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July 30, 2026

Fargo City Commission
225 Fourth Street North
Fargo, ND 58102

Re: Receipt and Filing of Certified Copy of Amended Home Rule Charter

Dear Mayor and Commissioners:

On June 9, 2026, the electors of the City of Fargo approved, by a vote of 72.9%, an amendment to Article 3, Paragraph S of the Fargo Home Rule Charter extending the existing one percent (1%) sales, use, and gross receipts tax for infrastructure capital improvements through December 31, 2048. On June 22, 2026, the Cass County Canvassing Board certified the results of the June 9, 2026, election. As a result of the election, the Home Rule Charter was amended to reflect the approved twenty-year extension of the sales tax.

Pursuant to N.D.C.C. § 40-05.1-07, a certified copy of the amended Home Rule Charter must be filed with the North Dakota Secretary of State, after which the amendment is subject to judicial notice by the courts. The City has completed that filing, and the Secretary of State has returned a stamped copy confirming that the certified amended Home Rule Charter has been filed with that office. A copy of the certified amended Home Rule Charter stamped by the Secretary of State is enclosed with this letter.

The final administrative step is for the City Commission to receive and file the certified amended Home Rule Charter with the Office of the City Auditor as part of the City's official records. Doing so documents that all statutory requirements necessary to amend the Home Rule Charter have been completed, that the amendment is now subject to judicial notice by the courts, and that the enclosed certified copy constitutes the City's current Home Rule Charter.

SUGGESTED MOTION:

I move to receive and file the amended Home Rule Charter of the City of Fargo with the Office of the City Auditor to be part of the City's official records.

Sincerely,

Ian R. McLean
City Attorney

CERTIFICATE

RECEIVED

JUL 08 2026

STATE OF NORTH DAKOTA)

) ss.

COUNTY OF CASS)

SEC. OF STATE

I, Susan Thompson, the duly appointed City Auditor of the City of Fargo, North Dakota, do hereby certify that attached hereto is a full, true, and correct copy of the Home Rule Charter of the City of Fargo, including the amendment to Article 3, Paragraph S extending the collection period for the City's sales, gross receipts, and use tax for infrastructure capital improvements through December 31, 2048, said amendment having been approved by the voting electors of the City of Fargo at the election held on June 9, 2026, and that such amendment is now a part of the Home Rule Charter and of the permanent records of the City of Fargo, North Dakota, as such records are filed in the office of the City Auditor.

Dated this 2nd day of July, 2026.


Susan Thompson, City Auditor

FILED 7-13 2026
MICHAEL HOWE
SECRETARY OF STATE
BY DH



HOME RULE CHARTER

Article 1 - Incorporation

The inhabitants of the city of Fargo, within the corporate limits as now established or as hereafter established in the manner provided by law, shall continue to be a municipal body politic and corporate in perpetuity, under the name of "City of Fargo".

Article 2 - Governing body and mayor

- A. Subject to the limitations imposed by the constitution of the United States of America, the constitution of the state of North Dakota, state law, and this charter, all powers of the city shall be vested in the elected governing body. The elected governing body shall enact ordinances, adopt annual and long-range budgets, raise revenue, determine policies and prescribe the functions of government to be performed by the city's elected and appointed officials under the authority of this charter.
1. The Fargo city government shall operate with the commission form of government. The governing body shall consist of the mayor and four commissioners, forming the board of city commissioners. The mayor is the presiding officer of the commission and the city's chief executive officer. The mayor may participate in all respects in commission action.
 2. The mayor and all other members of the governing body shall hold office for four years and until a successor has been duly elected and qualified. To qualify after election, the governing board members shall take the following oath or affirmation, filing a signed copy of same with the city auditor.

"I do solemnly swear (or affirm) that I will support the constitution of the United States, constitution of the state of North Dakota, and the home rule charter of the city of Fargo, so help me God (if an oath) under the pains and penalties of perjury (if an affirmation)".
 3. The governing body shall by ordinance, resolution or other appropriate action take such steps as may be necessary to make effective the provisions of this home rule charter.
 4. Each member of the governing body shall act as the governing body's representative in examining and reporting on the operations and performance of the major city departments. The individual assignments will be proposed by the mayor and approved by the governing body.
 5. At the first meeting of the new governing body after each biennial election, the governing body shall elect one of its members as deputy mayor. The deputy mayor shall perform all of the duties of the office of mayor in the absence or inability of the mayor to act. If the mayor's office becomes vacant, the deputy mayor shall become the acting mayor until the vacancy is filled as provided for in this charter.
 6. The governing body shall have the sole authority to pass and adopt ordinances, rules and regulations concerning the organization, management and operation of all departments of the city and other agencies created by it for the administration of city affairs.

