

THE MEASURE TO END PROPERTY TAX

QUESTION:



WHAT IS THE AMOUNT NEEDED TO REPLACE PROPERTY TAXES?



ANSWER:

THE STATE REPORTS \$1.5 BILLION PER YEAR IN THE GENERAL CATEGORY OF PROPERTY TAXES. \$340 MILLION OF THAT IS BONDED DEBT, ASSESSMENTS, AND SPECIAL TAXES THAT THIS MEASURE DOES NOT INTEND TO REPLACE.

THE AMOUNT TO BE REPLACED IS \$1.16 BILLION PER YEAR.

ACCORDING TO ND LEGISLATIVE COUNCIL

QUESTION:



IS THERE ENOUGH MONEY TO COVER THIS - ARE WE REALLY OVERSPENDING THAT MUCH?



ANSWER:

YES! EVERY WAY YOU LOOK AT IT, THE STATE IS OVERSPENDING MORE THAN \$2 BILLION PER YEAR.

SEE SEPARATE PAGE FOR EXAMPLES

QUESTION:



SO THE STATE OVERSPENDS BY \$2.5 BILLION PER YEAR, AND WE ONLY NEED \$1 BILLION PER YEAR TO REPLACE THE CURRENT PROPERTY TAX. WHERE DO WE GET THAT \$1 BILLION?



ANSWER:

THE LEGISLATURE WILL HAVE A VARIETY OF OPTIONS TO CHOOSE FROM TO FUND THE REPLACEMENT OF PROPERTY TAX.

BELOW ARE \$2B WORTH OF SUGGESTIONS FROM WHICH THEY CAN CHOOSE THE \$1B NEEDED TO REPLACE.



\$81M UNNEEDED PROPERTY TAX CREDITS



\$115M OPERATION PRAIRIE DOG



\$200M LEGACY FUND EARNINGS



\$750M PORK & CORPORATE WELFARE (SEE SEPARATE PAGE FOR EXAMPLES)



\$165M CUT NON-FEDERAL BUDGET 2.5%



\$540M LIMIT ONE-TIME SPENDING PROJECTS



\$500M ANNUAL EXCESS REVENUE THIS BIENNIUM

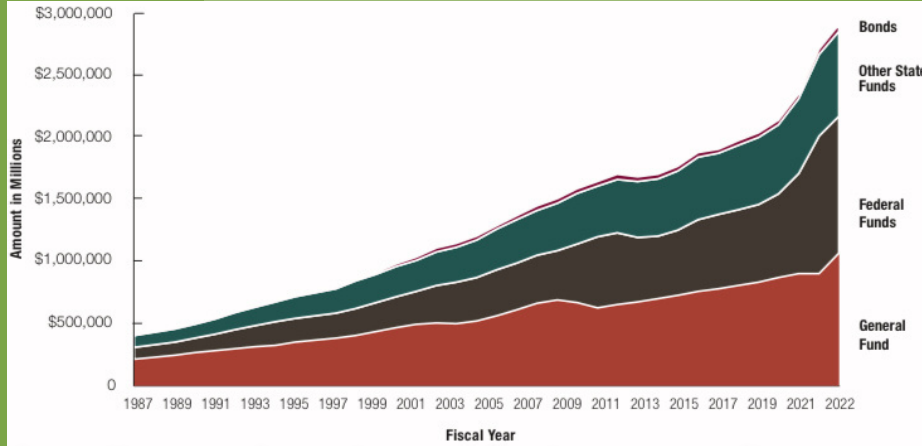
YES! THE STATE CAN AND SHOULD USE ITS EXCESS MONEY TO FINALLY PROVIDE MAJOR TAX RELIEF TO ALL NORTH DAKOTANS BY REPLACING THE PROPERTY TAX.

3 WAYS TO CALCULATE OVERSPENDING IN NORTH DAKOTA

COMPARE TO ALL OTHER STATES

Looking at state spending from 2009-2021:

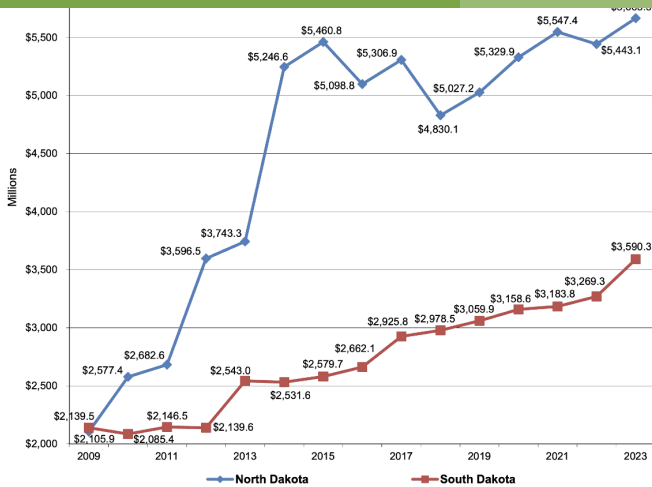
The average spending increase for all states was 61.4%, but the increase for ND was 118%. Our increase was nearly twice as much as the average of *all states*. Compared to the average increase of all other states, **ND is spending \$2.23 billion more than we should.**



<https://www.nasbo.org/reports-data/state-expenditure-report>

COMPARE TO SOUTH DAKOTA

In 2009, North and South Dakota were spending roughly **the same amount per year**. Since then, SD's spending increase is in **the top half of all states**. Despite that, ND spending has **skyrocketed**, and we are spending **\$2.7 Billion more than South Dakota in 2024.**



ADJUST FOR CPI & POPULATION

What Should We Be Spending if We Increased Our Budget Only for Inflation & Population Growth?

