

necessary expense in maintaining the same shall be used under the direction of the Board of Administration to augment any of the funds of the penitentiary.

§ 3. APPROPRIATIONS.] There is hereby appropriated out of any moneys in the State Treasury, not otherwise appropriated, the sum of \$18,000.00 or so much thereof as may be necessary for the purpose of purchasing the equipment and materials necessary to put this account in full force and effect. Provided that in the judgment of the Board of Administration, together with the Governor, it is warranted.

Approved March 10, 1933.

## CHAPTER 244

H. B. No. 340—(Carlson.)

### PURCHASES STATE INSTITUTIONS

An Act requiring the purchasing agent of the Board of Administration to buy in accordance with the United States Bureau of Standard Specifications.

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

§ 1. The Board of Administration and the Purchasing Agent are hereby required and directed to make all purchase of goods and materials on behalf of the various state institutions in accordance with the standards and specifications of the United States Bureau of Standards Specifications.

Approved March 6th, 1933.

## TAXATION

### CHAPTER 245

H. B. No. 349—(Committee on Agriculture.)

### ASSESSORS DUTIES

An Act amending and re-enacting Section 1904, Compiled Laws 1913, and Section 1905, Supplement to the 1913 Compiled Laws of North Dakota, relating to the duties of the county, township, city, and village assessors in connection with the securing of statistics, relating to agriculture and such other subjects as may be required by the state statistician.

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

§ 1. AMENDMENT.] That Section 1904, Compiled Laws 1913 be amended and re-enacted to read as follows:

§ 1904. WHAT STATISTICAL STATEMENT TO CONTAIN.] The

statistical statement mentioned in the foregoing section shall contain answers properly classified to the following questions: What is the number of farms, the number of acres cultivated or to be cultivated to crop for the current and preceding year, together with the acreage and product for the year, of wheat, oats, barley, flax, corn, rye, potatoes cultivated, and wild hay. The number of milch and beef cows, sheep and hogs, and laying hens and turkey hens.

§ 2. AMENDMENT.] That Section 1905 of the Supplement to the Compiled Laws, 1913, be amended and re-enacted to read as follows:

§ 1905. STATISTICS. HOW OBTAINED.] Each assessor shall perform the services by a personal visit to each dwelling house and to each family in his township, district, city, or village, and shall secure the information which he is required to ascertain by inquiries made of some member of each family, if any can be found capable of giving the information, but, if not then he shall obtain such information from the most reliable source; and he shall personally visit the farms, shops, and other places in the district, respecting which information is required, as specified on the blanks furnished him by the state statistician, and he shall obtain all information from the best and most reliable sources. The county auditor shall furnish to each assessor in his county such blanks as may be necessary for taking such statements, which blanks shall be furnished by the state statistician to the county auditors, together with printed instructions explaining the duties of the assessor in collecting the statistics aforesaid; and he county auditor within five days after such statements are returned to him shall forward the same by registered mail to the state statistician. In case such statement is not received by the state statistician on or before the twentieth day of July of each year he shall report such fact in writing to the attorney general, who shall notify such county auditor in writing of such delinquency, and if such county auditor neglects or refuses to forward such statement on or before the first day of August, then the attorney general shall at once proceed to enforce the penalties provided in section 1907 of the Compiled Laws of North Dakota for 1913.

Approved March 6, 1933.

## CHAPTER 246

H. B. No. 112—(Owings.)

### TAX INFORMATION FOR BANK OF NORTH DAKOTA

An Act requiring the County Auditors to furnish the Bank of North Dakota information relative to taxes on lands in which it or the State treasurer is interested.

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

§ 1. The County auditors of the respective counties are hereby

required and directed immediately upon the taking effect of this Act and on or before the first day of July each year thereafter to inform the Bank of North Dakota of any delinquent and unpaid taxes upon real estate owned or mortgaged to the Bank of North Dakota or assigned by it to the State Treasurer as trustee for the State of North Dakota. They shall give a description of the land for which the taxes are unpaid, the amount of unpaid taxes for each year, showing separately hail indemnity and special assessment taxes if any, the names of the purchaser if sold.

§ 2. The county auditors of the respective counties shall immediately upon the taking effect of this Act, notify the Bank of North Dakota if applications for tax deed have been made or if and when applications have been made for tax deed to any real estate in such county owned by or mortgaged to or assigned by the Bank of North Dakota to the State Treasurer as trustee for the State of North Dakota. Such notice to be sent before any costs or expenses are incurred in connection with such application.

§ 3. The notice and information required in this Act shall be sent by registered mail to the Bank of North Dakota and no charge shall be made by any county auditor for the furnishing of same, and any charge heretofore made is hereby cancelled.

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

Approved March 3, 1933.

## CHAPTER 247

S. B. No. 118—(Whelan by request.)

### CERTIFICATES OF INDEBTEDNESS

An Act to amend and re-enact Section 2079b1; Section 2079b2; Section 2079b3; Section 2079b4; Section 2079b5 and Section 2079b13, Supplement to the Compiled Laws of 1913.

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

That Section 2079b1; Section 2079b2; Section 2079b3; Section 2079b4; Section 2079b5 and Section 2079b13, Supplement to the Compiled Laws of 1913, be amended and re-enacted to read as follows:

§ 2079b1. CERTIFICATES OF INDEBTEDNESS.] Counties, cities, villages, townships, school districts, park districts, and irrigation districts shall have power to borrow in anticipation of revenues to be derived from taxes already levied. The aggregate amount of such borrowings shall not at any time exceed the amount of delinquent taxes which have been levied during the year in which the borrow-

ing is made, plus uncollected taxes remaining upon the tax lists of four preceding years, exclusive of levies for the purpose of retiring bond issues and the interest thereon. For the purpose of borrowing all such taxing districts may issue certificates of indebtedness. A certificate of indebtedness shall consist of an agreement on the part of the taxing district to pay a stated sum on a specified date or on or before a specified date nor more than twenty-four months in the future, together with interest thereon at a specified rate not exceeding seven per cent per annum which may be made payable semi-annually, which certificate shall be signed on behalf of the district by its president or chairman and also by its auditor, clerk or secretary, and be payable out of funds derived from delinquent taxes levied for the current tax year and four previous years, and which have not been set aside for the payment of other certificates of indebtedness pursuant to Section 2079b5. However, a certificate of indebtedness shall be the general obligation of the issuing tax district.

Certificates of indebtedness shall bear the certificate of the county auditor to the effect that they, together with all other outstanding certificates, are within the amount of delinquent taxes which have been lawfully levied in the then present year plus uncollected taxes of four preceding years. Such certificates of indebtedness shall possess no validity unless they bear such certificates of the county auditor. It shall be the duty of the county auditor to make such certificate according to the facts. When so executed with the prescribed certificate signed by the county auditor, certificates of indebtedness shall be fully negotiable and shall be incontestable, except upon the ground of fraud on the part of the holder or original payee or connivance between the holder or the original payee and officer or officers of the taxing district concerned. In the hands of a holder in due course, the execution of a certificate of indebtedness by the proper officials shall be conclusive evidence that the issuance thereof was duly authorized by the governing board of the taxing district. A tax shall be deemed to have been levied when it has been voted by the tax levying board and certified to the county auditor.

§ 2079b2. CERTIFYING AMOUNT OF UNCOLLECTED TAXES.] The county auditor shall at any time upon request of the officers of any taxing district, certify to them the amount of uncollected taxes remaining upon the tax lists to the credit of such district on the last day of the preceding month, and shall annually certify such information to the clerk of each township and village on February fifteenth and to the auditor of each city on September tenth, and to the clerk of each school board on June tenth. The county auditor shall also certify to the clerk, auditor, or secretary of such taxing districts monthly, at the time of making the monthly apportionment of funds the amount of cash collections apportioned for that month to such taxing district, and the amount derived from levies of each tax year.

§ 2079b3. MAXIMUM AMOUNT OF WARRANTS; VIOLATION OF

PROVISIONS; LIABILITY FOR.] No warrants, purporting to be drawn upon the funds in the hands of the treasurer of any taxing district, shall be issued in excess of the amount of cash in the hands of the treasurer, exclusive of sinking funds and funds for the payment of interest upon bond issues, and no indebtedness shall be incurred, and no undertakings or expenditures authorized in excess of unencumbered uncollected taxes which have been levied during the current year. Any warrant issued, contract entered into, or purported indebtedness incurred in contravention of this Section shall be utterly null and void, this provision not being intended to detract from the provisions of Section 2079b1 of this Act with reference to the incontestability of certificates of indebtedness. Any officer knowingly and wilfully executing or participating in the execution of any warrant or contract, or attempting to incur any indebtedness of any such taxing district in contravention of this Act, shall be deemed guilty of a misdemeanor. Any officer executing or participating in the execution of any warrant in contravention of this Act, shall be personally liable for the payment thereof to the holder in due course thereof. Any county auditor wilfully signing a false certificate upon any certificate of indebtedness issued pursuant to the provisions of this Act, shall be deemed guilty of a misdemeanor. Any member of a governing board or any officer of such taxing district who shall wilfully issue or participate in the issuance of, or the purported authorization of any certificate of indebtedness contrary to the provisions of this Act, or in excess of the maximum amount permitted under this Act, shall be personally liable for the payment thereof to the holder in due course thereof.

§ 2079b4. REGISTRATION.] The county auditor shall at the time of attaching his certificate to such certificates of indebtedness, register such certificates of indebtedness in his bond register in space set aside for the registration of certificates of indebtedness. Such registration shall show the name and address of the purchaser. In the event such certificate is negotiated, the holder thereof shall present same to the county auditor who shall thereupon note in his register the name and address of the purchaser.

§ 2079b5. COLLECTION, PAYMENT AND CANCELLATION OF CERTIFICATES.] When any taxing district has issued certificates of indebtedness pursuant to the terms of this act it shall be the duty of the county auditor to set aside all taxes collected from levies for the respective years against which certificates of indebtedness have been issued, except those for sinking and interest funds, thereafter accruing to the credit of such district, and the same shall be held by the county treasurer in a special fund to be used only for the purpose of retiring such certificates of indebtedness and paying interest thereon until such funds shall have been accumulated from the collection of levies of any year or years against which certificates of indebtedness have been issued to retire the certificates of that year. In the

event sufficient taxes are not collected from such levies to retire such certificates, both principal and interest, within two months after their due date, then there shall be set aside from current tax collections not less than ten per cent nor more than thirty per cent of the amount of such collections until such past due certificates have been paid. That within one month after the due date of a certificate of indebtedness the governing board of the issuing taxing district shall transmit to the county auditor its duly authenticated resolution directing the percentage of collection of taxes to be retained by the county treasurer each year to retire such certificate within the foregoing limitations. In the event such resolution is not received within two months after the due date of such certificate, then the county auditor shall retain thirty per cent of such collections. Certificates of indebtedness shall be paid in the order of their issuance, the certificate first issued being first paid from such collection of taxes. Upon accumulation of funds sufficient to retire a certificate, whether same is due or otherwise, the holder thereof shall be notified by the county auditor and shall be required promptly to present the certificate for payment and cancellation and thereafter interest thereon shall cease. Upon presentment of such certificate to the county auditor, he shall certify the amount due thereon to the county treasurer, who shall pay to the holder the amount thereof; the certificate shall be cancelled and so noted on the bond register and the cancelled certificate returned to the treasurer of the issuing taxing district.

§ 2079b13. WARRANTS FOR CURRENT EXPENSES.] In case any taxing district is unable to sell its certificates of indebtedness, it may issue warrants in payment of current expense, in excess of cash on hand, but not in excess of taxes levied but uncollected, and not otherwise encumbered, and the funds derived from the collection thereof shall constitute a special fund and the exclusive source of revenue for the payment of such warrants. If warrants be issued in excess of taxes levied, such warrants shall possess no validity as against the taxing district but the officials knowingly and wilfully issuing the same shall be personally liable for the payment thereof. Provided, however, that the governing board of any political subdivision may, in the event that there has not been sufficient funds in the treasury of such subdivision, to pay the salaries and wages of officials and employees of such subdivisions in full for a period of six months, by resolution authorize the issuance of warrants to such officials and employees for salary and wages, whereby one-half of such salary or wages shall be paid in cash by the treasurer of such political subdivision to such officials or employees, and a warrant issued for the balance thereof, which shall be registered and paid as other warrants are registered and paid; provided, further, that this act shall be construed to relieve the treasurer of such political subdivisions of liability to other warrant holders because of the payment of salaries and wages as provided in this act.