7. A member of the governing body may serve as a participating member on any board, commission, or other governmental units as may be determined by the governing body. Appointments to these entities shall be made by the mayor and confirmed by the governing body.
 8. The governing body shall determine the annual salaries paid to each of its members, including the mayor. The salary levels shall be determined as part of the annual budget.
 9. Each elected official before entering the duties of office shall furnish bond in the penal sum which is required by North Dakota state law.
 10. The mayor and each of the commissioners shall be elected by all the voters in the city, and shall serve four-year terms. The mayor will be elected in the regular 1986 city election and every four years thereafter. The mayor's term will start such day as is specified by city ordinance.
 11. Two city commissioners shall be elected in the 1986 city election and two in the 1988 city election. The terms shall begin on such day as is specified by city ordinance following each election and shall expire on such day as is specified by city ordinance four years thereafter.
 12. Candidates for the governing body must be qualified electors of the city of Fargo, and must have been a resident of the city for at least nine months prior to the election.
 13. Any elector desiring to become a candidate for the governing body shall file with the city auditor a statement of interest. The filing must meet the deadline required by law. Each filing shall be accompanied by a petition signed by 300 qualified electors of the city.
 14. The regular city election shall be held in every even-numbered year on the date specified by city ordinance. The governing body shall be the judge of the election and qualifications of its own members.
 15. Every resident of Fargo who is qualified to vote in North Dakota general elections is qualified to vote in Fargo city elections. The governing body shall establish all the necessary election procedures by ordinance.
 16. Members of the governing body shall be residents of the city of Fargo and shall surrender their office if such residency is terminated. No member of the governing body shall hold a position of remuneration in the employment of the city or any of its agencies or utilities.
 17. Whenever it is necessary for the more efficient supervision and direction of city affairs, the governing body may summon and compel the attendance of witnesses and the production of books and papers, including computer information, before it. The governing body may cite reluctant witnesses for contempt, and may punish contempt with the same fines and penalties as the county judge may impose for contempt of county court.
 18. Any member of the governing board may resign by filing a written resignation with the city auditor. When a vacancy occurs or whenever a resignation is submitted pursuant to section 12 of this Article, the governing body must call a special election to fill such vacancy for the unexpired term unless a city-wide election occurs within the next six months. In that case, the governing body may fill the position by appointment until the vacancy is filled by election.
 19. The governing body shall meet in regular sessions at such time as the governing body may establish. Special meetings may be called by the mayor or any two members of the governing body to consider matters listed in the call of such meeting. Written notice of any special meeting shall be given to each member of the governing body.
- B. As the elected head of the city of Fargo, the mayor shall represent or designate a representative at city functions and at meetings, conferences and negotiations relating to policy matters with other units of government and legislative bodies. The mayor shall represent the city in negotiations with individuals
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and private or public enterprises when cultural or economic improvement of the city of Fargo may be involved.

1. The mayor shall be the executive officer of the city and shall see that all the laws of the city are enforced. The mayor shall have the right to vote as a member of the board, but shall have no veto power.
2. The procedure for making appointments of members to all boards, commissions and other agencies shall be established by city ordinance.
3. The mayor shall cause to be prepared and shall present to the governing body on or before September 1 of each year, the proposed budget for the ensuing fiscal year, which starts on January 1 and ends on December 31. The budget shall be in a form as permitted by state law. The proposed budget shall include all maintenance and operating expenses, all wages and salaries, all carryover cash reserves anticipated from the current fiscal year, and all anticipated revenues from city taxes and fees and all other sources of revenue, and all debt retirement requirements.
4. The proposed budget may establish reserves for equipment replacement and other capital improvement projects.
5. The proposed budget shall include the total anticipated revenue of all city-operated utilities, and the allotment of that revenue to the city treasury, to utility operating expenses, to debt retirement, to capital improvements and to reserves.
6. The mayor in his budget message shall include all long-range plans, in place or anticipated, for major capital improvement and investment programs. The proposed budget shall contain a review of the economic, physical and social conditions and needs of the city, and its long-range plans for cultural and economic development.

(Res. of 1-5-2015, appr. 4-28-2015)

Editor's note(s)—A resolution adopted Jan. 5, 2015, proposed an amendment to remove the requirement that a city commissioner resign before becoming a candidate for the office of mayor, and was approved at a special city election held Apr. 28, 2015.

Article 3 - Powers of city

The city shall have all powers granted to municipal corporations by the constitution and the laws of this state together with all the implied powers necessary to execute such powers. In addition thereto, the city shall have the following powers, which may be implemented by ordinance:

- A. To acquire, hold, operate, and dispose of property within or without the corporate limits, and exercise the right of eminent domain for such purposes.
- B. To control its finances and fiscal affairs; to appropriate money for its purposes, and make payment of its debts and expenses; to levy and collect taxes, excises, fees, charges, and special assessments for benefits conferred, for its public and proprietary functions, activities, operations, undertakings, and improvements; to contract debts, borrow money, issue bonds, warrants, and other evidences of indebtedness; to establish charges for any city or other services, and to establish debt and mill levy limitations, provided that the mill levies ordered imposed by the governing body on taxable property subject to ad valorem taxation shall not exceed sixty-four mills without first receiving authorization from the voters. All property situated within the city limits shall be subject to ad valorem taxation by the city except that property which is specifically exempt by the constitution of North Dakota and by

ordinances of the city. The foregoing mill levy limitation shall not apply to improvements by special assessments or any mill levies necessary to provide funds for special assessment deficiencies provided that all real and personal property, in order to be subject to the assessment provisions of this subsection shall be assessed in a uniform manner as prescribed by the state board of equalization and the state supervisor of assessments.

