub Total	96	$138,015,600
Tax Increment Financing		
Comm School Dist #6	1	$ 367,100
Comm School Dist #1	1	$ 1,489,500
Sub Total	2	$ 1,856,600
Renaissance Zone		
Comm School Dist #1	36	$ 25,480,000
Res School Dist #1	57	$ 16,572,200
Sub Total	93	$ 42,052,200
Daycare, Geothermal, Parking Struct., Educ. Corp., Group Homes		
Res School Dist #1	31	$ 2,562,700
Res School Dist #6	1	$ 11,000
Comm School Dist #1	30	$ 21,648,800
Comm School Dist #6	2	$ 1,787,800
Sub Total	64	$ 26,010,300
2009 PARTIAL EXEMPTION GRAND TOTAL	**1,312**	**$ 303,968,700**
2009 FULLY EXEMPT TOTAL	**1,326**	**$ 1,126,569,000**

2009 Fargo Taxable Valuation

The **taxable valuation** is the amount that is considered the *tax base* of the City of Fargo. This accounts for the removal of exempt amounts and represents the net assessed value of all property in the city subject to property taxation.

This amount is determined by applying an *assessment ratio* of 50% to the net appraised value of all taxable property, then a factor of 9% is applied to residential and 10% to all other property classes.

The taxable valuation multiplied by the mill levy will determine the total revenue to be received from property taxes.

The following projections of the 2009 taxable valuation of Fargo will vary somewhat from the final amount. Changes will occur between now and when the mill levy is determined in September. An amount (*Adjustments*) has been estimated to allow for those changes. Also, the figure used for *Corporations* is an estimate based upon last year's figures. Corporations are utilities such as railroads and pipelines which are assessed by the State Tax Department.

TOTAL EXPECTED 2009 TAXABLE VALUATION

CLASS		TAXABLE VALUE
Agricultural		$ 199,660
Commercial		$152,623,232
Residential		$164,949,649
Sub Total		$317,772,541
(less)		
Traditional Tax Increment	$ 5,522,167	
Adjustments Estimate	$ 2,000,000	
Sub Total		($ 7,522,167)
(add)		
Corporations Estimate		$ 3,241,791

2009 PROJECTED NET TAXABLE VALUE $313,492,165

2008 Net Taxable Valuation	$ 302,612,498
Difference	$ 10,879,667

Percent Increase in Taxable Value 3.6%

2009 Fargo Taxable Valuation

2009 Projected Fargo Taxable Value By School District
Locally Assessed Property

CLASS	2009 TAXABLE	2008 TAXABLE	% CHG
Agricultural			
School District #1	**$ 117,760**	*$ 99,510*	+18.3%
School District #6	**$ 74,725**	*$ 63,250*	+18.1%
School District #2	**$ 7,175**	*$ 6,705*	+7.0%
Sub Total	**$ 199,660**	*$ 169,465*	+17.8%
Commercial			
School District #1	**$ 89,105,690**	*$ 85,299,362*	+4.5%
School District #6	**$ 63,517,543**	*$ 60,006,833*	+5.9%
Sub Total	**$152,623,233**	*$145,306,195*	+5.0%
Residential			
School District #1	**$150,389,696**	*$146,886,320*	+2.4%
School District #6	**$ 14,023,188**	*$ 11,710,841*	+19.7%
School District #2	**$ 9,590**	*$ 9,590*	0%
Sub Total	**$164,422,474**	*$158,606,751*	+3.7%
Total School District #1	**$ 239,613,146**	*$ 232,285,192*	+3.2%
Total School District #6	**$ 77,615,456**	*$ 71,780,924*	+8.1%
Total School District #2	**$ 16,765**	*$ 16,295*	+2.9%
GRAND TOTAL	**$ 317,245,367**	*$ 304,082,411*	+4.3%

These figures do not include homestead credit, tax increment, corporation, or projected adjustment values.

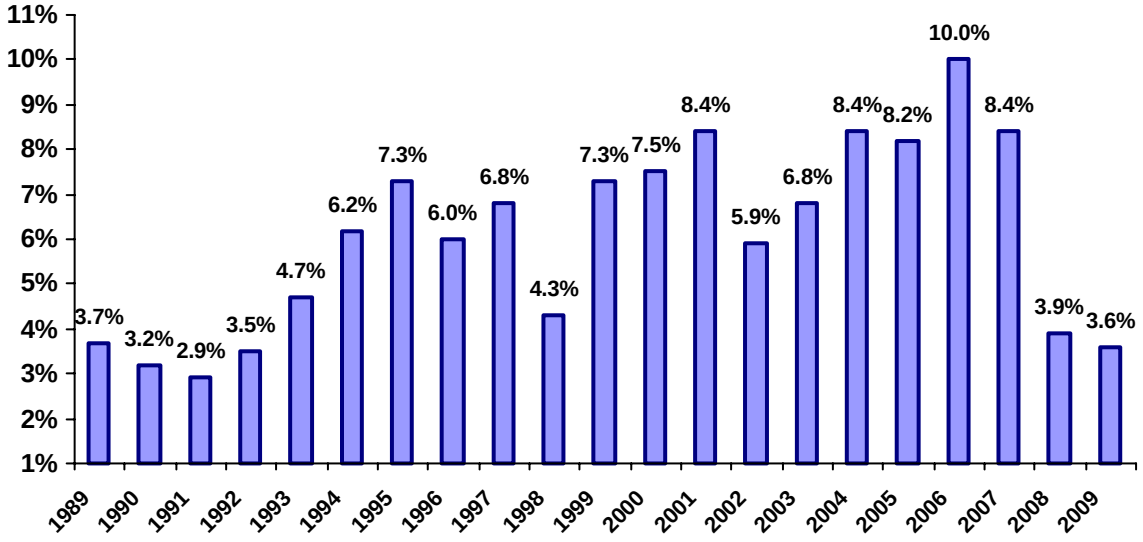
2009 Fargo Taxable Valuation

The **taxable valuation** is the amount that is considered the *tax base* of the City of Fargo. This accounts for the removal of exempt amounts and represents the net assessed value of all property in the city subject to property taxation.

