

Staff Report for 2024 State Board of Equalization

File No.: 2024-REPORT-FOSTER-COMMERCIAL TOLERANCE

Prepared By: Property Tax Division

County or City: FOSTER COUNTY

Appellant:

Type of Appeal: TOLERANCE LEVEL

Appeal Issue: The sales ratio study indicates a commercial sales ratio of 88%.

Analysis: Foster County's commercial value indicates a sales ratio of 88%. This sales ratio is below the State Board of Equalization's 2024 acceptable tolerance range of 90% - 100%.

Property Tax Division Staff investigated Foster County's commercial sales information from 2019 through 2023. During the investigation, it was determined that the historical average sales ratio has been 96%.

During the investigation it was discovered that there have been errors in several submitted Schedule Bx reports. Due to those errors, it was not possible to isolate specific tolerance issues.

Commercial valuations must be increased to bring the sales ratio within tolerance. An adjustment of 9% to commercial property in Foster County will achieve the historical average sales ratio of 96%.

Summary of Findings: Foster County's sales ratio study indicates a commercial sales ratio of 88%. Commercial valuations must be increased to bring the sales ratio within tolerance. An increase of 9% to commercial property in Foster County will achieve the historical average of 96%

Proposal for Board Review: Direct Foster County to increase commercial property by 9% to an approximate value of \$103,822,194.

Review property assessment notice requirements to in North Dakota Century Code § 57-02-53(1)(b) and administer as applicable.