- C. To fix the fees, number, terms, conditions, duration, and manner of issuing and revoking licenses in the exercise of its governmental police powers.
- D. To provide for city officers, agencies, and employees, their selection, terms, powers, duties, qualifications, and compensation. To provide for change, selection, or creation of its form and structure of government including its governing body, executive officer, and city officers.
- E. To provide for city courts, their jurisdiction and powers over ordinance violations, duties, administration, and the selection, qualifications, and compensation of their officers; however, the right of appeal from judgment of such courts shall not be in any way affected.
- F. Notwithstanding section 40-21-07, to provide for all matters pertaining to signature thresholds for nominating petitions for candidates for city offices.
- G. To provide for the adoption, amendment, and repeal of ordinances, resolutions, and regulations to carry out its governmental and proprietary powers and to provide for public health, safety, morals, and welfare, and penalties for a violation thereof.
- H. To lay out or vacate streets, alleys, and public grounds, and to provide for the use, operation, and regulation thereof.
- I. To define offenses against private persons and property and the public health, safety, morals, and welfare, and provide penalties for violations thereof.
- J. To engage in any utility, business, or enterprise permitted by the constitution or not prohibited by statute or to grant and regulate franchises therefor to a private person, firm, or corporation.
- K. To provide for zoning, planning, and subdivision of public or private property within the city limits; to provide for such zoning, planning, and subdivision of public or private property outside the city limits as may be permitted by state law.
- L. To levy and collect franchise and license taxes for revenue purposes.
- M. To exercise in the conduct of its affairs all powers usually exercised by a corporation.
- N. To fix the boundary limits of the city and the annexation and de-annexation of territory adjacent to the city except that such power shall be subject to, and shall conform with the state law made and provided.
- O. To contract with and receive grants from any other governmental entity or agency, with respect to any local, state, or federal program, project, or works.
- P. To impose a retail sales and/or use tax subject to the following limitations:
 - 1. Sales and uses taxed shall be limited to those which are taxed by the State of North Dakota pursuant to Chapters 57-39.2 and 57-40.2 of the North Dakota Century Code.
 - 2. The amount of the tax shall not exceed one-half of one percent of the gross receipts and purchases which are taxed by the State of North Dakota pursuant to Chapters 57-39.2 and 57-40.2, of the North Dakota Century Code, nor shall the tax exceed twelve and 50/100 dollars on any single purchase; provided, that a higher rate of tax may be imposed and collected on sales and uses of less than one dollar and on sales and uses of fractional dollar amounts and the bracket system for the application of the state sales tax set forth in Section 57-39.2-08.2 of the North Dakota Century Code shall be adjusted to incorporate the additional city tax. The retail

sales and use tax imposed shall be computed and collected in the same manner provided by law for the collection of the state and use tax.

3. A sales and/or use tax which is imposed pursuant to the authority granted herein shall extend for a period of twenty years from and after January 1, 1989, and end on December 31, 2008.
4. Proceeds of a sales and/or use tax which is imposed pursuant to the authority granted herein shall be utilized for the construction, maintenance, and operation of a multi-purpose dome facility and, with the concurrence of the Board of City Commissioners, functionally related and subordinate facilities, all to be located on or adjacent to the NDSU campus to be used as a center for conventions and/or conferences, musical activities, sports activities, and such other convention, cultural and sports functions as the dome authority, hereinafter created, may deem appropriate. Proceeds from such tax may be used to make direct payment of the costs for such construction, maintenance and operation or may be pledged to amortize bonds or other debt instruments which may be sold to finance such costs. From January 1, 1996, through December 31, 2001, such proceeds shall be divided into three separate funds which shall be maintained and utilized as follows:
 - (a) Construction, maintenance and operation fund — this fund shall consist of a portion of the total proceeds collected in each calendar year to be used for construction, maintenance and operation of the dome and related facilities. The amount placed into this fund shall be the greater of; (1) the amount needed to pay the principal and interest on any bonds which may have been sold to finance construction costs of the dome and/or related facilities, plus annual installments of special assessments levied against the dome premises or, (2) 75% of the total proceeds collected in the calendar year.
 - (b) Escrow fund — the remaining annual proceeds, up to a maximum of \$250,000 per year, together with interest earnings thereon, shall be placed in an escrow account to be retained as a reserve for capital improvements, maintenance and operation of the dome and related facilities. This fund may be utilized only if the funds described in (a) above are insufficient for such payments.
 - (c) Street improvement fund — the remainder of annual proceeds collected shall be placed in a fund to be used by the Board of City Commissioners for street improvements in the City of Fargo.
 - (d) The Board of City Commissioners may, upon formal request of the dome authority and if circumstances so require, redirect funds from the street improvement fund established under (c) above to the dome authority for its use under (a) above.

Provided, that from and after December 31, 2001, until termination of the tax on December 31, 2008, all of the annual funds collected shall be utilized for construction, maintenance and operation of the dome and related facilities with any excess added to the escrow fund to provide for future capital improvements, maintenance and dome operation; and provided further, that after January 1, 2010, any funds remaining in the escrow fund shall be held as a segregated fund which, together with the interest earnings thereon shall be utilized by the dome authority for the construction, operation and maintenance of the dome and related facilities.

5. (a) The construction, maintenance, and operation of the facility shall be under the control of a dome authority, consisting of seven members appointed for staggered four-year terms by the board of city commissioners as follows:
 - One member from a list of nominees provided by the Board of Education of the city of Fargo (the initial appointee shall serve a two-year term, and subsequent appointees a four-year term);

- one member from a list of nominees provided by the Board of Park Commissioners of the city of Fargo (the initial appointee shall serve a two-year term and subsequent appointees a four-year term);
- One member from a list of nominees provided by the Board of County Commissioners of Cass County, North Dakota (the initial appointee to serve a two-year term and subsequent appointees a four-year term);
- Two members from a list of nominees provided by the President of North Dakota State University (the initial appointees shall serve a three-year term and subsequent appointees a four-year term);
- Two members who must be residents of the city of Fargo (to serve four-year terms).

(b) The members of the authority shall select from among themselves a president, vice president, secretary, and treasurer to serve one-year terms of office.

