

INTERIM TAXATION COMMITTEE**SOIL SURVEY METHOD OF VALUATION****AUGUST 24, 2010****PRESENTED BY SARA MEIER, PROPERTY TAX SPECIALIST**

Chairman Cook, members of the Interim Taxation Committee, for the record my name is Sara Meier, and I am a Property Tax Specialist for the Office of State Tax Commissioner.

My presentation today is to inform of the progress being made by counties which must implement the soil survey method of valuation for agricultural land.

Of the fifty-three counties, twenty- one counties have the soil survey method of valuing agricultural land in place. Divide County is implementing this method for the 2010 assessment year.

A report on the progress of the remaining thirty-one counties is offered in the attached notes. Many counties have stated an expected year to implement the soil survey method of valuation. This is represented on the attached map.

The attached maps depicts the progress. The counties that are colored yellow are using the soil survey method as the basis for comparing agricultural properties for the 2010 assessment year. Those that have a (D) under the county name are using the detail soil survey, by which each mapping unit (soil type) in the county has its own value per acre. The counties with a (G) under the county name are using the general soil survey. The general soil survey groups similar soils into classes, and each class is assigned a value per acre.

Counties that have an (M) under the county name have had modifiers approved by Marcy Dickerson, State Supervisor of Assessments. Modifiers are used to account for limitations of a soils productive capability.

The expected year of implementation is listed on counties that feel confident they will complete this process. Counties that do not have a year listed, either have not been contacted, or did not have a projected date. Counties that have NS have not stated an implementation date in our conversations.

Thank you and I would welcome any questions.

Billings: No projected implementation date. The method to be used is the Detail Soil Survey. Parceling is almost complete. Major difficulty has been land exchanges between private and public lands. This can cause discrepancies in legal descriptions. Also the meandering of the rivers causes accretion and erosion of property boundaries, which distorts the acreage counts.

Burke: Projected implementation date of 2011. The method to be used is the Detail Soil Survey. Parceling has been completed. Currently drawing a top layer which will utilize the Common Land Unit layer which had been obtained from USDA prior to the confidentiality clause of the 2008 Farm Bill. This top layer will be used to classify the property by land use. Each soil will have two values, a cropland and a non-cropland.

Cass:

Cavalier: Projected implementation date of 2011. The method to be used is the Detail Soil Survey. Parceling has been completed. Will be meeting with soil committee within the next few months to work on prices and modifiers. Working on conversion from GIS to tax program.

Dickey: Projected implementation date of 2011. The method to be used is the Detail Soil Survey. Parceling has been completed. Working on valuation schedule. Modifiers have been approved by the State Supervisor of Assessments.

Divide: Implemented the soil survey method of valuation for the 2010 assessments. The method uses the Detail Soil Survey, so each map unit (soil type) is assigned a specific production factor, and value.

Kadrmass Lee and Jackson completed the parceling, and the tax director fine tuned the acreage counts. About half of the townships in the county have assessors to apply the modifiers. The modifiers were approved by the State Supervisor of Assessments prior to use.

Heather Kippe, Director of Tax Equalization, told me that property owners that have questions have come to her office, and she and Susan Bummer, the previous Director, have explained the method of valuation.

Dunn: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling mostly complete. The 2011 assessment year will be used to indicate any changes or problem areas that may need correction before implementing the values in 2012. Modifiers have been approved by the State Supervisor of Assessments.

Eddy: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling has been completed. Modifiers have been approved by the State Supervisor of Assessments.

- Foster: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling has been completed. Modifiers have been approved by the State Supervisor of Assessments.
- Griggs:
- Hettinger: No projected implementation date. The method to be used is the Detail Soil Survey. Parceling is almost complete. Major difficulty has been researching acreage discrepancies in legal descriptions along the Hettinger and Slope County boundary.
- Kidder: Projected implementation date of 2012. The method to be used is the Detail Soil Survey.
- LaMoure: Projected implementation date of 2012. Cleaning up old records and developing new value schedule. Seeking assistance from Property Tax Division.
- Logan: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling has been completed. Fine adjustments for road easements and around cities are being done. The 2011 assessment year will be used to indicate any changes or problem areas that may need correction before implementing the values in 2012. Modifiers have been approved by the State Supervisor of Assessments.
- McIntosh: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling has been completed. Adjustments will be made based on cropland and non-cropland classification.
- McKenzie: Projected implementation date of 2011. The method to be used is the Detail Soil Survey. Parceling has been completed. Acreage for roads, which are not taxable, are being removed. Considering a program switch to facilitate the conversion for GIS to taxable value. Has done some preliminary valuation schedules to use as comparison to other counties with similar landscape. Modifiers have been approved by the State Supervisor of Assessments.
- Morton: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Some parceling left to be completed in areas along the rivers. Looking at running some comparisons of value in the Fall of 2010, to look for problem areas. Modifiers have been approved by the State Supervisor of Assessments.
- Mountrail: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling has been completed. Fine adjustments for splits in property descriptions are being done. A preliminary valuation schedule listing each soil type has been created to help assessor project changes in parcel valuation. The 2011 assessment year will be used to indicate any changes or problem areas that may need correction before implementing the values in 2012. Modifiers have been approved by the State Supervisor of Assessments.

