

Introduced by

Representative Becker

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

6 **STATEMENT OF INTENT**

7 This measure prohibits the levy of property tax, except for limited purposes, and the issuance of
8 general obligation bonds secured with property tax and provides these changes will take effect
9 on January 1, 2024.

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

12 That the following proposed amendments to sections 1, 14, 15, and 16 of article X of the
13 Constitution of North Dakota, and the proposed repeal of sections 4, 5, 7, 9, and 10 of article X
14 of the Constitution of North Dakota are agreed to and must be submitted to the qualified
15 electors of North Dakota at the general election to be held in 2022, in accordance with
16 section 16 of article IV of the Constitution of North Dakota.

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

19 **Section 1. The**

- 20 1. Except as provided in subsection 2, the legislative assembly shall be prohibited from
21 raising and all political subdivisions may not raise revenue to defray the expenses of
22 the state through the levying of any tax on the assessed value of real or personal
23 property.
- 24 2. A political subdivision may continue to levy tax on the assessed value of real property
25 if the tax was dedicated for the payment of bonded indebtedness incurred before the

1 end of the thirty-day period following the date this amendment was approved by the
2 voters, until such debt is paid.

3 3. The state shall provide annual property tax revenue replacement payments to political
4 subdivisions in an amount equal to no less than the amount of tax levied on real
5 property by the political subdivisions, excluding tax levied on real property for the
6 payment of bonded indebtedness, during the calendar year in which this amendment
7 was approved by the voters.

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

10 **Section 14.**

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

1 bonds issued for any project ~~shall~~may not exceed the cost thereof ~~of the project~~,
2 including all expenses reasonably incurred to complete and finance the project, but
3 ~~shall~~may not be subject to any other limitation of amount.

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

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

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

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

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

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

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

24 **Section 16.** Any city, county, township, ~~town~~, school district, or any other political
25 subdivision incurring indebtedness ~~shall~~, at or before the time of so doing, shall provide for the
26 ~~collection of an annual tax~~ revenues sufficient to pay the interest and also the principal thereof
27 when due, and all laws or ordinances providing for the payment of the interest or principal of
28 any debt ~~shall be~~ irrepealable until such debt be paid. A political subdivision may not issue
29 general obligation bonds secured with tax levied on the assessed value of property on or after
30 the effective date of this amendment.

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

3 **SECTION 6. EFFECTIVE DATE.** If approved by the voters, sections 1, 2, 3, and 5 of this
4 measure become effective on January 1, 2024.