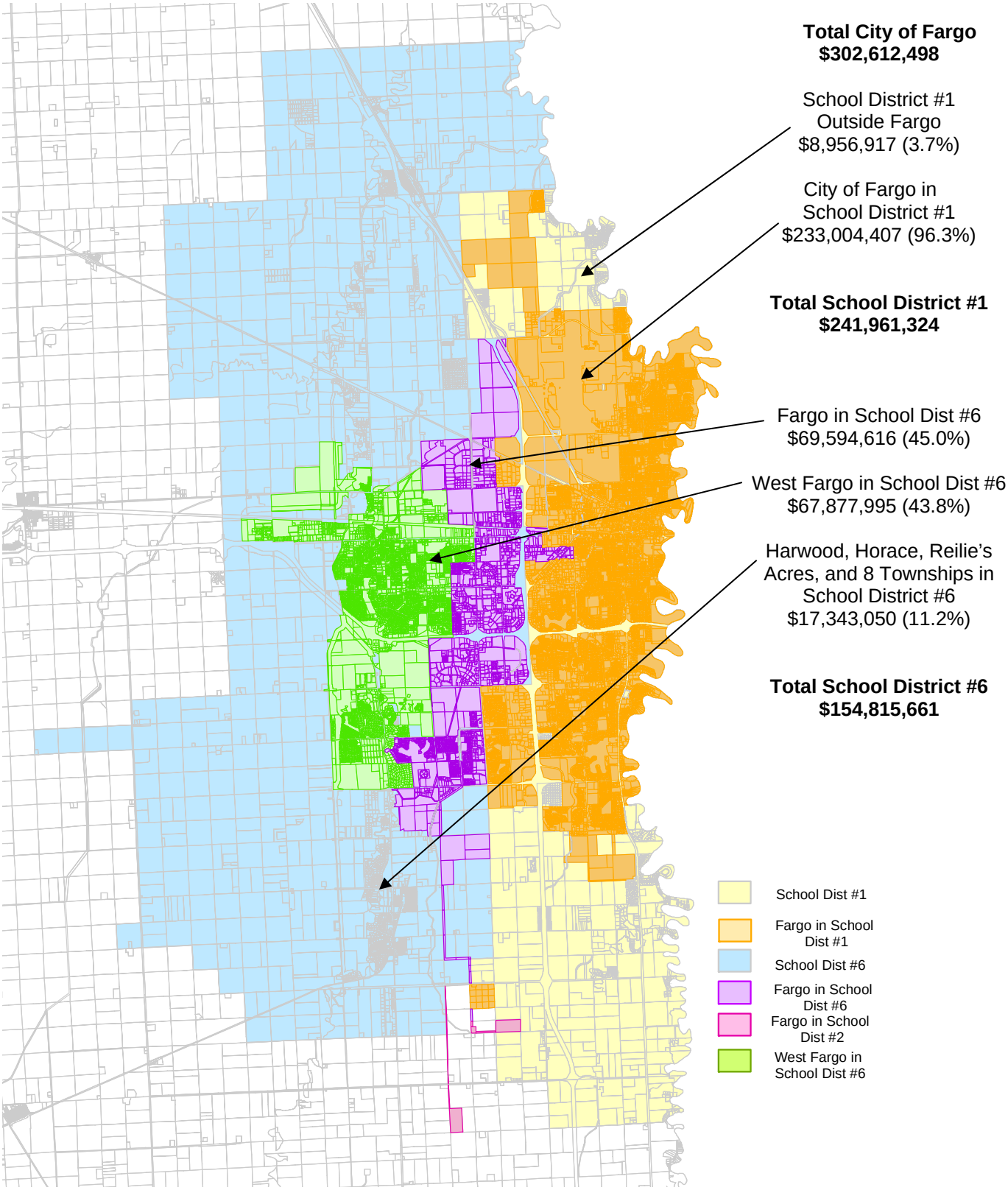
10 Year Fargo Taxable Value History

Year	*Taxable Valuation*	*% Change*
2000	$ 169,667,306	+ 7.5%
2001	$ 183,845,794	+ 8.4%
2002	$ 194,773,430	+ 5.9%
2003	$ 208,083,503	+ 6.8%
2004	$ 225,535,096	+ 8.4%
2005	$ 244,141,153	+ 8.2%
2006	$ 268,423,651	+ 9.9%
2007	$ 291,211,070	+ 8.5%
2008	$ 302,612,498	+ 3.9%
2009 est.	$ 313,492,165	+ 3.6%

Percent Change In Taxable Value



2008 Taxable Value By Taxing District



2008 Building Permit Appraisals

Part of appraising properties for assessment purposes is to know what's out there. One of the ways to do that is to perform appraisals on all parcels of land where building permits are issued.

This is a count of building permit *appraisals,* which differ from a count of actual building permits. Some permits require multiple appraisals as in the case of multiple tenant properties. Also there is a carry-over from one year to the next on projects unfinished by the assessment date.