Q. To impose a retail sales and/or use tax subject to the following limitations:

1. Sales and uses taxed shall be limited to those which are taxed by the State of North Dakota pursuant to Chapters 57-39.2 and 57-40.2 of the North Dakota Century Code.
2. The amount of tax shall not exceed one-half of one percent of the gross receipts and purchases which are taxed by the State of North Dakota pursuant to Chapters 57-39.2 and 57-40.2 of the North Dakota Century Code, nor shall the tax exceed twelve and 50/100 dollars on any single purchase; provided, that a higher rate of tax may be imposed and collected on sales and uses of less than one dollar and on sales and uses of fractional dollar amounts and the bracket system for the application of the state sales tax set forth in Section 57-39.2-08.2 of the North Dakota Century Code shall be adjusted to incorporate the additional city tax. The retail sales and use tax imposed shall be computed and collected in the same manner provided by law for the collection of the state sales and use tax.
3. A sales and/or use tax which is imposed pursuant to the authority granted herein shall extend for a period of twenty years from and after July 1, 1992, and end on June 30, 2012.
4. One-half of the proceeds of a sales and/or use tax which is imposed pursuant to the authority granted herein shall be utilized for street improvements, one-half of the proceeds of such tax shall be utilized for construction of a water treatment plant, and a portion of the interest earnings on such proceeds may be utilized for other capital improvements. Proceeds from such tax may be used to make direct payment for such street improvements, water plant construction or other capital improvements, or may be pledged to amortize bonds or other debt instruments which may be sold to finance such costs.
5. Revenues raised and collected pursuant to authority granted herein, less administrative expenses, and interest earnings on such revenues, shall be deposited in three separate funds, to be established and utilized as follows:
 - a. Fargo Street Improvement Funding - one-half of the proceeds of such tax shall be placed in this fund to be utilized as follows:
 - i. To pay all special assessments imposed pursuant to S.I.D. 3962 for the North Broadway Bridge which have not been certified for collection as of July 1, 1992.
 - ii. To pay all special assessments imposed pursuant to S.I.D. 4097 for the interchange at 25th Street South and Interstate Highway 94 which have not been certified for collection as of July 1, 1992.

- iii. To pay all special assessments imposed pursuant to S.I.D. 4152 for the improvement of 45th Street South from Interstate 94 to 11th Avenue South which have not been certified for collection as of July 1, 1992.
 - iv. To pay all or any portion of the city's share of the cost of construction of urban aid street improvement projects which are funded in part by state and/or federal funds.
 - v. To pay all or any portion of the city's share of the cost of construction of arterial streets which are constructed with no federal and/or state funds. The city's share of such construction costs shall be the additional costs required to construct such streets because of the additional width or thickness necessitated by such street's designation as an arterial.
 - b. Fargo Water Treatment Plant Fund - one-half of the proceeds of such tax shall be placed in this fund and such proceeds plus any interest income therefrom, shall be utilized for construction costs of the Fargo Water Treatment Plant.
 - c. Capital Improvement Fund - all of the interest earnings from the Fargo Street Improvement Fund shall be placed in this fund to be utilized for such capital improvements as the governing body of the city may select. Transfer of such earnings to this fund shall be quarterly or more frequently, if directed by the governing body of the city.
 - d. Commencing July 1, 2002, and continuing until June 30, 2012, the sales and/or use tax imposed shall be utilized for such infrastructure capital improvements as the governing body of the city may select including streets and traffic management; water supply and distribution needs; and flood mitigation projects.
- R. To impose a retail sales and/or use tax subject to the following limitations:
- 1. Sales and uses taxed shall be limited to those which are taxed by the State of North Dakota pursuant to Chapters 57-39.2 and 57-40.2 of the North Dakota Century Code.
 - 2. The amount of tax shall not exceed one-half of one percent of the gross receipts and purchases which are taxed by the State of North Dakota pursuant to Chapters 57-39.2 and 57-40.2 of the North Dakota Century Code, nor shall the tax exceed twelve and 50/100 dollars on any single purchase; provided, that a higher rate of tax may be imposed and collected on sales and uses of less than one dollar and on sales and uses of fractional dollar amounts and the bracket system for the application of the state sales tax set forth in Section 57-39.2-08.2 of the North Dakota Century Code shall be adjusted to incorporate the additional city tax. The retail sales and use tax imposed shall be computed and collected in the same manner provided by law for the collection of the state sales and use tax.
 - 3. A sales and/or use tax which is imposed pursuant to the authority granted herein shall extend for a period of eighteen months from and after January 1, 2005, and end on June 30, 2006.
 - 4. Proceeds of a sales and/or use tax which is imposed pursuant to the authority granted herein shall be utilized for the construction, improvement, maintenance and operation of the Public Library and library expansion pursuant to an adopted library facility plan. This will include construction of a new 45,000 square foot library facility in the downtown Fargo area, and the acquisition (either conversion or new construction) of a facility in south Fargo for a branch library. Any funds remaining after completion of the library facility projects will be placed in a special escrow fund to support future library operations or expansion needs.
- S. To impose a retail sales, gross receipts and use tax subject to the following limitations:

1. Sales, gross receipts and uses taxed shall be limited to those which are taxed by the State of North Dakota pursuant to Chapters 57-39.2, 57-39.5, 57-39.6 and 57-40.2 of the North Dakota Century Code.
 2. The amount of tax shall not exceed one percent of the gross receipts and purchases which are taxed by the State of North Dakota pursuant to Chapters 57-39.2, 57-39.5, 57-39.6 and 57-40.2 of the North Dakota Century Code, nor shall the tax exceed twenty-five and 00/100 dollars on any single purchase, subject to Section 57-01-02.1 of the North Dakota Century Code; and subject to collection as in Section 57-39.2-08.2 of the North Dakota Century Code. The retail sales, gross receipts and use tax imposed shall be computed and collected in the same manner provided by law for the collection of the state sales, gross receipts and use tax.
 3. A sales, gross receipts and use tax, which is imposed pursuant to the authority granted herein, shall extend for a period of twenty years from and after January 1, 2009, and end on December 31, 2048.
 4. The proceeds of a sales, gross receipts and use tax which is imposed pursuant to the authority granted herein shall be utilized for such infrastructure capital improvements as the governing body of the city may select. Infrastructure capital improvements shall mean expenditures for streets and traffic management; water supply and treatment needs including construction or expansion of water treatment facilities; water distribution system needs; sewerage treatment and collection system needs, including construction or expansion of sewage treatment facilities, and flood protection projects. Interest earnings on such proceeds may be utilized for other such capital improvements. Proceeds from such tax may be used to make direct payment for such infrastructure improvements or may be pledged to amortize bonds or other debt instruments which may be sold to finance such costs.
 5. Revenues raised and collected pursuant to authority granted herein, less administrative expenses, and interest earnings on such revenues, shall be deposited in a separate infrastructure fund to be established, and shall be utilized as directed by the governing body of the city for the purposes set forth herein.
- T. To impose a retail sales, gross receipts and use tax subject to the following limitations:
1. Sales, gross receipts and uses taxed shall be limited to those which are taxed by the State of North Dakota pursuant to Chapters 57-39.2, 57-39.4, 57-39.5, 57-39.6 and 57-40.2 of the North Dakota Century Code.
 2. The amount of tax shall not exceed one-half of one percent (1/2%) of the gross receipts and purchases which are taxed by the State of North Dakota pursuant to Chapters 57-39.2, 57-39.4, 57-39.5, 57-39.6 and 57-40.2 of the North Dakota Century Code, nor shall the tax exceed twelve and 50/100 dollars (\$12.50) on any single purchase, subject to Section 57-01-02.1 of the North Dakota Century Code; and subject to collection as in Section 57-39.2-08.2 of the North Dakota Century Code. The retail sales, gross receipts and use tax imposed shall be computed and collected in the same manner provided by law for the collection of the state sales, gross receipts and use tax.
 3. A sales, gross receipts and use tax, which is imposed pursuant to the authority granted herein, shall extend from and after January 1, 2010, and end on December 31, 2084. Notwithstanding the foregoing, once the governing body of the city determines, by majority vote of its members, that all the costs for the Metro Flood Diversion Project including all availability payments have been paid or are otherwise provided and once all debt and all other contractual obligations related to the financing of said costs have been retired, or the payment for which has been otherwise sufficiently provided and arranged, the governing body may direct the state tax commissioner to cease collecting said tax.

4. The proceeds of a sales, gross receipts and use tax, which is imposed pursuant to the authority granted herein, shall be utilized for such flood risk mitigation and reduction, and related improvements and activities, as the governing body of the city may select. Flood risk mitigation and reduction, and related improvements and activities, shall mean expenditures to reduce or mitigate the risk to the city from flood events, to provide protection from such flood events, including without limitation the providing for retention of water. Such expenditures may be used to acquire property; enter into agreements; make, install, construct or build improvements and engage in projects and activities as are necessary and appropriate for such purposes. The stated goal shall be to reduce the risk to the city to the level of a 500-year flood event. Interest earnings on such proceeds may also be utilized for such purposes. Proceeds from such tax may be used to make direct payment for such purposes or may be pledged to amortize bonds or other debt instruments which may be sold to finance such costs.
 5. Revenues raised and collected pursuant to authority granted herein, less administrative expenses, shall be deposited in a separate flood risk mitigation fund to be established, and shall be utilized as directed by the governing body of the city for the purposes set forth herein. Further, sales tax revenues may be used to reduce special assessments, may be pledged to pay bonds, notes or other obligations established for the financing of eligible project costs and may be used to pay or to secure any obligations incurred through one or more intergovernmental agreements with other political subdivisions and joint powers entities for the purpose of financing the cost of such eligible expenditures, including the Metro Flood Diversion Project, and may be pledged for the repayment of the bonds issued by the city that are payable solely from such revenues.
- U. To impose a retail sales, gross receipts and use tax subject to the following limitations:
1. Sales, gross receipts and uses taxed shall be limited to those which are taxed by the State of North Dakota pursuant to Chapters 57-39.2, 57-39.4, 57-39.5, 57-39.6 and 57-40.2 of the North Dakota Century Code.
 2. The amount of tax shall not exceed one-half of one percent (1/2%) of the gross receipts and purchases which are taxed by the State of North Dakota pursuant to Chapters 57-39.2, 57-39.4, 57-39.5, 57-39.6 and 57-40.2 of the North Dakota Century Code, nor shall the tax exceed twelve and 50/100 dollars (\$12.50) on any single purchase, subject to Section 57-01-02.1 of the North Dakota Century Code; and subject to collection as in Section 57-39.2-08.2 of the North Dakota Century Code. The retail sales, gross receipts and use tax imposed shall be computed and collected in the same manner provided by law for the collection of the state sales, gross receipts and use tax.
 3. A sales, gross receipts and use tax which is imposed pursuant to the authority granted herein shall extend from and after January 1, 2013, and end on December 31, 2084. Notwithstanding the foregoing, once the governing body of the city determines, by majority vote of its members, that all the costs for the Metro Flood Diversion Project including all availability payments have been paid or are otherwise provided and once all debt and all other contractual obligations related to the financing of said costs have been retired. or the payment for which has been otherwise sufficiently provided and arranged, the governing body may direct the state tax commissioner to cease collecting said tax.
 4. (a) The proceeds of a sales, gross receipts and use tax, which is imposed pursuant to the authority granted herein, shall be utilized for such infrastructure capital improvements as the governing body of the city may select; provided, however, that commencing January 1, 2017, said tax proceeds will only be utilized for flood risk mitigation and reduction, and related improvements and activities, as set forth in subparagraph (b), below, and for paying obligations on infrastructure capital improvements that existed prior to January 1, 2017. Infrastructure capital improvements shall mean expenditures for streets and traffic management; water supply and

treatment needs including construction or expansion of water treatment facilities; water distribution system needs; sewerage treatment and collection system needs, including construction or expansion of sewage treatment facilities, and flood protection or flood risk mitigation projects, and related improvements and activities. Flood risk protection or flood risk mitigation projects, and related improvements and activities, shall mean expenditures to reduce or mitigate the risk to the city from flood events, to provide protection from such flood events, including without limitation the providing for retention of water. Such expenditures may be used to acquire property; enter into agreements; make, install, construct or build improvements and engage in projects and activities as are necessary and appropriate for such purposes. Interest earnings on such proceeds may be utilized for other such capital improvements. Proceeds from such tax may be used to make direct payment for such infrastructure improvements or may be pledged to amortize bonds or other debt instruments which may be sold to finance such costs.

