

INITIATED MEASURES, APPROVED

CHAPTER 686

STATE REVENUE SHARING

An initiated measure for an Act to provide for the sharing of the general fund revenues of the state of North Dakota with counties, cities, city park districts, and townships.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF NORTH DAKOTA:

SECTION 1. INTENT.) It is the intent of the electors that the government of the state of North Dakota share a percentage of the funds derived from state sales, use, and income taxes with counties, cities, city park districts and townships for the purpose of maintaining quality local governmental services and stabilizing the local property tax burden.

SECTION 2. STATE REVENUE SHARING FUND.) Commencing July 1, 1979, and on July 1 of each successive year, there is hereby created in the office of the state treasurer a state revenue sharing fund which shall be administered by the state treasurer. An amount equal to five percent of the net proceeds of the state income taxes for the year prior to the current fiscal year and five percent of the net proceeds of the state sales and use tax for the year prior to the current fiscal year shall be paid over by the state tax commissioner to the state treasurer who shall credit the same to the fund and allocate and transfer such funds on a quarterly basis to cities and county governments in the manner provided by this Act.

SECTION 3. DISTRIBUTION FORMULA.)

1. Half of the amount in the fund shall be allocated in the following manner:
 - a. Each county shall share in the fund in the proportion that the population of each bears to the population of all based on the most recent federal census, either regular or special.
 - b. Each city shall share in the funds allocated to each county in the proportion that the population of each bears to the population of the county in which it is

located based on the most recent federal census, either regular or special.

2. The remainder shall be allocated in the following manner:
 - a. Such money shall be allocated to all countywide areas so that each countywide area shall receive an amount which bears the same ratio as the real property tax levy in dollars of all political subdivisions within the countywide area bears to the sum of the products. For the purposes of this Act, countywide area shall be the geographic area of a county.
 - b. The county government and all cities within the countywide area shall be allocated that portion of the amount allocated to the countywide area pursuant to subdivision a which bears the same ratio to such amount as each such county or city's real property tax levy in dollars bear to the sum of the real property tax levy in dollars of all cities and county government within that countywide area.
3. If within any city there shall be located a park district created pursuant to chapter 40-49, such city's share of revenue sharing funds shall be divided between the city and the park district in proportion to their total respective mill levies. The distribution shall be made by the city auditor.
4. If within any county there shall be located townships created pursuant to chapter 58-02, such county's share of revenue sharing funds shall be divided between the county and such townships. The townships shall receive ten percent of the allocations made to such county in the proportion that the population of each township within the countywide area bears to the population of all townships within the countywide area. If the countywide area is not fully organized into townships, the allocation to townships shall be divided between the county government and the townships within the countywide area, in the proportion that the population of the townships bear to the population of the countywide area, and the allocation of the township's share shall be distributed among the townships within the countywide area in the manner otherwise provided by in this section. The county treasurer shall transfer the township share of such revenue sharing funds to the respective township or townships. The remainder shall be allocated to the county government, and thereafter shall be considered a part of the initial allocation of the county government.

SECTION 4. DISBURSEMENT OF LOCAL FUNDS - REPORTS.) Cities, city park districts, county governments, and townships may receive and expend payments made pursuant to this Act and such payments

shall be considered an appropriation in the budget of the local unit of government, which, upon the order of the governing body may be disbursed in the manner other disbursements are made. The state revenue sharing moneys so received shall be treated as a part of the local tax effort of each local unit of government receiving such funds. The state treasurer may require local units of government receiving state revenue sharing funds to provide such information or copies of reports as may be necessary to administer the Act.

Approved November 7, 1978

146,187 to 56,761

NOTE: This was initiated measure No. 1 on the general election ballot.

CHAPTER 687

INCOME TAX REDUCTION

An initiated measure for an Act amending the income tax rates on individuals and corporations.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF NORTH DAKOTA:

SECTION 1.) That section 57-38-29, Rate of tax on individuals, be amended and reenacted by deleting the overstruck material and substituting therefor the underlined material, as follows:

57-38-29. Rate of tax on individuals. A tax is hereby imposed upon every individual, to be levied, collected, and paid annually with respect to the taxable income of such individual as defined in this chapter, computed at the following rates:

1. On taxable income not in excess of ~~one~~ three thousand dollars, a tax of one percent.
2. On taxable income in excess of ~~one~~ three thousand dollars and not in excess of ~~three~~ five thousand dollars, a tax of two percent.
3. On taxable income in excess of ~~three~~ five thousand dollars and not in excess of ~~five~~ eight thousand dollars, a tax of three percent.
4. On taxable income in excess of ~~five~~ eight thousand dollars and not in excess of ~~six~~ twelve thousand dollars, a tax of ~~five~~ four percent.
5. On taxable income in excess of ~~six~~ twelve thousand dollars and not in excess of ~~eight~~ thirty thousand dollars, a tax of ~~seven-and-one-half~~ five percent.
6. On taxable income in excess of ~~eight~~ thirty thousand dollars, a tax of ~~ten~~ seven and one-half percent.

SECTION 2.) That section 57-38-30, Rate of tax on corporations, be amended and reenacted to delete the overstruck material and substitute therefor that which is underlined to make such section read as follows:

57-38-30. Rate of tax on corporations. A tax is hereby imposed upon the taxable income of every domestic and foreign corporation received from the sources described in sections 57-38-12, 57-38-13, and 57-38-14, which shall be levied, collected, and paid annually as in this chapter provided, and which shall be computed at the following rates:

1. For the first three thousand dollars of taxable income, at the rate of three percent.
2. On all taxable income above three thousand dollars and not in excess of eight thousand dollars, at the rate of four percent.
3. On all taxable income above eight thousand dollars and not in excess of fifteen thousand dollars, at the rate of five percent.
4. On all taxable income above fifteen thousand dollars, and not in excess of twenty-five thousand dollars, at the rate of six percent.
5. On all taxable income above twenty-five thousand dollars, at the rate of eight and one-half percent.

SECTION 3. EFFECTIVE DATE.) These amendments shall be effective for all taxable years beginning on or after January 1, 1978.

Approved November 7, 1978

127,280 to 68,215

NOTE: This was initiated measure No. 2 on the general election ballot.

CHAPTER 688

GAME AND FISH FUND USE

An initiated measure for an Act to provide that all income of the state game and fish department and interest on said income be used only by the state game and fish department.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF NORTH DAKOTA:

SECTION 1. USE OF FUNDS.) All income of the state game and fish department, deposited by the state game and fish commissioner with the state treasurer shall be credited to the state game and fish fund and said fund shall be used only by the state game and fish department; and all money derived from the investment of said fund or portions thereof shall be credited to said fund.

SECTION 2. EFFECTIVE DATE.) This Act shall become effective January 1, 1979.

Approved November 7, 1978

138,500 to 65,638

NOTE: This was initiated measure No. 3. on the general election ballot.