2008 Building Permit Appraisal Count

Residential New Construction	632	
Residential Renovation	1,528	
TOTAL RESIDENTIAL		2,160
Commercial New Construction	155	
Commercial Renovation	592	
TOTAL COMMERCIAL		747
TOTAL 2008 PERMIT APPRAISALS		**2,907**

2008 Building Permit Appraisal Value Summary

Commercial New Construction (Dist #1)	$ 45,989,800	
Commercial New Construction (Dist #6)	$ 26,432,600	
COMMERCIAL NEW CONSTRUCTION		$72,422,400
Residential New Const. (Dist #1)	$ 38,934,200	
Residential New Const. (Dist #6)	$ 43,517,300	
RESIDENTIAL NEW CONSTRUCTION		$ 82,451,500
TOTAL NEW CONSTRUCTION		**$154,873,900**
Commercial Renovation (Dist #1)	$ 17,545,000	
Commercial Renovation (Dist #6)	$ 13,822,200	
COMMERCIAL RENOVATION		$ 31,367,200
Residential Renovation (Dist #1)	$ 9,187,800	
Residential Renovation (Dist #6)	$ 2,125,800	
RESIDENTIAL RENOVATION		$ 11,313,600
TOTAL RENOVATION		**$ 42,680,800**
TOTAL PERMIT APPRAISAL VALUATION		**$ 197,554,700**

2009 Traditional Tax Increment Financing

The traditional method of granting tax increment financing is one where the properties pay the total amount of tax each year. The increment to amortize the granted amount (usually done by selling bonds) is determined by taking the difference between the total tax, based on the current value, and the tax on a "base year" value. The base year value is normally the value of the property prior to any development at the time the tax increment financing was approved.

The following is the breakdown of the current traditional tax increment financing projects in Fargo. The tax amounts shown are estimates based on current 2009 valuations and the most recent (2008) mill levy.

The "Base Tax" is the estimated amount to be distributed to the taxing entities. The "Increment Tax" is the amount estimated to be placed in a fund to amortize the increment financing.

	Current Value	Base Value	Total Tax	Base Tax	Increment Tax
Dakota Bank	$17,522,100	$2,846,200	$379,054	$61,572	$317,483
Great Northern	$280,000	$298,700	$6,057	$6,462	($405)
Matrix Properties	$67,184,980	$343,680	$1,290,237	$6,600	$1,283,637
Horse Park	$385,500	$85,800	$7,403	$1,648	$5,756
Service Oil	$6,981,400	$209,000	$151,028	$4,521	$146,507
Scattered 2003-01	$1,488,900	$570,133	$28,988	$11,100	$17,888
Scattered 2004-01	$1,378,500	$645,222	$26,839	$12,562	$14,277
Fayland Properties	$5,286,900	$104,000	$101,531	$1,997	$99,534
Bdwy St & Bristol	$1,747,900	$401,993	$37,169	$8,696	$28,473
Roers 19 Ave N	$10,551,000	$1,408,400	$228,249	$30,468	$197,781
FM Development I	$603,000	$208,080	$13,045	$4,501	$8,543
Feder	$1,538,000	$316,980	$33,271	$6,857	$26,414
East Bridge	$3,947,000	$488,800	$85,385	$10,574	$74,811
GRAND TOTAL	**$118,895,180**	**$7,926,989**	**$2,388,258**	**$167,559**	**$2,220,699**

*Tax amounts are estimates using the previous year's mill levies.

2008 Major Taxpayers

Following is a list of major taxpayers in Fargo as of the most recent levied tax. They ranked in order of the appraised value of the respective properties:

#	Taxpayer	Type	2008 Value
1	West Acres Development Corp.	Retail	$ 83,649,300
2	INREIT Properties	Comm/Apts	$ 67,355,500
3	Meritcare	Medical	$ 49,810,600
4	Matrix Properties	Apts/Comm/Res	$ 49,531,200
5	R & B Development	Apartments	$ 41,266,500
6	Osgood Investments	Comm/Res/Apts	$ 38,691,500
7	RCV Ltd Partnership/Van Raden	Apts/Comm/Res	$ 30,834,200
8	Innovis Health	Medical	$ 30,013,800
9	Dakota Park Ltd. Ptsp.	Apartments	$ 23,730,600
10	Anda Const. / Roger Anda	Comm/Apts	$ 23,482,900
11	Blue Cross-Blue Shield of ND	Insurance	$ 23,227,700
12	Waterford at Harwood Groves	Apartments	$ 22,130,100
13	Case Equipment Corp.	Industrial	$ 21,739,500
14	Gerald Eid / Eid-Co Buildings, Inc.	Apts/Comm/Res	$ 21,704,300
15	IRET Properties	Apartments	$ 21,641,400
16	Wal-Mart Real Estate Business Trust	Retail	$ 20,785,300
17	JPR Investments LLC	Commercial	$ 20,590,000
18	Bullinger Enterprises LTD Ptshp	Comm/Res/Apts	$ 17,638,300
19	Rabanus Center / Rabanus West	Comm/Retail	$ 17,520,000
20	Super Valu Stores, Inc.	Grocery	$ 16,354,300

Major North Dakota City Comparison

Population / Taxable Value Comparison

CITY	ESTIMATED POPULATION	2008 TAXABLE VALUE
Fargo	99,200	$ 302,612,498
Bismarck	59,500	$ 184,598,386
Grand Forks	54,500	$ 136,538,777
Minot	36,567	$ 92,831,092
West Fargo	26,011	$ 67,877,995
Dickinson	16,000	$ 35,161,015
Jamestown	15,500	$ 26,117,411
Williston	14,500	$ 23,281,558

