

## INTERIM TAXATION COMMITTEE

Testimony of Sara Hewson, Property Tax Specialist  
July 2, 2008

Mr. Chairman, Members of the Committee, for the record my name is Sara Hewson and I am employed as a Property Tax Specialist by the Office of State Tax Commissioner. My testimony today is in response to request number 6 of John Walstad's June 12, 2008 letter to Tax Commissioner Cory Fong.

The request is for "an update on the Tax Department survey of county compliance with use of detailed soil surveys in agricultural assessments." I would like to clarify that North Dakota Century Code subsection 57-02-27.2 (10) states the "use of soil type and soil classification data from detailed or general soil surveys." So any county that is currently using soil classification from a general soil survey is considered compliant with the provisions of this law. A map to illustrate compliance levels, whether the general or detail soil survey is used, and approval of the schedule of modifiers has been attached to this testimony.

To determine the compliance level of each county, a review is being conducted. This review consists of four separate sections which are valuation schedule for soils, consideration of use, modifiers, and data sheets (property records) for selected townships.

The first section of this review pertains to the valuation schedule for soils. A request for materials was emailed to all of the county directors of tax equalization on August 30, 2007 and these materials were due October 1. All counties have responded to this request.

The second section of this review pertains to the schedule of modifiers. A request was emailed to all of the county directors of tax equalization on December 3, 2007 and the schedule of modifiers was due December 19, 2007. All counties have responded to this

request, and thirty-two counties provided a schedule of modifiers that are currently being used, or proposed (for use after establishment of the soil valuations) that has been approved by Marcy Dickerson, State Supervisor of Assessments. One county did not have approved modifiers, and the other twenty have not established modifiers.

The third section of this review pertains to the uniformity of the assessments based on the soil survey throughout each county. For this section of the review a request for data sheets (property records) for all the parcels in two selected townships was emailed to the county directors of tax equalization on December 31, 2007. The due date for this request was February 15, unless an on-site visit was scheduled. For those counties that have not implemented the soil survey method of valuation, a copy of the assessment list for the selected townships was used as a substitute to fulfill this request.

After reviewing the records that have been provided, I am confident to say that twenty-one (21) counties are compliant with the provisions of North Dakota Century Code subsection 57-02-27.2 (10). These counties are represented on the attached map by the color yellow.

There are thirteen (13) counties that are at different stages of implementation. These counties are represented on the map by the color blue. Walsh, Wells, and Burke Counties are very near to completion. LaMoure and Slope Counties have the parcel data in written form, and are entering it into computer programs for improved utility. The other counties in blue were in the process of parceling, or have this completed and are working on determining the values for the soil types.

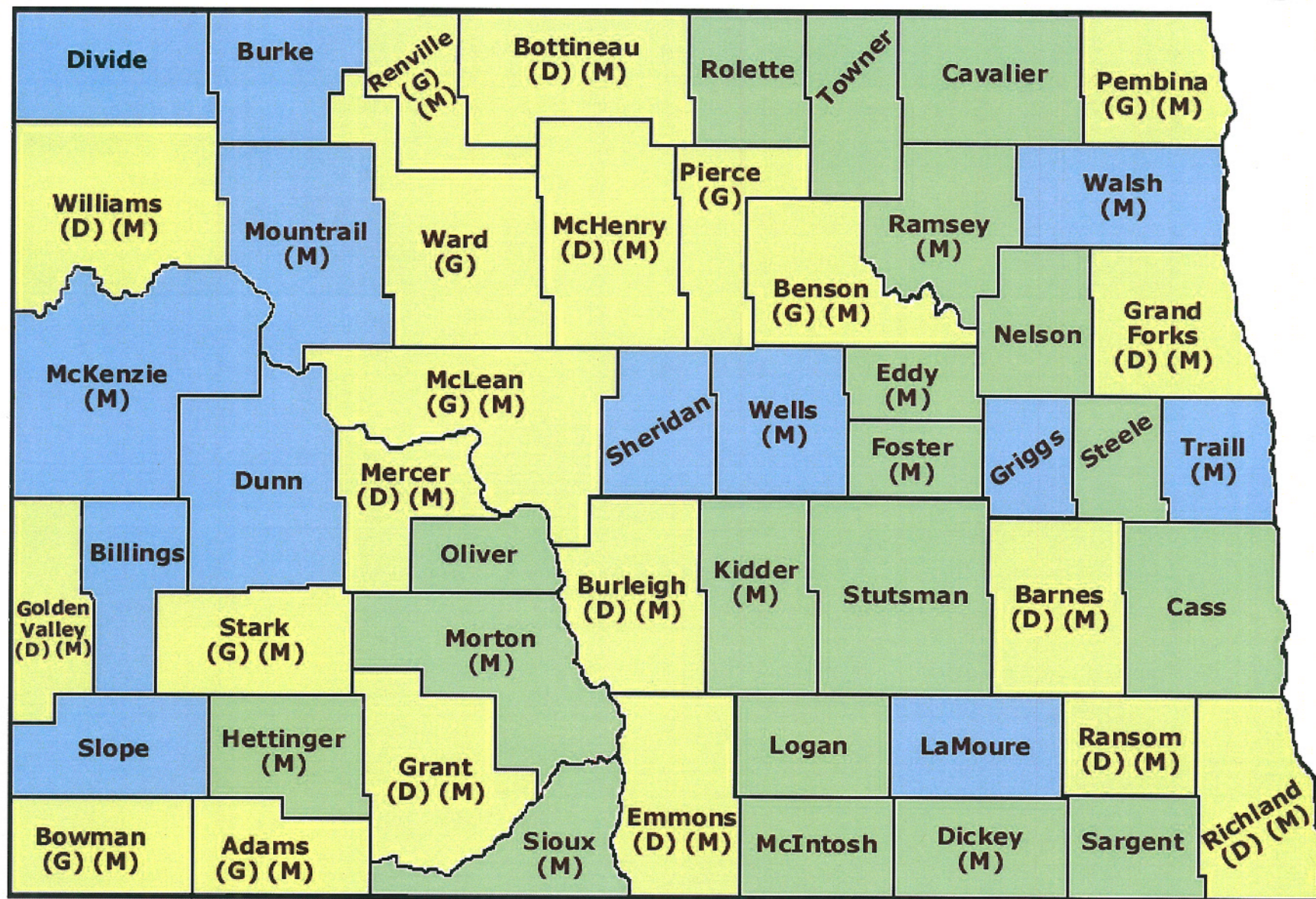
There are nineteen (19) counties that are at the beginning stage of this process. They all have either contracted with a GIS vendor to complete the parceling or are having it done

in-house. Many are forming Soil Committees to assist in determining the production indices, appropriate modifiers, and the application of actual use.

The final section of the review will take place this fall and will be a request of how the consideration of actual use will be handle by the local assessors. This consideration is not part of the determination of a county's compliance with North Dakota Century Code subsection 57-02-27.2 (10), it will be for information and educational purposes.

This concludes my testimony. I will try to answer any questions.





**Yellow** County using soil survey as basis for agricultural valuation  
**Blue** County in the process of implementing detailed soil survey method of valuation.  
**Green** County at the beginning stage of implementing the detailed soil survey method of valuation.

**(D)** Indicates detailed soil survey  
**(G)** Indicates general soil survey  
**(M)** Indicates use of approved modifiers