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

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

Approved March 9, 1933.

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## CHAPTER 248

H. B. No. 342—(Flannigan.)

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### TAX LEVY CAPITOL BUILDING

An Act to amend and re-enact Chapter 278 of the Session Laws of the State of North Dakota for 1931, being an Act providing for the levying of a tax to create a fund for the purpose of erecting a new Capitol Building and equipping the same at the City of Bismarck, North Dakota.

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

§ 1. AMENDMENT.] Section 1 of Chapter 278 of the Session Laws of the State of North Dakota for 1931 is hereby amended and re-enacted to read as follows:

§ 1. There shall be levied upon each dollar of assessed valuation of all taxable property within this state for the years 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, and 1940, to be paid during each of said years; one-tenth of one mill for 1931 and 1932 and one-fifth of one mill for 1933, 1934, 1935, 1936, 1937, 1938, 1939, and 1940 on every dollar of taxable property, and all such revenue as may be collected under such levy including all interest collected, shall be paid into a special fund to be known as the "State Capitol Building Fund." Such fund shall be used only for the purpose of erecting and equipping a new capitol building in the City of Bismarck, North Dakota, and for supplying electric current therefor as the Legislature has heretofore or may hereafter direct.

§ 2. 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 3, 1933.

**CHAPTER 249****H. B. No. 271—(Solberg.)****TAX LEVY INTEREST, ETC. N. D. 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 year 1933, 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 this state for the year 1933, to be paid during said year, one-half of one mill and all such revenues that may be collected thereby, shall be paid into the state treasury and there kept 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.

§ 2. 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 6, 1933.

**CHAPTER 250****H. B. No. 124—(Ettestad and Niewoehner.)****TAX LEVY LIMITATIONS**

An Act to amend and re-enact Section 9, Chapter 235, Session Laws of North Dakota for 1929.

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

§ 1. AMENDMENT.] That Section 9, Chapter 235, Session Laws of North Dakota for 1929, is hereby amended and re-enacted to read as follows:

§ 9. The Board of County Commissioners shall have the same jurisdiction in unorganized townships as the township supervisors have in organized townships and shall have power to levy taxes in unorganized townships for general purposes to the same extent as such supervisors have in organized townships.



The total tax for road and bridge purposes, levied by the board of county commissioners in such unorganized townships for road and bridge purposes, shall not exceed two (2) mills on the dollar of the net taxable assessed valuation of such unorganized townships. Such limitations, however, shall not be construed as limiting the power of the board of county commissioners to levy general county taxes for road and bridge purposes in such unorganized territory as may be provided by law.

In addition to such two (2) mill levy hereby authorized to be made by the Board of County Commissioners in such unorganized territory, a further levy of two (2) mills may be made for township general and township poor purposes.

Approved March 3, 1933.

### CHAPTER 251

S. B. No. 107—(Committee on Tax and Tax Laws.)

#### ESTATE TAX

An Act to amend and re-enact Sections 2, 3, 8, and 11 of Chapter 267 of the Session Laws of 1927, as amended by Chapter 282 of the Session Laws of 1931, pertaining to the estate tax.

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

§ 1. AMENDMENT.] Section 2 of Chapter 267 of the Laws of 1927, as amended and re-enacted by Section 2 of Chapter 282 of the Session Laws of 1931, is hereby amended and re-enacted to read as follows:

§ 2. (1) TAX ON TRANSFER OF ESTATES.] A tax shall be and is hereby imposed upon the transfer of the net estate of every decedent, whether in trust or otherwise, under the conditions and subject to the exemptions and limitations hereinafter prescribed.

(2) GROSS ESTATE.] The value of the gross estate of the decedent shall be determined by including the following property:

- (A) When a resident of the State.
  - 1. All real property within the State.
  - 2. All tangible personal property except that which has an actual situs without the State.
  - 3. All intangible personal property wherever located.
- (B) When a non-resident of this State.
  - 1. All real property located within this State.
  - 2. All tangible personal property having an actual situs within the State.
  - 3. Sheriff's certificates of sale of real estate.
  - 4. Decedent's equitable interest in real estate within the State.

5. The full value of shares of stock in domestic corporations ; provided, that transfers of such shares of stock shall not be taxed if, by the law of the State of decedent's residence at the date of his death, either (a) no inheritance tax or other death tax is imposed upon any form of intangible personalty of non-resident decedents, or (b) a like exemption is made in favor of residents of this State.

(C) All property transferred prior to and in contemplation of death. Any transfer of any part of the estate made by the decedent within two years prior to death without an equivalent monetary consideration shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this Section.

(D) All property transferred by the decedent prior to death by grant or gift without an equivalent monetary consideration, either intended to take effect at or after the death of the decedent.

(3) CONTRACTS IN CONTEMPLATION OF DEATH.] The gross value of the estate shall not be diminished by reason of any transfers due to the claim or any creditor against the estate arising from a contract made after the passage of this Act payable by the term of such contract at or after death, of the decedent, except in so far as it may be affirmatively shown by competent evidence, that such claim was legally due and payable in the lifetime of the decedent or was supported by a consideration of equivalent monetary value. This shall not, however, bring within the meaning of the statute any antenuptial agreements which shall for the purpose of this Act be considered as contracts creating a debt against the estate.

(4) JOINT INTEREST.] The gross estate of the decedent shall include the value of interests in property held as joint tenant or deposited in banks or other institutions in the joint names of the decedent and any other person and payable to either or the survivor. In all such cases the value of the decedent's interest shall be determined by dividing the value of the entire property by the number of joint tenants, joint depositors, or persons interested therein.

(5) POWER OF APPOINTMENT.] Transfers of property subject to the power of appointment, whether the power be exercised or not exercised, shall be taxable under this Act to the estate of the donor and shall not be taxable to the estate of the donee.

(6) REVOCABLE AND IRREVOCABLE TRUSTS.] Whenever a decedent has reserved unrestricted power of revocation of any trust created during his lifetime, such trusts shall be considered as a part of his estate and taxed accordingly. Where, however, the trust provided that only a portion of such property could be revested, only that portion shall be taxable as a part of the estate and the irrevocable portion of such trust shall only be taxable when the transfer was made in contemplation of death or the possession or enjoyment thereof was intended to take effect at or after death. When-

ever a donor of such trust reserved a life income therefrom, it shall be considered as a part of the estate and taxed accordingly.

(7) PROPERTY PREVIOUSLY TAXED.] A transfer of property which has paid a transfer tax to this State within five years shall be subject to a tax as though it had not been transferred, but wherever the property can be identified as having been received by the decedent by gifts, bequest, devise, or inheritance within five years or can be identified as having been acquired in exchange for property so received, a credit for the transfer taxes paid within five years upon his property shall be allowed upon the transfer tax, provided, however, that this credit shall not exceed the tax due under the present appraisalment of such property for transfer tax purposes.

(8) PROCEEDS FROM LIFE INSURANCE POLICIES.] All proceeds from life insurance policies not in excess of \$20,000.00 shall be exempt from taxation.

§ 2. AMENDMENT.] Section 3 of Chapter 267 of the Session Laws of 1927, as amended and re-enacted by Section 2 of Chapter 282, Laws of 1931, is hereby amended and re-enacted, to read as follows:

§ 3. RATE OF TAX.] The tax upon the net estate shall be at the following rates:

2 per centum of the amount of the net estate not in excess of \$25,000.00;

4 per centum of the amount by which the net estate exceeds \$25,000. and does not exceed \$50,000;

6 per centum of the amount by which the net estate exceeds \$50,000 and does not exceed \$100,000;

8 per centum of the amount by which the net estate exceeds \$100,000 and does not exceed \$200,000;

10 per centum of the amount by which the net estate exceeds \$200,000 and does not exceed \$400,000;

12 per centum of the amount by which the net estate exceeds \$400,000 and does not exceed \$600,000;

14 per centum of the amount by which the net estate exceeds \$600,000 and does not exceed \$800,000;

17 per centum of the amount by which the net estate exceeds \$800,000 and does not exceed \$1,000,000;

20 per centum of the amount by which the net estate exceeds \$1,000,000 and does not exceed \$1,500,000;

23 per centum of the amount by which the net estate exceeds \$1,500,000.

(2) DETERMINATION OF NET ESTATE.] For the purpose of this Act the value of the net estate shall be determined by deducting from the value of the gross estate;

(a) An exemption, not exceeding the amount specified in

each case, of the value of property passing to each of the following beneficiaries:

1. Wife, not exceeding \$20,000.
2. Husband, not exceeding \$20,000.
3. Lineal ancestor or descendant, adopted child, step child, or lineal descendant of an adopted child or step child, not exceeding \$2,000 and if a minor, not exceeding \$5,000.

(B) The amount of all bequests, legacies, devises, or transfers, except bona fide sales for an equivalent monetary consideration in contemplation of or intended to take effect in possession or enjoyment at or after the decedent's death, to or for the use of any public institution, for exclusively public purposes, or for any charitable, educational or religious purposes, or to or for the use of any corporation, institution, society, or association, whose sole object and purpose is to carry on charitable, educational or religious work, but no deduction shall be made if any officer, member, shareholder or employee of such corporation, institution, society or association shall receive or may be lawfully entitled to receive, any pecuniary profit from the operations thereof, except reasonable compensation, for services in effecting one or more of such purposes or as proper beneficiaries of a strictly charitable purpose; or if the organization thereof, for any such avowed purpose, be a guise or pretense for directly or indirectly making any other pecuniary profit for such corporation, institution, society or association, or for any of its members or employees, or if it be not in good faith organized or conducted exclusively for one or more of such purposes.

(C) All debts of the decedent.

(D) Taxes.

1. On real property within this State which were a lien at the date of decedent's death.

2. On the decedent's personal property, which was the personal obligation of the decedent during his lifetime, or a lien upon such personal property at the date of death.

3. State and Federal income taxes on the income of the decedent to the date of his death.

(E) Death duties paid to foreign countries on intangible personal property.

(F) Inheritance taxes paid or payable to other States on intangible personal property.

(G) Federal estate taxes paid and not refunded.

(H) Special assessments which are due and which are a lien on taxable property located within the State.

(I) Funeral expenses, and all amounts actually expended not exceeding the sum of five hundred (\$500.00) dollars for monuments.

(J) Commissions of executors and administrators actually allowed and paid.

(K) Cost of administration including reasonable attorney's fees.

The family allowance shall not be deductible in an amount exceeding two thousand dollars for the widow plus three hundred dollars for each minor child and shall not be deductible except to the extent that it exceeds the income of the estate.

In case decedent was a non-resident and the situs of a part of the property of the estate is outside this State, no part of the debts of decedent, nor of taxes other than real estate taxes, nor funeral and monument expense shall be deductible from the gross estate; provided, that if the aggregate amount of debts, taxes other than real estate taxes and funeral and monument expense shall exceed the value of the personalty not taxable in this State there shall be deducted from the gross estate in this State such percentage thereof as the value of the property in this State above liens is of the value of all the property of the estate above liens.

If decedent was a resident of this State and the situs of part of the property of the estate is outside this State, debts, taxes other than real estate taxes and funeral and monument expense shall be deductible from the gross estate in this State unless the aggregate thereof exceeds the value of the personalty taxable in this State, in which case only such percentage thereof may be deducted as the value of the property in this State above liens is of the value of all the property of the estate above the liens.

If only a part of the property of an estate is taxable in this State only such commissions, attorneys fees and costs of administration may be deducted as are occasioned by administration within this State.

If only a part of the property of the estate is taxable within this State, deduction as exemptions shall be allowed of only such percentage of the amounts of exemptions herein specified as the property taxable within this State, above liens is of all the property of the estate, above liens.

Only such past due real estate taxes and past due special assessments may be deducted, in any circumstances, as are liens upon real estate within this State.