Mill Levy / Property Tax Comparison

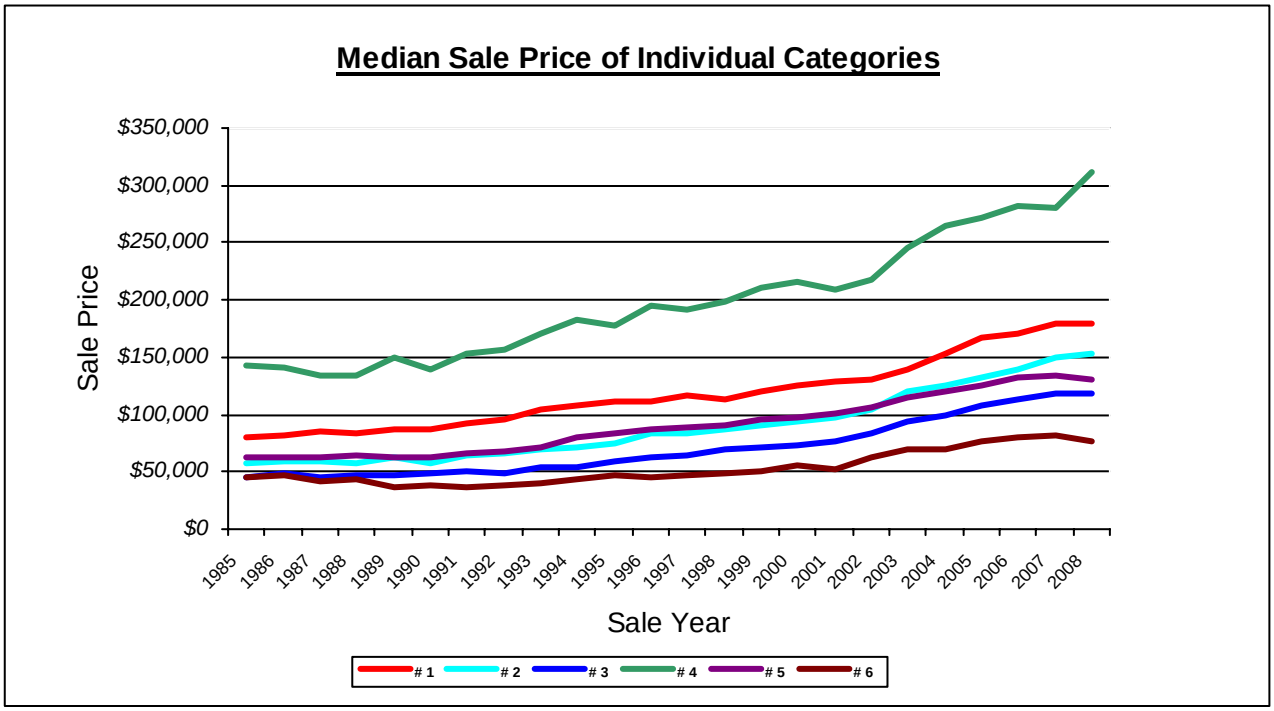
CITY	*2008 Total Mill Levy*	*2008 City Mill Levy*	*Est. Tax $100,000 Residential*	*Est. Tax $100,000 Commercial*
Jamestown	*511.23*	*174.70*	*$ 2,186*	*$ 2,428*
Grand Forks	*472.72*	*107.92*	*$ 2,021*	*$ 2,425*
Fargo (School Dist #1)	*455.43*	*58.25*	*$ 1,947*	*$ 2,163*
West Fargo	*441.38*	*88.47*	*$ 1,887*	*$ 2,097*
Williston (Dist #1)	*427.86*	*78.89*	*$ 1,829*	*$ 2,032*
Dickinson	*424.75*	*127.28*	*$ 1,816*	*$ 2,018*
Minot	*421.27*	*113.25*	*$ 1,801*	*$ 2,001*
Bismarck	*400.61*	*82.78*	*$ 1,713*	*$ 1,903*

Sales Analysis

A measure of changes in sale prices was done using market segmentation. Sales were weighted based on three criteria; property type (single family, twin home, duplex, condominium, etc.), building grade or quality, and building age at the time of sale. Categories containing a minimum of 5% of the total count were selected resulting in the inclusion of 30,497 sales from a total of 36,818 sales spanning 27 years.

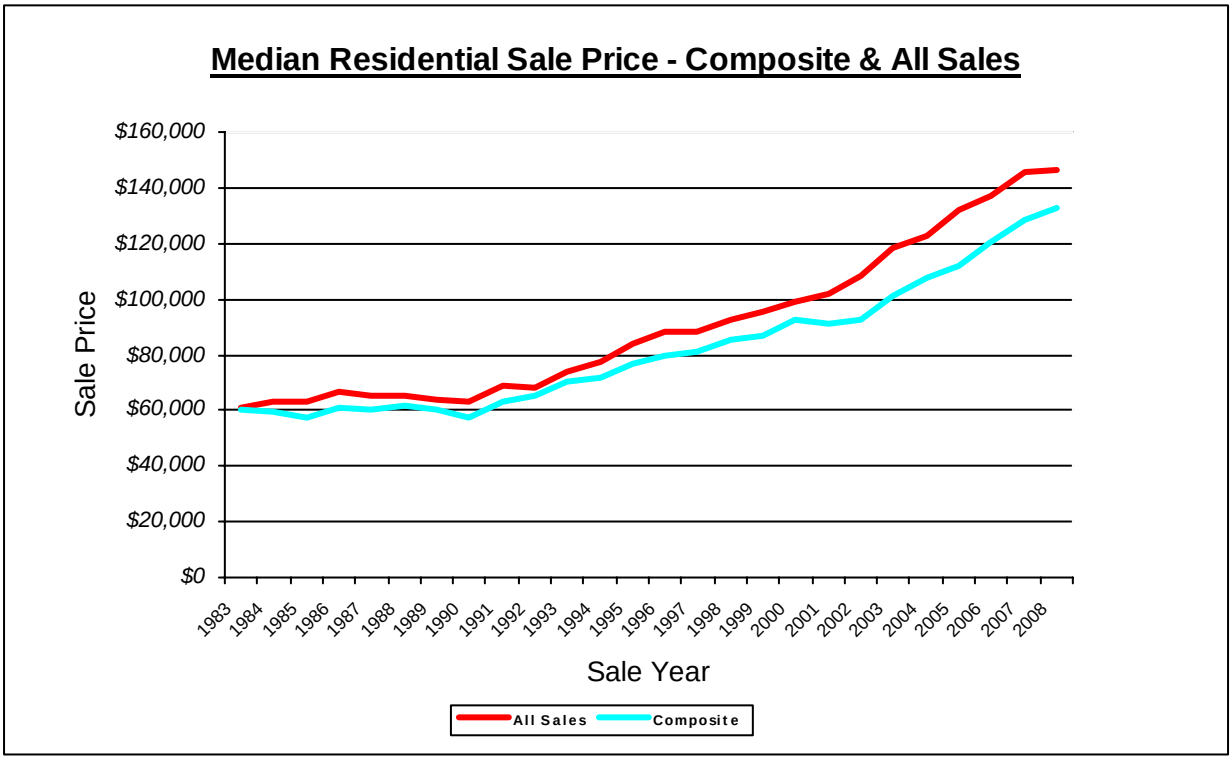
Following are the types of properties included in each category:

CATEGORY CRITERIA			
Category	**Prop Type**	**Grade**	**Age**
#1	Free Standing Single Family	Average	0-17
#2	Free Standing Single Family	Average	18-52
#3	Free Standing Single Family	Average	53+
#4	Free Standing Single Family	Good-Very Good	0-17
#5	Twin Home Unit	Average	all
#6	Apartment Styly Condo	Average	all



Sales Analysis

In addition to comparing the changes in median sale prices in the various categories, a composite value was arrived at for each year. This is a compilation of the median value of each category weighted by the percentage of sales in a given year for that category. This was done to eliminate the possibility of different types of properties selling from one year to the next skewing the overall indicated changes in prices.



Sales Ratio Study

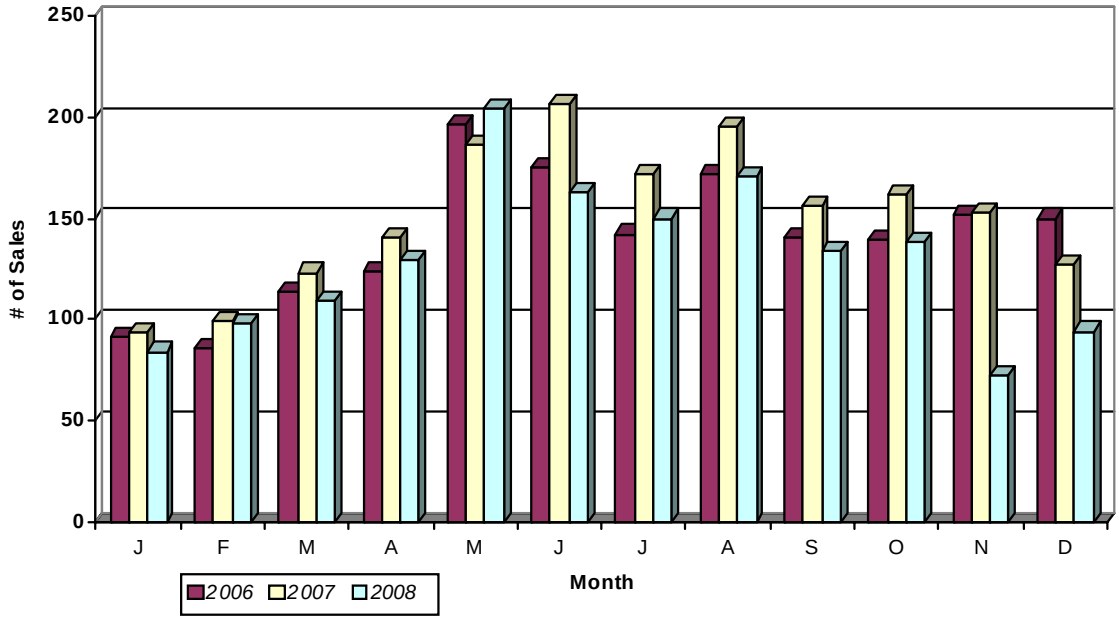
The comparison of the assessment valuation to a property's sale price is called the sale ratio. For instance, if a property sold for $100,000 and the assessment value is $90,000, the sale ratio is 90%. Annually, that ratio is calculated for all property sales that took place in the previous year.

For each property class, all ratios are sorted from lowest to highest and the median, or middle, ratio is determined. The State Board of Equalization and Tax Department monitor assessments statewide based on that median sale ratio for each jurisdiction. Although properties are to be appraised for assessment purposes at market value, the State Board of Equalization typically allows a tolerance of median sale ratios of 95% to 105% before they will order an adjustment of values within property classes.

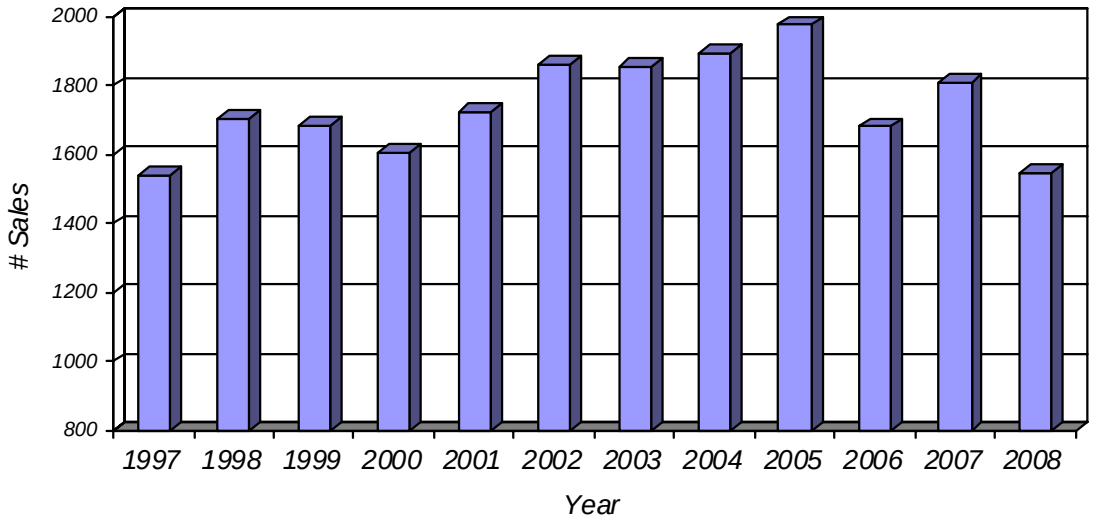
The current valuations for 2009 result in a median sale ratio in Fargo for both commercial and residential properties of 98.2%.

