

INVESTIGATION OF ABATEMENT APPLICATION

ABATEMENT No: 4478 (Parcel 01-7020-02430-000 – Bergh Residence)

I. Recommended Action

The Tax Director recommends maintaining the 2018 valuation of \$539,800.

Description

a. Background

- i. NDCC 57-23-04 allows property owners to appeal their assessment through the form of an abatement. Mike Bergh is requesting a reduction in the value of his property (6568 Christianson Pkwy S.) from \$539,800 to \$525,576.
- ii. The city of Fargo reported an adjusted sale price of \$532,800 after Mr. Bergh purchased the home on Jan 3rd, 2018, which is slightly lower than the assessed value.
- iii. I was not able to perform a walkthrough up the property because Mr. Bergh is away for the winter for the next two months, however I was able to review the sale through the FlexMLS multiple listing service website.
- iv. The city of Fargo assessment staff met with Mr. Bergh and reviewed the property. Their write up and evidence supporting their value of \$539,800 is included in **Addendum A**.
- v. Mr. Bergh stated he did not have any additional information supporting his opinion of value, aside from the purchase price of the property.
- vi. The City of Fargo Commission granted, in part, reducing the value to \$530,000.

b. Conclusion

- i. The sales comparison of similar caliber properties as well as the assessment valuation comparison of similar caliber properties both support the 2018 value of \$539,800, in fact, they support a value higher than that of the subject.
- ii. It is the Tax Director's Opinion that the value of \$539,800 is a fair and equitable representation of the market.

II. Impact

- a. Any financial impact for the city, county, or other governing body should not be considered in the deliberation of the 2018 assessment of Mr. Bergh's residence, as the issue is whether the assessment is fair, equitable, and a reasonable estimate of the True and Full Value as defined in North Dakota Century Code (NDCC)
 - i. NDCC 57-02-01.15 *"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...*
 - ii. NDCC 57-02-11.1 *All real property subject to taxation must be listed and assessed every year with reference to its value, on February first of that year.*

- b. It is the Tax Director's position that granting the applicant's request would place the property at an assessment less than similar residential properties in Fargo as seen through the sales and assessment comparison.

III. List of Attachments

- a. Addendum A – Information provided by the City of Fargo Assessment Office

Dated Thursday, January 24, 2019

A handwritten signature in black ink, appearing to read 'P. Fracassi', is written over a solid horizontal line.

Paul Fracassi
Director of Tax Equalization

Addendum A – City of Fargo Assessment Office Information



23

ASSESSMENT DEPARTMENT

CITY COMMISSION ACTION

1/2/19

December 26, 2018

Board of City Commissioners
City Hall
Fargo, ND 58102

Reduce valuation to
\$530,000.00

Dear Commissioners:

Attached is a copy of *Application For Abatement Or Refund Of Taxes #4478* made by Mike and Linda Bergh. The application is for the property at 6568 Christianson Pkwy S. and is requesting that the valuation for 2018 be reduced from \$539,800 to \$525,576.

Our current valuation is the result of an informal review we conducted at the request of the property owner after they purchased the property in January of 2018. The contract purchase price was \$513,000 and the buyer assumed an outstanding balance of unpaid special assessments of \$19,800. The adjusted price including special assessments was \$532,800.

Our current valuation of \$539,800 is within 1.3% of the actual consideration obligated to acquire the property.

We originally arrived at a value for 2018 of \$616,400 using a cost model, based on recent sales, and applying the model to property information currently on file and certain additional assumptions. We were not able to view the property to gather current information during the reappraisal of that area during the summer of 2017. After the request for a review of the value, the new owner allowed us to view the property and the current value of \$539,800 was arrived at.

Page 1 of the attached information contains a list of comparable properties comparing the subject property value with how we have other properties assessed. It also contains a list of how the subject is valued compared to sales of comparable properties. Both lists indicate that the subject property is somewhat under-valued compared to assessed values and sales of similar properties. Pages 2-5 contain photos and a sketch of the home as well as the original mass appraisal valuation approach and the revised approach used to arrive at the current valuation.

No appraisal or valuation analysis was provided to support the value requested by the applicant.

SUGGESTED MOTION:

Denial of Application For Abatement Or Refund Of Taxes #4478 submitted by Mike and Linda Bergh on 6568 Christianson Pkwy S.