- Nelson: (See attached letter from Michelle Linstad, Nelson County Director of Tax Equalization.)
- Oliver: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling has been completed. Has done some preliminary valuation schedules to compare previous parcel values to new parcel values after implementation. Modifiers have been approved by the State Supervisor of Assessments.
- Ramsey: Projected implementation date of 2011. The method to be used is the Detail Soil Survey. Parceling has been completed. Devils Lake rising is an issue. There are complete townships under water.
- Rolette: Projected implementation date of 2011. The method to be used is the Detail Soil Survey. Two townships left to parcel, these are located on the Turtle Mountain Reservation and have small acreages that must have description verified, and drawn. Has done some preliminary valuation schedules to compare previous parcel values to new parcel values after implementation. Modifiers have been approved by the State Supervisor of Assessments.
- Sargent: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling has been completed. Will be meeting with soil committee within next fall to work on prices and modifiers.
- Sheridan: Having difficulty with programming.
- Sioux: At a stand still with the parceling.
- Slope:
- Steele: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling is completed. A valuation schedule has been computed. Waiting for programmer to get program up and running.
- Stutsman: Projected implementation date of 2012. The method to be used is the Detail Soil Survey. Parceling is 1/3 completed. County tax equalization office has been working closely with the organized townships on modifiers, and updating assessment data. Many townships have already been using the soils to equalize values within the township.
- Towner: Projected implementation date of 2011. The method to be used is the Detail Soil Survey. Parceling has been completed. Will be meeting with soil committee within the next few months to work on prices and modifiers.

Trall: Projected implantation date of 2011. The method to be used is the Detailed Soil Survey. Starting over with Sidwell as the programmer. Had been using KLJ, but had not seen much progress.

Walsh: Projected implementation date of 2011. The method to be used is the Detail Soil Survey. Parceling has been completed. A preliminary valuation schedule was used this year to indicate any changes or problem areas that may need correction before implementation. Readjustment of the production index will be needed to account for a limitation of the land that is not well drained. Modifiers have been approved by the State Supervisor of Assessments.

Wells:

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August 23, 2010

Sara Meier
Interim Taxation Committee
Attn: Sara Meier
600 E. Boulevard Ave., Dept. 127
Bismarck, ND 58505-0599

Dear Interim Taxation Committee:

Thank you for giving Nelson County an opportunity to voice our concerns in regard to the required soil survey implementation of agricultural property.

Nelson County has been working very hard to get the soil survey completed before the deadline of 2012. It has been extremely difficult as a small county to work with budgets and time constraints to get this accomplished. Since this is such a large scale project that needs to be completed, we first wanted to make sure we had the appropriate vendor to help our county in this endeavor. After many meetings, Nelson County hired Kadmas, Lee and Jackson to assist with this project in the parceling of all our legal descriptions.

Nelson County also paid two part time people last year to assist the Tax Director in looking up deeds to get this project moving. At the present time we have one half of a township left to send off to KLJ. Since this project started there have been many splits and changes that have occurred. We have also found many errors in our books that we have since had to correct. Some of these problems have been small and others have taken many days to correct. This is just one small piece of the soils implementation.

