

Introduced by

Representatives Hoverson, Bellew, Schatz, VanWinkle

Senator Magrum

1 A concurrent resolution to amend and reenact sections 1, 14, 15, 16, and 27 of article X of the
2 Constitution of North Dakota, relating to prohibiting the levy of property tax except for limited
3 purposes, prohibiting the issuance of general obligation bonds secured with property tax, and
4 providing for a state transfer tax on real property; to repeal sections 4, 5, 7, 9, and 10 of
5 article X of the Constitution of North Dakota, relating to prohibiting the levy of property tax; and
6 to provide an effective date.

7 **STATEMENT OF INTENT**

8 This measure prohibits the levy of property tax, except for limited purposes, prohibits the
9 issuance of general obligation bonds secured with property tax, and permits imposition by the
10 state of a transfer tax on real property.

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

13 That the following proposed amendments to sections 1, 14, 15, 16, and 27 of article X of the
14 Constitution of North Dakota, and the proposed repeal of sections 4, 5, 7, 9, and 10 of article X
15 of the Constitution of North Dakota are agreed to and must be submitted to the qualified
16 electors of North Dakota at the general election to be held in 2024, in accordance with
17 section 16 of article IV of the Constitution of North Dakota.

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

20 **Section 1.** The

21 1. Except as provided in subsection 2, the legislative assembly shall be prohibited from
22 raising and all political subdivisions may not raise revenue to defray the expenses of
23 the state through the levying of any tax on the assessed value of real or personal
24 property.

- 1 2. A political subdivision may continue to levy tax on the assessed value of real property
2 if the tax was dedicated for the payment of bonded indebtedness incurred before the
3 end of the thirty-day period following the date this amendment was approved by the
4 voters, until such debt is paid.
- 5 3. The state shall provide annual property tax revenue replacement payments to political
6 subdivisions in an amount equal to no less than the amount of tax levied on real
7 property by the political subdivisions, excluding tax levied on real property for the
8 payment of bonded indebtedness, during the calendar year in which this amendment
9 was approved by the voters.

10 **SECTION 2. AMENDMENT.** Section 14 of article X of the Constitution of North Dakota is
11 amended and reenacted as follows:

12 **Section 14.**

- 13 1. Notwithstanding any other provision in the constitution, and for the purpose of
14 promoting the economic growth of the state, the development of its natural resources,
15 and the prosperity and welfare of its people, the state may issue bonds and use the
16 proceeds ~~thereof~~from the bonds to make loans to privately or cooperatively owned
17 enterprises to plan, construct, acquire, equip, improve, and extend facilities for
18 converting natural resources into power and generating and transmitting such power,
19 and to acquire real and personal property and water and mineral rights needed for
20 such facilities.
- 21 2. The state may issue general obligation bonds for this purpose to an amount ~~which~~that,
22 with all outstanding general obligation bonds, less the amount of all money on hand
23 and taxes in process of collection which are appropriated for their payment, will not
24 exceed five percent of the full and true value of all of the ~~taxable~~real property in the
25 state, to be ascertained by the last assessment made for state and county purposes:
26 ~~but nothing herein shall.~~ The provision does not increase or diminish the limitations
27 established by other provisions of the constitution on the amount of bonds therein
28 authorized to be issued.
- 29 3. The state also may ~~also~~ issue revenue bonds for the purpose of providing part or all of
30 the funds required for any project undertaken under subsection 1, payable solely from
31 sums realized from payments of principal and interest on money loaned for such

1 project, and from other similar projects if so determined by the legislature~~legislative~~
2 assembly, and from the liquidation of security given for such payments. Revenue
3 bonds issued for any project ~~shall~~may not exceed the cost thereof ~~of the project~~,
4 including all expenses reasonably incurred to complete and finance the project, but
5 ~~shall~~may not be subject to any other limitation of amount.

6 4. The full faith and credit of the state ~~shall~~must be pledged for the prompt and full
7 payment of all bonds issued under subsection 2. Its obligation with respect to bonds
8 issued under subsection 3 ~~shall~~must be limited to the prompt and full performance of
9 such covenants as the legislature~~legislative~~ assembly may authorize to be made
10 respecting the enforcing of the provisions of underlying loan agreements and the
11 segregation, accounting, and application of bond proceeds and of loan payments and
12 other security pledged for the payment of the bonds. All bonds authorized by
13 subsections 1 to 3, inclusive, ~~shall~~must mature within forty years from their respective
14 dates of issue, but may be refunded at or before maturity in such manner and for such
15 term and upon such conditions as the legislature~~legislative~~ assembly may direct. Any
16 such bonds may, but need not be, secured by mortgage upon real or personal
17 property acquired with the proceeds of the same or any other issue of general
18 obligation or revenue bonds, or upon other property mortgaged by the debtor. Pledges
19 of revenues and mortgages of property securing bonds of any issue may be prior or
20 subordinate to or on a parity with pledges and mortgages securing any other issue of
21 general obligation or revenue bonds, as determined by the legislature~~legislative~~
22 assembly from time to time in conformity with any provisions made for the security of
23 outstanding bonds.