§ 3. AMENDMENT.] Section 8 of Chapter 267 of the Session Laws of 1927, as amended and re-enacted by Section 5 of Chapter 282 of the Session Laws of 1931, is hereby amended and re-enacted to read as follows:

§ 8. LIEN FOR TAXES.] All taxes imposed by this Act shall be and remain a lien upon the property transferred, and upon all property acquired by the executor, administrator, or trustee in substitution therefor until the taxes are paid or a bond given, but said lien shall not affect any tangible or intangible personal property after it has passed to a bona fide purchaser for value; provided, however, that nothing herein contained shall give the owner of any securities

the right to have the same transferred to him by the corporation, association, company or trust issuing the same, until a permit required by this Act shall have been filed as herein provided. The lien charged as aforesaid upon any real estate or separate parcel thereof may be discharged by the payment of all taxes due and to become due on said real estate or separate parcel, or by the filing and acceptance of a bond as provided in this Act, or by an order of the County Court transferring such lien to other real estate owned by the person to whom said real estate or separate parcel thereof passes. The beneficiary shall be personally liable for the tax on such real estate, as well as the executor, administrator, or trustee; and if the executor, administrator, or trustee pays such tax, he shall, unless the same is made an expense of administration by the will or other instrument, have the right to recover such tax or any other tax from the beneficiary acquiring such real estate. In case of a resident decedent, beneficiaries shall share the burden of the tax in proportion to benefits received unless otherwise provided by will. If a resident decedent leaves property outside of the State, beneficiaries shall share the aggregate burden of the estate tax payable in this State and transfer taxes payable in other states in proportion to aggregate benefits received here and elsewhere unless otherwise provided by will. If a non-resident decedent leaves property in this State, the entire tax imposed by this State shall be enforceable against any property of the estate but the court may, in its discretion, make such order or orders as may be best calculated to distribute the aggregate burden equitably in proportion to benefits received.

§ 4. AMENDMENT.] Section II of Chapter 267 of the Session Laws of 1927, as amended and re-enacted by Section 4 of Chapter 282 of the Session Laws of 1931, is hereby amended and re-enacted to read as follows:

§ II. FORMS AND RECORDS.] The State Tax Commissioner shall have power to prescribe such forms, application blanks and printed matter as may be necessary for the carrying out and enforcement of this Act. He shall also keep such records as are indicated by good accounting practice in such manner as to furnish to the State Legislature intelligent information upon which to base further legislation in regard to these taxes. The approval by the Tax Commissioner of the determination of the amount of estate tax shall be required except in case of insolvent estates or estates of which nothing remains after payment of debts except what is disposed of under the provisions of Section 8723 and 8725 of the Compiled Laws of 1913.

§ 5. EMERGENCY.] WHEREAS, it appears that in the enactment of Chapter 282, Laws of 1931, Subdivision (3) of Subdivision (A) of Subsection 2 of Section 2, above set forth, was included in the bill as passed by the House of Representatives but was inad-

vertently omitted in its passage by the Senate, and, whereas, there is doubt as to the validity and effectiveness of Chapter 282, Laws of 1931, by reason thereof; Now, therefore, this Act is declared to be an emergency measure and shall be in full force and effect immediately upon its passage and approval.

Approved March 9, 1933.

## CHAPTER 252

S. B. No. 131—(Bonzer.)

### GROSS EARNINGS TAX POWER COMPANIES

An Act to provide and impose a gross tax on the gross operating receipts of power companies; defining the same; providing for furnishing information relative to such property; outlining the duties of the tax commissioner; state board of equalization; county auditors; and county treasurers; and fixing penalty for failure or neglect to report; providing that such tax shall be a lien (lieu) tax and 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. DEFINITION.] For the purpose of this Act, the following definitions are made:

(a) Company defined: The term "company" used in this Act, shall mean and include any individual, firm, co-partnership, business trust, corporation, joint stock company or association.

(b) Power company defined: Any Company owning, or holding under lease, or otherwise, any property in the state, and operating the same, for the purpose of furnishing electricity, electric power, or steam heat, or distributing the same, for public use or owning under lease or otherwise, any property located wholly within one taxing district, and furnishing and distributing artificial gas for public use shall for the purpose of this Act be held to be a power company.

(c) Gross receipts defined: The words: "gross receipts" shall be understood to mean, the total amount charged for furnishing electricity or steam services before any deductions for expense of operation or otherwise are made.

§ 2. ANNUAL TAX.] For the privilege of exercising its franchise in this state, every domestic power company doing business in this state, every foreign power company, shall annually pay a tax to the state upon its gross receipts, as herein defined; from the operation of its business within the state, of twelve per cent of its total gross receipts within this state.

§ 3. Each power company shall, on or before the first day of March in each year, make and return to the State Tax Commis-

sioner, on such blanks as he may prescribe, a sworn statement of its gross receipts, in the State of North Dakota during the preceding calendar year, together with such other and further information as the Tax Commissioner may require. If, by the first day of April any power company, has failed to file such report, the State Tax Commissioner is hereby empowered to make a report for such company, showing its gross receipts in such sum as may appear to be reasonable, which report shall be treated in all respects as the official report of such delinquent company.

§ 4. Each power company, shall in its report, made to the State Tax Commissioner, report its gross receipts by county in or through which it operates, and shall further show the gross receipts from each municipality or distributing system which such company operates within such county. Such report shall further show the miles of pole line or pipe line within such county and the taxing districts through which such pole lines or pipe lines extends.

§ 5. POWERS AND DUTIES OF STATE TAX COMMISSIONER.] It shall be the duty of the State Tax Commissioner to satisfy himself of the accuracy of the reports made by each power company, as provided in this Act, and to correct any error or inaccuracies which he may discover therein; and the records, books and accounts of the power companies, shall be subject to inspection by the State Tax Commissioner, or the duly authorized representative. The State Tax Commissioner may in his discretion, grant extension of time, within which reports of power companies prescribed in this Act, shall be filed. If the return required to be made by such power companies, showing the gross receipts as provided herein is not made by April 1st, unless an extension of time is granted by the State Tax Commissioner, the Company failing or refusing to make such return shall be liable to a penalty of one hundred dollars for each and every day thereafter, during which said report shall be delayed. Such a penalty shall be assessed against the power companies by the State Board of Equalization and shall be certified by them, to the Attorney General, who shall institute action for the collection of the same.

§ 6. ASSESSMENTS AND COLLECTIONS.] A total tax due from each power company, shall be computed and determined by the Tax Commissioner from the annual return herein required or from any other information. The State Board of Equalization shall meet at the office of the State Tax Commissioner, on or before the fourth Monday in April and assess and levy the tax as herein provided. The tax to be determined and assessed shall be certified to the county auditor of each county, which certificate shall show the total tax to be collected in such county from each power company operating in such county as determined by the State Board of Equalization. This certificate shall be accompanied by such information as will



enable the county auditor to prescribe to the distribution of power companies taxes in accordance with the provisions of this Act.

§ 7. DUTIES OF COUNTY AUDITOR.] Upon receipt from the State Tax Commissioner of the certificate provided for in Section 6 of this Act, the County Auditor shall prepare a statement of power companies, taxes to accrue to the state, to the county, to the various cities, incorporated villages, school districts, and taxing districts in the county, in accordance with the method of distributing power companies' taxes prescribed in Section 10 of this Act. On or before the 20th day of May in each year the County Auditor shall deliver to the County Treasurer a statement showing the amount of taxes to be collected from each such company operating in the county; together with a copy of the statement hereinbefore in this section provided.

§ 8. DUTIES OF COUNTY TREASURER.] Upon receipt from the County Auditor of the statement of the power companies' taxes, described in Section 7 of this Act, and not later than the first day of June of each year, the County Treasurer shall mail to each such company named in such statement, a notice of the total amount of taxes due from such company. Such notice shall contain information as to the date such taxes will become delinquent, and the penalty for non-payment prior to delinquency, as in this Act provided. Money received by the County Treasurer in payment of power companies' taxes shall be distributed by him in accordance with the statement of distribution furnished him by the County Auditor as in this Act provided and in the manner prescribed in Section 2181 and Section 2182 of the Compiled Laws for the year 1913.

§ 9. COLLECTION OF TAXES.] Power companies' taxes, computed as prescribed in this Act, shall become due and payable to the County Treasurer on the first day of July following assessment and shall become delinquent if not paid by the first day of August following. Delinquent taxes shall bear interest at the rate of one per cent per month from the date of delinquency until paid, and a penalty of five per cent of the original amount of the tax shall likewise be added. Section 2166 of the Compiled Laws of 1913, as amended shall govern the collection of delinquent taxes.

§ 10. DISTRIBUTION OF POWER COMPANY TAXES.] The State Tax Commissioner shall apportion the tax of each power company to the counties in the proportion that the book value of the operating property within each county bears to the entire book value of the company within the state. The county auditor in each county shall re-distribute the amount certified to him in the manner as follows:

Twenty per cent thereof to the state equalization fund for common schools. Ten per cent thereof to the county. Seventy per cent thereof to the taxing districts within the county in the proportion

that the book value of the operating property within each taxing district bears to the book value of the operating property within the county. In cases where taxing districts overlap or coincide, the taxes creditable to such districts shall be apportioned between such districts in the ratio of their respective mill levies.

§ 11. LIEU TAX.] The taxes imposed by this tax is in lieu of any and all state, county, municipal, road or school taxes, licenses or fees upon power companies and their franchises and upon all property of such companies, tangible or intangible, used or useful in power operation, except motor vehicle license and fuel taxes, and except that the real estate of such companies shall be subject to special assessments for local improvements.

§ 12. REPEAL.] All Acts and parts of Acts in conflict with the provisions of this Act are hereby repealed.

Approved March 9, 1933.

### CHAPTER 253

S. B. No. 270—(Brostuen, Greene & Tinnes.)

#### INCOME TAX

An act to amend and re-enact Section 2346a10 of the Supplement to the Compiled Laws of 1913, Section 2346a11 of the Supplement to the Compiled Laws of 1913, Section 2346a16 of the Supplement to the Compiled Laws of 1913, Section 2346a20 of the Supplement to the Compiled Laws of 1913, Section 2346a21 of the Supplement to the Compiled Laws of 1913, as amended by Chapter 283 of the Session Laws of 1931, Section 2346a22 of the Supplement to the Compiled Laws of 1913.

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

§ 1. AMENDMENT.] That Section 2346a10 of the Supplement to the Compiled Laws of 1913 is hereby amended and re-enacted to read as follows:

§ 2346a10. FISCAL YEAR WITH DIFFERENT RATES.] If a taxpayer makes a return for a fiscal year beginning in 1932 and ending in 1933, his tax under this act shall be computed by using:

(a) The 1932 rates on that proportion of his total net income which the portion of such fiscal year ending within the calendar year 1932 bears to the full fiscal year.

(b) The 1933 rates shall apply to the remainder.

§ 2. AMENDMENT.] That Section 2346a11 of the Supplement to the Compiled Laws of 1913 is hereby amended and re-enacted to read as follows:

§ 2346a11. GRADUATED RATES.] A tax is hereby imposed upon every resident of North Dakota, which tax shall be levied, col-

lected, and paid annually with respect to this entire net income as herein defined, computed at the following rates after deducting the exemptions provided in this act:

- On all new incomes, above exemptions, and not in excess of \$2,000.00, a 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 income in excess of \$4,000.00, above exemptions, and not in excess of \$5,000.00, a tax of 3%.
- On all net income 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%.

§ 3. AMENDMENT.] That Section 2346a16 of the Supplement to the Compiled Laws of 1913, is hereby amended and reenacted to read as follows:

§ 2346a16. GROSS INCOME DEFINED.] (1) The words "gross income" include gains, profits, and income derived from salaries, wages or compensation for personal services of whatever kind and in whatever form paid, or from professions, vocations, trades, business, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of, or interest in such property, rent, dividends, securities or the transaction of any business carried on for gain profit, or gains or profits, and income derived from any source whatever, including all salaries, wages and commissions of whatever kind received from the State of North Dakota or any of its political subdivisions. The amount of all such items shall be included in gross income of the taxable year in which received by the taxpayer unless under methods of accounting permitted under this act any such amounts are to be properly accounted for as of a different period.

(2) The term "gross income" does not include the following items, which shall be exempt from taxation under this act:

(a) Proceeds of life insurance policies and contracts paid upon the death of the insured to individual beneficiaries or to the estate of the insured.

(b) The amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment or annuity contracts, either during the term or at maturity of the term mentioned in the contract, or upon surrender of the contract.

(c) The value of property acquired by gift, bequest, devise or

descent (but the income from such property shall be included in gross income).

(d) Interest upon obligations of the United States or its possessions, or upon obligations of the state of North Dakota, or any political subdivision of the state of North Dakota.

(e) Any amount received through accident or health insurance or under workmen's compensation acts as compensation for personal injuries or sickness plus the amount of damages received, whether by suit or agreement on account of such injuries or sickness.

(f) Salaries, wages and other compensation received from the United States by officials or employees thereof, including persons in the military or naval forces of the United States.

(g) Income from deposits in North Dakota banks and from loans on North Dakota real estate when payable to foreign corporations.

