

TAXATION

CHAPTER 236

H. B. No. 304—(Bieloh)

ASSESSMENT OF CAR LINE, EXPRESS, AND AIR TRANSPORTATION COMPANIES

An Act to provide for the assessment of Car Line Companies, Express Companies, and Air Transportation Companies. Providing for the allocation of the tax to the State of North Dakota; and repealing all Acts and parts of Acts in conflict herewith and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. All of the provisions of Chapter 291, Laws of 1931, are hereby made applicable in so far as the same may be consistent with the provisions of this Act, to the assessment of Car Line Companies, Express Companies, and Air Transportation Companies subject to the provisions as follows:

(a) The State Tax Commissioner shall, after all of the provisions of said Chapter 291, Laws of 1931, have been complied with as to tentative valuation hearing and assessment by and before the State Board of Equalization, figure a tax upon that part of the valuation thus determined, as by law provided in the assessment of other utilities. Said taxes shall be computed by applying to said taxable valuation the average millage rate, obtained by dividing the total taxable valuation of all property within the State for the last preceding year, into the total of all State and local taxes assessed within the State on a millage basis for said last preceding year.

(b) On or before the 1st day of December in each year the Tax Commissioner shall file with the State Treasurer a certified list of all companies assessed under the provisions of this Act, together with the valuations and taxes assessed in each case. Such tax shall fall due upon the 31st day of December next following the date of certification, and shall become delinquent on March 1st.

(c) All of the provisions of the law respecting interest rates and penalties upon and the collection of delinquent personal property assessments generally, shall be equally applicable to the assessments herein provided.

(d) The taxes herein provided for shall be credited to the General Fund of the State for use in defraying the expense of State Government.

§ 2. All Acts or parts of Acts in conflict herewith are hereby repealed.

§ 3. An emergency is hereby declared to exist and this Act shall become effective immediately upon its passage and approval.

Approved March 6, 1937.

CHAPTER 237

H. B. No. 118—(Graham and Niewoehner)

ASSESSMENT OF CERTAIN OMITTED PROPERTY

An Act to provide for additional and supplemental assessments on omitted property for benefits for improvements established, constructed and maintained pursuant to Section 8320A1 to Section 8320A4 inclusive, of the Supplement to the Compiled Laws of 1913, and repealing all Acts and parts of Acts in conflict herewith.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. That in all cases where improvements have heretofore, or which may hereafter be established, constructed or maintained pursuant to the provisions of Section 8320A1 to 8320A4 inclusive, of the Supplement to the Compiled Laws of 1913, relating to Flood Irrigation Projects, such Board of Flood Irrigation shall, even after the benefits therefor have been assessed, have the power, either upon its own motion or upon the request of any interested property owner within said improvement district, and after said improvement has been established and constructed, to examine into and determine whether or not any property located within said improvement district has not been assessed for benefits, and if such Board shall find and determine that such property has not been assessed for benefits and has in fact benefited by the establishment, construction and maintenance of such improvements, such Board shall proceed to assess such property for such benefits accruing to such property provided, however, that after the improvements have been established and constructed, the Board may likewise, upon petition of an owner, re-examine the benefits, and if it appears from such re-examination that more property of such owner has been assessed than has actually been benefited the Board may re-assess such benefits so as to conform to the proven facts. All assessments made under this Section shall otherwise be made in the same manner and shall be subject to review in the same manner as provided in Section 8320A1 to 8320A4 inclusive, of the Supplement to the Compiled Laws of 1913.

§ 2. If additional assessments are made pursuant to this Act, the amount thereof shall be used first, to pay any deficiencies in the cost of said project, if any, and the balance thereof, if any, shall be equitably and ratably credited upon the last payment of the assessments made upon the property originally assessed.

§ 3. All Acts or parts of Acts in conflict herewith are hereby repealed.

Approved March 4, 1937.

CHAPTER 238
H. B. No. 185—(Godwin)

RELATING TO COLLECTION OF DELINQUENT SPECIAL
ASSESSMENTS

An Act to amend and re-enact Section 3733 of the 1925 Supplement to the Compiled Laws of 1913, relating to the sale of real property to enforce collection of delinquent special assessments, relating to the bidding in of same when no bidders at sale, relating to damages to warrant holders when statutory proceedings not followed, providing a validating clause, making provisions of this Bill retroactive, providing a saving clause, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. That Section 3733 of the 1925 Supplement to the Compiled Laws of North Dakota of 1913 be and the same is hereby amended and re-enacted to read as follows:

§ 3733. DELINQUENT SPECIAL ASSESSMENT TAXES, SALE FOR.] Real property shall be sold to enforce collection of special assessments, or installments of special assessments, which have become delinquent, at the same time and in the same manner as for general taxes. The sale shall be made by the same officer and upon like notice and subject to the same provision in relation to redemption and the same record thereof shall be kept by the officer making the sale as in the case of sale of real property for delinquent general taxes. If any real property is subject to sale at the same time for delinquent general taxes and also for delinquent special assessments, or installments thereof, they shall be advertised and sold together in one sum and one certificate shall be issued therefor. In case such real estate is sold for both delinquent general taxes and delinquent special assessments, or installments of special assessments, and there shall be no bidder therefor, the County Auditor shall strike off such parcel of land to the County and make one certificate of sale therefor which shall cover both general taxes and special assessments delinquent. In case there is no delinquent general tax against any parcel of real estate and it is sold for special assessments alone, the certificate of tax sale shall contain a statement to the effect that the sale was for special assessments. In case of sale for special assessments only assessed by Cities, Villages, or any taxing district other than the County, the County Auditor shall declare the property sold to the City, Village or taxing district which assessed such

special assessments in case there are no private bidders, and tax certificate and tax deed shall, in the usual course of procedure, be issued to such City, Village, or taxing district. The rights of owners of tax sale certificates issued before the enactment of this amendment shall not be affected by its enactment except as provided in Chapter 298 of the 1931 Session Laws.

§ 2. REMEDY OF WARRANT HOLDERS WHEN STATUTORY PROCEEDING NOT FOLLOWED.] The failure of any City, Village or other taxing district other than the County, to have had property sold for delinquent special assessments, or installments of special assessments, struck off to it in the absence of private bidders, as was required by Section 3735 of the 1913 Compiled Laws of North Dakota prior to the amendment of such Section by Chapter 199 of the Session Laws of 1925, shall not by the Courts of this State be construed to constitute negligence on the part of such City, Village, or other taxing district. In order to obligate such City, Village, or other taxing district on any issue of special assessment warrants, on the ground of negligence, the negligence of such City, Village or other taxing district must be established and proven as a matter of fact, and in determining such question the County Auditor making the sale shall not be held to be the agent of the City, Village or other taxing district so as to charge such City, Village or other taxing district with responsibility for any failure of such County Auditor to perform his statutory duties in connection with such sale.

§ 3. MEASURE OF DAMAGES WHERE NEGLIGENCE OF DISTRICT SHOWN.] If it is shown that any City, Village or other taxing district has been guilty of negligence which will amount to a breach of its duty to holders of special assessment warrants, then such City, Village or taxing district shall be liable to the holders of such special assessment warrants in damages. Such damages shall be limited to the actual damages sustained by the warrant holder or holders as the direct and proximate result of such negligence. In the event that the damage for negligence is predicated upon any act of the City, Village or other taxing district which resulted in the loss of any special assessment lien upon real property, then the measure of damages shall be limited to the value of such property at the time of the trial, upon which the lien was lost, over and above the amount of the general taxes delinquent against such property at the time that the County acquired title thereto. The face amount of the warrants, involved in any action, shall be considered only as a limitation of the amount which may be recovered on such special assessment warrants in such action.

§ 4. SECTIONS 2 AND 3 OF THIS ACT MADE RETROACTIVE.] Sections 2 and 3 of this Act are declaratory of the Legislative intent of Section 3735 of the 1913 Compiled Laws of North Dakota,

and are hereby declared to be retroactive, and shall apply to all actions brought involving special assessment warrants heretofore issued and sold under Section 3735 of the 1913 Compiled Laws of North Dakota or any other Act as well as to special assessment warrants hereafter issued.

§ 5. VALIDATING SALES OF LANDS FOR SPECIAL ASSESSMENTS HERETOFORE MADE.] All sales of real property for delinquent special assessments or installments thereof, heretofore made by any County Auditor under Section 3735 of the 1913 Compiled Laws of North Dakota are hereby declared to be valid sales notwithstanding the fact that the real property subject to sale for delinquent general taxes and delinquent special assessments, or installments thereof, were not sold separately as required by Section 3735 of the 1913 Compiled Laws and notwithstanding that separate certificates were not issued for the delinquent general taxes and the delinquent special assessments or installments thereof.

§ 6. SAVING CLAUSE.] If any provision or any portion of any provision of this Act shall be held invalid, the remaining portions of this Act shall not be affected.

§ 7. EMERGENCY.] This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 17, 1937.

