

Assessed Value & Property Taxes

Pennington County Equalization



Process



Assess all property at full market value

- Allow assessment appeals
- Approve/deny exemptions from tax

Set the budget for the taxing entity

- Budget hearings
- Property tax is only a portion of the budget

Calculate the levy

Print & Mail Tax Bill

Property Tax Budget Request

- The governing board of each taxing entity holds budget hearings.
- The board decides how much property tax to collect to provide government services.
- Taxes collected are determined by budgeting, not by changes in the real estate market.

Taxing Entities	
County	Ambulance Districts
Cities	Rural Fire Districts
Townships	Water Development Districts
Schools	Water Project/Watershed Districts
Road Districts	Sanitary/Sewer Districts

207 taxing
Entities in
Pennington
County

LIMITED

Annual Budget Increase

Restricted by state statute

- 3% or CPI, whichever is less
 - Will raise the levy
- Taxes paid by new growth
 - Does not raise the levy for all other taxpayers
- Opt Out
 - Can be referred to a vote

Tax Formulas

Assessed Value \times Taxable Factor = Taxable Value

Budget Request \div Total Taxable Value = Levy

Taxable Value \times Levy = Tax Due

Example

$$\text{Budget Request} \div \text{Total Taxable Value} = \text{Levy}$$

$$\$1 \text{ million} \div \$70 \text{ million} = 0.014286$$

Valuation Vs. Tax

How do my property taxes increase?

- Taxes increase when budgets increase
 - Ex: Assessed value remains the same, but budgets increase = taxes will increase
 - Ex: Assessed value increases, budgets remain the same = taxes will remain the same
- Property taxes are budgeted based on need, regardless of change in the assessment.
 - Ex: A significant market increase does not result in a windfall to taxing entities

Tax Notice Example

Notice of Taxes Due - Pennington County Treasurer

Tax ID Number: 44898 **Tax Year:** 2023 **Taxes Payable 2024** **Total Amt Due:** 2,194.04
In:

Parcel Address: 22625 N ROCHFORD RD

Tax District: 2/D-RF----

PIN Number: 16 23 201 009

Acres: 0.300

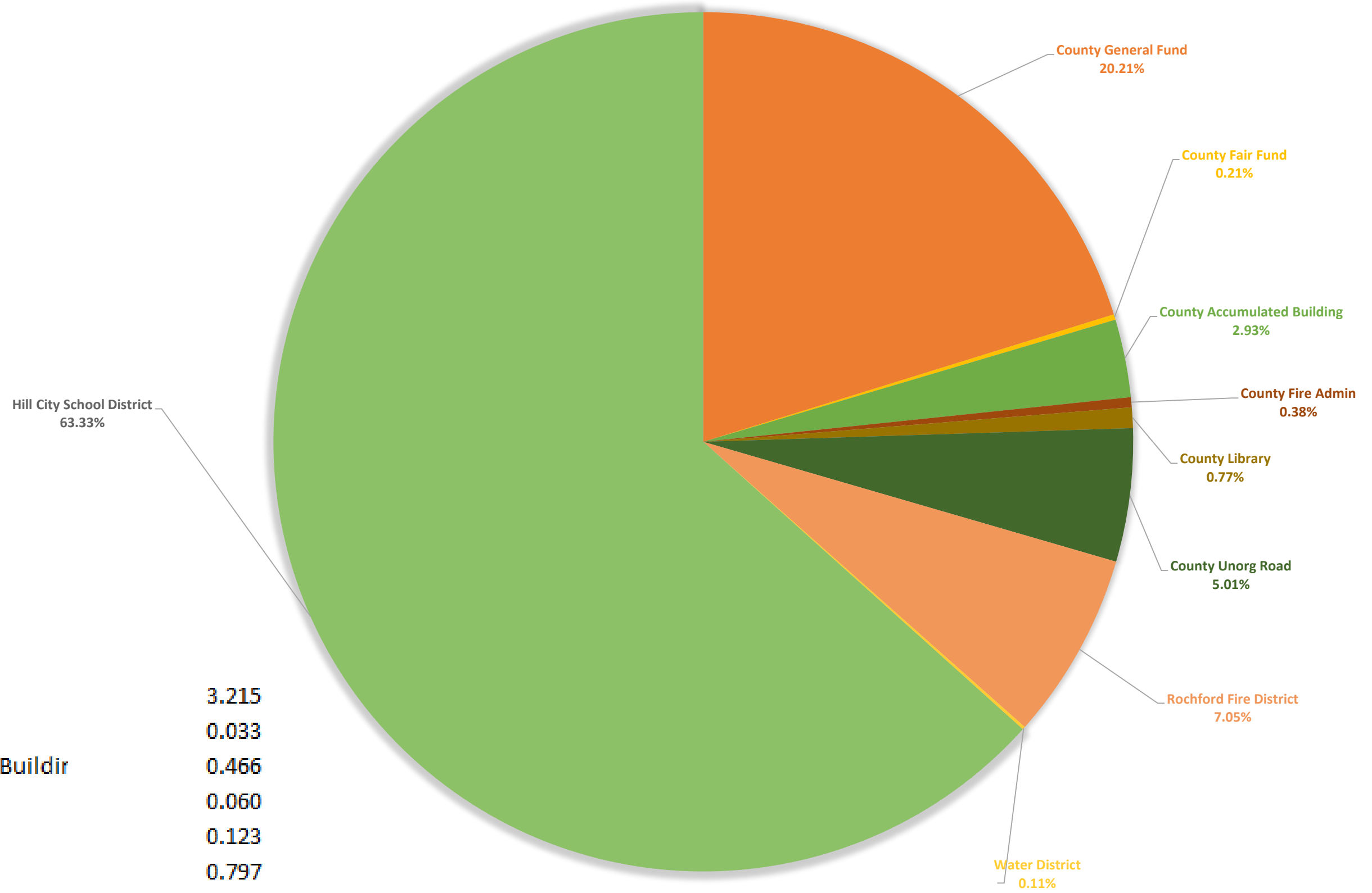
Legal Description of Property (For Taxing Purpose Only): DAKOTA LODGE MS 2109; BLOCK 1; LOT 3