§ 4. AMENDMENT.] That Section 2346a20 of the Supplement to the Compiled Laws of 1913 is hereby amended and re-enacted to read as follows:

§ 2346a20. EXEMPTIONS.] (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 \$500.00.

(2) In the case of a head of a family or married individual living with husband and wife, a personal exemption of \$1,500. A husband and wife living together shall receive but one personal exemption of \$1,500. against their aggregate net income; and in case they make separate returns, the personal exemption of \$1,500 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 eighte (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) (Sec. 2346a13a, ante), a personal exemption of \$500.

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

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

(c) The status on the last day of the income year shall determine the right to exemptions provided in this section; provided, a taxpayer shall be entitled to such exemptions for husband, wife or dependent who has died during the income year.

§ 5. AMENDMENT.] That Section 2346a21 of the Supplement of the Compiled Laws of 1913 as Amended by Chapter 283 of the Session Laws of 1931 is hereby amended and re-enacted to read as follows:

§ 2346a21. RETURN; DUTY TO MAKE.] (a) Every individual subject to taxation under the provisions of this act, having a net income during the income year of \$500. or over, if single, or if married and not living with husband or wife, or having a net income for the fiscal year of \$1,500 or over, if married and living with husband or wife, and every individual having a gross income during the income year of \$5,000. or more, regardless of the amount of his net income, shall make a return, under oath, stating specifically the items of his gross income and the deductions and exemptions allowed by this act.

(b) If a husband or wife living together have an aggregate net income of \$1,500 or over, each shall make such a return, unless the income of each is included in a single joint return.

(c) If the taxpayer is unable to make his own return, the return shall be made by a duly authorized agent or by a guardian or other person charged with the care of the person or property of the taxpayer.

(d) Every fiduciary subject to taxation under the provisions of this Article as provided in Section 2346a13 of the Supplement to the Compiled Laws of 1913, hereof shall make a return under oath for the individual estate or trust for whom or for which he acts, if the net income thereof amounts to \$500. or over.

(e) The return made by a fiduciary shall state specifically the items of gross income and the deductions and exemptions allowed by this act, and such other facts as the Tax Commissioner may prescribe. Under such regulations as the Tax Commissioner may prescribe, a return may be made by one or more joint fiduciaries.

(f) Fiduciaries required to make return under this act shall be subject to all of the provisions of this act which apply to individuals.

§ 6. AMENDMENT.] That Section 2346a22 of the Supplement to the Compiled Laws of 1913 is hereby amended and re-enacted to read as follows:

§ 2346a22. INFORMATION AT THE SOURCE.] (1) Every individual, partnership, corporation, joint stock company or association or insurance company, being a resident of or having a place of business in this state in whatever capacity acting, including lessees

and mortgagors or real or personal property, fiduciaries, employers and all officers and employees of the state or of any state institution, or of any political subdivision within the state, having control, receipt, custody, disposal or payment of interest (other than interest coupons payable to bearer), rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits and income, amounting to \$500 or over in salaries or wages and \$500 or over of other payments mentioned herein, whether paid or payable during any year to any taxpayer, shall make a complete return thereof under oath to the tax commissioner, under such regulations and in such form and manner and to such extent as may be prescribed by the said tax commissioner.

(2) Every partnership, having a place of business in the State, shall make a return, stating specifically the terms of its gross income and the deductions allowed by this act, and shall include in the return the names and addresses of the individuals who would be entitled to share in the net income if distributed, and the amount of the distributive share of each individual. The return shall be sworn to by any one of the partners.

(3) All returns required under this Section shall be made on or before the fifteenth day of the third month following the close of the fiscal year of the person required to make such return, or if the return is made on the basis of a calendar year, then the return shall be made on or before the fifteenth day of March.

§ 7. REPEAL.] All acts and parts of acts in conflict with this act are hereby repealed.

§ 8. SAVING CLAUSE.] If any clause, sentence or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such payment shall not impair nor invalidate the remainder of the act, but shall be confined in its operation to that part adjudged invalid.

§ 9. DATE OF EFFECT.] This act shall be effective on all income received during the year ending December 31, 1933, as provided in this act.

Approved March 7, 1933.

## CHAPTER 254

H. B. No. 242—(Sundby and Endres.)

## OLD AGE PENSIONS

An Act to provide for old age pensions, creating an Old Age Pension Fund, providing for the levy of an annual tax therefor, prescribing persons to be pensioned thereunder, and penalties for the violation thereof.

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

§ 1. There shall be levied and collected in each year, beginning with the year 1933, an annual tax of one tenth of one mill for each taxable dollar of the total equalized assessed valuation, of all taxable property in the State of North Dakota, for the purpose of creating a fund to be known as the Old Age Pension Fund, the proceeds of which levy shall be set apart as a fund for the payment of relief and in assistance of aged persons, as hereinafter provided, such tax shall be collected in the same manner as is now provided for the collection of other taxes and when collected shall be paid into the state treasury to the credit of the Old Age Pension Fund. The fund shall be cumulative and any surplus for any one year shall be available for disbursement according to law for any succeeding year. If the funds provided for herein are not sufficient to pay all pensions to become payable in any year, the Board of Administration shall scale all such pensions so that the pension fund may be distributed uniformly among those granted pensions hereunder and that each person granted such pension may receive the same percentage of the pension granted.

§ 2. An allowance from said fund of not to exceed the sum of one hundred and fifty dollars (\$150.00) per annum, shall be granted to any person of the age of sixty-eight years and over, regardless of age, who

a. Is without adequate means of support and who,

b. Is a citizen of the United States and has resided in this state for at least twenty years (20) immediately preceding the date of application, provided, continuous residence in the state shall not be deemed to have been interrupted on account of absence therefrom if the total period does not exceed one (1) year; and also provided that temporary absence from the state or absence from the state while in the service of the state or nation shall not be deemed to interrupt residence in the state, if a domicile be not acquired outside the state. The total old age pension paid to residents of any county in any year, shall not exceed 125% of the amount of taxes levied and collected for such county, and paid into such fund, in such year.

§ 3. None of the following named persons shall be entitled to receive benefits under this Act:

a. Those who have, previous to filing an application for a pension, habitually failed to work according to his or her ability, opportunity and need, for the maintenance or benefit of himself or herself and those legally dependent upon him or her.

b. Those who have been professional tramps, beggars or vagrants during any period of their life.

c. Those who have children of sufficient ability and who are liable and responsible, under the law, for their support.

d. Those who divested themselves of property or assets at any time before or after making application for benefits under this act, for the purpose of qualifying as a beneficiary hereunder.

e. Those who have a yearly income of more than one hundred and fifty (\$150.00) dollars.

f. Those who are inmates of any municipal, state, or national institution during the period of their stay in such institution.

§ 4. The rental value of any real estate owned and occupied solely as a home or residence of such claimant shall not be included in determining the income of such claimant, and any other property real or personal that has no certain definite or fixed income shall be appraised and valued by the Board of Administration and the amount of income per year from said property received by said owner shall be reckoned and estimated, for the purpose of determining the amount of pension to be allowed, as being five (5) per cent of the said appraised value.

§ 5. Every person claiming to be entitled to a pension under this act shall, in the manner and form prescribed by the State Board of Administration, deliver a claim therefor to the Board of County Commissioners of the county wherein the claimant resides; which claim shall be verified by oath or affirmation of the claimant that the contents of his or her pension claim are true and correct in every material point. The County Commissioners shall thereupon number and docket the claim in the manner prescribed by the Commissioner of Agriculture and Labor, and shall forthwith transmit a true and correct copy of the claim to said Board. At the same time said County Commissioners shall ascertain on what date the claim may be investigated, and shall notify the claimant of a date on which he or she may attend to support the claim on the date so fixed, or on the first convenient day thereafter, the County Commissioners shall proceed to fully investigate the claim for the purpose of ascertaining whether the claimant is entitled to a pension, and if so, for what amount the first year, and for this purpose the said County Commissioners shall be empowered to swear witnesses and take evidence in a summary manner in said proceedings.

§ 6. In investigating any claim for a pension the County Commissioners shall not be bound by the strict rules of evidence but shall investigate and determine the matter by such means and in such



manner as they think fit. The County Commissioners may admit the pension claims as originally made, or as modified as the result of their investigations, or may postpone it for further evidence, or reject it as they deem equitable; and their findings and decisions shall be forwarded to the State Board of Administration for its approval or rejection.

§ 7. If the Board of County Commissioners decide that the pension claim is not established and cannot be amended by postponement for a reasonable time, they shall reject it; and when doing so they shall specify in writing all the material points which they find to be respectively proved, disproved or insufficiently proved.

§ 8. If the Board of County Commissioners shall be of the opinion that fraudulent misrepresentation has been made by the applicant with the intention of obtaining a pension to which he or she is not by law entitled, or with the intention of obtaining a higher rate of pension than that to which he or she is by law entitled, then in addition to any penalty incurred under this act by the applicant the County Commissioners shall refuse the application and may by order declare that the applicant shall not be entitled to make a second application for such period, not exceeding twelve (12) months, as they shall see fit.

§ 9. If the Board of County Commissioners find that any real or person property has been transferred to any other person by the applicant, or by the wife or husband of the applicant, they may inquire into such transfer, and refuse the applicant a pension or grant a reduced pension.

§ 10. As soon as the pension claim is established, and the rate of the first year's pension is fixed, the Board of County Commissioners shall, in the prescribed manner, certify the same to the Secretary of Agriculture and Labor, who shall, in the prescribed manner and form, issue to the claimant a certificate (elsewhere throughout this act called a "pension certificate") in respect of the first year's pension.

§ 11. Except as herein provided, the amount of the pension shall not exceed one hundred fifty dollars (\$150.00) per year.

§ 12. In the order allowing the pension, the Secretary of Agriculture and Labor shall determine the amount to which said pension shall be reduced by reason of an income less than one hundred and fifty dollars (\$150.00) per year which a claimant is receiving, and shall issue to such pensioner a certificate showing the amount of such pension. The pension shall be payable on or before the fifteenth day of each and every month of its continuance for the preceding month's pension, and shall continue during the life of such pensioner, so long as he or she shall remain out of any home or institution officially maintained by any county or by this state or by

the United States, subject to cancellation, modification and change of amount, according to the changing income of such pensioner. Any such cancellation, modification, or change to be made only upon notice to the pensioner and upon hearing before the Board of County Commissioners.

§ 13. All persons possessing such pension certificate and drawing a pension under the provisions of this act, shall annually and not later than February 1st, of each year, make and file with the Secretary of Agriculture and Labor a statement showing the income of such pensioner for the preceding calendar year. The Secretary of Agriculture and Labor shall have the right to investigate or cause to be investigated the truth of any and all statements contained in such annual report of income, and shall have the power and authority to grade and rate succeeding pension payments to cause them to accord with the facts found and determined upon such investigation.

§ 14. No pension, claim or allowance of a pension by the Secretary of Agriculture and Labor shall be assignable or subject to lien, attachment, execution or garnishment, or be held liable in any way for any lien, debt, penalty or damages.

§ 15. If at any time the Board of County Commissioners have reason to believe that any pension certificate has been improperly obtained, it shall cause special inquiry to be made before them, and shall suspend payment of any and all installments pending such inquiry. If on inquiry it appears that the pension certificate was improperly obtained, it shall be cancelled by the Board of County Commissioners, and the Secretary of Agriculture and Labor; but if it appears that the certificate was properly obtained, the suspended installments shall be payable in due course.

§ 16. If on the death of any pensioner, or of the wife or husband of a pensioner, it is found that he, or either of them, was possessed of property and assets which were not assigned and conveyed to the Secretary of Agriculture and Labor as required by this act, including insurance policies, double the amount of the pension at any time paid may be recovered as a debt due to the state from the estate so found; provided, that, where the husband and wife were at the time of such death living apart pursuant to decree, or order, of separation, this section shall apply only in the case of the pensioner.

§ 17. On the death of a person pensioned under this act, or the survivor of a married couple, both of whom are so pensioned, the total amount paid as pension together with simple interest at 3% annually, shall be allowed and deducted from the estate of such person or persons by the Board of County Commissioners or by the court having jurisdiction to settle the estate. The amount so recovered shall be paid into the Treasury of the State of North Dakota

to the credit of the Old Age Pension Fund and disbursed as provided for in this act.