Residential Property Sales

2006-2008 Residential Sales

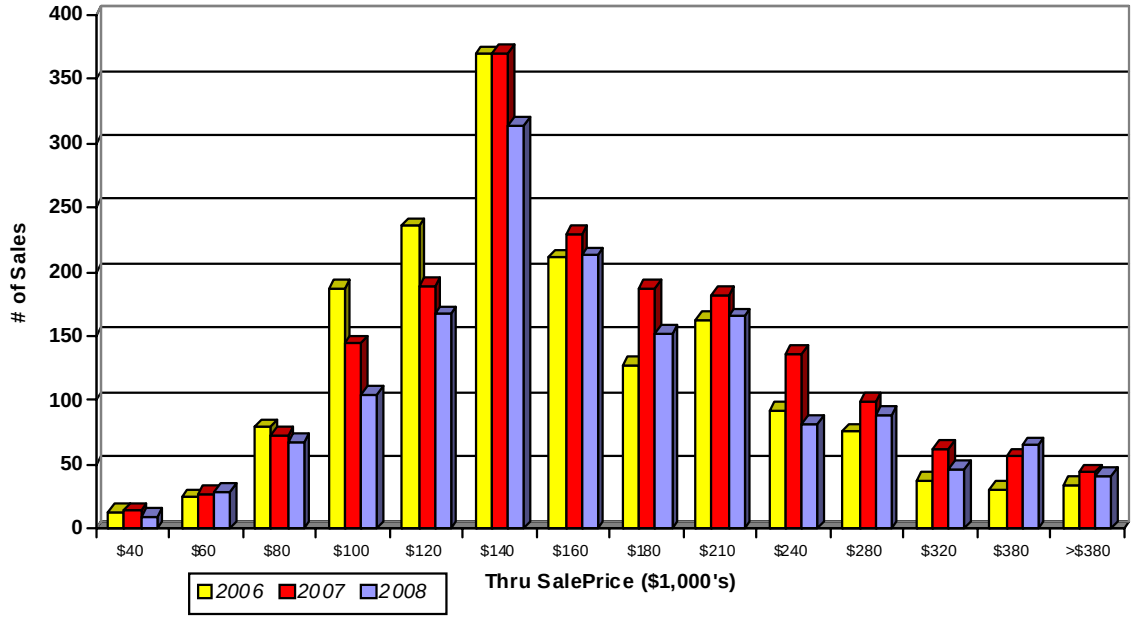


Residential Sales By Year

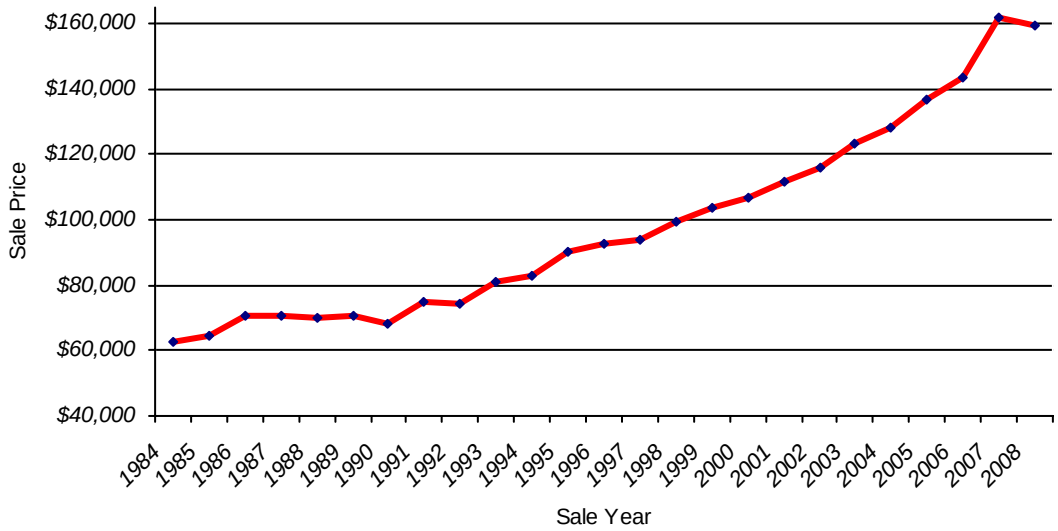


Residential Property Sales

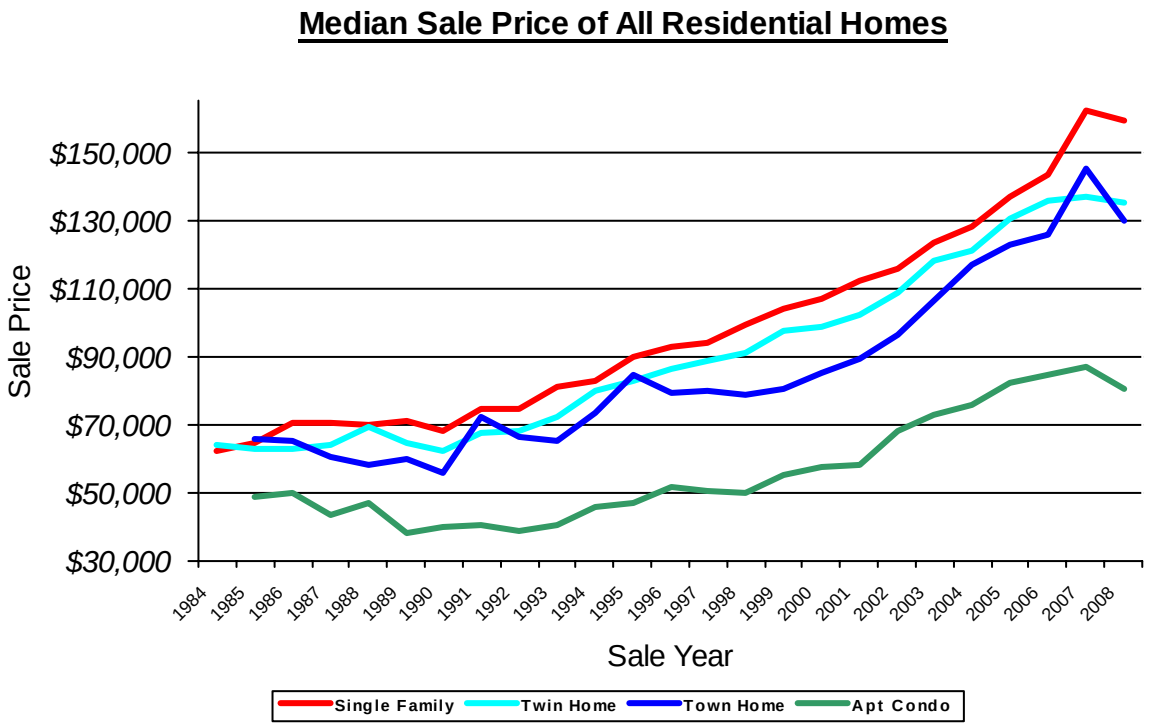
2006-2008 Residential Sales By Price Range