Taxing District	Total Levy	Other: 137,894 Tax \$	*Opt Out \$
Hill City School District - (605) 574-3030	10.077	1,389.56	0.00
West Dakota Water District - (605) 381-0493	0.018	2.48	0.00
Rochford Fire District - (605) 584-3123	1.122	130.45	24.27
FIRE ADMIN - (605) 394-5367	0.060	8.27	0.00
UNORG ROAD - (605) 394-2166	0.797	109.90	0.00
LIBRARY - (605) 394-2171	0.123	11.58	5.38
COUNTY - (605) 394-2153	3.681	507.60	0.00
FAIRGROUNDS - (605) 394-2171	0.033	4.55	0.00

* Indicates a local decision to opt out of the tax limitation

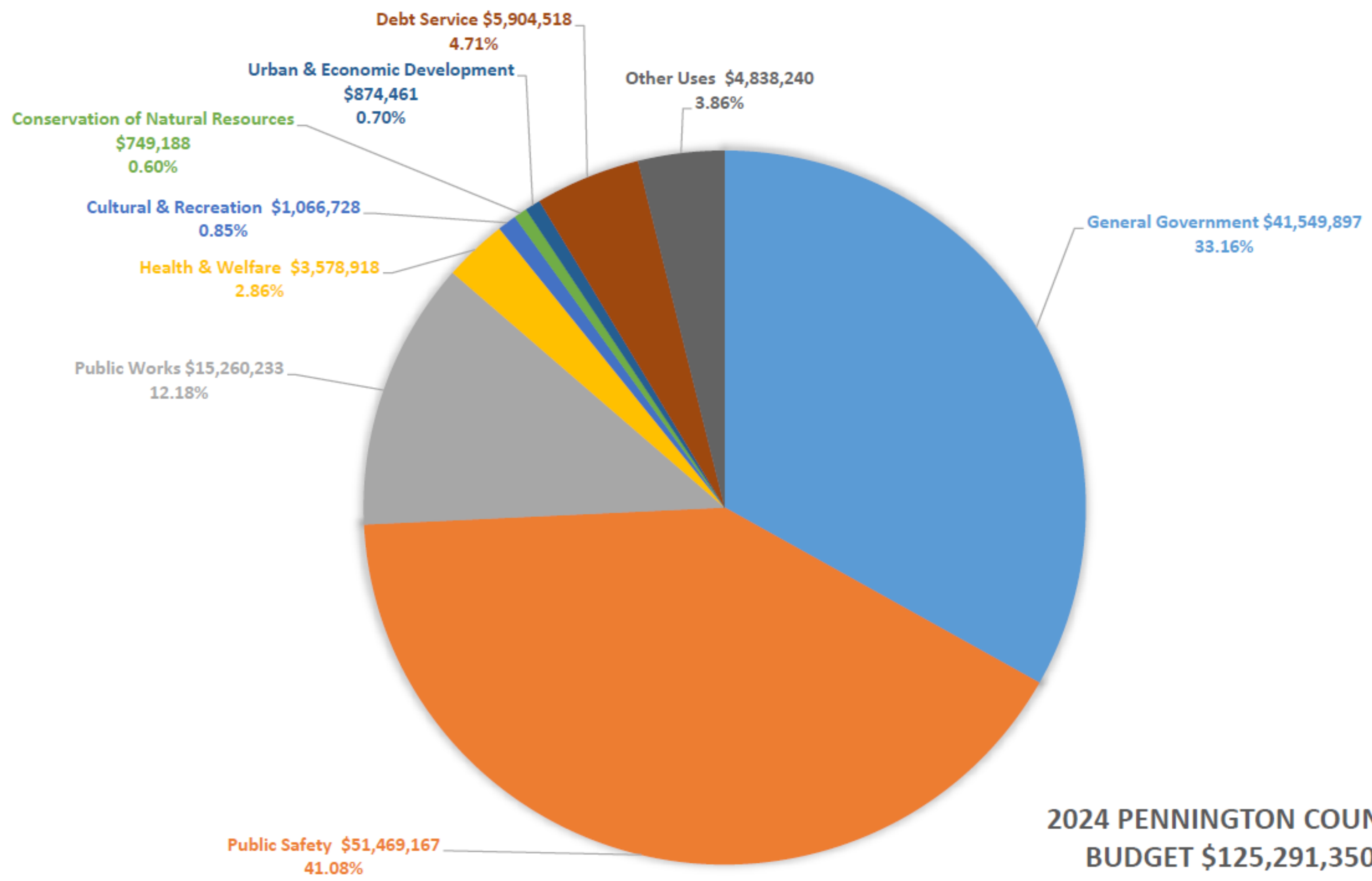
TID # **TID Amount....** **Ratio Is:** 0.0000