§ 18. If the County Commissioners deem it necessary they may require as a condition to the grant of a pension certificate that all or any part of the property including insurance policies and the proceeds therefrom or any other income, of an applicant for a pension excepting pensions, compensations or annuities allowed for military or naval service rendered the United States of America be transferred to the Board of County Commissioners where such applicant resides. Such property and income shall be managed by the said Board, which shall pay the net income to the person or persons entitled thereto. The Board shall have power to sell, lease, or transfer such property or defend and prosecute all suits concerning it and to pay all just claims against it and to invest such funds in municipal bonds or real estate and to do all other things necessary for the protection, preservation and management of the property.

§ 19. If in the event that the pension is discontinued during the lifetime of the pensioner, the property thus transferred to the Board of County Commissioners exceeds the total amount paid as pensions with simple interest at 3% annually, the remainder of such property shall be returned to the pensioner, and in the event of his death, such remainder shall be considered as the property of the pensioner for proper administration proceedings. The Board of County Commissioners shall execute and deliver all necessary instruments to give effect to this subdivision.

§ 20. If the pensioner is found by the Board of County Commissioners incapable of taking care of himself or his money, it may direct the payment of the installment of the pension to any responsible person or corporation for his benefit or may suspend payment for such period as said Board shall deem advisable.

§ 21. The Secretary of Agriculture and Labor by virtue of his office and under the name and style of the State of North Dakota shall have power and it shall be his duty, in addition to his other duties as the Secretary of Agriculture and Labor with the aid of the respective Board of County Commissioners to administer said fund, to hear and decide all questions appealed from or suggested by such Board of County Commissioners to make payments and disbursements from said fund in accordance with the provisions of this act; to make reasonable provisions for secretarial and clerical assistance required by their Board for the proper performance of their respective duties; and from time to time to make and establish such rules and regulations for the administration of said fund as they deem best.

§ 22. The County Commissioners of each and every county of this state shall be and is hereby constituted a County Pension

Agent, in carrying out the provisions of this act. They shall have charge of the administration of this act, and shall perform such duties imposed by this act.

§ 23. The Secretary of Agriculture and Labor may from time to time make regulations under this act relating to any of the following purposes or matters in addition to those specifically granted herein.

- a. The procedure in all hearings (other than judicial proceedings) under this act.
- b. The recording or registration of pension claims, pension certificates and all other matters and proceedings in relation to pensions under this act.

§ 24. The Secretary of Agriculture and Labor shall, within thirty days after the close of each calendar year, make a report to the Governor and showing for such year:

- a. The total amount paid under this act.
- b. The total amount paid under this act in respect of other than pensions.
- c. The total number of pensioners.
- d. The total amount of forfeited installments; and
- e. Such other particulars as they may deem advisable.

§ 25. The Secretary of Agriculture and Labor shall have authority to make such rules and regulations as he deems proper and necessary, for the proper and efficient operation of this act.

Approved March 9, 1933.

## CHAPTER 255

S. B. No. 60—(Patten.)

### PAYMENT AND CANCELLATION PERSONAL PROPERTY TAX 1931 AND PRIOR

**An Act providing for the payment and cancellation of the personal property taxes assessed and levied for the year 1931 and all prior years; fixing the amount to be paid and the manner of payment; providing for a partial cancellation of the original amount and interest and penalties; and declaring an emergency.**

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

§ 1. That all unpaid personal property taxes in the various counties of the State of North Dakota, assessed and levied for the year 1931 and all prior years, may be cancelled upon the payment of the following amounts and in the following manner, to-wit:

- (a) If paid on or before July 1, 1933, upon payment of ninety per cent (90%) of the original amount of said tax.
- (b) If paid after July 1, 1933, and before December 31, 1933,

upon payment of ninety-five per cent (95%) of the original amount of said tax.

(c) If paid after December 31, 1933, and before December 31, 1934, upon payment of the original amount of said tax.

(d) If paid after December 31, 1934, and prior to December 31, 1935, upon payment of the original amount of the tax, plus interest thereon at the rate of six per cent (6%) per annum from December 31, 1934, to the date of payment.

§ 2. All interest, penalties, and costs in connection with said delinquent personal property taxes, except as hereinbefore provided, shall be and the same are hereby abated and cancelled, if payment is made in the manner and within the time provided in this Act.

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

Approved February 17, 1933.

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## CHAPTER 256

S. B. No. 6—(Tinnex.)

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**TAX EXEMPTION PERSONAL PROPERTY OF NEEDY PERSONS**  
An Act to exempt the personal property of certain needy persons from taxation.

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

§ 1. EXEMPTION.] The assessor shall show upon his listing blanks the name of every head of a family. For the purpose of this Act any person who has one or more others dependent upon him for support shall be regarded as the head of a family. The personal property of each and every such head of a family shall be exempt from taxation, provided the total value of his personal property at the time of assessment does not exceed \$100.00, and his total income during the preceding 12 months has been less than \$600.00.

After the assessors valuation of such property shall have been equalized, as now provided by law, the county auditor shall cause the names of such heads of families to be removed from the tax roll as exempt from personal property taxation.

Approved February 17, 1933.

**CHAPTER 257**

S. B. No. 1—(Introduced by the Committee on Tax and Tax Laws.)

**REDEMPTION REAL ESTATE SOLD TO COUNTY-INTEREST AND  
PENALTIES REAL ESTATE TAXES AND TAX SALE  
CERTIFICATES**

An Act providing for the redemption of real estate sold or forfeited to the County for taxes for the year 1931 or any prior year and still held by the County and fixing the rate of interest and penalties upon real estate taxes and tax sale certificates upon taxes levied and assessed for the year 1932 and subsequent years; providing for the time when taxes become due and delinquent, providing for installment payments, penalties and interest, and providing for redemption from tax sales thereof and 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. Real estate sold or forfeited to the county for taxes of 1931, or any prior year, including hail insurance taxes and special assessment taxes, and still held by the County at the time this Act takes effect may be redeemed upon payment of the original amount of the tax levied and assessed together with interest thereon at six per cent per annum from the 13th day of December, 1932.

Such redemption must be made not later than December 31st, 1935. The right of redemption given herein shall apply to all real estate purchased by or forfeited to the County and still held by it at the time this Act takes effect, including cases in which the County may have sold and assigned its tax lien subsequent to the taking effect of this Act.

§ 2. Real estate taxes including hail insurance and yearly installments of special assessment taxes, levied and assessed for the year 1932 and subsequent years, shall be subject to the payment of penalty and interest as hereinafter provided.

§ 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 First following, and if not paid on or before the date of delinquency, they shall be subject to a penalty of three per cent (3%), and on October 15th, following, to an additional penalty of two per cent (2%), 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%).

§ 4. Real estate sold (including that sold or forfeited to the

County) for taxes for the year 1932, or any subsequent year, may be redeemed upon payment of the original amount of the tax levied and assessed, the penalties and costs of sale, together with interest at the rate specified in the tax sale certificate, but in no case shall such interest exceed six per cent (6%) per annum.

§ 5. Provided, however, that this Act, or any part thereof shall not apply to real estate heretofore acquired by a county through tax title.

§ 6. All Acts or parts of Acts in conflict with the provisions of this Act are hereby repealed.

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

Approved February 27, 1933.

### CHAPTER 258

H. B. No. 275—(Twete.)

#### EXTENSION REDEMPTION TAX SALE CERTIFICATE NOT HELD BY COUNTY

An Act temporarily extending the time in which redemption may be made from tax sales where the tax certificate is held by others than the County.

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

§ 1. That whereas a public emergency and crisis exists throughout this state endangering the public health, welfare and morals, in that agricultural crops and products have been sold on an average below the cost of production since 1922, and all agricultural land values have virtually disappeared, due to the nation wide depression, which caused under-consumption and produced starving millions throughout the nation; and whereas taxes have been steadily increasing in spite of the deplorable condition of agriculture, and whereas agriculture is the principal industry in this state and all other industries are solely dependent for their existence upon agriculture; and whereas there is at present no bank or other institution thru which one can borrow money with which to pay the taxes and such tax debtors are at the absolute mercy of the tax certificate holders; and whereas hundreds and thousands of families have already lost their homes thru tax sales and tax deeds or other judicial proceedings; and whereas hundreds and thousands more will also lose their homes unless some relief is given, therefore in order to prevent the utter ruin and destruction of the people of this state and the collapse of civil government, and in order to maintain the integrity of the family and the home and the public health, welfare and morals of the people of this state, the period within which the

holder of a tax certificate can ask for a tax deed and within which the owner may redeem from tax sales is hereby extended for two years from the date of the passage and approval of this act. Provided, however, that this Act shall not be operative except in favor and on behalf of any owner of such land who shall, within ninety days after the date of the notice of expiration of period of redemption, file with the County Auditor a notice that he desires to take advantage of this Act and the County Auditor, in addition to the notice of expiration of period of redemption usually required by law and as part thereof, shall notify such owner of his rights under this act.

§ 2. That the Legislature does hereby declare that this Act is passed under the police power of the state for the reasons and purposes herein stated, and requests that the courts construe all of its provisions liberally, with a view of carrying out the purposes herein stated.

§ 3. This Act is hereby declared to be an emergency measure and shall take effect and be in force for a period of two years only from and after its passage and approval, and the period within which a mortgage or execution debtor may redeem real estate from a sale thereafter made shall be governed by the laws now in effect.

Approved March 3, 1933.

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## CHAPTER 259

S. B. No. 329—(Delayed Bills Committee.)

### INSTALLMENT PAYMENTS REAL ESTATE TAX

An Act providing that real estate taxes may be paid in installments.

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

§ 1. From and after the passage of this Act, the real estate taxes, either current or delinquent may, at the option of the taxpayer be paid in installments of not less than 10 per cent of the amount of the tax, penalty and interest, if any, due and payable, but each such installment in no event to be less than \$10.00. Credit shall be given on the tax records for the installment payments so made, and penalty and interest shall only be computed upon the balance of the tax remaining unpaid.

Approved March 3, 1933.



**CHAPTER 260**

S. B. No. 63—(Tinnes and Brostuen.)

**VALUATION REAL PROPERTY EXEMPT FROM TAXATION**

An Act to provide for valuation in odd numbered years of certain real property which is exempt from taxation.

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

§ 1. That at the time of taking the assessment of real property in every odd numbered year, the assessor shall enter in a separate list each description of property exempt by law, except property of the United States, or the State of North Dakota, or of any county or municipal corporation, and value it in the same manner as other property; designating in each case to whom such property belongs and for what purpose used.

Approved February 17, 1933.

**CHAPTER 261**

S. B. No. 315—(O. E. Erickson.)

**SALES TAX**

An Act to provide revenue by means of an Emergency Replacement Revenue Act for state purposes by imposing a tax upon sales of tangible personal property and upon sales of personal and professional services by vendors as herein defined; for the inclusion therewith of additional business or service in operation now or hereafter analagous to those defined in the Act or listed in the schedule; authorizing the State Tax Commissioner to prescribe rules and regulations for the collection thereof; prescribing the method of collecting the tax and payment thereof to the state treasurer; and providing schedules explanatory of the application of such tax; and providing penalties; emergency; time limitation of the Act.

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

§ 1. SHORT TITLE.] This act shall be known and may be cited as the "Emergency Replacement Revenue Act."

§ 2. DEFINITIONS.] The following terms, words and phrases used in this Act shall have meanings ascribed to them in this section, except where the context clearly indicates a different meaning, to-wit:

"Association",—Any partnership, limited partnership, or other form of unincorporated enterprise owned by two or more persons;

"Commissioner",—The Tax Commissioner of the State of North Dakota;

"Gross Income",—The value proceeding or accruing from the sale of tangible personal property and the value proceeding or accruing from the sale of professional services, including all receipts,

cash and credits, without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost, interest or discount paid, or any other expense whatsoever; sale of stocks and bonds or other choses in action are exempt from the operation of this Act.

“Sale”,—Any transfer, exchange or barter, in any manner or by any means whatsoever, for a consideration.

“Vendor”,—Every person, association, or corporation, private or municipal, who or which sells tangible personal property or professional services to a consumer or to any person for any purpose other than for resale; but the term “vendor” shall not include farmers who sell their own farm products. Whenever used in any clause prescribing a fine or imprisonment, or both, the term “vendor” as applied to associations shall mean the partners or members thereof, and as applied to corporations, shall mean the officers thereof.

“Wholesaler”, or “Manufacturer”,—shall designate a person, association or corporation who manufactures and/or sells at wholesale, tangible personal property for resale and which sales of tangible personal property so sold for resale shall be subject to a wholesaler’s or manufacturer’s tax distinct from the vendor’s tax.