Sincerely,

Ben Hushka
Fargo City Assessor

6568 Christianson Pkwy S

Parcel Number 01-7020-02430-000

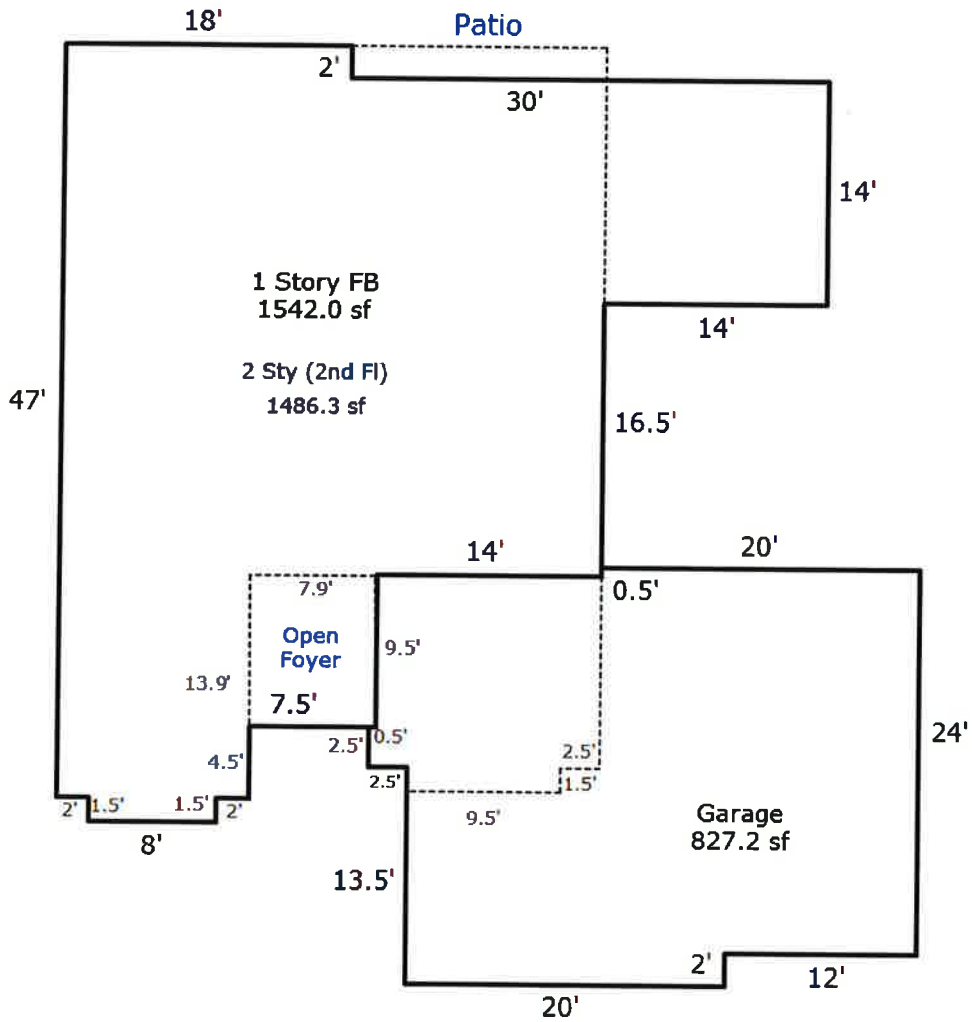
Owner: Bergh



6568 Christianson Pkwy S

Parcel Number 01-7020-02430-000

Owner: Bergh



PROPERTY SKETCH

6568 Christianson Pkwy S

Parcel Number 01-7020-02430-000

Owner: Bergh



Printed By: bhushka

Printed: 12/26/2018 11:40 AM

As of: 03/07/2018 11:47 AM

Parcel Number 01-7020-02430-000
Segment 2
Owner LINDA K BERGH REVOCABLE TRUST ET AL
Parcel Address 6568 CHRISTIANSON PKWY S FARGO ND 58104
Mailing Address 6568 CHRISTIANSON PKWY S FARGO ND 58104

		Cost	Total
Structure (Based on Area)			
Property Type	Single Family		
Story Height	2 Story		
Grade	Very Good		
Land Rate Adjustment	V Good Low		
Base Price Adjustment (% as Multiplier)	88		
Dwelling (SqFt & \$/SF)	3104	155.11	481,461
Basement (Based on Area)			
Main Floor Square Footage	1,542		
Basement Area (as %)	Full		
Basement Area Deduction Sqr Ft	0	-13.00	
Basement Finished (as %)	75 %		
Basement Area Sqr Ft	1,157	25.00	28,925
Interior Options			
Built In's	Average		2,600
Fireplace(s)	Fireplace		5,200
Air Conditioning	Central		5,200
Bathrooms	3 or 3½		11,700
Other #1			
Other #2			
Other #3			
Exterior Options			
Porch & Deck	Patio		2,000
Garage Stalls	Three (or Two w/ Loft)		19,500
Extras	None		
Building Before Depreciation			556,586
Depreciation			
Year Built & Age (in Years)	2012	6	
Building Condition	Very Good		
Depreciation (% & Amnt)		-2	-11,132
Parcel Totals			
Building After Depreciation			545,500
Land Value			70,900
Parcel Total			616,400
Value / Sq Ft			199
Indicated Value by the Cost Approach			616,400

