

Sixty-third
Legislative Assembly
of North Dakota

**ENGROSSED SENATE CONCURRENT
RESOLUTION NO. 4030**

Introduced by

Senator Cook

A concurrent resolution to amend and reenact ~~sections 5 and~~section 15 of article X of the Constitution of North Dakota, relating to ~~uniformity of property taxation among classes of property and requiring use of assessed value as the actual value of property for property tax purposes~~providing authority for the legislative assembly to provide a reduced level of assessed value of property imposed as a debt limit for political subdivisions; and to provide an effective date.

STATEMENT OF INTENT

This measure ~~requires the legislative assembly to restrict the variance of effective property tax rates among classes of property and requires use of assessed value as the actual value of property for property tax purposes and requires necessary statutory provisions to be in place~~by allows the legislative assembly to provide a reduced level of assessed value of property imposed as a debt limit for political subdivisions beginning in taxable year 2016.

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

That the following proposed ~~amendments~~amendment to ~~sections 5 and~~section 15 of article X of the Constitution of North Dakota ~~are~~is agreed to and must be submitted to the qualified electors of North Dakota at the general election to be held in 2014, in accordance with section 16 of article IV of the Constitution of North Dakota.

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

~~—Section 5. Taxes shall~~

~~1. Property taxes must be uniform upon the same class of property including franchises within the territorial limits of the authority levying the tax.~~

~~2. The assessed value must be determined for all property. For purposes of this subsection, "assessed value" means the actual value of property, determined by~~

~~market value, earning or productive capacity, and any other circumstances affecting the actual value. The legislative assembly may provide by law for determination of assessed value for agricultural property through a formula devised to measure productivity. The legislative assembly may provide by law for application of an assessment ratio for a class of property that is less than one hundred percent of its actual value.~~

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

~~4. The property of the United States, to the extent immunity from taxation has not been waived by an act of Congress, property of the state, county, and municipal corporations, to the extent immunity from taxation has not been waived by an act of the legislative assembly, and property must be exempt from taxation.~~

~~5. Property used exclusively for schools, religious, cemetery, charitable or other public purposes shall be exempt from taxation.~~

~~6. Real property used for conservation or wildlife purposes is not exempt from taxation unless an exemption is provided by the legislative assembly.~~

~~7. Except as restricted by this article, the legislative assembly may provide for raising revenue and fixing the situs of all property for the purpose of taxation. Provided that all taxes and exemptions in force when this amendment is adopted shall remain in force until otherwise provided by statute.~~

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

Section 15. The debt of any county, township, city, town, school district or any other political subdivision, shall never exceed ~~five~~two and one-half per centum upon the assessed value of the taxable property therein; ~~provided that any. However, an~~ incorporated city may, by a two-thirds vote, increase ~~such indebtedness three~~its debt limit to four per centum on such assessed value ~~beyond said five per centum limit~~, and a school district, by a majority vote, may increase ~~such indebtedness~~its debt limit to five percent on such assessed value ~~beyond said five per centum limit; provided also that any. In addition, a~~ county or city by a majority vote may

1 issue bonds upon any revenue-producing utility owned by such county or city, or for the
2 purchasing or acquiring the same or building or establishment thereof, in amounts not
3 exceeding the physical value of such utility, industry or enterprise.

4 In estimating the indebtedness which a city, county, township, school district or any other
5 political subdivision may incur, the entire amount, exclusive of the bonds upon said
6 revenue-producing utilities, ~~whether contracted prior or subsequent to the adoption of this~~
7 ~~constitution, shall~~must be included; ~~provided further that any~~Any incorporated city may become
8 indebted in any amount not exceeding ~~four~~two per centum of such assessed value without
9 regard to the existing indebtedness of such city for the purpose of constructing or purchasing
10 waterworks for furnishing a supply of water to the inhabitants of such city, or for the purpose of
11 constructing sewers, and for no other purposes whatever. All bonds and obligations in excess of
12 the amount of indebtedness permitted by this constitution, given by any city, county, township,
13 town, school district, or any other political subdivision shall be void.

14 The legislative assembly may provide by law a lower percentage of assessed value than
15 the percentage limits of this section as a limit of indebtedness of political subdivisions.

16 **SECTION 2. EFFECTIVE DATE.** If approved by the electors, this measure is effective for
17 taxable years and indebtedness incurred after December 31, 2015.