

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED SENATE CONCURRENT
RESOLUTION NO. 4030

Introduced by

Senator Cook

1 A concurrent resolution ~~to amend and reenact sections 5 and 15 of article X of the Constitution~~
2 ~~of North Dakota, relating to uniformity of property taxation among classes of property and~~
3 ~~requiring use of assessed value as the actual value of property for property tax purposes; and~~
4 ~~to provide an effective date.~~ to provide for a legislative management study of applying property
5 tax rates against true and full value of property.

6 **STATEMENT OF INTENT**

7 This measure ~~requires the legislative assembly to restrict the variance of effective property tax~~
8 ~~rates among classes of property and requires use of assessed value as the actual value of~~
9 ~~property for property tax purposes and requires necessary statutory provisions to be in place by~~
10 ~~taxable year 2016.~~

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

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

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

19 ~~— **Section 5.** Taxes shall~~

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

22 ~~— 2. The assessed value must be determined for all property. For purposes of this~~
23 ~~subsection, "assessed value" means the actual value of property, determined by~~
24 ~~market value, earning or productive capacity, and any other circumstances affecting~~
25 ~~the actual value. The legislative assembly may provide by law for determination of~~

1 ~~assessed value for agricultural property through a formula devised to measure~~
2 ~~productivity. The legislative assembly may provide by law for application of an~~
3 ~~assessment ratio for a class of property that is less than one hundred percent of its~~
4 ~~actual value.~~

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

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

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

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

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

21 ~~**SECTION 2. AMENDMENT.** Section 15 of article X of the Constitution of North Dakota is~~
22 ~~amended and reenacted as follows:~~

23 ~~**Section 15.** The debt of any county, township, city, town, school district or any other political~~
24 ~~subdivision, shall never exceed five two and one-half per centum upon the assessed value of~~
25 ~~the taxable property therein; provided that any. However, an incorporated city may, by a~~
26 ~~two-thirds vote, increase such indebtedness threeits debt limit to four per centum on such~~
27 ~~assessed value beyond said five per centum limit, and a school district, by a majority vote, may~~
28 ~~increase such indebtedness sits debt limit to five percent on such assessed value beyond said~~
29 ~~five per centum limit; provided also that any. In addition, a county or city by a majority vote may~~
30 ~~issue bonds upon any revenue producing utility owned by such county or city, or for the~~

1 ~~purchasing or acquiring the same or building or establishment thereof, in amounts not~~
2 ~~exceeding the physical value of such utility, industry or enterprise.~~

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

13 ~~— **SECTION 3. EFFECTIVE DATE.** If approved by the electors, this measure is effective for~~
14 ~~taxable years and indebtedness incurred after December 31, 2015.~~

15 WHEREAS, property taxpayers continue to express frustration with the complexity of the
16 property tax system's three levels of valuation for property and how mill rates are applied to
17 determine the tax bill for a parcel of property; and

18 WHEREAS, it appears feasible and desirable to use true and full valuation of property and
19 a percent of that value as a tax rate, to provide a more comprehensible method of determination
20 of the tax bill for a parcel of property; and

21 WHEREAS, determining the statutory changes necessary to implement such a change will
22 involve detailed consideration and adjustment of a very large volume of statutory provisions,
23 which is feasible only in an interim study setting;

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

26 That the Legislative Management study applying property tax rates against true and full
27 value of property; and

28 **BE IT FURTHER RESOLVED,** that the Legislative Management report its findings and
29 recommendations, together with any legislation required to implement the recommendations, to
30 the Sixty-fourth Legislative Assembly.