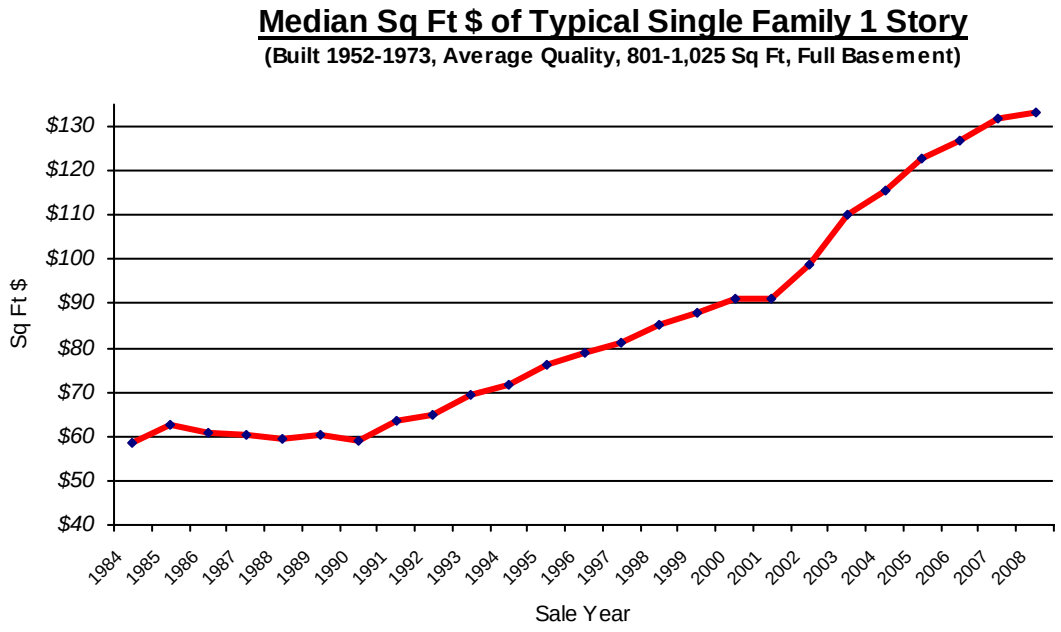


Median Sale Price of Single Family Homes

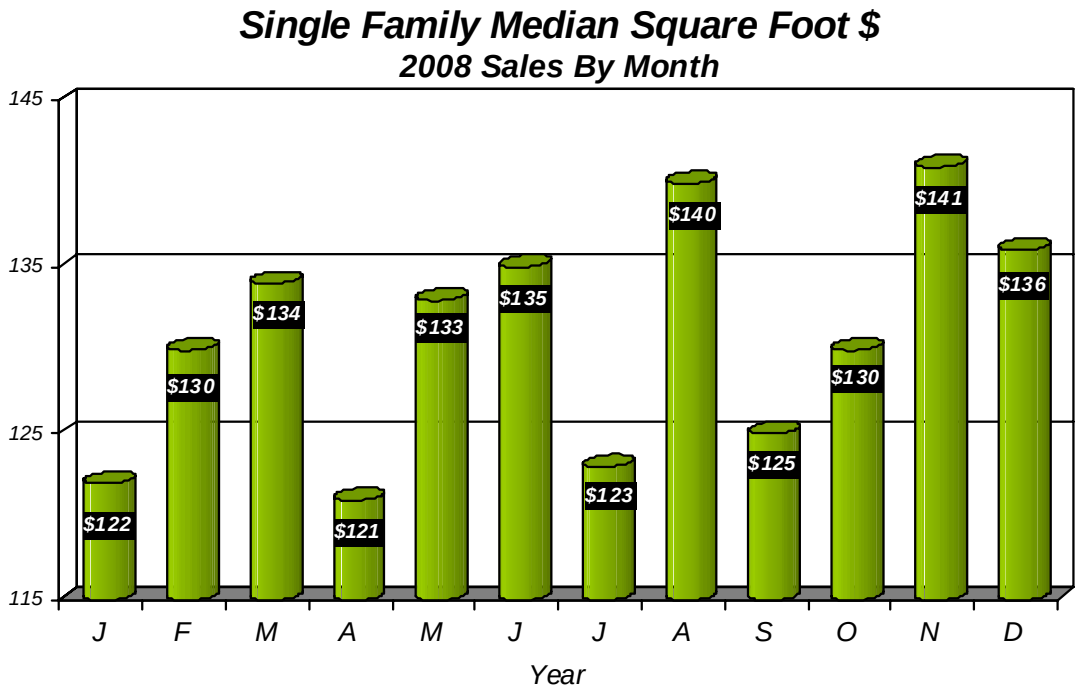


Residential Property Sales





Residential Property Sales



City Board of Equalization Statute

CHAPTER 57-11
CITY BOARD OF EQUALIZATION

Section

57-11-01. Membership of board - Quorum - Meeting.
57-11-02. Duties of auditor.
57-11-03. Duties of board - Limitation on increase - Notice.
57-11-04. Application for correction of assessment.
57-11-05. Adding property to assessment list.
57-11-06. No reduction after session of board - Exception.
57-11-07. Effect of failure of board to meet.

57-11-01. Membership of board - Quorum - Meeting.
The board of equalization of a city consists of the members of the governing body, and shall meet at the usual place of meeting of the governing body of the city, on the second Tuesday in April in each year. The executive officer of the governing body shall act as chairman, but in his absence the governing body may elect one of its members to preside. A majority of the board constitutes a quorum to transact business, and it may adjourn from day to day until its work is completed. In case a quorum is not present at any time, the clerk may adjourn from day to day and publicly announce the time to which the meeting is adjourned.

Notwithstanding the provisions of subsection 1, if the same person performs the duties of assessor for two or more cities or townships, the county director of tax equalization may designate the hour and day in the month of April at which the meeting provided for in subsection 1 must be held for each such city board of equalization; provided, that notice of the hour and day must be published in the official newspaper of the county and posted at the usual place of meeting at least ten days before such meeting.

57-11-02. Duties of auditor. The city auditor, as clerk, shall keep an accurate record of all changes made in valuation, and of all other proceedings, and, within ten days after the completion of the equalization of the assessment, shall deliver the assessments as equalized to the county auditor of the county in which the city is situated, with his certificate that the assessments are correct as equalized by the city board of equalization. The assessment as equalized must be accepted by the board of county commissioners in lieu of all other assessment rolls for the property in said city.

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.

Various ND Property Tax Statutes

57-02-01. Definitions. 15. "True and full value" means 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.

57-02-03. Property subject to taxation. All property in this state is subject to taxation unless expressly exempted by law.

57-02-04. Real property defined. Real property, for the purpose of taxation, includes:

1. The land itself, whether laid out in town lots or otherwise, and improvements to the land, such as ditching, surfacing, and leveling, except plowing and trees, and all rights and privileges thereto belonging or in anywise appertaining, and all mines, minerals, and quarries in and under the same and shall expressly include all such improvements made by persons to lands held by them under the laws of the United States, all such improvements to land the title to which still is vested in any railroad company and which is not used exclusively for railroad purposes, and improvements to land belonging to any other corporation or limited liability company whose property is not subject to the same mode and rule of taxation as other property.