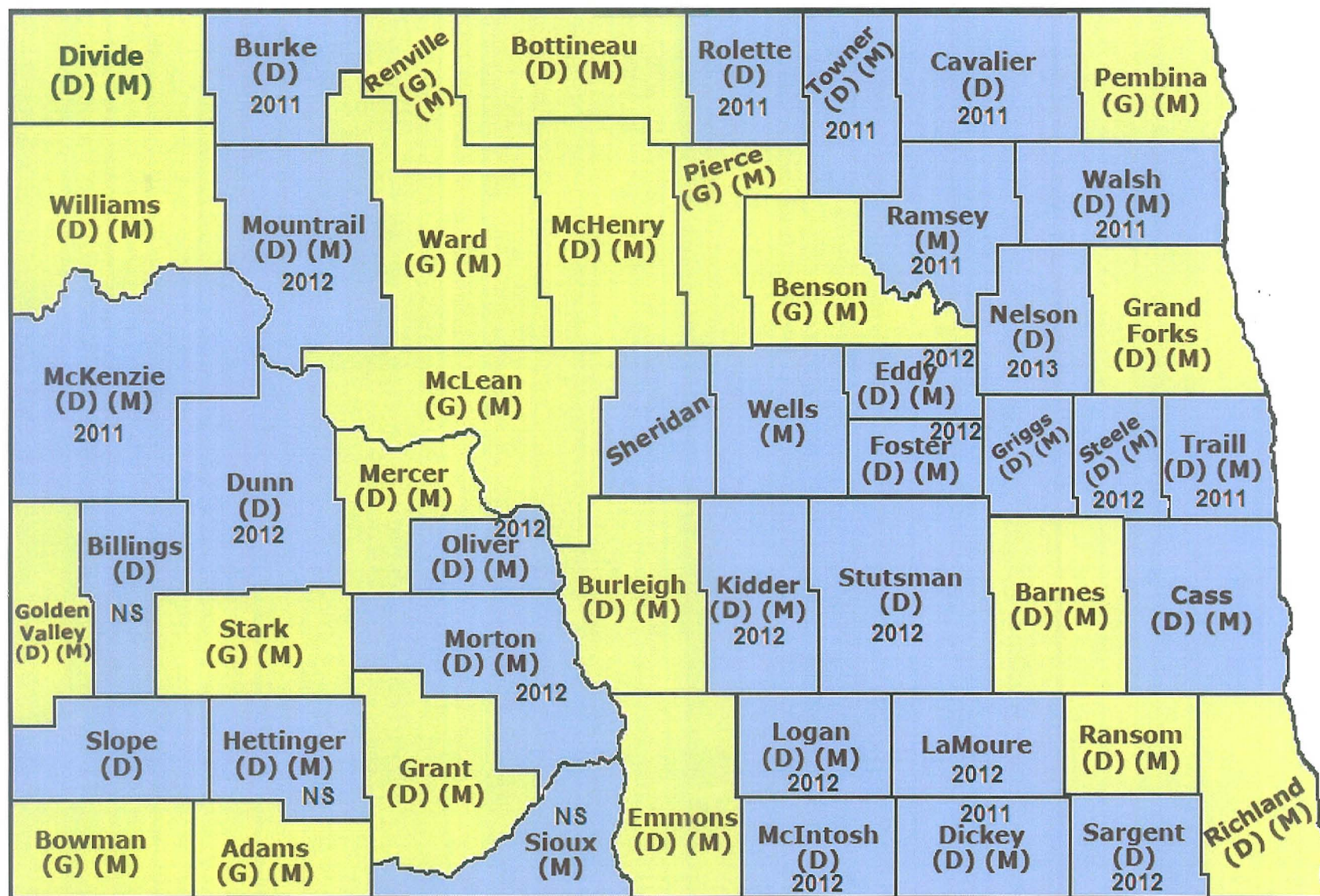
We have moved forward and formed a soils committee for Nelson County. We have met once as a group with much success. In that meeting the following items were approved: Nelson County's Soils Committee Policy; modifiers; base crops; and election of officers. It was also decided at this meeting that the soils committee as a whole would determine and record all modifiers and percentages to be made in our county. The committee plans to meet again this fall to finalize decisions on nonproductive lands.

As a county we truly understand the seriousness of this situation looming in the horizon. We would like to continue to make progress in a timely fashion as we currently are. We feel if this is too rushed, the county may end up with many parcels assessed incorrectly. The modifier portion alone is going to take a great deal of time and effort by many to get it done. Time is not on our side at this point, but we want this to be done correctly, not hastily.

Nelson County would be extremely grateful if we would be allowed one more year to work on implementing the soils survey for assessment of agricultural lands.

Sincerely,

Michelle Linstad
Nelson County Director of Tax Equalization



Yellow
Blue

County using soil survey as basis for agricultural valuation

County in the process of implementing detailed soil survey method of valuation.

(D) Indicates detailed soil survey

(G) Indicates general soil survey

(M) Indicates use of approved modifiers