



# North Dakota Legislative Council

Prepared for the Government Finance Committee  
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## PROPERTY TAX INFORMATION

### PRELIMINARY ESTIMATE TO REPLACE PROPERTY TAX REVENUE - INITIATED CONSTITUTIONAL AMENDMENT

On June 29, 2023, the Secretary of State approved for circulation a petition for an initiated constitutional amendment to prohibit political subdivisions from levying tax on real or personal property, except for tax levied for the payment of existing bonded indebtedness until paid.

If approved, the measure would become effective January 1, 2025; therefore, political subdivisions would no longer be allowed to levy property taxes beginning in 2025 payable in 2026. The preliminary estimate of the amount of property tax revenue that would need to be replaced in 2025 is \$1.329 billion per year, or \$2.658 billion per biennium.

The state already provides state funding to reduce property taxes of certain eligible residents under the homestead tax credit program, the disabled veterans credit program, and the primary residence credit program. For the 2023-25 biennium, the Legislative Assembly appropriated a total of \$194 million for these property tax credit programs. Deducting these amounts from the \$2.658 billion needed to replace property taxes would result in the need for an additional \$2.464 billion of state spending.

The 2023-25 biennium state budget totals \$19.6 billion, including \$6.1 billion from the general fund, \$7.2 billion of special funds, and \$6.3 billion of federal funds. The estimated \$2.464 billion of additional state spending needed to replace property tax revenues would be equivalent to 40.4 percent of the 2023-25 biennium general fund budget or 12.6 percent of the total 2023-25 biennium state budget.

### HISTORICAL PROPERTY TAXES

The schedule below provides information on property (ad valorem) taxes levied by classification from 1991 to 2022.

Statewide Property (Ad Valorem) Taxes Levied <sup>1</sup>						
Year	Agricultural Property	Residential Property	Commercial Property	Centrally Assessed Property <sup>2</sup>	Other <sup>3</sup>	Total Collections
1991	\$110,813,087	\$116,303,900	\$84,447,361	\$23,936,553	\$0	\$335,500,901
1992	\$113,707,140	\$124,071,907	\$89,570,232	\$24,618,897	\$0	\$351,968,176
1993	\$117,612,200	\$131,396,788	\$93,192,464	\$25,396,637	\$0	\$367,598,089
1994	\$121,706,910	\$140,990,862	\$96,838,072	\$28,443,569	\$0	\$387,979,413
1995	\$128,744,840	\$152,172,068	\$102,501,325	\$24,934,982	\$0	\$408,353,215
1996	\$136,200,330	\$160,879,642	\$104,802,388	\$25,794,787	\$0	\$427,677,147
1997	\$141,712,721	\$170,682,809	\$109,042,133	\$26,144,611	\$0	\$447,582,274
1998	\$145,916,895	\$183,064,621	\$116,606,816	\$19,615,064	\$0	\$465,203,396
1999	\$146,637,400	\$196,890,286	\$122,113,936	\$20,552,642	\$0	\$486,194,264
2000	\$149,034,306	\$205,319,324	\$130,113,744	\$24,565,347	\$0	\$509,032,721
2001	\$151,853,487	\$215,069,030	\$137,248,041	\$28,459,117	\$0	\$532,629,675
2002	\$158,940,830	\$229,596,957	\$143,684,077	\$28,530,045	\$0	\$560,751,909
2003	\$168,055,565	\$240,356,676	\$147,516,626	\$30,483,150	\$0	\$586,412,017
2004	\$161,953,061	\$266,488,154	\$157,685,527	\$31,938,951	\$0	\$618,065,693
2005	\$168,453,386	\$291,971,255	\$167,020,373	\$32,344,362	\$0	\$659,789,376
2006	\$177,233,697	\$316,413,578	\$179,826,255	\$32,954,091	\$0	\$706,427,621
2007	\$180,947,199	\$336,624,504	\$191,160,716	\$31,808,319	\$0	\$740,540,738
2008	\$183,870,522	\$357,032,749	\$201,590,660	\$33,904,544	\$0	\$776,398,475
2009	\$154,226,316	\$312,178,137	\$177,214,389	\$35,130,536	\$0	\$678,749,378
2010	\$164,735,328	\$325,084,844	\$186,797,427	\$45,370,645	\$0	\$721,988,244
2011	\$174,002,746	\$336,437,482	\$197,411,862	\$49,916,914	\$0	\$757,769,004

2012	\$199,229,321	\$348,032,395	\$215,504,561	\$52,175,628	\$0	\$814,941,905
2013	\$186,717,458	\$328,083,366	\$216,720,689	\$54,712,307	\$0	\$786,233,820
2014	\$206,155,905	\$356,180,794	\$254,085,919	\$61,869,871	\$0	\$878,292,489
2015	\$217,786,259	\$384,109,358	\$278,367,059	\$67,791,453	\$11,191,728	\$959,245,857
2016	\$229,094,285	\$410,862,172	\$300,735,020	\$70,323,459	\$13,632,803	\$1,024,647,739
2017	\$220,616,240	\$419,181,429	\$306,240,386	\$76,924,258	\$11,746,494	\$1,034,708,807
2018	\$229,295,250	\$441,459,955	\$316,901,532	\$80,782,890	\$11,958,507	\$1,080,398,134
2019	\$238,800,139	\$461,596,707	\$335,418,812	\$87,904,871	\$10,253,694	\$1,133,974,223
2020	\$246,173,175	\$482,186,895	\$350,175,406	\$92,904,897	\$11,149,783	\$1,182,590,156
2021	\$249,305,547	\$512,659,868	\$365,381,415	\$94,265,984	\$9,749,157	\$1,231,361,971
2022	\$250,636,622	\$563,106,738	\$391,506,881	\$96,985,242	\$8,565,123	\$1,310,800,606

<sup>1</sup>The amounts shown reflect information from the Property Tax Statistical Reports prepared by the Tax Department. The amounts shown do not include special taxes (payments in lieu of taxes; mobile home taxes; electric generation, distribution, and transmission taxes; and forest stewardship taxes) and special assessments.

<sup>2</sup>The amounts shown for centrally assessed property include railroad property; pipeline property; and electric, gas, and heating property.

<sup>3</sup>The amounts shown for other include city tax increment financing and city fire protection taxes.