2. All structures and buildings, including systems for the heating, air conditioning, ventilating, sanitation, lighting, and plumbing of such structures and buildings, and all rights and privileges thereto belonging or in anywise appertaining, but shall not include items which pertain to the use of such structures and buildings, such as machinery or equipment used for trade or manufacture which are not constructed as an integral part of and are not essential for the support of such structures or buildings, and which are removable without materially limiting or restricting the use of such structures or buildings.
3. Machinery and equipment, but not including small tools and office equipment, used or intended for use in any process of refining products from oil or gas extracted from the earth, but not including such equipment or appurtenances located on leased oil and gas production sites.

Various ND Property Tax Statutes

57-02-11. Listing of property - Assessment thereof. Property must be listed and assessed as follows:
1. All real property subject to taxation must be listed and assessed every year with reference to its value, on February first of that year.
2. Whenever after the first day of February and before the first day of April in any year, it is made to appear to the assessor by the oath of the owner that any building, structure, or other improvement, or tangible personal property, which is listed for taxation for the current year has been destroyed or injured by fire, flood, or tornado, the assessor shall investigate the matter and deduct from the valuation of the property of the owner of such destroyed property an amount which in the assessor's judgment fairly represents such deduction as should be made.

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, 57-02-27.1, 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.

57-02-14.1. Tax exemption certificate for real property to be filed Exceptions. Any person, corporations, limited liability companies, associations, or organizations owning real property located within a municipality which claims that such real property is exempt from assessment and taxation shall file with the assessor and with the county auditor a certificate setting out all facts on which the claim for exemption is based, including the names of owners, the date such property was acquired, the legal description, the use to which the property was put during the twelve months preceding the assessment date, and any other information which the assessor may request. This certificate shall be filed with the assessor and the county auditor each year before the assessment date. If the certificate is not filed as provided herein, the assessor shall regard the property as nonexempt property and shall assess it as such. The provisions of this section shall not apply in any case when the real property is owned by the United States or the state of North Dakota or any of its departments, institutions, agencies, or political subdivisions.