(b) From and after January 1, 2017, the proceeds of a sales, gross receipts and use tax, which is imposed pursuant to the authority granted herein, shall be utilized for such flood risk mitigation and reduction, and related improvements and activities, as the governing body of the city may select. Flood risk mitigation and reduction, and related improvements and activities, shall mean expenditures to reduce or mitigate the risk to the city from flood events, to provide protection from such flood events, including without limitation the providing for retention of water. Such expenditures may be used to acquire property; enter into agreements; make, install, construct or build improvements and engage in projects and activities as are necessary and appropriate for such purposes. The stated goal shall be to reduce the risk to the city to the level of a 500-year flood event. Interest earnings on such proceeds may also be utilized for such purposes. Proceeds from such tax may be used to make direct payment for such purposes or may be pledged to amortize bonds or other debt instruments which may be sold to finance such costs.

5. Revenues raised and collected pursuant to authority granted herein, less administrative expenses, and interest earnings on such revenues, shall be deposited in a separate infrastructure fund to be established, and shall be utilized as directed by the governing body of the city for the purposes set forth herein. Further, sales tax revenues may be used to reduce special assessments, may be pledged to pay bonds, notes or other obligations established for the financing of eligible project costs and may be used to pay or to secure any obligations incurred through one or more intergovernmental agreements with other political subdivisions and joint powers entities for the purpose of financing the cost of such eligible expenditures, including the Metro Flood Diversion Project, and may be pledged for the repayment of the bonds issued by the city that are payable solely from such revenues.

V. To impose a city lodging tax of three percent (3%) in addition to the existing three percent (3%) city lodging tax, subject to the following limitations:

1. Said lodging tax is hereby imposed upon gross receipts as defined herein, which tax shall be computed on a monthly basis by each and every hotel, motel, or other accommodations located within the corporate limits of the city of Fargo. Said tax must be in addition to the state sales tax on rental accommodations provided in chapter 57-39.2, N.D.C.C.
2. The lodging tax hereby imposed shall be computed by every retailer and paid to the city of Fargo. Such computation shall be on a monthly basis and payment for each month shall be made to the city on or before the 10th day of the following month. The payment shall be accompanied by a report indicating the amount of gross receipts for the reporting period and shall be certified by a certified public accountant or by the retailer, or managing officer thereof. The city may retain up to three percent (3%) of the total amount collected for administrative costs.

3. A lodging tax which is imposed pursuant to the authority granted herein shall extend for a period not exceeding twenty-five (25) years, said period to be established by the implementing ordinance. The collection of said lodging tax shall not be commenced until the governing body of the city has identified a specific project, based on the requirements in subsection 4 below. If no project is identified and collection of the tax not implemented by December 31, 2028, authorization of the tax shall expire.
4. The lodging taxes collected pursuant hereto, less costs of administration as provided herein, which is imposed pursuant to the authority granted herein shall be utilized for costs associated with construction of a conference center, at a location within the city of Fargo to be determined through a request for proposal process to be established by the governing body of the city, and with ongoing capital projects, maintenance, operation and functionally-related facilities (the "Projects"), said proceeds to be placed initially in an improvement capital construction fund of the city of Fargo which, together with interest and other authorized investment earnings, shall be utilized by the city of Fargo for such purposes. Proceeds from the tax may be used to make direct payments of the costs of such construction, maintenance, and operation or may be pledged, applied, or directed to amortize bonds or other obligations which may be sold to finance such costs. Interest earnings, earnings from authorized investments, or both such interest and investment earnings, on such proceeds may also be utilized for such purposes. Any funds remaining after completion of the construction of the conference center and payment of related obligations will be placed in a special escrow fund which, together with interest earnings and investment earnings, shall be utilized by the designated operating authority, with the concurrence of the governing body of the city, to provide for future capital improvements, maintenance, and operation of the conference center.

All proceeds of a lodging tax which is imposed pursuant to the authority granted herein shall be utilized for the purposes authorized herein as the governing body of the city may select.

The commencement of the lodging tax, including the commencement and duration of collection thereof, along with any other matters related to the Projects as deemed necessary or appropriate shall be established by the implementing ordinance.