The singular shall include the plural, and the masculine shall include the feminine and the neuter. Section headings shall not be deemed or construed to limit the text of the sections of this Act.

§ 3. IMPOSITION. RATE OF TAX.] A state tax is hereby imposed and assessed upon sales of tangible personal property and upon sales of professional services at the rate of two per cent of the gross income derived from the sales of such property or services during the period beginning at the taking effect of this act, and ending June thirtieth, one thousand nine hundred thirty-five, or any part of such period, except such sales of tangible personal property as are made to the United States Government under the Commerce Clause of the Constitution of the United States, and such sales as are made to the State of North Dakota including its departments, institutions and industries. Deviations from the two per cent tax on sales for use are: Contractors, one per cent; Light and Power for industrial use, one per cent; Pottery, drain tile, brick and concrete manufactured, one per cent; Lignite mining, one per cent. Manufacturers or wholesalers who sell for resale shall pay a tax upon such sales at the rate of one-fourth of one per cent of the gross income derived from the sale of such property. Deviations from the one-fourth of one per cent tax on sales for resale are: Wholesale bakeries; Wholesale meat distributing plants; wholesale gasoline dealers; wholesale dealers of soft drinks and wholesale tire dealers, each of whom shall pay a tax on (of) one-eighth of one per cent. All sales that are not made for resale are deemed to be made for use. Articles or materials sold to enter into the manufacture of other articles or products

are deemed to be sold for use even though the resulting product may be sold for resale.

All taxes shall be paid at the time and in the manner hereinafter provided. Manufacturers and wholesalers shall be subject to law as hereinafter set forth the same as vendors at retail in all respects as to filing return, assessment and payment of tax, additional assessment, estimated assessment and such other provisions of law as refer to vendors.

§ 4. VENDORS TO FILE RETURN.] For the purpose of ascertaining the amount of tax payable under this act, it shall be the duty of every vendor within fifteen days after the end of each month, beginning with the first full month after the taking effect of this act, to transmit to the Commissioners, upon a form prescribed, prepared and furnished by the Commissioner, upon application, a return, under oath or affirmation, of the gross income arising from sales of tangible personal property or from the sales of professional services during the preceding month, such return shall show such further information as the Commissioner may prescribe. The Commissioner may grant extensions to quarterly returns, on application, where monthly tax is less than one dollar.

§ 5. ASSESSMENT AND PAYMENT OF TAX.] Every vendor, at the time of making the return required under Section 4, shall compute and pay to the Commissioner the tax due to the state by such vendor for the preceding month. The amount of all taxes imposed under the provisions of this act shall be due and payable monthly at the time the return for each month is required by this act to be filed with the Commissioner.

§ 6. RETENTION OF RECORDS BY VENDORS.] Every vendor shall maintain and keep for a period of two years such record or records of tangible personal property or professional services, sold within the state of North Dakota by such vendor, together with invoices, bills of lading and other pertinent papers, as may be required by the Commissioner.

§ 7. ADDITIONAL ASSESSMENT.] If the Commissioner is not satisfied with the return and payment of tax made by any vendor under the provisions of this act, he is hereby authorized and empowered to make an additional assessment of the tax due by such taxpayer, based upon the facts contained in the return or upon any information within his possession or that shall come into his possession. Promptly after the date of such additional assessment, the Commissioner shall give or send, by mail or otherwise, a notice thereof to the vendor, together with written notice of the time when and the place where the vendor may be heard on a petition for reassessment as hereinafter provided.

§ 8. ESTIMATED ASSESSMENT UPON FAILURE TO FILE RE-

TURN.] If a vendor shall neglect or refuse to make any return and payment of tax required under this act, (if the Commissioner deems it more conducive to the public interest, because of the supposed smallness of the debt or for any other reason, not to compel the exhibition of the vendor's account) the Commissioner shall make an estimated assessment of the probable amount of the account of the delinquent, together with a penalty of ten per cent of the amount so assessed. The Commissioner shall promptly thereafter, give or send, by mail or otherwise, notice of such estimated assessment and penalty to the vendor against whom the same was made. There shall be no right to petition for re-assessment or to appeal from any such estimated assessment made on account of the neglect or refusal of such vendor to make any return and payment of tax within a time prescribed by this act, but the Commissioner may permit the required return to be filed and permit a tax to be paid on the basis of such return, subject to investigation as in other cases. There shall be no right to appeal from the refusal of the Commissioner to permit the filing of a return in such a case.

§ 9. ESTIMATED ADDITIONAL ASSESSMENTS UPON REFUSAL TO PERMIT EXAMINATION OF BOOKS.] The Commissioner shall have the power to make an estimated additional assessment, to which shall be added a penalty of ten per cent of the assessment, against any vendor who has filed any return as required by this act but who refuses to permit the Commissioner, or any duly authorized agent thereof, to examine his books of account and papers pertaining to the business for which the return was made. The Commissioner shall promptly thereafter give or send, by mail or otherwise, notice of such estimated additional assessment and penalty to the vendor, together with written notice of the time when and the place where the vendor may be heard on a petition for reassessment, as hereinafter provided.

§ 10. PAYMENT AND DUE DATE OF TAXES ASSESSED BY THE COMMISSIONER.] All taxes and penalties resulting from any assessment made by the Commissioners shall be due and payable ten days after notice thereof is given or sent, by mail or otherwise, to the vendor against whom such assessment was made.

§ 11. PETITION FOR REASSESSMENT OF CERTAIN ASSESSMENTS; NOTICE.] Any vendor against whom an additional assessment or estimated additional assessment shall be made by the Commissioner may petition for a reassessment. Notice of an intention to file such a petition or to appear and be heard shall be given to the Commissioner prior to the time the amount becomes due and payable, to-wit: within ten days after notice of such assessment is given to the vendor as provided in this act. Petitions for reassessment may be filed with the Commissioner on or before the date designated in the notice of such assessment when hearings on such petitions will be held. The Commissioner shall hold such hearings in each county as may be

necessary to hear and determine petitions for reassessment. Such hearings shall be held at the time and place indicated in the notice of such assessment given to the vendor. All petitions filed with the Commissioner shall set forth specifically and in detail the grounds upon which it is claimed such assessment is erroneous and unlawful, and any false statement in such petition, signed by the petitioner, shall be subject to the same penalty as though the petition were accompanied by an affidavit, certifying to the correctness of the facts stated therein. If no petition for reassessment is filed with the Commissioner, the vendor may, in lieu thereof, appear at the hearing and present his petition orally, in which event all testimony or statements of facts shall be made under oath or affirmation.

If the vendor is still dissatisfied with the finding of the Commissioner, he shall have the right to appeal to the District Court of the judicial district in which he resides, within twenty days after notice of the determination of the petition is given to him by the Commissioner. If any vendor shall fail to give due notice of an intention to petition for reassessment or to file a petition for reassessment after due notice of his intention to do so, or to appeal to the District Court herein designated, within the time and in the manner herein set forth, the right to do so shall be forever barred, and any such vendor so failing shall not thereafter be permitted, in a suit for the recovery of such tax, to set up any ground of defense which might have been determined either by the Commissioner or by the District Court as aforesaid. Nothing contained in this section shall be construed to grant to any such vendor the right to petition for reassessment or to appeal from estimated assessments made by the Commissioner for neglect or refusal to make a return within the time prescribed by this act. Every appeal to the District Court under this section shall specify all the objections to the assessment, and any objection not specified in the appeal shall not be considered by the court. In all cases of petitions for reassessment and appeals, the burden of proof shall be on the petitioner or appellant, as the case may be.

§ 12. ENFORCEMENT. RULES AND REGULATIONS.] The Commissioner is hereby charged with the enforcement of the provisions of this act, and is hereby authorized and empowered to prescribe, adopt, promulgate, and enforce rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the provisions of this act, and the collection of taxes, penalties and interest imposed by this act. In any case where any establishment, industry, agency, service, profession or occupation selling tangible personal property and professional services, either at wholesale or retail, not previously listed in the schedules relating to this act, shall be discovered by the Commissioner, the Commissioners shall add such discovery to said schedule and establish the rate of tax thereon which shall be the same as that assessed against analogous occupations or sales.

§ 13. INVESTIGATING POWERS OF COMMISSIONER.] The Commissioner, or any agent authorized in writing by him, is hereby authorized to examine the books, papers, records and equipment, and to investigate the character of the business of any vendor, in order to verify the accuracy of any return made, or, if no return was made by such vendor, to ascertain and assess the tax imposed by this act. Every such vendor is hereby directed and required to give to the Commissioner, or his duly authorized agent, the means, facilities and opportunity for such examinations and investigations as are hereby provided and required. Any information gained by the Commissioner, as a result of any returns, investigations or verifications required to be made by this act, shall be confidential except for official purposes, and any person divulging such information shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not less than one hundred dollars nor more than five hundred dollars, and costs of prosecution, or to undergo imprisonment for not more than six months, or both, in the discretion of the court.

§ 14. COMMISSIONER TO PREPARE AND FURNISH RETURNS.] The Commissioner is authorized to prepare and have printed proper forms for returns to be distributed upon request to vendors.

§ 15. COLLECTION OF DELINQUENT TAXES.] The Commissioner shall call upon the Attorney General, and it is hereby made the duty of the Attorney General, to collect any taxes or penalties imposed under the provisions of this act which are not paid within thirty days from:

(1) The date the taxes are due and payable, if a return was filed;

(2) Ten days after notice of an additional or estimated additional assessment is given or sent to the vendor, as heretofore provided if no notice of an intention to petition for reassessment or if no petition for reassessment is filed with the Commissioner;

(3) Ten days after notice of an estimated assessment is given or sent to the vendor, as herein provided;

(4) The date of the determination of a petition for reassessment by the Commissioner, if an appeal is not taken to the District Court;

(5) In accordance with the award of a court of competent jurisdiction.

§ 16. INTEREST.] The tax imposed by this act shall bear interest at the rate of twelve per cent per annum from the date such tax is due and payable, except that any tax found due as the result of an appeal to the District Court, or to any appellate court, shall bear interest at the rate of six per cent per annum from the date the tax was originally due and payable. In cases of petitions to the Commissioner for reassessment, any balance finally found due by the

Commissioner shall bear interest at the rate of twelve per cent per annum from ten days after notice of the additional or estimated additional assessment was given to the vendor by the Commissioner.

§ 17. PENALTIES.] (a) Any vendor who shall intentionally neglect or refuse to make the return to the Commissioner, as required by this Act, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not less than one hundred dollars nor more than five hundred dollars, and costs of prosecution, or to undergo imprisonment for not more than six months, or both, in the discretion of the court.

(b) Any vendor who shall refuse to permit the Commissioner, or any agent appointed in writing by him, to examine his books, papers, invoices and other records, in and upon any premises where the same are kept, to the extent necessary to verify any return made or to ascertain and assess the tax imposed by this Act if no return was made, or who shall fail or refuse to maintain and keep for two years such records, invoices, bills of lading and other papers pertaining to the sale of tangible personal property or of professional services as may be required by the Commissioner, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not less than one hundred dollars, nor more than five hundred dollars, or to undergo imprisonment of not more than six months, or both, in the discretion of the court.

§ 18. DISPOSITION OF TAX, FINES AND PENALTIES.] All taxes, fees, interest, fines and penalties imposed by this Act shall be paid to the State Treasurer, through the Commissioner, and credited to the General Fund.

§ 19. CONTINUANCE OF EXISTING POWERS.] The powers conferred by this Act upon the Commissioner relating to the administration or enforcement of this Act shall be in addition to, but not exclusive of, any other powers heretofore or hereafter conferred by law upon the Commissioner.

§ 20. VENDORS MAY ADD PRICE OF TAX TO RETAIL PRICE OF PROPERTY SOLD.] Vendors may add to the retail price of any tangible personal property, or professional services, the sale of which is subject to a tax hereunder, two per cent of the retail price (or one per cent where said one per cent applies, or one-fourth of one per cent or one-eighth of one per cent in the case of manufacturers and wholesalers), providing the retail price and the two per cent, representing the tax imposed by this act, be separately stated on price display signs, tickets and tags, and bills rendered in connection with the sale of such property or service.