CHAPTER 239

S. B. No. 84—(Brostuen)

LIEN OF ASSESSMENTS IN IRRIGATION DISTRICTS

An Act to amend and re-enact Section 8247a21 of the 1925 Supplement to the Compiled Laws of 1913, relating to lien of assessments in irrigation districts, giving the same equality as liens with general taxes, and making the same subject to all laws relating to general taxes and sale thereof, repealing all Acts or parts of Acts in conflict herewith, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That Section 8247a21 of the 1925 Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 8247a21. LIEN OF ASSESSMENTS.] All assessments made pursuant to the provisions of this Statute on real property, and assessments on leasehold estates owned by the State or any of its subdivisions, and, to the extent provided by said Act of Congress of August 11, 1916, assessments on entered or unentered public

lands, shall be a general tax against the real property on which assessed in like manner and to the same effect as general State and County taxes, and shall be of the same order and the lien thereof shall share rateably with general tax liens in all tax proceedings and tax sales, and shall be subject to all provisions of law relating to general taxes. Such assessment shall become due and payable and delinquent at the same time as other general State or County taxes, and at the annual tax sale the said assessment shall be included in the total amount of taxes for which the property affected is being offered for sale, and such property, in the absence of other bidder, shall be sold to the County, and tax sale certificate therefor shall issue to the County and remain subject to all statutory provisions applying to tax sale certificates issued to a County, and in case leasehold estates only are affected by said assessments the tax sale certificate issued therefor shall so state. The lien for the bonds of any series shall be a preferred lien to that of any subsequent series, and the lien for the payments due to the United States under any contract between the district and the United States, accompanying which bonds have not been deposited with the United States, shall be a preferred lien to that of any issue of bonds or any series of any issue subsequent to the date of such contract, and all funds arising from assessment and levy, if any, shall be devoted to the obligations of the district payable from said funds and as to all obligations from the bond and United States contract fund shall be so devoted in the order of priority of the creation of the obligation.

§ 2. REPEAL.] All Acts or parts of Acts in conflict herewith are hereby repealed.

§ 3. EMERGENCY.] An emergency is hereby declared to exist and this Act shall become effective from and after its passage and approval.

Approved February 8, 1937.

CHAPTER 240

H. B. No. 59—(Dittmer and Schauss)

CONTRACT SETTLEMENTS OF DELINQUENT TAXES

An Act permitting the Board of County Commissioners to adjust real estate taxes levied or assessed against property within their County delinquent prior to December 1, 1936. Permitting payments in six installments. Providing manner of payments. Suspending operation of law and collection of delinquent taxes. Permitting suit by civil action and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. The Board of County Commissioners where real estate or personal property taxes are delinquent may permit any person owning such property upon which taxes are delinquent prior to December 1, 1936, to pay the delinquent taxes assessed against his property, exclusive of interest and penalty in six annual installments. With interest at four per cent (4%) per annum, payable on or before October 15 of each year, ten per cent (10%) of the principal to be paid each year for two successive years and twenty per cent (20%) of the principal every year thereafter until the full amount of the principal with interest at four per cent (4%) is fully paid.

§ 2. It shall be the duty of the Board of County Commissioners to require the owner of the property upon which there is delinquent taxes due and payable to enter into a contract with the Board of County Commissioners wherein the owner agrees to pay the full amount of the principal with interest at four per cent (4%) per annum from the date of the agreement.

§ 3. Board of County Commissioners shall require the payment in full of all taxes to become due and payable against said property subsequent to November 1, 1937, before any agreement shall be made.

§ 4. All proceedings as by law required for the collection of the taxes due thereon shall be suspended so long as the owner shall continue the payments as herein provided. Upon the failure to make one or more payments when due, the proper officers of the County may proceed to collect all of the delinquent taxes due and payable thereon with penalty and interest as though no agreement had been made, and the County may also enforce the provisions of the contract by a civil action in the proper Courts of the State.

§ 5. AN EMERGENCY.] Whereas it is necessary to provide a method for distressed property owners to pay their taxes, this Act is hereby declared an emergency and shall be in full force and effect from and after its passage and approval.

Approved March 16, 1937.

CHAPTER 241

S. B. No. 5—(Committee on Tax and Tax Laws)
Special Session

INCOME TAX LAW

An Act providing for and relating to the taxation of individuals, fiduciaries and corporations; prescribing the rates which shall be paid with respect to net income as defined in Article 35 of Chapter 34 of Political Code of the Supplement to the Compiled Laws of 1913 and Acts amendatory thereof; providing when losses may be deducted; providing for exemptions and credit upon tax; providing for date of taking effect and to amend and re-enact Section 2346a23 of the Supplement to the Compiled Laws of 1913; and to amend and re-enact Section 2346a25 of the Supplement to the Compiled Laws of 1913; and Sub-section 4 of Section 4 of Section 2346a18 of the Supplement to the Compiled Laws of 1913 as amended by Chapter 283, Session Laws, 1931; providing for making the tax a lien; providing for Field Auditors; providing for the repeal of Paragraph "B" of Sub-section 4 of Section 6 of Chapter 283 of the 1931 Session Laws; making a Saving Clause and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. INCOME TAX: GRADUATED RATE.] A tax is hereby imposed upon every resident of North Dakota, which tax shall be levied, collected and paid annually with respect to his entire net income as defined in Article 35 of Chapter 34 of Political Code being Section 2346a1 to 2346a50 inclusive of the Supplement to the Compiled Laws of 1913 and Acts amendatory thereof; computed at the following rates:

On all net incomes, above exemptions, and not in excess of \$2,000.00, tax of 1%.

On all net incomes in excess of \$2,000.00, above exemptions, and not in excess of \$4,000.00, a tax of 2%.

On all net incomes in excess of \$4,000.00, above exemptions, and not in excess of \$5,000.00, a tax of 3%.

On all net incomes in excess of \$5,000.00, above exemptions, and not in excess of \$6,000.00, a tax of 5%.

On all net incomes in excess of \$6,000.00, above exemptions, and not in excess of \$8,000.00, a tax of 7½%.

On all net incomes in excess of \$8,000.00, above exemptions, and not in excess of \$10,000.00, a tax of 10%.

On all net incomes in excess of \$10,000.00, above exemptions, and not in excess of \$15,000.00, a tax of 12½%.

On all net incomes in excess of \$15,000.00, above exemptions, 15%.

§ 2. AMENDMENT.] That Sub-section 4, Section 4 of Section 2346a18 of the Supplement to the Compiled Laws of 1913 as

amended by Chapter 283, Session Laws, 1931, be amended and re-enacted to read as follows:

§ 2346a18. LOSSES: WHEN DEDUCTED.] (4) No losses shall be deducted from the fixed income of the taxpayer derived from salaries, wages, or taxable dividends, but losses actually sustained in the carrying on of any trade or business, sustained within the year and not compensated by insurance or otherwise, may be deducted, provided further that no loss may be allowed in the sale of property purchased and held for pleasure or recreation and which was not acquired or used for profit, but this proviso shall not be construed to exclude losses due to theft or the destruction of property by fire, flood, or other casualty, or a loss sustained in any sale of the residence of the taxpayer. In the case of a taxpayer other than a resident of the State, losses shall be allowed only as to transactions in real property or in tangible personal property having an actual situs in this State, and losses in connection with any business, trade, profession or occupation carried on in this State. Provided, however, that the aggregate amount which may be deducted in connection with losses incurred in connection with sale or exchange of capital assets shall not exceed the aggregate gains reported from the sale or exchange of capital assets in any year.

(2) Losses sustained from the operation or conducting of any farming or agricultural pursuit sustained within the year and not compensated for by insurance; providing, however, that the person claiming such deduction must have been the record owner of the land on which the loss accrued for at least one year prior to claiming the deduction. Provided, however, that no deduction for loss sustained from any farming or agricultural pursuit as provided in this Section shall exceed the sum of Five Hundred Dollars.

§ 3. EXEMPTION.] (a) For the purpose of the tax on individuals, there shall be deducted from the net income, the following exemptions:

(1) In the case of a single individual, an exemption of \$500.

(2) In the case of a head of a family or married individual living with husband or wife, a personal exemption of \$1,500.00. A husband and wife living together shall receive but one personal exemption of \$1,500.00 against their aggregate net income; and in case they make separate returns, the personal exemption of \$1,500.00 may be taken by either or divided between them.

(3) Two Hundred Dollars for each individual (other than husband or wife) dependent upon and receiving his chief support from the taxpayer, if such dependent individual is under eighteen years of age or is incapable of self support because mentally or physically defective or incapacitated, provided that exemptions may be claimed for children over the age of eighteen years and under

the age of twenty-one years that are dependent upon the taxpayer for support and are attending educational institutions.

(b) For the purpose of the tax on fiduciaries, there shall be deducted:

(1) If taxable under Article III, Section 14 (a) (Section 2346a13a, ante), a personal exemption of \$500.

(2) If taxable under Article III, Section 14 (b) (Section 2346a13b, ante), same exemption as would be allowed to deceased if living.

(3) If taxable under Article III, Section 14 (c) (Section 2346a13c, ante), the same exemption to which the beneficiary would be entitled.

(c) If the status of the taxpayer insofar as it affects the personal exemption or credits for dependents, changes during the taxable year, the personal exemption and credits shall be apportioned in accordance with the number of months before or after such change.