5. The three percent (3%) lodging tax authorized hereby shall be imposed and collected in addition to an existing three percent (3%) city of Fargo lodging tax set forth in Article 3-13 of the Fargo Municipal Code, said existing tax having been (a) initially imposed by city ordinance as a two percent lodging tax (city of Fargo Ord. No. 2014 (June 1981)) under city home rule authority at a time when North Dakota non-home-rule cities were empowered by state statute to enact lodging taxes using state statutory authority (N.D.S.L. Ch. 429 (1981), Sec. 1-4) and, therefore by exclusion, the city of Fargo and other home rule charter cities could utilize home rule city powers to enact lodging taxes, and (b) subsequently expanded the existing three percent lodging tax (City of Fargo Ord No. 2595 (1991)) also by said home rule authority.
- W. To impose a retail sales, use, and gross receipts tax subject to the following limitations:
1. Sales, use, and gross receipts taxed shall be limited to those which are taxed by the State of North Dakota pursuant to Chapters 57-39.2, 57-39.5, 57-39.6 and 57-40.2 of the North Dakota Century Code.
 2. The amount of the tax shall not exceed a quarter of one percent (0.25%) of the gross receipts and purchases which are taxed by the State of North Dakota pursuant to Chapters 57-39.2 and 57-40.2 of the North Dakota Century Code. Any patron or user paying said tax in excess of six and 25/100ths dollars (\$6.25) on any single transaction of one or more items may obtain a credit or refund of the excess tax at the time of purchase from the vendor or request a refund of the excess tax payment by filing a request for refund, as provided by the North Dakota Century Code, upon forms provided by the North Dakota State Tax Commissioner. The tax imposed shall be

computed and collected in the same manner provided by law for the collection of the state sales, gross receipts and use tax as provided in Chapters 57-39.2, 57-39.5, 57-39.6 and 57-40.2 of the North Dakota Century Code. All references to the North Dakota Century Code include amendments adopted by the North Dakota Legislative Assembly.

3. A sales, use and gross receipts tax which is imposed pursuant to the authority granted herein shall extend for a period not exceeding twenty (20) years, said period to be established by the implementing ordinance.
4. Proceeds of a sales, use and gross receipts tax which is imposed pursuant to the authority granted herein shall be utilized exclusively for costs associated with fire and police operations, fire and police equipment and fire and police buildings, said proceeds to be placed initially in a Fire and Police Operations, Equipment, and Buildings Fund of the City of Fargo which, together with interest and other authorized investment earnings, shall be utilized by the City of Fargo for such purposes. Proceeds from such tax may be used to make direct payment of the costs for such operations, equipment and buildings. Interest earnings, earnings from authorized investments, or both such interest and investment earnings, on such proceeds may also be utilized for such purposes. All such proceeds of a sales, use and gross receipts tax which is imposed pursuant to the authority granted herein shall be utilized for the purposes authorized herein as the governing body of the city may select.

The enumeration of particular powers by this charter shall not be deemed to be exclusive, and in addition to the powers enumerated herein or implied hereby, or appropriate to the exercise of such powers, it is intended that the city shall have and may exercise all powers which under the constitution of this state, it would be competent for this charter specifically to enumerate. References to provisions of the North Dakota Century Code include any amendments thereto that may be adopted by the North Dakota Legislative Assembly.

(Res. of 8-19-2024, appr. 11-5-2024)

Editor's note(s)—A resolution adopted Aug. 15, 2016, proposed an amendment to extend collection periods for sales, gross receipts and use taxes related to public infrastructure, including flood protection, and was approved at a general election Nov. 8, 2016. A resolution adopted Aug. 5, 2024, proposed an amendment to create a three percent city-wide lodging tax related to the creation of a conference center, and was approved at a general election Nov. 5, 2024. A resolution adopted Aug. 19, 2024, proposed an amendment to create a quarter of a cent sales tax for police and fire operations, equipment and buildings, and was approved at a general election Nov. 5, 2024.

Article 4 - Initiative and Referendum

The electors of the city of Fargo reserve to themselves the right to initiate ordinances that comply with the powers vested in the city. If the governing body refuses to enact an initiated ordinance, as provided in this charter, the proposal shall be submitted to the voters for approval or rejection.

The electors also reserve the right to refer an ordinance enacted by the governing body. If the governing body fails to repeal the referred ordinance, the ordinance will be suspended until the voters approve or reject the ordinance.

The rights of initiative and referendum are secured to the people of Fargo, no matter what form of government is provided by the Fargo home rule charter or state law.

- A. Requirements for petitions for initiative, referendum and charter amendments are the same. The petitions must identify by name and voting address three members of the petitioners' committee responsible for circulating and filing the petitions. The petitions must include the full text of the ordinance or charter amendment being initiated, or the ordinance being referred. The number of valid

petition signers must equal or exceed 15% of the number of voters who voted for mayor in the most recent city election at which that office was filled. The petitions must show the date of signing, signature of the elector, and his/her voting address. The circulator of each petition shall sign an affidavit on the petition affirming that he/she witnessed the signing of all names on the petition and believes that the signers are qualified electors.

- B. The city auditor or city official designated by the governing body shall determine the validity and sufficiency of the signatures. If he finds irregularities, he shall notify the sponsor's committee and allow ten days for correction. The city official shall notify the governing body of his decision and certify the petitions as valid to the governing body when they meet the criteria set forth in this charter.
- C. If the petitions for an initiated ordinance are sufficient and valid, the proposed ordinance shall be submitted to the governing body. The governing body may enact the ordinance without change or submit the initiated ordinance to the voters for approval or rejection. If the measure is not enacted within 21 days after the petitions are certified as valid and sufficient, the ordinance shall be put up for approval or disapproval by the voters. The election may be held no sooner than 60 days after the petitions are ruled valid.
- D. Petitions to refer an ordinance must be filed within ten days of the effective date of the ordinance. If the designated city official finds the petitions valid and sufficient, the referred ordinance shall be suspended. The ten days allowed for correction of petition irregularities shall not be used to add names and signers to the petition. The annual city budget ordinance is exempt from the referendum process. The governing body may either repeal a referred ordinance or submit the ordinance to the voters at the next city-wide election occurring 60 days after the petitions are ruled valid. Referendum petitions may be filed against individual sections and subsections of an ordinance; if so, the remainder of the ordinance remains in effect.
- E. The question for both initiated and referred ordinances on the election ballot shall be: "Shall this ordinance be approved?" If there is a majority of "Yes" votes, the ordinance is enacted and becomes effective ten days after the election results are certified. If the "No" votes are in majority, the ordinance is rejected.
- F. Initiated or referred ordinances proposed by a Petition and adopted by a vote of the voters cannot be repealed or amended except by a vote of the voters so long as the City of Fargo remains under the commission system of government. This article is self-executing and all of its provisions are mandatory. Ordinances may be enacted to facilitate and safeguard, but not to hamper, restrict or impair these powers.