§ 21. TAX COMMISSIONER TO DELIVER COLLECTIONS TO STATE TREASURER; REPLACEMENT.] The Tax Commissioner shall deliver to the State Treasurer all moneys collected under the provisions of

this Act. 75 per cent of such moneys shall be credited by the State Treasurer to the Real Estate Bond Interest Payment Fund and the remaining 25 per cent of such moneys shall be credited to the State Equalization Fund. The provisions of Section 2290c12 of the Supplement to the 1913 Compiled Laws of North Dakota, as amended by Chapter 182 of the Session Laws of 1929, in so far as the same relates to a tax levied by the Board of Equalization during the years 1933 and 1934 for the Real Estate Bond Interest Payment Fund shall be held in abeyance during the operation of this Act and no levy shall be made by the Board of Equalization under the provisions of the said Section 2290c12 of the Supplement to the 1913 Compiled Laws of North Dakota as amended by Chapter 182 of the Session Laws of 1929, until the expiration of this Act. The State Board of Equalization is hereby directed and empowered, at any regular or special meeting, from time to time, to revise the rates of levy established hereby by reducing or increasing such rates whenever it appears that such rates are excessive or insufficient provided such rates shall be reduced or increased pro rata and shall not exceed 2% except the rate upon malt and cereal beverages which shall be 3%.

§ 22. THE EMERGENCY TAX IN ADDITION TO EXISTING TAXES.] The tax imposed by this Act shall be in addition to any tax now imposed by laws upon vendors.

§ 23. The Tax Commissioner shall have authority to employ all necessary assistants and to provide for and furnish all necessary supplies as may be necessary to carry out the provisions of this Act. The State Auditing Board shall approve all vouchers for salaries and expenses as submitted by the Tax Commissioner, and the State Treasurer shall, upon the approval of the Auditing Board, issue warrants for the payment thereof out of the general fund of the State. The State Treasurer shall reimburse the general fund of the State for all moneys so expended for the enforcement of this Act before such moneys collected under this Act are credited to the Real Estate Bond Interest Payment Fund, as provided in Section 21 herein.

§ 24. EMERGENCY APPROPRIATION.] There is hereby appropriated out of the general fund of the State the sum of \$25,000 for the purpose of carrying out the provisions of this Act until such time as sufficient funds may be collected as provided in Section 25 herein.

§ 25. CONSTITUTIONALITY.] It is the intention of the Legislative Assembly of North Dakota, that, if this Act cannot take effect in its entirety because of the judgment of any court of competent jurisdiction holding unconstitutional any part or parts thereof, the remaining provisions of the Act shall be given full force and effect as completely as if the part or parts held unconstitutional had not been included herein.



§ 26. SCHEDULE.] Schedule I is annexed to this Act as a part thereof and has the same binding force and effect as though it were incorporated in the Act, and where there is a conflict between the rates fixed by the Act and those fixed by the schedule, those in the schedule shall govern.

§ 27. TERMINATION.] This Act shall terminate as to taxes incurred or to be incurred hereunder at the close of business June 30th, 1935, but shall not terminate as to the levying or collection of any taxes incurred hereunder prior thereto.

#### SCHEDULE I.

#### EMERGENCY REPLACEMENT REVENUE ACT OF 1933.

BUSINESS TAXED	RATE
Abstractors .....	2%
Accountants, Public .....	2%
Adding Machines, sales, leases, etc.....	2%
Administrators; Banks, etc., acting as.....	2%
Admissions to Dances, Theatres, Circuses, Carnivals and Other Amusements .....	2%
Advertising Agencies .....	2%
Advertising Billboards .....	2%
Advertising, Commercial .....	2%
Alleys, bowling, ten-pins .....	2%
Architects .....	2%
Attorneys-at-Law .....	2%
Auctioneers .....	2%
Automobile Accessories, Tires, etc. ....	2%
Automobile Dealers .....	2%
Bakery Products, distributors.....	2%
Bakeries, wholesale .....	1/8%
Banks, not chartered in North Dakota acting as Admin- istrators, etc. ....	2%
Barber Shops .....	2%
Battery Stations, retail .....	2%
Bazaars .....	2%
Beauty Parlors .....	2%
Bicycle, Motorcycle, renting.....	2%
Billboard Advertising .....	2%
Billiard Halls .....	2%
Billiard Tables .....	2%
Billiard Tables, miniature .....	2%
Blacksmith Shop .....	2%
Blind, manufacturers .....	1/4%
Blue Print Shops .....	2%
Boarding Houses .....	2%
Bookkeeping Machines, sale, lease .....	2%
Bootblack Stands .....	2%
Bowling Alleys .....	2%

BUSINESS TAXED	RATE
Brick Yards, kilns .....	1%
Bridges, toll .....	2%
Brokers, Financial .....	2%
Brokers, merchandise .....	2%
Brokers, pawn .....	2%
Brokers, real estate loan or real estate .....	2%
Broom Factories .....	$\frac{1}{4}$ %
Burglar Alarms .....	2%
Cafes .....	2%
Cafeterias .....	2%
Candy Factories .....	$\frac{1}{4}$ %
Cash Registers, sale, lease .....	2%
Calculating Machines, sale, leases .....	2%
Casket, Coffin Factories .....	$\frac{1}{4}$ %
Cattle Buyers .....	2%
Check Rooms .....	2%
Cheese Factories .....	$\frac{1}{4}$ %
Chiropodists .....	2%
Chiropractors .....	2%
Cider, imitation dealers .....	2%
Cleaning, etc., Shops, steam .....	2%
Cleaning, etc., Shops, hand .....	2%
Clocks, including transient vendors .....	2%
Clothing Dealers, new or second hand .....	2%
Coal Dealers .....	2%
Coffee Roasting Plants .....	$\frac{1}{4}$ %
Coffin Dealers .....	2%
Cold Storage Plants .....	2%
Collection Agencies .....	2%
Commercial Agencies .....	2%
Commercial Credit Companies .....	2%
Confectioneries .....	2%
Contractors .....	1%
Copyright Agents .....	2%
Creameries—Retail .....	2%
Creosoting Plants .....	$\frac{1}{4}$ %
Cross-tie Buyers .....	2%
Culverts, cement manufacturers .....	1%
Culverts, Metal Manufacturers .....	1%
Dairy Products—Manufacturers of .....	$\frac{1}{4}$ %
Dealers, tires and accessories .....	2%
Dentists .....	2%
Detectives .....	2%
Dictaphones, dealers .....	2%
Distributors bakery products, retail .....	2%
Distributors bakery products, wholesale .....	$\frac{1}{8}$ %
Doctors .....	2%

BUSINESS TAXED	RATE
Dog Trainers .....	2%
Domino Parlors .....	2%
Doors, factory .....	$\frac{1}{4}$ %
Drain Tile Manufacturers .....	1%
Earthenware Manufacturers .....	1%
Electric Light and Power .....	1%
Electric Light and Power, Industrial .....	1%
Employment Agents .....	2%
Engines, Combustion, repairs .....	2%
Engineers .....	2%
Express Companies .....	2%
Farm Machinery Agency .....	2%
Factories, brick .....	1%
Factories, broom .....	$\frac{1}{4}$ %
Factories, candy .....	$\frac{1}{4}$ %
Factories, casket .....	$\frac{1}{4}$ %
Factories, coffin .....	$\frac{1}{4}$ %
Farm Machinery .....	2%
Feed Mills .....	$\frac{1}{4}$ %
Ferries .....	2%
Films, Photographic .....	2%
Fireworks, dealers .....	2%
Fish Dealers .....	2%
Fish Market or Wagon .....	2%
Florists .....	2%
Foundries .....	$\frac{1}{4}$ %
Fortune Tellers .....	2%
Frigidaires .....	2%
Funeral Parlors .....	2%
Fur Dealers .....	2%
Furniture Dealers, new or second hand .....	2%
Furniture Factories .....	$\frac{1}{4}$ %
Furniture Repair Shops .....	2%
Futures, dealers .....	2%
Garages, Auto .....	2%
Gas Companies, distributors, etc. ....	1%
Gas Companies, industrial .....	1%
Gasoline Dealers, retail .....	2%
Gasoline Dealers, wholesale .....	$\frac{1}{8}$ %
Gas Leases, Sales, etc. ....	2%
Gravel Pits .....	2%
Graphophone Dealers .....	2%
Gypsies .....	2%
Hair Dressers .....	2%
Hamburger Stands .....	2%
Hardwood Products, factories .....	$\frac{1}{4}$ %
Hat Cleaners .....	2%

BUSINESS TAXED	RATE
Horse Auctioneers .....	.2%
Horse Dealers .....	.2%
Horse-shoeing Shops .....	.2%
Hotels .....	.2%
Hotel Dining Room .....	.2%
House Movers .....	.2%
Ice Cars .....	.2%
Ice Cream Carts, etc. ....	.2%
Ice Cream Factories .....	1/4%
Industrial Banks .....	.2%
Installment Banks .....	.2%
Insurance Agents, life .....	.2%
Insurance Agencies .....	.2%
Insurance Adjusters .....	.2%
Insurance Adjusters, fire .....	.2%
Insurance Agents, fire .....	.2%
Insurance Agents, life .....	.2%
Insurance, Guaranty, agents .....	.2%
Insurance, Industrial .....	.2%
Insurance, Title .....	.2%
Jewelry, retail or transient .....	.2%
Job Printing Plants .....	1/4%
Junk Dealers .....	.2%
Kelvinators, dealers .....	.2%
Knives, deadly, dealers .....	.2%
Knucks, deadly, dealers .....	.2%
Labor Agents .....	.2%
Laboratories .....	.2%
Landscape Gardners .....	.2%
Laundries, hand .....	.2%
Laundries, steam .....	.2%
Lawyers .....	.2%
Leather Goods Manufacturers .....	1/4%
Light and Power Companies, commercial, including municipal plants .....	.1%
Light and Power Companies, industrial, including municipal plants .....	.1%
Lightning Rod Agents .....	.2%
Lighting System, agents or dealers .....	.2%
Linens, etc., renting .....	.2%
Lumber Dealers, retail .....	.2%
Lumber Dealers, wholesale .....	1/8%
Lumber Yards .....	.2%
Machine Shops .....	.2%
Malt and Malt Cereal Beverages .....	.3%
Manufacturers, brick .....	.1%
Manufacturers, broom .....	1/4%

BUSINESS TAXED	RATE
Manufacturers, candy .....	1/4 %
Manufacturers, coffin .....	1/4 %
Manufacturers, caskets .....	1/4 %
Manufacturers, concrete .....	1 %
Manufacturers, drain pipe, etc. ....	1 %
Manufacturers, feed .....	1/4 %
Manufacturers, furniture .....	1/4 %
Manufacturers, ice cream .....	1/4 %
Manufacturers, knitting .....	1/4 %
Manufacturers, mattress .....	1/4 %
Manufacturers, rubber stamps .....	1/4 %
Manufacturers, seals .....	1/4 %
Manufacturers, wall paper board .....	1/4 %
Marble Dealers .....	2 %
Mattress Factories .....	1/4 %
Mattress Renovators .....	2 %
Mattress Dealers .....	2 %
Mercantile Adjusters .....	2 %
Meat Distributing Plants, wholesale .....	1/8 %
Meat Markets .....	2 %
Manufacturers, mattress .....	1/4 %
Merchandise Brokers .....	2 %
Merchandise, tobacco in any form, except cigarettes and snuff .....	2 %
Merchandise taking security .....	2 %
Messenger Service .....	2 %
Milk Condensing or Evaporating Factory .....	1/4 %
Milk, drying or casein plants .....	1/4 %
Mimeograph, sale, lease, etc. ....	2 %
Money lenders on Personal Security or Otherwise .....	2 %
Motorcycle Dealers .....	2 %
Motorcycle renting .....	2 %
Motorcycles, repair shop .....	2 %
Naturopaths .....	2 %
Newspapers .....	2 %
Note Brokers .....	2 %
Oculists .....	2 %
Oil Dealers .....	2 %
Oil Depots .....	2 %
Oil Leases, etc. ....	2 %
Oleomargarine Dealers .....	2 %
Opticians .....	2 %
Optometrists .....	2 %
Organ Agents .....	2 %
Oriental Wares and Merchandise Dealers .....	2 %
Osteopaths .....	2 %
Oyster Dealers .....	2 %

