

Sixtieth  
Legislative Assembly  
of North Dakota

## HOUSE CONCURRENT RESOLUTION NO.

Introduced by

Representative Owens

1 A concurrent resolution for the amendment of section 5 of article X of the Constitution of North  
2 Dakota, relating to limits on increases in taxes on residential and commercial property; and to  
3 provide an effective date.

### STATEMENT OF INTENT

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5 This measure would limit annual increases in property taxes on any parcel of residential or  
6 commercial property to not more than five percent or three-fourths of one percentage point  
7 more than the annual percentage increase in the consumer price index, whichever is less.

8 **BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE**  
9 **SENATE CONCURRING THEREIN:**

10 That the following proposed amendment to section 5 of article X of the Constitution of  
11 North Dakota is agreed to and must be submitted to the qualified electors of North Dakota at  
12 the general election to be held in 2008, in accordance with section 16 of article IV of the  
13 Constitution of North Dakota.

14 **SECTION 1. AMENDMENT.** Section 5 of article X of the Constitution of North Dakota  
15 is amended and reenacted as follows:

#### **Section 5. Taxes**

- 17 1. Except as provided in subsection 2, taxes shall be uniform upon the same class of  
18 property including franchises within the territorial limits of the authority levying the  
19 tax.
- 20 2. Property taxes levied by a taxing district on a parcel of residential or commercial  
21 property and any improvements on that property may not be increased above the  
22 amount levied by that taxing district on that property for the immediately preceding  
23 taxable year by more than five percent or the amount of the increase in the  
24 consumer price index plus three-fourths of one percentage point for the most  
25 recently completed calendar year, whichever is less, unless a greater increase by a

1 taxing district is approved by a vote of sixty percent or more of the qualified  
2 electors of the taxing district voting on the question. The limitation under this  
3 subsection does not apply:

4 a. To improvements made on the property which were not subject to  
5 assessment in the previous taxable year, in which case the true and full value  
6 of the property, without the improvements, from the previous taxable year is  
7 subject to the limitation under this section and the true and full value of the  
8 improvements may be added. Reconstructed property after a disaster or  
9 accidental damage is not an improvement under this subsection if the fair  
10 market value of the property as reconstructed is approximately equal to the  
11 fair market value of the property before the disaster or damage. Any  
12 construction, installation, or modification of property to make the property  
13 more accessible to a disabled person is not an improvement for purposes of  
14 this subsection. The portion of any construction, installation, or modification  
15 designed with the primary purpose to use solar, wind, or geothermal energy to  
16 provide heating or cooling or electrical or mechanical power for use on the  
17 property is not an improvement for purposes of this subsection.

18 b. If the classification of the property has changed from the previous taxable  
19 year.

20 c. If the property was fully or partially exempt from property taxes in the previous  
21 taxable year and the exemption has been reduced or no longer applies.

22 d. If the property has been sold in an arm's-length transaction since its  
23 assessment in the previous taxable year.

24 e. If the boundaries of the parcel have been expanded or the parcel has been  
25 divided since its assessment in the previous taxable year.

26 The legislative assembly shall provide by law the consumer price index to be used  
27 for purposes of the limitation in this subsection.

28 3. The legislative assembly may by law exempt any or all classes of personal  
29 property from taxation and within the meaning of this section, fixtures, buildings  
30 and improvements of every character, whatsoever, upon land shall be deemed  
31 personal property.

1           4.   The property of the United States, to the extent immunity from taxation has not  
2           been waived by an act of Congress, property of the state, county, and municipal  
3           corporations, to the extent immunity from taxation has not been waived by an act of  
4           the legislative assembly, and property used exclusively for schools, religious,  
5           cemetery, charitable or other public purposes shall be exempt from taxation. Real  
6           property used for conservation or wildlife purposes is not exempt from taxation  
7           unless an exemption is provided by the legislative assembly.

8           5.   Except as restricted by this article, the legislative assembly may provide for raising  
9           revenue and fixing the situs of all property for the purpose of taxation.

10          6.   Provided that all taxes and exemptions in force when this amendment is adopted  
11          shall remain in force until otherwise provided by statute.

12          **SECTION 2. EFFECTIVE DATE.** This measure is effective for taxable years beginning  
13   after December 31, 2008.