§ 4. CREDIT ON TAX.] A credit shall be allowed against the amount of tax computed to be due and payable by any taxpayer under this Act, to the extent of the tax which has been assessed against and paid by a corporation under this Act on income which is represented by dividends on stock in said corporation, received by the taxpayer and included in his gross income within the income year; provided that when only part of the income of any corporation shall have been assessed and income tax paid under this Act, only a corresponding amount of tax shall be deducted; and provided further that such corporation has reported the name and address of each person owning stock and the amount of dividends paid each such person during the year.

§ 5. AMENDMENT.] That Section 2346a23 and Section 2346a25 of the Supplement to the Compiled Laws of 1913 is amended and re-enacted to read as follows:

§ 2346a23. TIME AND PLACE OF FILING RETURNS AND PAYMENTS OF TAX DUE.] Returns shall be in such form as the Tax Commissioner may from time to time prescribe, and shall be filed with the Tax Commissioner at his office in Bismarck, North Dakota. Returns shall be made on or before the fifteenth day of the third month following the close of the fiscal year, or if the return is made on the basis of the calendar year, then the return shall be made on or before the fifteenth day of March. Providing, however, that the time for filing of calendar year returns for the year 1936 be extended to April 15, 1937. The Tax Commissioner may grant reasonable extensions of time for filing reports, when in his judgment good cause exists. There shall be annexed to the return an affidavit or affirmation of the taxpayer making the return to the effect that the statements contained therein are true. The

Tax Commissioner shall prepare blank forms for said returns and shall cause them to be distributed throughout the State, but failure to receive or secure a form shall not relieve the taxpayer from making a return. The taxpayer shall compute the amount of tax due under his return and shall attach thereto a check, draft or money order, payable to the State Treasurer, Bismarck, North Dakota, for the amount of tax as so computed. Provided, that if the total tax exceeds Ten (\$10.00) Dollars, that the payments may be made in quarterly installments, and if paid in installments, the first installment shall be paid at the time fixed by law for filing the return; and second installment shall be paid on the fifteenth day of the third month; the third installment on the fifteenth day of the sixth month; and the fourth installment on the fifteenth day of the ninth month after the time fixed by law for filing the return.

§ 2346a25. ANNUAL TAX.] There shall be levied, collected and paid for the year ending December 31, 1936, and annually thereafter, upon the net income of every domestic and every foreign corporation received from sources as are described in Article 11, Sections 7 and 8, a tax upon such net income as follows:

For the first \$3,000 of net income at the rate of 3% ;

On all net income above \$3,000 and up to \$8,000 at the rate of 4% ;

On all net income over \$8,000 and up to \$15,000 at the rate of 5% ;

On all net income over \$15,000 at the rate of 6%.

§ 6. LIEN OF TAX—COLLECTION—ACTION AUTHORIZED.] Whenever any taxpayer liable to pay a tax and/or penalty imposed refuses or neglects to pay the same, the amount, including any interest, penalty, or addition to such tax, together with the costs that may accrue in addition thereto, shall be a lien in favor of the State of North Dakota upon all property and rights to property, whether real or personal, belonging to said taxpayer.

The lien aforesaid shall attach at the time the tax becomes due and payable and shall continue until the liability for such amount is satisfied.

In order to preserve the aforesaid lien against subsequent mortgagees, purchasers or judgment creditors, for value and without notice of the lien, on any property situated in a County, the Tax Commissioner shall file with the Register of Deeds of the County in which said property is located, a notice of said lien.

The Register of Deeds of each County shall prepare and keep in his office a book to be known as "Index of Tax Liens," so ruled as to show in appropriate columns the following data, under the names of taxpayers, arranged alphabetically:

1. The name of the taxpayer.
2. The name "State of North Dakota" as claimant.
3. Time notice of lien was received.
4. Date of notice.
5. Amount of lien then due.
6. When satisfied.

The Register of Deeds shall endorse on each notice of lien the day, hour, and minute when received and preserve the same, and shall forthwith index said notice in said index book and shall forthwith record said lien in the manner provided for recording real estate mortgages, and the said lien shall be effective from the time of the recording thereof.

The Tax Commissioner shall pay a recording fee as provided by law for the recording of such lien, or for the satisfaction thereof.

Upon the payment of a tax as to which the Tax Commissioner has filed notice with the Register of Deeds, the Tax Commissioner shall forthwith file with said Register of Deeds, a satisfaction of said tax and the Register of Deeds shall enter said satisfaction on the notice on file in his office and indicate said fact on the index aforesaid.

The Attorney General shall, upon the request of the Tax Commissioner, bring an action at law or in equity, as the facts may justify, without bond to enforce payment of any taxes and/or penalties, and in such action he shall have the assistance of the State's Attorney of the County in which the action is pending.

It is expressly provided that the foregoing remedies of the State shall be cumulative and that no action taken by the Tax Commissioner or Attorney General shall be construed to be an election on the part of the State or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy provided by law.

The technical, legal requirements outlined in this Section relating to tax liens on all real and personal property of the taxpayer to insure payment of the taxes, including penalties, interest, and other costs, are self-explanatory.

§ 7. DATE OF EFFECT.] This Act shall be effective on all income received during the year ending December 31, 1936, as provided in this Act.

§ 8. FIELD AUDITORS.] To provide for the enforcement and administration of this Act, the State Tax Commissioner is hereby authorized to appoint not more than four Field Auditors at a salary not to exceed \$150 per month and actual expenses when away from home. Such Auditors to be versed in the knowledge of income tax and to have had at least three years' experience in the examination and auditing of books of account. All expenses in-

curred in complying with the provisions of this Section shall be deducted from the monies collected under this Act.

§ 9. SAVING CLAUSE.] Should the Courts of this State or of the United States declare any of the provisions of this Chapter unconstitutional, illegal or void, such decision shall not invalidate any other provision herein contained.

§ 10. REPEAL.] That paragraph (b) of Sub-section 4 of Section 6, of Chapter 283 of the 1931 Session Laws and all other Acts or parts of Acts in conflict herewith are hereby repealed.

§ 11. EMERGENCY.] This Act is hereby declared to be an emergency measure, and shall be in full force and effect from and after its passage and approval.

Approved March 12, 1937.

CHAPTER 242
H. B. No. 156—(Rait)

TAX LEVY FOR INTEREST, ETC., NORTH DAKOTA REAL
ESTATE BONDS

An Act levying a tax of one-half of one mill upon each dollar of assessed valuation of all taxable property within the State for the years 1937 and 1938 for the purpose of paying the interest and creating a sinking fund for the payment of the principal of the North Dakota Real Estate Bonds now outstanding.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. There shall be levied upon each dollar of assessed valuation of all taxable property within the State for the years 1937 and 1938, to be paid during said years, one-half of one mill and all such revenues that may be collected thereby, shall be paid into the State Treasury and kept there in a special fund to be known as the North Dakota Real Estate Bond Fund, which shall be used for the following and no other purposes: To pay the interest on North Dakota Real Estate Bonds outstanding and the balance if any, to make up the deficiency in the sinking fund provided for by law for North Dakota Real Estate Bonds. Provided that whenever there is sufficient money in said fund or otherwise to fully pay said sums as hereinbefore provided then the said levy shall cease and any monies remaining therein shall be turned over to the General Fund.

Approved March 17, 1937.

CHAPTER 243
S. B. No. 252—(Blaisdell)

**DEDUCTION DELINQUENT PERSONAL PROPERTY TAXES
FROM CLAIMS AGAINST THE STATE OR ANY OF
ITS POLITICAL SUB-DIVISIONS**

An Act to amend and re-enact Section 2 of Chapter 274 of the Session Laws of North Dakota for the year 1935 relating to the deduction of delinquent personal property taxes from salaries or other compensation of elective and appointive officers, agents and employees of the State of North Dakota, all Bureaus, Boards, Commissions and Departments, and all persons receiving public funds and extending the application thereof to persons receiving, claiming or demanding money from municipalities and political sub-divisions within the State.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That Section 2 of Chapter 274 of the Session Laws of North Dakota for the year 1935 is hereby amended and re-enacted to read as follows:

§ 2. WHO SUBJECT TO THE PROVISIONS OF THIS ACT.] This Act shall apply to all elective and appointive officials and/or their deputies, all Courts, Bureaus, Boards, Commissions, Departments, and Committees, all agents, clerks, inspectors, employees and contractors and in fact each and every person, firm, corporation or co-partnership receiving, claiming or demanding any money from the State of North Dakota, or any of its various Departments, Bureaus, Boards, or Commissions whether especially named herein or not; or from any County, Township, or other political sub-division of the State of North Dakota; or from any City, Village, School District, Park District, or Municipality in the State of North Dakota. It is intended hereby to insure the payment of personal property taxes by all persons, firms, or corporations receiving any public funds from the State of North Dakota, or any of its political sub-divisions, or municipalities within the State, or from any of the Bureaus, Boards, Departments, or Commissions of the State and for which there is now no provision made for deducting such personal property taxes from the amount due to the persons, firms or corporations making claim upon public funds, provided, however, that in any case where the item or items amount to Ten Dollars or less, this Act shall not apply.

Approved March 17, 1937.