**MASS APPRAISAL COST RUN #10359 (3/1/2018)
PART OF REAPPRAISAL #200727 ON 658 PARCELS**

6568 Christianson Pkwy S

Parcel Number 01-7020-02430-000

Owner: Bergh

NAME: asRpt60100		Comparable Parcels From Sales Database			
DATE: 05/01/2018 2:34 PM					
ENTITY: City of Fargo					
USER: JWARK					
	Subject	Comp 1	Comp 2	Comp 3	
Property Address:	6568 CHRISTIANSON PKWY	6027 SILVERLEAF DR S	3622 PARKER PL N	7431 14 ST S	
Parcel Number:	01-7020-02430-000	01-7740-01600-000	01-8554-00080-000	01-8489-00430-000	
Sale Price:		500,600	647,200	600,200	
Property Type:	Single Family	Single Family	Single Family	Single Family	
Story Height:	2 Story	2 Story	2 Story	2 Story	
Home Area:	V Good Low	V Good Low	V Good Low	V Good Low	
Year Built:	2012	2010	2015	2017	-30,000
Grade:	Very Good	Very Good	Very Good	Very Good	
Total Area:	3028	2935	2,700	3235	-6,200
Condition:	Very Good	Good	50,000	New	-97,000
Basement Area:	Full	Full		Full	New
# Stalls:	Three (or Two w/	Three (or Two w/	Three (or Two w/	Three (or Two w/	
# Baths:	3 or 3½	3 or 3½		3 or 3½	3 or 3½
Basement Finish:	75 %	Full	-5,000	Full	-5,000
Land Value:	70,900	96,500	-25,600	77,200	-6,300
# Fireplaces:	Fireplace	None	3,800	Fireplace	
Air Conditioning:	Central	Central		Central	Fireplace
Built Ins:	Average	Average		Average	Central
Deck:	Patio	Open Porch/Patio	-500	Combination	-500
Extras:	None	None		None	Combination
Sale Date:		03/27/2016	29,600	05/26/2016	35,000
					05/19/2017
					14,500
Recap					
Sale Price:		500,600		647,200	600,200
Net Sum of Adj:		55,000		-80,000	-108,500
Adjusted Sale Price:		555,600		567,200	491,700
Absolute Sum of Adj:		117,200		150,000	151,100
Number of Adj:		7		6	6
Pct of Adj:		23%		23%	25%
Weight Factor:		39.10		30.60	30.30
Price Per Sq Ft:		171		200	214
Current Value	616,400	204 / Sq Ft			
Indicated Market Value as of 05/01/2018 is 539,800 - 178 / Sq Ft					
Land	70,900				
Improvement	468,900				
Total	539,800				

**INDIVIDUAL MARKET APPRAISAL (5/1/2018)
AS A RESULT OF HOMEOWNER REQUEST FOR VALUE REVIEW**

Application For Abatement Or Refund Of Taxes

North Dakota Century Code § 57-23-04

RECEIVED

File with the County Auditor on or before November 1 of the year following the year in which the tax becomes delinquent **CASS CO AUDITOR**

State of North Dakota

Assessment District Fargo

OCT 30 2018 PM 12:55

County of Cass

Property I.D. No. 01-7020-02430-000

Name Mike & Linda Bergh

Telephone No. 701-200-9329

Address 6568 Christianson Parkway S

RECEIVED

Legal description of the property involved in this application:

Lot: 11 Block: 15 Osgood 1st LT Blk 15

OCT 31 2018

FARGO ASSESSOR

Total true and full value of the property described above for the year 2018 is:

Land \$ 70,900
Improvements \$ 468,900
Total \$ 539,800
(1)

Total true and full value of the property described above for the year 2018 should be:

Land \$ 69,000
Improvements \$ 456,576
Total \$ 525,576
(2)

The difference of \$ 14,224 true and full value between (1) and (2) above is due to the following reason(s):

- 1. Agricultural property true and full value exceeds its agricultural value defined in N.D.C.C. § 57-02-27.2
- 2. Residential or commercial property's true and full value exceeds the market value
- 3. Error in property description, entering the description, or extending the tax
- 4. Nonexisting improvement assessed
- 5. Complainant or property is exempt from taxation. Attach a copy of Application for Property Tax Exemption.
- 6. Duplicate assessment
- 7. Property improvement was destroyed or damaged by fire, flood, tornado, or other natural disaster (see N.D.C.C. § 57-23-04(1)(g))
- 8. Error in noting payment of taxes, taxes erroneously paid
- 9. Property qualifies for Homestead Credit (N.D.C.C. § 57-02-08.1) or Disabled Veterans Credit (N.D.C.C. § 57-02-08.8). Attach a copy of the application.
- 10. Other (explain) House purchased 1/3/18 for \$513,000. Unpaid Specials are \$17,966

The following facts relate to the market value of the residential or commercial property described above. For agricultural property, go directly to question #5.

