

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.

5 **STATEMENT OF INTENT**

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

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

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

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

18 **Section 5. Taxes shall**

- 19 1. Property taxes must be uniform upon the same class of property including franchises  
20 within the territorial limits of the authority levying the tax.  
21 2. The assessed value must be determined for all property. For purposes of this  
22 subsection, "assessed value" means the actual value of property, determined by  
23 market value, earning or productive capacity, and any other circumstances affecting  
24 the actual value. The legislative assembly may provide by law for determination of  
25 assessed value for agricultural property through a formula devised to measure

1           productivity. The legislative assembly may provide by law for application of an  
2           assessment ratio for a class of property that is less than one hundred percent of its  
3           actual value.

4        3. The legislative assembly shall ensure that the variance among effective tax rates for  
5        classes of property does not exceed twenty percent.

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

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

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

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

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

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

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