CHAPTER 244

H. B. No. 249—(Committee on Tax and Tax Laws)

AUTHORIZING COLLECTION OF RENTS TO APPLY ON
REAL ESTATE TAXES

An Act providing for the collection of Real Property Taxes by the collection of rents from such property, providing for the duties of the District Court and the County Treasurer in connection therewith, providing for the service of the Court Order, the application of such rents by the County Treasurer, providing for contempt for failure to comply with the Order of the Court, providing that the payments of the rent under the Order shall have precedence over prior and subsequent liens and assignments, providing for appeals, providing that the remedy is in addition to other remedies, repealing all Acts or parts of Acts in conflict therewith and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. APPLICATION TO DISTRICT COURT.] At any time after any taxes or any installment thereof, heretofore or hereafter levied and assessed upon any real property within this State shall have been delinquent for more than twelve months and remain due and unpaid in any County, and the said property produces rents, the County Treasurer may, and by direction of the Board of County Commissioners shall, petition the District Court in the name of the County for an order of said Court directed to the tenant or subtenant, if any, and to the owner of said property which said order shall direct and obligate the tenant to pay to the County Treasurer any and all rents payable under the terms of the lease of said property. Such order shall be issued by the said Court on proper hearing and upon notice to the tenant and to the owner as provided herein.

Such order shall direct the payment of all rents from said property to the County Treasurer then due or in the future to be due and it shall further direct that the County Treasurer shall apply the said payments of rent to the delinquent and current taxes, including penalty and interest, against said property and the costs and expenses of the said proceedings as determined and taxed by the Court.

§ 2. SERVICE.] The said petition and notice of hearing shall be served upon the tenant and upon the owner of the real property in the manner provided by law for the service of summons in District Court, or, upon order of the Court, the said petition and notice of hearing may be served by registered mail by mailing a copy of said petition and notice of hearing to the tenant and to the record title owner of said property to his last known Post Office address, or to such address as may appear of record in the office of the Register of Deeds or County Treasurer of said County, and in such case

the return registry receipt of the Post Office Department shall be prima facie proof of its mailing and of its receipt by the tenant and the owner to whom it was mailed.

§ 3. RECEIPTS. DEFENSE.] The Treasurer shall give a receipt to the tenant for any and all payments of rent paid pursuant to the order of the Court and the payment thereof and the receipt therefor shall constitute a complete defense to a suit by any person for such rent.

§ 4. DUTY OF TENANT AND OWNER.] It shall be the duty of the tenant to pay all of the rent for such property to the Treasurer pursuant to the order of the Court and in case where the owner reserves title to the property, including crops, he shall pay said taxes out of his portion of the proceeds thereof and a failure to comply with the provisions of such order shall constitute contempt and shall be punishable as such.

§ 5. DUTY OF STATE'S ATTORNEY.] It shall be the duty of the State's Attorney in the County where such proceedings lie to prepare the necessary papers in connection with such proceedings and to appear at any and all hearings in said matter as counsel for the County.

§ 6. PRIOR LIENS AND ASSIGNMENTS.] The payments of the rent provided for in the order of the Court shall have precedence over and be paid prior to any subsequent assignment of such rents or lien upon such rents and no part of such rent shall be exempt from the payments provided for herein.

§ 7. ALLOWANCE TO TAXPAYER.] The Court may, upon proper petition and hearing, and in its sound discretion, allow to such taxpayer a percentage of such rents, property and crops as to the Court may seem just and equitable up to and including fifty per cent thereof and may order the Treasurer to pay such percentage at such times and under such circumstances as to the Court may seem just and equitable.

§ 8. APPEALS.] The owner of said property shall have the right to appeal to the Supreme Court of this State from any order issued by the District Court under the provisions of this Act in the manner provided by law for appeals, provided, however, that pending the final determination of such appeal the Treasurer shall continue to receive and the tenant to pay the rents provided in said Order and the Treasurer shall hold the said payments in trust for the final determination of such appeal.

§ 9. VACATION OF ORDER.] Whenever the delinquent and current taxes, including penalty and interest, and the costs and expenses of the proceeding, have been fully satisfied out of the rents, property and crops as herein provided the Treasurer shall apply to

the Court for an order vacating such order which shall be served upon the tenant and upon the owner in the manner provided herein for the service of the original order.

§ 10. PAYMENTS UNDER PROTEST.] Nothing in this Act shall be construed to prevent any taxpayer from availing himself of the right provided by law as to the payment of taxes under protest.

§ 11. TAX RECEIPTS.] The owner, or any person entitled thereto, may request and receive from the County Treasurer receipted bills for the payment of the taxes upon such real property and a certificate of redemption, if any, from the County Auditor.

§ 12. ADDITIONAL REMEDY.] The remedy provided in this Act is in addition to any other remedy which now is or hereafter may be provided by law for the collection of taxes levied and assessed against real property.

§ 13. REPEAL.] All Acts or parts of Acts in conflict herewith are hereby repealed.

§ 14. EMERGENCY.] This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 17, 1937.

CHAPTER 245

S. B. No. 248—(Gronvold and Nelson of Grand Forks)

REBATE REAL ESTATE TAXES

An Act to encourage and promote the payment of taxes by providing for a rebate on prepayments.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. There shall be an allowance of three (3) per cent rebate to all payers of taxes on real property who shall pay the same in one payment and in full on or before the fifteenth (15th) day of February next prior to the date of delinquency. Such rebate shall apply to all general taxes including State, County, City, Township, village and school taxes but shall not apply to special assessments or to hail indemnity taxes.

§ 2. This Act is new legislation. It is supplementary to existing laws and is not intended to change or affect existing legislation relating to penalties imposed for failure to pay taxes before delinquency.

Approved March 10, 1937.

CHAPTER 246**H. B. No. 359—(Jensen)****PENALTIES DELINQUENT REAL ESTATE TAXES**

An Act to amend and re-enact Section 3 of Chapter 257 of the 1933 Session Laws, relating to delinquency of real estate taxes, fixing penalties; and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. That Section 3 of Chapter 257 of the 1933 Session Laws of the State of North Dakota relating to delinquency of real estate taxes, and fixing penalties be and the same is hereby amended and re-enacted to read as follows:

§ 3. REAL ESTATE TAXES, DUE AND DELINQUENT: WHEN, PENALTY AND INTEREST.] All real estate taxes, including hail insurance taxes, both indemnity and yearly installments of special assessment taxes on real estate, shall become due on the 31st day of December of the year for which the taxes are levied, and the first installment on real estate taxes, including hail insurance and yearly installment of special assessment taxes, shall become delinquent on March 1st following and if not paid on or before April 1st following they shall be subject to a penalty of 1%, and on June 1st following an additional penalty of 1%, on August 1st following an additional penalty of 1%, and an additional penalty of 2% on October 15th, and the second installment of real estate taxes shall become delinquent on October 15th, and if not paid on or before that date, shall become subject to a penalty of two per cent (2%).

Approved March 10, 1937.

CHAPTER 247**H. B. No. 141—(Godwin)****REASSESSMENT CERTAIN CLASSES OF PROPERTY**

An Act making it the duty of the State Board of Equalization to reassess certain classes of property when any general tax levied against the property shall be adjudged illegal and nonenforcible or shall be set aside by any State Court or Federal Court of competent jurisdiction; and limiting the bringing of actions against the State for recovery of taxes paid.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. If any tax levied under the provisions of law governing the assessment and taxation of the property of any railroad or street railroad company, or of any sleeping car, telegraph, telephone, power or gas company, or of any freight line and car equipment

company or the property of any other public utility used directly or indirectly in the carrying of persons, property, or messages, shall be adjudged illegal and nonenforcible or shall be set aside by any State or Federal Court of competent jurisdiction, it shall be the duty of the State Board of Equalization, whether any part of the taxes assessed and levied have been paid or not, to forthwith reascertain and redetermine the value of the property of the companies.

§ 2. The Tax Commissioner shall give notice by mail to the company owning such property of the action of the State Board of Equalization in redetermining the value of such property, shall describe the property in general terms and shall notify such company to appear before the State Board of Equalization at the office of the Tax Commissioner at a specified time within fifteen (15) days after such notice and show cause, if any, why such property should not be reassessed at the valuation determined by the State Board of Equalization. Any such company shall be entitled at such hearing to present evidence relating to the value of its property. After consideration of the evidence presented at such hearing, if any there be, the State Board of Equalization shall fix the final assessment of such property according to the best judgment of the Board. Such assessment shall be of the same force and effect as the original assessment made in accordance with law. The proceedings for such reassessment shall be conducted in the method originally provided for as near as may be.

§ 3. The valuation of such reassessed property shall be apportioned to the County or Counties in which located according to the law governing the regular assessment of such property. The provisions of law governing the levy and collection of taxes on the property of companies enumerated in Section 1 shall be applicable to property reassessed under the provisions of this Act.

§ 4. The power to reassess the property of any company defined in Section 1 may be exercised as aforesaid and as often as may be necessary until the amount of taxes legally due from any such company for any year under the assessment and taxation laws of this State has been finally and definitely determined. Whenever any tax or part thereof, levied upon the property of any company enumerated in Section 1 has been declared illegal and such tax has been paid and not refunded, the payment so made shall be applied upon the reassessment upon said property, and the reassessment of taxes to that extent shall be deemed to be satisfied.

§ 5. ACTION AGAINST STATE; LIMITATION.] Any company defined in Section 1, claiming to be aggrieved by the levy of a tax upon its property, and alleging facts showing substantial injustice in the determination of the State Board of Equalization, may within six months from the payment of the tax, not thereafter, bring and maintain an action against the State to recover such part of the tax as shall exceed the amount the company should have paid.