Article 5 - Amendment or repeal of charter

This Fargo Home Rule Charter may be amended or repealed only by a majority of the electorate voting on charter proposals submitted to them.

- A. Proposals to amend or repeal the Fargo Home Rule Charter may be submitted to the voters by adoption of a resolution approved by a majority of all members of the governing body. The proposed amendment shall be published in the official newspaper of the city at least 60 days prior to the election at which the matter will be decided.
- B. Fargo citizens also reserve to themselves the right to amend or repeal this home rule charter by the initiative process. Petitions for such purpose must conform to the rules prescribed in this charter on initiative and referendum of ordinances.
- C. The complete amendment must be printed on the petitions. When petitions to amend or repeal are certified as valid, a proposal must be submitted to the voters at the next city-wide election occurring at

least 60 days after publication of the petition in the official newspaper of the city. The ballot question shall be "Shall such amendment be approved?" If there is a majority of "Yes" votes of those voting on the matter, the charter amendment becomes effective ten days after the election results are certified.

- D. If either the governing body or an initiative petition seeks to repeal the Fargo Home Rule Charter, the ballot proposal must establish the form of government which would replace the system established by this charter.

Article 6 - Boundaries

The boundaries of the city shall be the boundaries as established at the time this charter takes effect, or as such boundaries may be changed thereafter in the manner authorized by law.

Article 7 - Publicity of records

All public records and accounts of every office, department or agency of the city shall be open to inspection by any citizen, any representative of a citizens' organization or any representative of the press, radio, television and other news media at all reasonable times and under reasonable regulations established by the governing body.

Article 8 - Separability

If any section or part of section of this charter shall be held invalid by a court of competent jurisdiction, such holding shall not affect the remainder of this charter, except to the extent that an entire section or part of section may be inseparably connected in meaning and effect with the section or part of section to which such holding shall directly apply.

Article 9 - Plenary and implied powers of the governing body

The governing body shall have plenary power to enact and make all proper and necessary ordinances, resolutions and orders to carry out and give effect to the express and implied powers granted in this charter to the end that a complete, harmonious and effective municipal government may be initiated, installed, operated, and maintained in the city, and thereby protect and safeguard the rights, interests, safety, morality, health and welfare of the city and its inhabitants.

Article 10 - Succession in government

- A. Rights of officers and employees preserved

Except as otherwise specifically provided, this charter shall not affect or impair the rights or privileges of officers or employees of the city, or any office, department or agency thereof, existing at the time this charter shall take effect. Any provision of law in force at the time this charter shall take effect,

which provision of law is not inconsistent herewith, shall remain in full force and effect as respects qualifications of personnel, appointment, removal, pension and retirement rights, civil rights, or any other rights or privileges of officers or employees of the city or any office, department or agency thereof.

B. Continuance of present officers

All persons holding executive and administrative office at the time this charter takes effect shall continue in office and shall continue the performance of their duties until provisions shall have been made in accordance therewith for the performance of such duties or the discontinuance of such office.

C. Continuance of present offices, departments or agencies

Any office, department, or agency, heretofore existing, shall continue to exercise powers and duties the same as were heretofore exercised and shall have the power to continue any business proceedings or other matters within the scope of its regular powers and duties until such office, department or agency shall be charged or abolished by the governing body. The powers conferred and the duties imposed upon any office, department or agency of the city by the laws of this state shall, if such office, department or agency be abolished by this charter or under its authority, be thereafter exercised and discharged by the office, department or agency designated by the governing body.

D. Continuance of appointive boards, authorities and commissions

All appointive boards, authorities and commissions, heretofore existing shall continue and shall exercise such powers and duties as were granted them until such boards, authorities, and commissions and the powers thereof shall be changed or abolished by the governing body.

E. Continuance of contracts

All contracts entered into by the city, or for its benefit, prior to the taking effect of this charter, shall continue in full force and effect.

F. Pending actions and proceedings

The adoption of this charter shall not abate or otherwise affect any action or proceeding civil or criminal, pending when it takes full effect, brought by or against the city or any office, department, agency or officer thereof.

G. Ordinances and statutes to remain in force

All ordinances, resolutions and regulations of the city together with state statutes applicable to municipalities which are in force at the time this charter takes effect, and not inconsistent with the provisions thereof, are hereby continued in force until such ordinances, resolutions and regulations of the city are duly amended or repealed and until ordinances are enacted providing procedures replacing those previously required by state statute.

H. Inauguration of government under this charter

If a majority of the qualified electors of the city voting on the question vote to ratify this charter, the provisions of this charter shall go into effect upon the filing of the charter by the governing body with the secretary of state, the clerk of the District Court for Cass County, and the office of the city auditor, within ninety days.

Initiated amendments

Amendment #1 - No city-wide special assessment district shall be established unless the question of establishing such a district has been submitted to a vote of the qualified electors of Fargo and has been approved by sixty percent of such electors voting on such question.

Amendment #2 - No city sales and/or use tax shall be imposed unless the question of imposing such a sales and/or use tax has been submitted to a vote of the qualified electors of the City of Fargo, North Dakota, and has been approved by sixty (60) percent of such electors voting on such question.