24 5. The legislature~~legislative~~ assembly shall pass such laws as are appropriate to
25 implement this amendment.

26 6. If any subsection of this amendment, or any part of a subsection, or any application
27 thereof to particular circumstances should be held invalid for any reason, such
28 invalidity ~~shall~~may not affect the validity of all remaining provisions of this amendment
29 which may be given effect without that which is declared invalid, as applied to any
30 circumstances and for this purpose all subsections and parts of subsections and
31 applications thereof are declared to be severable.

1 **SECTION 3. AMENDMENT.** Section 15 of article X of the Constitution of North Dakota is
2 amended and reenacted as follows:

3 **Section 15.** The debt of any county, township, city, ~~town~~, school district, or any other
4 political subdivision, shall never ~~may~~ exceed ~~five per centum~~two and one-half percent upon the
5 ~~assessed~~full and true value of the ~~taxable~~real property therein; provided that any incorporated
6 city ~~may~~, by a two-thirds vote, ~~may~~ increase such indebtedness ~~three per centum~~one and
7 one-half percent on such ~~assessed~~full and true value beyond ~~said five per centum~~the two and
8 one-half percent limit, and a school district, by a majority vote may increase such indebtedness
9 ~~five~~two and one-half percent on such ~~assessed~~full and true value beyond ~~said five per~~
10 ~~centum~~the two and one-half percent limit; provided also that any county or city by a majority
11 vote may issue bonds upon any revenue-producing utility owned by such county or city, or for
12 the purchasing or acquiring the same or building or establishment thereof, in amounts not
13 exceeding the physical value of such utility, industry or enterprise.

14 In estimating the indebtedness which a city, county, township, school district, or any other
15 political subdivision may incur, the entire amount, exclusive of the bonds upon said
16 revenue-producing utilities, whether contracted prior or subsequent to the adoption of this
17 constitution, ~~shall~~must be included; provided further that any incorporated city may become
18 indebted in any amount not exceeding ~~four per centum~~two percent of such ~~assessed~~full and
19 true value without regard to the existing indebtedness of such city for the purpose of
20 constructing or purchasing waterworks for furnishing a supply of water to the inhabitants of such
21 city, or for the purpose of constructing sewers, and for no other purposes whatever. All bonds
22 and obligations in excess of the amount of indebtedness permitted by this constitution, given by
23 any city, county, township, ~~town~~, school district, or any other political subdivision shall be void.

24 **SECTION 4. AMENDMENT.** Section 16 of article X of the Constitution of North Dakota is
25 amended and reenacted as follows:

26 **Section 16.** Any city, county, township, ~~town~~, school district, or any other political
27 subdivision incurring indebtedness ~~shall~~, at or before the time of so doing, shall provide for the
28 ~~collection of an annual tax~~revenues sufficient to pay the interest and also the principal thereof
29 when due, and all laws or ordinances providing for the payment of the interest or principal of
30 any debt ~~shall be~~irrepealable until such debt be paid. A political subdivision may not issue

1 general obligation bonds secured with tax levied on the assessed value of property on or after
2 the effective date of this amendment.

3 **SECTION 5. AMENDMENT.** Section 27 of article X of the Constitution of North Dakota is
4 amended and reenacted as follows:

5 **Section 27.**

6 The state and any county, township, city, or any other political subdivision of the state may
7 not impose any mortgage taxes or any sales or transfer taxes on the mortgage or transfer of
8 real property, except the state may impose a tax on the transfer of real property not to exceed
9 three percent of the full and true value of the real property.

10 **SECTION 6. REPEAL.** Sections 4, 5, 7, 9, and 10 of article X of the Constitution of North
11 Dakota are repealed.

12 **SECTION 7. EFFECTIVE DATE.** If approved by the voters, sections 1, 2, 3, and 6 of this
13 measure become effective on January 1, 2025.