§ 6. PRESUMPTION OF REGULARITY.] The proceedings of the State Board of Equalization shall be presumed to be regular and the determination of the State Board of Equalization shall not be impaired, vitiated or set aside upon any grounds not affecting the substantial injustice of the tax. The provisions in this Act prescribing a date or period at or within which an act shall be performed or a determination shall be made by the State Board of Equalization shall be deemed directory only, and no failure to perform any such act or make such determination at or within the time prescribed therefor shall affect the validity of such act or of any determination made by the State Board of Equalization unless it shall appear that substantial injustice has resulted therefrom.

§ 7. ACTIONS: PRELIMINARY DETERMINATION OF AMOUNT DUE.] In any action, suit or proceeding brought by any company, defined in Section One (1), in the State Courts to set aside, restrain or postpone the payment or collection of any tax levied upon the property of such company, no injunction, order or writ to enjoin or restrain the payment or collection of the tax shall issue, or be continued in force, unless said company shall pay to the County Treasurer of each County in which such property is located, for the use of the County, the amount of taxes which the Court shall determine primarily to be justly and equitably due from such company. Such primary determination shall be made by the State Court in which the action, suit or proceeding is pending, upon motion, summarily and without delay. In case the amount of tax justly and equitably due from such company shall be finally determined to be less than the amount so paid, the excess shall be refunded to such company by direction of the Court, and for that purpose the County Auditor of each County, which was a party to the action, upon the filing in his office of a certified copy of such final determination, shall draw a warrant upon the County Treasurer for the amount to be so refunded. The amount so refunded shall be charged against the funds of the State, County, Township, City, Incorporated Village, School District or other taxing district in the hands of the County Treasurer or funds which may thereafter be collected, in such proportion as the amount refunded bears to the amount collected for the benefit of each such political sub-division on the original assessment.

§ 8. EMERGENCY.] Whereas, the State Board of Equalization is now without authority to reassess the property of companies enumerated in Section 1 when the assessment upon such property has been adjudged illegal or the taxes levied thereon have been adjudged illegal and nonenforcible, therefor an emergency is hereby declared and this Act shall be in full force and effect from and after its passage and approval.

Approved March 10, 1937.

CHAPTER 248

H. B. No. 360—(Myers, by request)

GASOLINE TAX REFUNDS

An Act to amend and re-enact Section 2 of Chapter 172 of the Session Laws of North Dakota for 1935 and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That Section 2 of Chapter 172 of the Session Laws of North Dakota for the year 1935 be and the same is hereby amended and re-enacted to read as follows:

§ 2. That any person or persons, firm or corporation who shall buy or use any motor vehicle fuel as defined in this Act, for the purpose of operating and propelling stationary gas engines, tractors used for agricultural purposes, motor boats, airplanes or aircraft, or who shall purchase or use any of such fuel for lighting, heating, cleaning or dyeing or other commercial use of the same, except motor vehicles operated upon any of the public highways or streets in this State, on which motor fuel tax imposed by this Act has been paid, shall be reimbursed and repaid the amount of such tax paid by him on presentation to the State Tax Commissioner, on a form prescribed by the State Tax Commissioner, of a sworn statement setting forth the total amount of such fuel purchased and used by such consumer, other than in motor vehicles operated upon any of the public highways or streets in the State of North Dakota, and the purpose for which said motor fuel upon which he claims exemption from said tax was used, and such other information as the State Tax Commissioner shall require, and the State Tax Commissioner, upon the presentation of such sworn statement, together with the invoice or ticket hereinbefore provided and motor vehicle fuel tax paid, shall audit such claims for refunds and prepare, in duplicate, an abstract showing the claim number, the name, address and amount due each claimant, and shall certify to the State Auditor within fifteen days all claims entitled to approval; and the Auditor shall pay the same immediately upon such certification and the Auditor shall issue his check payable to each consumer as shown by such certified abstract from the taxes collected on motor fuels, the said taxes on fuels purchased or used for other than motor vehicles as aforesaid; and shall deliver, for mailing, said checks to the State Tax Commissioner; provided, that no refunds or repayment shall be made unless such claimant thereof shall make application therefor within twelve months from and after the date of purchase of such motor vehicle fuel; the date of purchase being defined to mean the date upon which the motor vehicle fuel was delivered to purchaser. Application for refunds or re-payments shall not be made oftener than at the beginning of the quarter of each calendar year. Provided, further, that no refund of the tax shall be made when such motor vehicle fuel has

been used for the construction, reconstruction or the maintenance of State and County Highways except in such cases where such construction, reconstruction or maintenance of a public road or highway is undertaken by the State, County, Township or other municipality and where the public funds of the State, County, Township or other municipality are used for the purchase of such motor fuel. The State Auditor shall furnish the Tax Commissioner with the information relating to the collection of the motor vehicle fuel tax and the Tax Commissioner shall withhold approval of any refund or re-payment until the State Auditor shall certify to the Tax Commissioner that the tax upon such motor fuel, on which refund or re-payment is claimed, shall have been paid. The Tax Commissioner shall have the power to formulate rules and regulations for the administration of this provision. It shall be the duty of the State's Attorney, Sheriffs and Police Officers of the various Cities to enforce the provisions of this law and a failure on their part to do same shall constitute grounds for removal.

If in any case or instance the Tax Commissioner shall be in doubt concerning the validity or justness of any claim for refund, he is hereby authorized to direct any persons or employees under his supervision to investigate the same. Then the burden of proof is on the claimant to establish the claim of refund, which claim shall be established by sworn affidavits and proof, if so demanded, including the affidavit of the dealer.

§ 2. EMERGENCY.] This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after the date of its passage and approval.

Approved March 10, 1937.

CHAPTER 249

S. B. No. 80—(Committee on Taxes and Tax Laws)
Recommended by the North Dakota Tax Survey Commission

SALES TAX ACT

An Act to equalize taxation and replace in part the tax on property; to provide the public revenue to be used for such replacement by imposing a tax on the gross receipts from retail sales as defined herein; to provide for the collection of such tax, the distribution and use of the revenue derived therefrom, and the administration of said law; to provide for certain deductions and exemptions; establishing a lien for the payment of such tax; to fix fines and penalties for the violation of the provisions of this Act; to repeal all laws or parts of laws in conflict herewith and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. DEFINITIONS.] The following words, terms and phrases, when used in this Act, have the meanings ascribed to them in this

Section, except where the context clearly indicated a different meaning:

(a) "Person" includes any individual, firm, co-partnership, joint adventure, association, corporation, the State of North Dakota and any of its sub-divisions, departments or institutions, any County, City, Village, Township, School District, Park District, Municipal Corporation, estate, trust, business trust, receiver, or any other group or combination acting as a unit, and the plural as well as the singular number.

(b) "Sale" means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, for a consideration.

(c) "Retail Sale" or "Sale at Retail" means the sale to a consumer or to any person for any purpose, other than for processing or for resale, of tangible personal property and the sale of steam, gas, electricity, water, and communication service to retail consumers or users, and shall include the ordering, selecting or aiding a customer to select any goods, wares, or merchandise from any price list, or catalogue, which such customer might order, or be ordered for such customer to be shipped directly to such customer. By the term "processing" as used in this Act is meant tangible personal property that is used in manufacturing, producing or processing and which becomes an ingredient or component part of other tangible personal property and which latter tangible personal property becomes subject to the retail sales tax. The sale of an item of tangible personal property for the purpose of incorporating it in or attaching it to other real or personal property otherwise exempt from the sales tax shall for the purposes of this Act be considered as a sale of tangible personal property for a purpose other than for processing.

(d) "Business" includes any activity engaged in by any person or caused to be engaged in by him with the object of gain, benefit, or advantage, either direct or indirect.

(e) "Retailer" includes every person engaged in the business of selling tangible goods, wares, or merchandise at retail, or the furnishing of steam, gas, electricity, water and communication service, and tickets or admissions to places of amusement and athletic events as provided in this Act, and shall include any person as herein defined who by contract or otherwise agrees to furnish for a consideration a totally or partially finished product consisting in whole or in part of tangible personal property subject to the sales tax herein provided, and all items of tangible personal property entering into the performance of such contract as a component part of the product agreed to be furnished under said contract shall be subject to the sales tax herein provided, and the sales tax thereon shall be collected by the contractor from the person for whom the contract has been performed in addition to the contract price agreed upon, and shall be remitted to the State in the manner provided in this Act.

(f) "Gross receipts" means the total amount of the sales of retailers, valued in money, whether received in money or otherwise, provided, however, that discounts for any purposes allowed and taken on sales shall not be included, nor shall the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. Provided, further, that on all sales of retailers, valued in money, when such sales are made under conditional sales contract, or under other forms of sale wherein the payment of the principal sum thereunder be extended over a period longer than sixty (60) days from the date of sale thereof that only such portion of the sale amount thereof shall be accounted, for the purpose of imposition of tax imposed by this bill, as has actually been received in cash by the retailer during each quarterly period as defined herein.

(g) "Relief agency" means the State, any County, City and County, City or District thereof, or any agency engaged in actual relief work.

(h) "Commissioner" means the Tax Commissioner of the State of North Dakota.