2010 ND Population:	672,591
2010 ND Spending:	\$4,242,150,000
Inflation (CPI) from 2010-2022:	35.7%
2022 ND Population:	779,261
2022 ND Spending:	\$8,923,350,000

Based on these numbers, our 2022 spending should have been **\$6,955,683,686**. North Dakota is **spending \$2 Billion more per year than we should.**

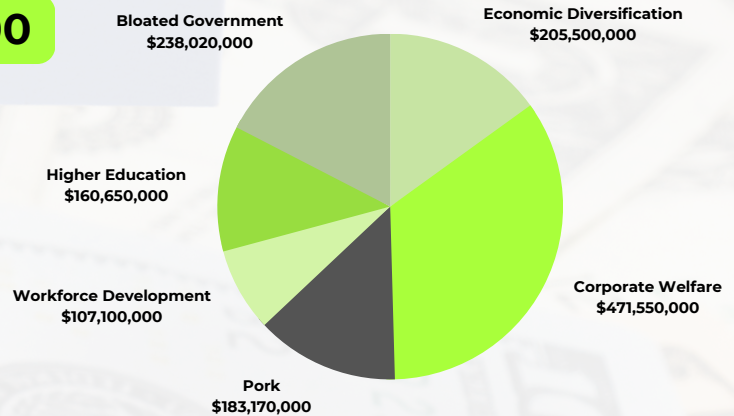
WASTEFUL SPENDING

When we pay taxes, we trust the government to use that money wisely. Frequently this doesn't happen the way it should. Our state government has been trying to do many things that sound good on paper, however, they've spent a lot of money **without getting the results** we need or expect.

State governments across the nation **repeatedly attempt** ambitious endeavors to stimulate economic diversification and create workforce development. These attempts always come with a **failure to recognize** the complexity of market forces. Elected officials seem **unable to grasp** the idea that the best way to drive new industries and young families to our state is to create the **most favorable tax environment possible**. In other words, **get the government out of the way**.

This kind of spending isn't just wasteful; it's **not fair to the hardworking people who pay taxes**. Government should be a **servant of the people**, guided by principles of **efficiency, transparency, and accountability**. When it strays into the territories of economic engineering, expansion, and favoritism, it **betrays those principles**. Below are a few examples of these misguided policies.

Total Annual Waste: \$750,000,000



Corporate Welfare	
Give money to a specific company for drone technology	\$26,000,000
Give money to a company to lease space to aerospace businesses	\$10,000,000
Give money to a specific creamery	\$250,000
Give money to a specific motion picture company	\$600,000
Give money to residential developers	\$20,500,000
Give money to energy industry players	\$140,000,000
Give money to convince people CO2 storage is a good idea	\$300,000
Repay line of credit for private energy companies	\$60,000,000
Give money to businesses that offer 4 year old preschool	\$14,400,000

Economic Diversification	
Create nonprofit corporation that gives money to new businesses	\$95,000,000
Give money to businesses that have new ideas in agriculture	\$25,000,000
Give money to businesses to create tourist attractions	\$25,000,000
Give technology-related businesses interest-free loans	\$10,000,000
Grant money to give to businesses to pay for interest on their loans	\$20,500,000

Pork	
Free money for a private company to develop a fertilizer plant	\$125,000,000
Digitize documents for the Teddy Roosevelt project	\$10,000,000
Pay off the Teddy Roosevelt loan	\$17,500,000
Grants to Prairie Public broadcasting	\$1,800,000
Self-driving tractor research at NDSU	\$19,000,000

Bloated Government	
Advertise to convince people to visit North Dakota	\$5,000,000
Create office of Legal Immigration to pay businesses to hire immigrants	\$2,500,000
Legislator raises	\$580,000
Pay businesses for developing social and emotional outcomes programs	\$2,500,000
Pay for child care for state employees	\$3,000,000
Slush fund for Department of Commerce	\$4,300,000
Let agencies keep money they didn't use, to keep trying to spend it all	\$92,750,000
Hiring an excessive number of new state employees (386 FTE)	\$18,900,000

Workforce Development	
Pay businesses to hire and train immigrants	\$2,000,000
Pay for people to get technical skills	\$2,000,000
Program to try to bring more workers into the state	\$12,000,000
Give money to businesses to bring workers in	\$12,500,000
Give more money to students to take technology courses	\$17,200,000
Give money to students in "high-needs occupations"	\$3,400,000
Pay peoples' student loans if they are "skilled workforce"	\$3,400,000
Pay for ideas to keep teachers from quitting	\$2,300,000

Higher Education	
Building projects despite 12 years of declining enrollment (\$430M)	\$215,000,000
Pay high school students to take college credit courses	\$1,500,000
Pay colleges extra money if they get donations 2 - 1	\$20,000,000