

To: Property Tax Measure Review Committee
From: Jerry Hjelmstad, North Dakota League of Cities
Date: August 15, 2011
Re: Initiated Measure No. 2

Section 1: Prohibits levying of tax on “assessed value” of property.

How would special assessments be affected?

Special assessments are levied on benefit to the property rather than on assessed value.

However, a city share of specials and specials on property of other political subdivisions would probably be affected since they may levy property tax to pay them.

Section 2, subsection 1: Meaning of “taxes upon real property which were used **before 2012** to fund operations”.

Does this mean that replacement revenue would be frozen at 2011 levels?

Section 2, subsection 3: Meaning of “fully and properly fund **legally imposed obligations**”.

What are legally imposed obligations?

Section 4: Political subdivision’s debt limit based upon “**market** value of property” rather than “**assessed** value of **taxable** property”

Does this mean that the market value of property that is currently non-taxable would have to be determined?

Section 7: “this measure becomes effective on January 1, 2012”

How does a measure voted on in June of 2012 become effective on January 1, 2012?

Article III (sections 8 and 9) of the North Dakota Constitution provides that an initiated measure, including a constitutional amendment, goes into effect thirty days after the election.