(i) "Local Governmental Unit" means Incorporated Cities, Towns and Villages, Counties, School Districts and Townships.

§ 2. TAX IMPOSED.] There is hereby imposed, beginning the first day of May, 1937, and ending June 30th, 1939, a tax of two per cent (2%) upon the gross receipts from all sales of tangible personal property, consisting of goods, wares, or merchandise, except as otherwise provided in this Act, sold at retail in the State of North Dakota to consumers or users; a like rate of tax upon the gross receipts from the sales, furnishing or service of steam, gas, electricity, water and communication service, including the gross receipts from such sales by any municipal corporation furnishing steam, gas, electricity, water and communication service to the public in its proprietary capacity, except as otherwise provided in this Act, when sold at retail in the State of North Dakota to consumers or users; and a like rate of tax upon the gross receipts from all sales of tickets or admissions to places of amusement and athletic events, except as otherwise provided in this Act.

The tax herein levied shall be computed and collected as hereinafter provided.

§ 3. EXEMPTIONS.] There are hereby specifically exempted from the provisions of this Act and from computation of the amount of tax imposed by it, the following:

(a) The gross receipts from sales of tangible personal property which this State is prohibited from taxing under the Constitution or laws of the United States or under the Constitution of this State.

(b) The gross receipts from the sales, furnishing or service of transportation service.

(c) The gross receipts from sales of tangible personal prop-

erty used for the performance of a contract on public works executed prior to May 1st, 1935.

(d) The gross receipts from sales of tickets or admissions to State, County, district and local fairs, and the gross receipts from educational, religious, or charitable activities, where the entire amount of such receipts is expended for educational, religious, or charitable purposes.

(e) The gross receipts from the sale by any school board of this State of books and school supplies to regularly enrolled students at cost.

§ 4. Taxes paid on gross receipts represented by accounts found to be worthless and actually charged off, for income tax purposes may be credited upon subsequent payment of the tax herein provided; provided, that if such accounts are thereafter collected by the retailer, a tax shall be paid upon the amount so collected. The provisions of this Act shall not apply to sales of gasoline, cigarettes, snuff, insurance premiums, or any other product or article upon which the State of North Dakota now or may hereafter impose a special tax, either in the form of a license tax, stamp tax or otherwise.

§ 5. CREDIT TO RELIEF AGENCY AND LOCAL GOVERNMENTAL UNITS.]

(1) A relief agency may apply to the Commissioner for refund of the amount of tax imposed hereunder and paid upon sales to it of any goods, wares, or merchandise used for free distribution to the poor and needy;

(2) Such refunds may be obtained only in the following amounts and the manner and only under the following conditions:

(a) On forms furnished by the Commissioner, and during the time herein provided for the filing of quarterly tax returns by retailers, the relief agency shall report to the Commissioner the total amount or amounts, valued in money, expended directly or indirectly for goods, wares, or merchandise used for free distribution to the poor and needy.

(b) On these forms the relief agency shall separately list the persons making the sales to it or to its order, together with the dates of the sales, and the total amount so expended by the relief agency.

(c) The relief agency must prove to the satisfaction of the Commissioner that the person making the sales has included the amount thereof in the computation of the gross receipts of such person and that such person has paid the tax levied by this division, based upon such computation of gross receipts.

(3) If the Commissioner is satisfied that the foregoing conditions and requirements have been complied with, he shall refund the amount claimed by the relief agency.

§ 6. Retailers shall add the tax imposed under this Act, or the average equivalent thereof, to the sales price or charge and when added such taxes shall constitute a part of such price or charge, shall be a debt from consumer or user to retailer until paid, and shall be recoverable at law in the same manner as other debts.

Agreements between competing retailers, or the adoption of appropriate rules and regulations by organizations or associations of retailers to provide uniform methods for adding such tax or the average equivalent thereof, and which do not involve price fixing agreements otherwise unlawful, and which shall first have the approval of the Commissioner, are expressly authorized and shall be held not to be in violation of any anti-trust laws of this State.

§ 7. UNLAWFUL ACTS.] It shall be unlawful for any retailer to advertise or hold out or state to the public or to any consumer, directly or indirectly, that the tax or any part thereof imposed by this Act will be assumed or absorbed by the retailer or that it will not be considered as an element in the price to the consumer, or if added, that it or any part thereof will be refunded.

§ 8. RECORDS REQUIRED.] It shall be the duty of every retailer required to make a report and pay any tax under this division, to preserve such records of the gross proceeds of sales as the Commissioner may require and it shall be the duty of every retailer to preserve for a period of two years all invoices and other records of goods, wares, or merchandise purchased for resale; and all such books, invoices and other records shall be open to examination at any time by the Commissioner or any one of his duly authorized agents.

§ 9. RETURN OF GROSS RECEIPTS.]

(1) The retailer shall, on or before the 20th day of the month following the close of the first quarterly period as defined in the following Section, and on or before the 20th day of the month following each subsequent quarterly period of three months, make out a return for the preceding quarterly period in such form and manner as may be prescribed by the Commissioner, showing the gross receipts of the retailer, the amount of the tax for the period covered by such return, and such further information as the Commissioner may require to enable him correctly to compute and collect the tax herein levied; provided, however, that the Commissioner may, upon request by any retailer and a proper showing of the necessity therefor, grant unto such retailer an extension of time of not to exceed thirty (30) days for making such return. If such extension is granted to any such retailer, the time in which he is required to make payment as provided for in Section Ten (10) of this Act shall be extended for the same period.

(2) The Commissioner, if he deems it necessary or advisable in order to insure the payment of the tax imposed by this Act, may

require returns and payment of the tax to be made for other than quarterly periods, the provisions of Section Ten (10) or elsewhere to the contrary notwithstanding.

(3) Returns shall be signed by the retailer or his duly authorized agent, and must be verified by oath.

§ 10. PAYMENT OF TAX. BOND. CREATION OF LIEN.]

(1) The tax levied hereunder shall be due and payable in quarterly installments on or before the 20th day of the month next succeeding each quarterly period, the first of such period being the period commencing with May 1, 1937, and ending on the 30th day of June, 1937.

(2) Every retailer, at the time of making the return required hereunder, shall compute and pay to the Commissioner the tax due for the preceding period.

(3) The Commissioner may, when in his judgment it is necessary and advisable to do so in order to secure the collection of the tax levied under this Act, require any person subject to such tax to file with him a bond, issued by a surety company authorized to transact business in this State and approved by the Insurance Commissioner as to solvency and responsibility, in such amount as the Commissioner may fix, to secure the payment of any tax and/or penalties due or which may become due from such person. In lieu of such bond, securities approved by the Commissioner, in such amount as he may prescribe, may be deposited with him, which securities shall be kept in the custody of the Commissioner and may be sold by him at public or private sale, without notice to the depositor thereof, if it becomes necessary so to do in order to recover any tax and/or penalties due. Upon any such sale, the surplus, if any above the amounts due under this division shall be returned to the person who deposited the securities.

Sub-section 4. LIEN OF TAX. COLLECTION. ACTION AUTHORIZED.] Whenever any taxpayer liable to pay a tax and/or penalty imposed refuses or neglects to pay the same, the amount, including any interest, penalty, or addition to such tax, together with the costs that may accrue in addition thereto, shall be a lien in favor of the State of North Dakota upon all property and rights to property, whether real or personal, belonging to said taxpayer.

The lien aforesaid shall attach at the time the tax becomes due and payable and shall continue until the liability for such amount is satisfied.

In order to preserve the aforesaid lien against subsequent mortgages, purchasers or judgment creditors, for value and without notice of the lien, on any property situated in a County, the Tax Commissioner shall file with the Register of Deeds of the County in which said property is located, a notice of said lien.

The Register of Deeds of each County shall prepare and keep

in his office a book to be known as "Index of Tax Liens," so ruled as to show in appropriate columns the following data, under the names of taxpayers, arranged alphabetically:

1. The name of the taxpayer.
2. The name 'State of North Dakota' as claimant.
3. Time notice of lien was received.
4. Date of notice.
5. Amount of lien then due.
6. When satisfied.

The Register of Deeds shall indorse on each notice of lien the day, hour, and minute when received and preserve the same, and shall forthwith index said notice in said index book and shall forthwith record said lien in the manner provided for recording real estate mortgages, and the said lien shall be effective from the time of the indexing thereof.

The Tax Commissioner shall pay a recording fee as provided by law for the recording of such lien, or for the satisfaction thereof.

Upon the payment of a tax as to which the Tax Commissioner has filed notice with the Register of Deeds, the Tax Commissioner shall forthwith file with said Register of Deeds a satisfaction of said tax and the Register of Deeds shall enter said satisfaction on the notice on file in his office and indicate said fact on the index aforesaid.

The Attorney General shall, upon the request of the Tax Commissioner, bring an action at law or in equity, as the facts may justify, without bond to enforce payment of any taxes and/or penalties, and in such action he shall have the assistance of the State's Attorney of the County in which the action is pending.

It is expressly provided that the foregoing remedies of the State shall be cumulative and that no action taken by the Tax Commissioner or Attorney General shall be construed to be an election on the part of the State or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy provided by law.

The technical, legal requirements outlined in this Section relating to tax liens on all real and personal property of the taxpayer to insure payment of the taxes, including penalties, interest and other costs, are self-explanatory.