NON-OWNER OCCUPIED LEVY
PROPERTY ID# 44898 - 22625 N ROCHFORD RD



County General Fund	3.215
County Fair Fund	0.033
County Accumulated Buildir	0.466
County Fire Admin	0.060
County Library	0.123
County Unorg Road	0.797
Rochford Fire District	1.122
Water District	0.018
Hill City School District	10.077
Total Mill Levy	15.911

Total City of Hill City Levy: 18.164



**2024 PENNINGTON COUNTY
BUDGET \$125,291,350**

Average Increase in Assessed Value Market Area

Market Area	% Change		Market Area	% Change
West	13.1%		Central Rapid	8.4%
East	9.7%		North Rapid	3.6%
Nemo	4.7%		West Rapid	2.2%
Rockerville	1.8%		Southeast Rapid	2.9%
Box Elder	3.7%		Southwest Rapid	5.9%
Condos	4.8%		Rapid Valley	2.6%
Pennington County 4.1%				

Elderly/Disabled Assessment Freeze

Residential assessment is frozen at what it was assessed when owner turned 65 years or became disabled.

Qualifying Criteria:

- 65 years old or disabled
- Owner occupied residence for at least a year
- Home valued < \$345,340
- Income < \$40,290 (single) or \$51,801 (couple)
- Application received by the county treasurer before April 1
- Applications required annually

Exemptions

Elderly Assessment Freeze			
Year	Applications	Value Reduction	
2024	725	\$68,000,000	Estimated
2023	449	\$41,944,900	
2022	341	\$30,129,200	
2021	356	\$21,667,790	
2020	344	\$18,532,575	

Exemptions

Disabled Veteran			
Year	Applications	Value Reduction	
2024	608	\$88,270,700	
2023	502	\$74,067,400	
2022	412	\$58,128,400	
2021	391	\$55,287,700	
2020	339	\$50,966,400	

Exemptions

Parplegic Veteran			
Year	Applications	Value Reduction	
2024	11	\$3,309,200	
2023	11	\$3,309,200	
2022	11	\$2,943,800	
2021	13	\$2,978,200	
2020	12	\$2,839,400	

Exemptions

Historical Moratorium			
Year	Applications	Value Reduction	
2024	9	\$12,417,400	
2023	9	\$12,417,400	
2022	13	\$12,692,600	
2021	15	\$12,341,300	
2020	18	\$12,392,800	

Measure of Accuracy

Mass appraisal accuracy is measured by a sale ratio analysis

$$\begin{array}{r} \text{Assessed Value} \\ \$90,000 \end{array} / \begin{array}{r} \text{Sale Price} \\ \$100,000 \end{array} = 90\%$$

Ratio is calculated on every open-market sale in Pennington County

Median ratio indicates level of assessment

Estimated overall level of assessment for 2024 is 97%

Measure of Accuracy

State Department of Revenue audits every county every year

State law requires 2 measures of appraisal accuracy

- Median level of assessment of at least 85%
- Coefficient of Dispersion (COD) of less than 25%

Pennington County meets the statutory requirements

- Median level of assessment estimated at 97%
- COD estimated at 12.9%

County commission is provided the results of this audit every year