1. Purchase price of property: \$ 513,000 Date of purchase: January 3, 2018
Terms: Cash Contract Trade Other (explain) _____
Was there personal property involved in the purchase price? No Estimated value: \$ _____
yes/no
2. Has the property been offered for sale on the open market? Yes If yes, how long? 9.5 Months
yes/no
Asking price: \$ 535,000 Terms of sale: _____
3. The property was independently appraised: No Purpose of appraisal: Note: Jason Wark, Fargo City Assessor
yes/no
did walkthru on 4/26/2018 Market value estimate: \$ _____
Appraisal was made by whom? _____
4. The applicant's estimate of market value of the property involved in this application is \$ 513,000
5. The estimated agricultural productive value of this property is excessive because of the following condition(s): _____

Applicant asks that Assessed value be adjusted to reflect actual sales value of \$513,000 plus no more than 70% of remaining specials as City of Fargo has acknowledged overcharging homeowners on Special Assmnts in past few years. Also, this home was on the market for 9.5 months, so not a distressed sale.

By filing this application, I consent to an inspection of the above-described property by an authorized assessment official for the purpose of making an appraisal of the property. I understand the official will give me reasonable notification of the inspection. See N.D.C.C. § 57-23-05.1.

I declare under the penalties of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, that this application is, to the best of my knowledge and belief, a true and correct application.

Signature of Preparer (if other than applicant)

Date

Signature of Applicant

10/24/18
Date

Recommendation of the Governing Body of the City or Township

Recommendation of the governing board of CITY OF FARGO

On JANUARY 2, 2019, the governing board of this municipality, after examination of this application and the facts, passed a resolution recommending to the Board of County Commissioners that the application be GRANTED, IN PART, REDUCING THE VALUE TO \$530,000

Dated this 7TH day of JANUARY 2019


City Auditor or Township Clerk

Action by the Board of County Commissioners

Application was _____ by action of _____ County Board of Commissioners.
Approved/Rejected

Based upon an examination of the facts and the provisions of North Dakota Century Code § 57-23-04, we approve this application. The taxable valuation is reduced from \$ _____ to \$ _____ and the taxes are reduced accordingly. The taxes, if paid, will be refunded to the extent of \$ _____. The Board accepts \$ _____ in full settlement of taxes for the tax year _____.

We reject this application in whole or in part for the following reason(s). Written explanation of the rationale for the decision must be attached.

Dated _____

County Auditor _____ Chairperson

Certification of County Auditor

I certify that the Board of County Commissioners took the action stated above and the records of my office and the office of the County Treasurer show the following facts as to the assessment and the payment of taxes on the property described in this application.

Year	Taxable Value	Tax	Date Paid (if paid)	Payment Made Under Written Protest?
				yes/no

I further certify that the taxable valuation and the taxes ordered abated or refunded by the Board of County Commissioner are as follows:

Year	Reduction in Taxable Valuation	Reduction in Taxes

County Auditor _____ Date _____

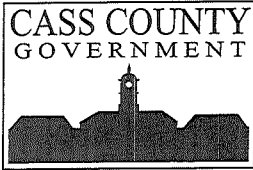
**Application For Abatement
Or Refund Of Taxes**

Name of Applicant Mike & Linda Bergh

County Auditor's File No. 44478

Date Application Was Filed With The County Auditor 10/30/18

Date County Auditor Mailed Application to Township Clerk or City Auditor 10/30/18
(must be within five business days of filing date)



October 30, 2018

Auditor

Michael Montplaisir, CPA
701-241-5601

Treasurer

Charlotte Sandvik
701-241-5611

Steve Sprague
City of Fargo
PO BOX 2083
Fargo, ND 58107-2083

Dear Mr. Sprague,

Enclosed is the application for abatement and settlement of taxes submitted by Mike & Linda Bergh.

Please be reminded that Section 57-23-06 of the North Dakota Century Code states the following: "Within ten days after receiving an application for abatement, the city auditor or the township clerk shall give the applicant a notice of a hearing to be held before the governing body of the city or township, or such other committee as it may designate, in which the assessed property is located. Said hearing shall be set for no more than sixty days after the date of the notice of hearing. The applicant may waive, in writing, the hearing before such governing body or designated committee at any time before the hearing".

Please have your city commission make a recommendation on the back of the abatement, sign it, and return it to this office.

Sincerely,

A handwritten signature in cursive script that reads "Michael Montplaisir".

Michael Montplaisir
Cass County Auditor

dkb

Enclosure

Box 2806
211 Ninth Street South
Fargo, North Dakota 58103

Fax 701-241-5728

www.casscountynd.gov