(5) Remittance on account of tax due under this Act shall not be deemed or considered payment thereof unless or until the Commissioner shall have collected or received the amount due for such tax in cash or equivalent credit.

§ 11. PERMITS; APPLICATIONS FOR.]

(1) It shall be unlawful for any person to engage in or transact business as a retailer within this State, unless a permit or permits shall have been issued to him as hereinafter prescribed. Every person desiring to engage in or conduct business as a retailer within

this State shall file with the Commissioner an application for a permit or permits. Every application for such a permit shall be made upon a form prescribed by the Commissioner and shall set forth the name under which the applicant transacts or intends to transact business, the location of his place or places of business, and such other information as the Commissioner may require. The application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner thereof; in the case of a corporation, by an executive officer thereof or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority.

(2) At the time of making such application, the applicant shall pay to the Commissioner a permit fee of fifty cents (50¢) for each permit, and the applicant must have a permit for each place of business.

(3) Upon the payment of the permit fee or fees herein required, the Commissioner shall grant and issue to each applicant a permit for each place of business within the State. A permit is not assignable and shall be valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

(4) Permits issued under the provisions of this division shall be valid and effective without further payment of fees until revoked by the Commissioner.

(5) Whenever the holder of a permit fails to comply with any of the provisions of this division or any rules or regulation of the Commissioner prescribed and adopted under this division, the Commissioner upon hearing after giving ten days' notice of the time and place of the hearing to show cause why his permit should not be revoked, may revoke the permit. The Commissioner shall also have the power to restore licenses after such revocation.

(6) The Commissioner shall charge a fee of One Dollar for the issuance of a permit to a retailer whose permit has been previously revoked.

(7) It is hereby provided that all permits issued under the provisions of Chapter 276, 1935 Session Laws, and in effect upon the taking effect of this Act are hereby continued and shall remain in full force and effect unless revoked as herein provided.

§ 12. FAILURE TO FILE RETURN; INCORRECT RETURN.] If a return required by this division is not filed, or if a return when filed is incorrect or insufficient and the maker fails to file a corrected or sufficient return within twenty days after the same is required by notice from the Commissioner, such Commissioner shall determine the amount of tax due from such information as he may be able to obtain and, if necessary, may estimate the tax on the basis of external indices, such as number of employees of the person con-

cerned, rentals paid by him, his stock on hand, and/or other factors. The Commissioner shall give notice of such determination to the person liable for the tax. Such determination shall finally and irrevocably fix the tax unless the person against whom it is assessed shall, within thirty days after the giving of notice of such determination, apply to the Commissioner for a hearing or unless the Commissioner of his own motion shall reduce the same. At such hearing evidence may be offered to support such determination or to prove that it is incorrect. After such hearing the Commissioner shall give notice of his decision to the person liable for the tax.

§ 13. APPEALS.]

(1) An appeal may be taken by the taxpayer to the District Court of the County in which he resides, or in which his principle place of business is located, within sixty days after he shall have received notice from the Commissioner of his determination as provided for in the preceding Section.

(2) The appeal shall be taken by a written notice to the Commissioner and served as an original notice. When said notice is so served it shall, with the return thereon, be filed in the office of the Clerk of said District Court, and docketed as other cases, with the taxpayer as plaintiff and the Commissioner as defendant. The plaintiff shall file with such Clerk a bond for the use of the defendant, with sureties approved by such Clerk, in penalty at least double the amount of tax appealed from, and in no case shall the bond be less than Fifty Dollars (\$50.00), conditioned that the plaintiff shall perform the orders of the Court.

(3) The Court shall hear the appeal in equity and determine anew all questions submitted to it on appeal from the determination of the Commissioner. The Court shall render its decree thereon and a certified copy of said decree shall be filed by the Clerk of said Court with the Commissioner who shall then correct the assessment in accordance with said decree. An appeal may be taken by the taxpayer or the Commissioner to the Supreme Court of this State in the same manner that appeals are taken in suits in equity, irrespective of the amount involved.

§ 14. SERVICE OF NOTICES.]

(1) Any notice, except notice of appeal, authorized or required under the provisions of this Act may be given by mailing the same to the person for whom it is intended by registered mail, addressed to such person at the address given in the last return filed by him pursuant to the provisions of this division, or if no return has been filed, then such address as may be obtainable. The mailing of such notice shall be presumptive evidence of the receipt of the same by the person to whom addressed. Any period of time which is determined according to the provisions of this division by the giving of notice shall commence to run from the date of registration and posting of such notice.

(2) The provisions of the North Dakota Code relative to the limitation of time for the enforcement of a civil remedy shall not apply to any proceeding or action taken to levy, appraise, assess, determine or enforce the collection of any tax or penalty provided by this Act.

§ 15. PENALTIES; OFFENSES.]

(1) Any person failing to file a return or corrected return or to pay any tax within the time required by this division, shall be subject to a penalty of five per cent (5%) of the amount of tax due, plus one per cent (1%) of such tax for each month of delay or fraction thereof, excepting the first month after such return was required to be filed or such tax became due; but the Commissioner, if satisfied that the delay was excusable, may remit all or any part of such penalty. Such penalty shall be paid to the Commissioner and disposed of in the same manner as other receipts under this Act. Unpaid penalties may be enforced in the same manner as the tax imposed by this Act.

(2) Any person who shall sell tangible personal property, tickets or admissions to places of amusement and athletic events, or steam, gas, water, electricity and communication service at retail in this State after his license shall have been revoked, or without procuring a license within sixty (60) days after the effective date of this Act, as provided in Section 11 of this Act, or who shall violate the provisions of Section 7 of this Act, and the officers of any corporation who shall so act, shall be guilty of a misdemeanor, punishment for which shall be a fine of not more than \$1000.00 or imprisonment for not more than one year, or both such fine and imprisonment, in the discretion of the Court.

(3) Any person required to make, render, sign, or verify any return or supplementary return, who makes any false or fraudulent return with intent to defeat or evade the assessment required by law to be made, shall be guilty of a misdemeanor and shall, for each such offense, be fined not to exceed Five Hundred Dollars or be imprisoned in the County jail not exceeding one year, or be subject to both a fine and imprisonment, in the discretion of the Court.

(4) The certificate of the Commissioner to the effect that a tax has not been paid, that a return has not been filed, or that information has not been supplied pursuant to the provisions of this Act, shall be prima facie evidence thereof.

(5) Any person failing to comply with any of the provisions of this Act, or failing to remit within the time herein provided to the State the tax due on any sale or purchase of tangible personal property subject to said sales tax, shall be guilty of a misdemeanor and upon conviction shall be punished by imprisonment in the County jail not exceeding six months or by a fine not exceeding Five Hundred Dollars, or by both such fine or imprisonment at the discretion

of the Court. This criminal liability shall be cumulative and in addition to the civil liability for penalties hereinbefore provided.

§ 16. The Tax Commissioner of the State of North Dakota is hereby charged with the administration of this Act and the taxes imposed thereby. Such Commissioner shall have the power and authority to prescribe all rules and regulations not inconsistent with the provisions of this Act, necessary and advisable for its detailed administration and to effectuate its purposes, including the right to provide for the issuance and sale by the State of coupons covering the amount of tax or taxes to be paid under this Act, if such method is deemed advisable by said Commissioner.

§ 17. All fees, taxes, interest and penalties imposed and/or collected under this Act must be paid to the Commissioner in the form of remittances payable to the Treasurer of the State of North Dakota, and said Commissioner shall transmit each payment daily to the State Treasurer to be deposited in the State Treasury to the credit of a fund to be known as the Retail Sales Tax Fund, which fund is hereby created and established.

§ 18. GENERAL POWERS.]

(1) The Commissioner, for the purpose of ascertaining the correctness of any return or for the purpose of making an estimate of the taxable income and/or receipts of any taxpayer, shall have power: to examine or cause to be examined by any agent or representative designated by him, books, papers, records or memoranda; to require by subpoena the attendance and testimony of witnesses; to issue and sign subpoenas; to administer oaths, to examine witnesses and receive evidence; to compel witnesses to produce for examination books, papers, records and documents relating to any matter which he shall have the authority to investigate or determine.

(2) Where the Commissioner finds the taxpayer has made a fraudulent return, the costs of said hearing shall be taxed to the taxpayer. In all other cases the costs shall be paid by the State.

(3) The fees and mileage to be paid witnesses and taxed as costs shall be the same as prescribed by law in proceedings in the District Court of this State in civil cases. All costs shall be taxed in the manner provided by law in proceedings in civil cases. Where the costs are taxed to the taxpayer they shall be added to the taxes assessed against said taxpayer and shall be collected in the same manner. Costs taxed to the State shall be certified by the Commissioner to the State Treasurer, who shall issue warrant for the amount of said costs, to be paid out of the proceeds of the taxes collected under this Act.

(4) In case of disobedience to a subpoena the Commissioner may invoke the aid of any Court of competent jurisdiction in requiring the attendance and testimony of witnesses and production of records, books, papers, and documents, and such Court may issue an

order requiring the person to appear before the Commissioner and give evidence or produce records, books, papers and documents, as the case may be, and any failure to obey such order of Court may be punished by the Court as a contempt thereof.

