

Board of County Commissioners

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Vawnita Best, Vice Chairman

Kathy L. Skarda, Commissioner

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Thomas McCabe, Commissioner

NEWS RELEASE

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County Commission holds Property Tax Increase to Net Zero for Coming Year

McKenzie County, ND—The McKenzie County Commission voted unanimously to hold property tax increases to net zero in the upcoming fiscal year. County Departments are being asked to cut 1% from their proposed budgets to stay in line with the Commission's goal.

A Public Hearing on the budget is set for Sept. 19th at 7:00 pm in the County Commission Board Room in the McKenzie County Courthouse. The public is encouraged to attend.

"This board determined that we want to hold county property tax to a net zero increase. So between now and budget hearing, departments are really going to have to work on finding efficiencies, and work through a list of priorities in an effort to find 1%," said Vice Chairman Vawnita Best.

Since the departments are being asked to cut 1 % from their budget requests, Chairman Doug Nordby explained the process leading up to the hearing: "We are planning on having all departments come in before the Commission on September 19th. Those departments then have the ability to make changes to their proposed budgets and explain enhanced line items or special project or need requests."

McKenzie County has one of the lowest mill levies in the State. A mill levy is based on total valuation of real property within the county; land, buildings and other above or below ground

properties that are privately owned. The taxable valuation of real property in McKenzie County in 2016 was \$178,629,896. This year the value is estimated at \$242,000,000. A large portion of this increase in value is from 'non-wellhead' gas and oil industry facilities, commonly referred to as 'centrally assessed property', which makes up approximately 52% of McKenzie County's property value.

Residents who did not see an increase in valuation, will see a property tax decrease in the County portion of their taxes, recognizing that there will not be the 12% buy down in property taxes from the state of North Dakota this year. Auditor Erica Johnsrud explained, "McKenzie County recently performed a countywide property valuation to equalize property values, ensuring fair and equitable assessment. Where property value was not adjusted during the countywide valuation, the county portion of those taxes will actually go down this year."

McKenzie County's Preliminary Budget for 2018 is \$103,023,745. Roughly 30% of the county budget will be funded from Gross Production Tax (GPT). GPT is revenue in lieu of property tax for the impact of approximately 4,800 oil well heads in McKenzie County. GPT is redistributed to impacted local political subdivisions for oil and gas impacts by the North Dakota legislature. \$5.1 million in Property Taxes will be levied in 2018 to provide funding for a portion of County operating expenses. Those levies are:

- Agriculture property is 6% of the \$5.1 million.
- Residential property is 10.2 % \$5.1 million.
- Commercial property is 32% of 5.1 million.
- Oil and Gas (centrally assessed) property is 52% of \$5.1 million.

The McKenzie County Preliminary Budget Hearing is set for Tuesday, Sept. 19th at 7:00 pm, in the County Commission Board Room, 201 5th St. NW, Watford City, ND.

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