(5) Testimony on hearings before the Commissioner may be taken by a deposition as in civil cases, and any person may be compelled to appear and depose in the same manner as witnesses may be compelled to appear and testify as hereinbefore provided.

§ 19. (1) The Commissioner, with the approval of the Governor, may appoint such agents, auditors, clerks and employees as he may deem necessary and fix their salaries and compensation and prescribe their duties and powers and said Commissioner shall have the right to remove such agents, auditors, clerks and employees so appointed by him; provided that the number of inspectors appointed shall not exceed ten, each of whom shall have had at least three years experience in the auditing and checking of books of account.

(2) All such agents and employees shall be allowed such reasonable and other necessary traveling expenses as may be incurred in the performance of their duties not to exceed, however, such amounts as are now or may hereafter be fixed by law.

(3) The Commissioner may require such of the officers, agents and employees as it may designate to give bond for the faithful performance of the duties in such sum and with such sureties as it may determine and the State shall pay, out of the proceeds of the taxes collected under the provisions of this Act, the premiums on such bonds.

(4) The Commissioner may utilize the office of Treasurer of the various Counties in order to administer this Act and effectuate its purposes, and may appoint the Treasurers of the various Counties its agents to collect any or all of the taxes imposed by this Act, provided, however, that no additional compensation shall be paid to said Treasurer by reason thereof.

§ 20. INFORMATION DEEMED CONFIDENTIAL.]

(1) It shall be unlawful for the Commissioner, or any person having an administrative duty under this Act, to divulge or to make known in any manner whatever, the business affairs, operations, or information obtained by an investigation of records and equipment of any person or corporation visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; provided, however, that the Commissioner may authorize examination of such returns by other State officers, or, if a reciprocal arrangement exists, by tax officers of another State, or the Federal Government.

(2) Any person violating the provisions of Sub-section 1 of this Section shall be guilty of a misdemeanor and punishable by a fine not to exceed One Thousand Dollars (\$1,000.00).

§ 21. CORRECTION OF ERRORS.] If it shall appear that, as a result of mistake, an amount of tax, penalty, or interest has been paid which was not due under the provisions of this Act, then such amount shall be credited against any tax due, or to become due, under this Act from the person who made the erroneous payment, or such amount shall be refunded to such person by the Commissioner.

§ 22. Wherever by any provision of this Act a refund is authorized, the Commissioner shall certify the amount of the refund, the reason therefor and the name of the payee to the State Auditor, who shall thereupon draw his warrant on the Retail Sales Tax Fund in the amount specified payable to the named payee.

§ 23. If any section, sub-section, clause, sentence, or phrase of this Act is for any reason held to be unconstitutional and invalid, such decision shall not effect the validity of the remaining portions of this Act. The Legislature hereby declares that it would have passed this Act and each section, sub-section, clause, sentence or phrase hereof, irrespective of whether any one or more of the sections, sub-sections, clauses, sentences, or phrases, be declared unconstitutional.

§ 24. All Laws or parts of Laws in conflict with this Act are hereby repealed.

§ 25. ALLOCATION OF REVENUES.] All moneys collected and received under this Act shall be credited by the State Treasurer into a special fund to be known as "The Retail Sales Tax Fund." Out of this fund the State Treasurer shall first pay the expenses of administering this Act, not to exceed, however, an amount not to exceed three per cent (3%) of the gross collections, and the payment of refunds allowed under this Act. The net amount of moneys remaining in said "Retail Sales Tax Fund" shall be allocated and distributed as follows:

(a) The State Board of Equalization is authorized, directed, empowered and required, at any regular or special meeting, from time to time, between the effective date of this Act and June 30th, 1939, to transfer into "The State Public Welfare Fund" the sum of not to exceed \$2,500.00, to be expended by the State Public Welfare Board for any and all of the objects and purposes prescribed, authorized, permitted and required by law, including those authorized and required by Section 6 of Chapter 221 Session Laws of 1935, in co-ordination with and supplementary to any funds made available for expenditure for light purposes and objects in North Dakota from funds appropriated by Congress and allocated by any Federal Board, administration or agency or made available from any other source.

(b) The State Board of Equalization is further authorized, directed, empowered and required, at any regular or special meeting, from time to time, between the effective date of this Act and June 30th, 1939, to transfer from said "Retail Sales Tax Fund" to the "State Equalization Fund" the sum of not to exceed \$3,500,000, to be expended for any and all of the objects and purposes prescribed, authorized, permitted and required by law.

(c) The State Board of Equalization is further authorized, directed, empowered and required, at any regular or special meeting, from time to time, to authorize and direct the State Treasurer to make distribution out of said "Retail Sales Tax Fund", such amounts of money as, in the opinion of said Board, are not required for carrying out the provisions of sub-divisions (a) and (b) of this Section, as follows:

Said State Treasurer shall transfer and pay over such moneys to the County Treasurers of the several Counties of the State on a pro rata basis based upon the total amount of money paid into said "Retail Sales Tax Fund" from such Counties during the two quarterly periods next preceding the date of such distribution and such County Treasurer shall credit such moneys so received into the "County Poor Relief Fund" created by Chapter 98 Laws of 1933 and such moneys shall be used and usable only for the relief and welfare activities of the County as are prescribed, authorized, permitted and required by law and it shall be the mandatory duty of the Board of County Commissioners of each County to so use and expend such moneys and to reduce and replace the appropriations made or to be made in their County for such relief and welfare activities by the amount of such moneys so received.

§ 26. All moneys now in the retail sales tax fund created by Chapter 276, Laws of 1935, or collected under said Chapter, are hereby appropriated and transferred into the retail sales tax fund created by this Act and shall be allocated and used as herein provided.

§ 27. EMERGENCY.] This Act is hereby declared to be an emergency measure, and shall be in full force and effect from and after its passage and approval.

Approved March 12, 1937.

CHAPTER 250

H. B. No. 16—(Peterson of Renville, Morland, Bjornson and Ritter)

TAXATION OIL PROPERTIES

An Act to encourage the investment of capital in the State of North Dakota in connection with the business of securing, saving, storing and refining of petroleum and petroleum products, and to fix and determine a method for the finding and fixing a limitation on valuations thereof for the purpose of taxation.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. All refineries in the State of North Dakota, including tank farms, storage of crude oil, and refined products, together with real estate, buildings and structures, and all equipment used in connection with the business of securing, saving, storing, transporting and refining of petroleum products, shall, for the purposes of taxation, be valued as a single property, and in the following manner.

§ 2. Every person, firm and corporation engaged in the business aforesaid, in the State of North Dakota, shall comply with the provisions of Sections 2092b1 to 2092b8 inclusive, of the Supplement to the Compiled Laws of North Dakota for 1913 and Acts amendatory thereto.

§ 3. It shall be the duty of the Tax Commissioner of the State of North Dakota, from the reports filed as provided for in Section 2092b1 aforesaid and Acts amendatory thereto, to determine the limit of valuation of said properties for the purpose of taxation, by capitalizing the total net earnings of the previous calendar year, at the rate of six per cent.

§ 4. That if the property referred to in Section 1 hereof, and owned by an individual person, firm or corporation, is situated in more than one taxing district, the Tax Commissioner of the State of North Dakota is empowered, and it shall be his duty to allocate the limit of valuation hereinbefore referred to, as among each of the taxing districts in which said property may be situated. And to that purpose the Tax Commissioner shall require, and the person, firm or corporation owning the property shall furnish, such information as the Tax Commissioner may demand, for the purpose of determining the allocation aforesaid.

§ 5. That the Tax Commissioner shall report to the assessor of each taxing district in which any of such property is situated, the amount of limitation of value, as found by him as aforesaid, and by him allocated to such districts, and the assessor in determining the value, and all Boards of Equalization and Review, shall not increase the valuation of said properties beyond the limit, as determined by the Tax Commissioner.

§ 6. Nothing in this Act shall be construed to prevent either the assessor or the Boards of Review having jurisdiction to review and equalize, from valuing said property at a sum less than that determined by the Tax Commissioner as hereinbefore set out, when and if, in the exercise of the duties imposed upon them by law, they or either of them so determine.

Approved February 16, 1937.

CHAPTER 251

H. B. No. 18—(Representatives Peterson of Renville, Morland, Bjornson and Ritter)

TAXATION OF OIL AND GAS DRILLING RIGS AND EQUIPMENT

An Act to provide for the taxation of drilling rigs and all other equipment used in prospecting for oil and gas in the State of North Dakota.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. That all drilling rigs and all other equipment used and usable in connection with the business of prospecting for, mining for, or discovery of oil or gas in the State of North Dakota, and actually used for prospecting, mining and discovery purposes, shall not be assessed for taxation purposes until said property has been in the State of North Dakota for at least the period of one year.

Approved February 12, 1937.

TREES

CHAPTER 252

H. B. No. 292—(Thoresen, by request)

TREE BOUNTY

An Act providing for the allowance of a portion of the cost of planting and growing forest trees as a bounty therefor, and prescribing the duties of the assessor in connection therewith; repealing all Acts in conflict herewith; and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. BOUNTY FOR TREE PLANTING.] Any person who shall hereafter plant, cultivate and keep in growing, thrifty condition one acre and not more than ten acres of prairie land with any kind of