BUSINESS TAXED	RATE
Paper Mills .....	1/4 %
Parking, Auto .....	2 %
Pawn Brokers .....	2 %
Peddlers .....	2 %
Phonograph Dealers .....	2 %
Photographers .....	2 %
Photograph Films .....	2 %
Photostat Shop .....	2 %
Physicians .....	2 %
Piano Agents .....	2 %
Pickle Factory .....	1/4 %
Pipe Line Companies .....	2 %
Pistol Cartridges .....	2 %
Pistols, Dealers .....	2 %
Planing Mills .....	1/4 %
Plumbers .....	2 %
Pediatrists .....	2 %
Pool Halls .....	2 %
Pool Tables .....	2 %
Pool Tables, miniature .....	2 %
Pottery, manufacturers .....	1 %
Printing Plants .....	1/4 %
Public Accountants .....	2 %
Public Utilities, see various kinds.	
Pulp Mills .....	1/4 %
Radio Dealers .....	2 %
Railroad Companies .....	2 %
Railroad Ticket Scalpers .....	2 %
Ranges .....	2 %
Real Estate, agents .....	2 %
Real Estate, dealers .....	2 %
Real Estate, loan brokers .....	2 %
Real Estate, rental agents .....	2 %
Refrigerators, dealers .....	2 %
Repair Shops, shoes .....	2 %
Repair Shops, fenders and bodies .....	2 %
Repair Shops, auto engines, etc. ....	2 %
Restaurants .....	2 %
Rifle Cartridges, dealers .....	2 %
Road Machinery, dealers .....	2 %
Rooms, check .....	2 %
Rooms, pool .....	2 %
Royalties and Copyright Agents .....	1/4 %
Rubber Stamp Manufacturers .....	1/4 %
Sand Pits .....	2 %
Sash Factories .....	1/4 %
Saw Mills .....	1/4 %

BUSINESS TAXED	RATE
Scales, dealers .....	2%
Seals, manufacturers .....	1/4%
Security Dealers .....	2%
Sewing Machine Agents .....	2%
Sheet Metal Shops .....	2%
Shoe Shops .....	2%
Shop, barber .....	2%
Shop, blacksmith .....	2%
Shop, blue print .....	2%
Shop, furniture repair .....	2%
Shops, horse-shoeing .....	2%
Shops, Pressing, etc., hand .....	2%
Shops, Pressing, etc., steam .....	2%
Shooting Galleries .....	2%
Shops, repair .....	2%
Sign Painters .....	2%
Sleeping Car Companies .....	2%
Slot Machines .....	2%
Soda Fountains .....	2%
Soft Drinks, bottlers .....	1%
Soft Drinks, producers .....	1%
Soft Drinks, retailers .....	2%
Soft Drinks, wholesalers .....	1/8%
Spectacles, regular or transient .....	2%
Spice, plants .....	1/4%
Sprinklers, dealers .....	2%
Storage, cold .....	2%
Stores .....	2%
Store Fixtures, manufacturers .....	1/4%
Stoves, transient vendors .....	2%
Supply Cars .....	2%
Syrup, manufacturers .....	1/4%
Talking Machine Dealers .....	2%
Telegraph Companies .....	2%
Telephone Companies, except mutual or co-operative .....	2%
Ten-pin Alleys .....	2%
Tents and Awnings, dealers .....	2%
Tents and Awnings, manufacturers .....	1/8%
Ticket Scalpers .....	2%
Tin Metal Shops .....	2%
Tire Dealers, wholesale .....	1/8%
Title Guaranty Companies .....	2%
Toilets, pay .....	2%
Tombstone Dealers .....	2%
Tourist Camps .....	2%
Tractors .....	1%
Trading Cars .....	2%

BUSINESS TAXED	RATE
Trading Stamps, issuing, selling.....	2%
Transient Merchants .....	2%
Transient Peddlers .....	2%
Utilities, public, see various kinds.	
Undertaker .....	2%
Veneer Factory .....	1/4%
Veterinary Surgeon .....	2%
Vulcanizing Auto Tires, etc. ....	2%
Wagon Factory .....	1/4%
Wall Paper, board, plants .....	1/4%
Warehouse, storage .....	2%
Washing Machines .....	2%
Water Works .....	2%
Water Works, systems .....	2%
Water, Mineral, dealers .....	2%
Weapons, Deadly, dealers in .....	2%
Welding Shops .....	2%
Wood Turning Machinery, factory .....	1/4%
Wood Yards .....	2%

Approved March 7, 1933.

## CHAPTER 262

H. B. No. 101—(Wright.)

### RIGHTS TAX CERTIFICATE PURCHASERS WHEN LANDS NOT REDEEMED

An Act amending and re-enacting Section 1, Chapter 257 Session Laws 1915 (Supp. Compiled Laws 1913, Section 2199) limiting the time within which the holder of a tax certificate shall produce to the County Auditor, by whom such certificate was issued, and demand of such auditor the giving of notice of the expiration of the period of redemption to ten years, and declaring an emergency.

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

§ I. AMENDMENT.] That Section 1, Chapter 257, Session Laws 1915, (Supp. Compiled Laws 1913, Section 2199) be amended and re-enacted to read as follows:

§ 2199. RIGHTS OF PURCHASERS WHEN LANDS NOT REDEEMED.] The purchaser of any piece or parcel of land, shall, if there be no redemption, be entitled to the possession, rents and profits at the expiration of 5 years from the date of the certificate, and if on demand of such purchaser to the party or parties in possession, such party or parties refuse or neglect to render such possession, such party or parties may be proceeded against as parties holding over after the determination of his or their estate, which proceedings may be instituted and prosecuted pursuant to the pro-



visions of the law in such case made and provided; provided, however, that all rights of the purchaser and his assigns to the possession, title, or lien of any kind, of, to, or upon such piece or parcel of land, shall cease absolutely and be deemed forfeited and extinguished, and the auditor of the county wherein such premises are situated is hereby directed and required to cancel such lien from his records, unless the holder of such tax certificate shall produce to the county auditor of such county such certificate and demand of such auditor the giving of notice of expiration of period of redemption prior to the expiration of 10 years from and after the date of such certificate, or in case of sales heretofore made and where five or more years have already elapsed since the date of such certificate, then prior to the expiration of one year after the taking effect of this section.

§ 2. EMERGENCY.] An emergency is hereby declared to exist, and this Act shall take effect and be in full force from and after its passage and approval.

Approved March 3, 1933.

## CHAPTER 263

H. B. No. 265—(Lemke, Svingen, Fedje and Crockett.)

### SELF-LIQUIDATING TAX CERTIFICATES

An Act to raise revenue by issuing self-liquidating tax certificates, prescribing limitations and providing method of redemption.

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

#### (PREAMBLE)

Whereas, due to the financial condition of our people, the revenues of the state and political subdivisions have been seriously impaired, because of the inability of the people to pay their taxes, and a large amount of taxes are now delinquent with little or no ability on the part of the tax payers to pay, and it being imperative that provisions be made for the liquidating of said delinquent taxes and obtaining temporary relief from the present situation, the Legislature of the State of North Dakota deems it advisable to ask the people of the State of North Dakota to accept and use in lieu of money self-liquidating tax certificates as provided herein.

§ 1. The State Treasurer and each County Treasurer is hereby authorized and empowered to issue self-liquidating tax certificates, and revenue stamps therefor, subject to the limitations herein provided.

§ 2. Rules and regulations for the purpose of administering under, and carrying out the provisions of this Act shall be prepared and published by a committee consisting of the State Auditor,

the State Treasurer, and the Manager of the Bank of North Dakota. It shall be the duty of this committee to have prepared and printed the necessary certificates, and stamps of the proper denominations, as required by the state and the counties to carry out the intent of the provisions herein set forth. Said certificates and stamps to be so engraved or lithographed as to prevent counterfeiting.

§ 3. The amount of certificates issued, shall at no time exceed the total amount of unpaid taxes and special assessments delinquent in the various counties and taxing subdivisions less the amount of other outstanding warrants and certificates of indebtedness, issued against such delinquent taxes.

§ 4. Not less than fifteen per cent of the salaries, compensation, or wages of all state, county, municipal, educational or other public employees, excepting elective officers, may be paid by self-liquidating tax certificates. And it shall be the patriotic duty of all elective officers in the state to accept at least fifteen per cent of their salaries, wages, or compensation in self-liquidating tax certificates. And not less than fifteen per cent of all state, county, municipal, educational or other political subdivision expenditures may be paid in self-liquidating tax certificates, subject, however, to the limitations set forth in Section three of this Act.

§ 5. Any county, or township, may give for poor relief self-liquidating tax certificates in lieu of cash, subject to the limitations of Section three of this Act.

§ 6. The certificates to be issued herein shall be issued in denominations of One Dollar and Five Dollars and the stamp to be placed thereon for two cents and ten cents respectively.

§ 7. The form and general makeup of these self-liquidating tax certificates shall be prepared by the committee provided for in Section two. Each of such certificates to bear the facsimile signature of the State Treasurer and the State Auditor and in the case of such certificates issued by any county, the signatures of the County Treasurer and the County Auditor thereof.

§ 8. All certificates shall be dated January 1st, April 1st, July 1st, or October 1st of the year in which they are issued.

§ 9. The State Treasurer, the various County Treasurers, and the Bank of North Dakota shall keep for sale said stamps and shall sell them at par or face value to any merchant, person, or corporation desiring to purchase same, and at such other points as the committee may designate.

§ 10. Said certificates shall be negotiable without endorsement, but in order to make the same negotiable the holder, in the presence of the receiver, shall before transferring the same place on the back thereof one State Revenue Stamp of the proper amount in

accordance with the face value of said certificate, and cancel the same and place his or her initials plainly in ink on the stamp so attached and the receiver shall also place his or her initials in the space adjoining such stamp so that there will always be on the back of said certificate the initials of the last person transferring the same, and the initials of the receiver.

§ 11. Said certificate shall be payable on demand when it shall contain stamps on the back thereof equal in value to the face thereof, except as provided in Sections 12, 13, and 15; that is to say, there must be One Dollar in stamps on the back of the One Dollar certificates and Five Dollars in stamps on the back of a Five Dollar certificate.

§ 12. Self-liquidating tax certificates to be used for the payment of municipal, educational, or other public employees, or public expenditures as provided in this Act, shall be secured from the county treasurer in the case of jurisdictions within the county and from the state treasurer in the case of jurisdictions under the state. These certificates may be procured in an amount not to exceed the portion of delinquent taxes due to the subdivision. Certificates issued within the county shall be redeemed by said county treasurer at any time in cash when the requisite number of stamps have been attached, or shall be accepted by him after one year from date of issuance, with or without stamps attached, at par in payment of taxes, or shall be redeemed by him in cash two years after the date of issuance.

§ 13. Certificates issued by the state shall be redeemed by the State Treasurer at any time in cash when the requisite number of stamps have been attached, or shall be accepted by him after one year after date of issuance, with or without stamps attached, at par in payment of state taxes, or shall be redeemed by him in cash two years after the date of issuance.

§ 14. All moneys received from sale of stamps shall be deposited in the Bank of North Dakota and shall be held as a redemption fund for such self-liquidating tax certificates to the credit of the proper county of the state, in proportion to the amount of certificates issued and the stamps placed thereon. Accounting shall be made monthly of the money in the redemption fund by the Bank of North Dakota to the respective county auditors and such money apportioned to each county and to the state in amounts equal to the stamps placed upon certificates issued by the state or respective counties. Money in the redemption fund shall be disbursed to the various subdivisions of the counties, in accordance with regulations prescribed under the provisions of Section two hereof.

§ 15. In addition to the redemption fund above required it shall be the duty of the county auditor to establish a special redemp-

tion fund for each respective subdivision from receipts of delinquent taxes collected which are not covered by certificates or warrants for the purpose of redeeming such self-liquidating tax certificates which shall be unredeemed at the end of two years from date of issuance by reason of there not having been sufficient stamps attached thereto. All certificates issued by a county shall be an obligation of said county for the face thereof until paid or redeemed as herein provided.

§ 16. The cost of printing and distribution of certificates and stamps shall be paid by the various counties for certificates and stamps required by them, and for those required by the state, the cost thereof shall be paid from the redemption fund set up from the sale of stamps for state certificates.

§ 17. It shall be unlawful for any person, corporation, or association of whatsoever nature to discount these self-liquidating tax certificates. Such certificates, if accepted in exchange of goods or services or in payment of indebtedness of any nature, must be accepted at face value.

§ 18. Basic restrictions and fundamental principles for operation under this Act are alone provided herein. The committee set up in Section two shall be responsible for the provision of satisfactory and workable rules and regulations.

§ 19. No further certificates shall be issued under the provisions of this Act after February 1, 1935. Revenue stamps may be sold up to February 1, 1937, to be used on outstanding certificates.

§ 20. PENALTY.] Any person violating any of the provisions of this Act shall be guilty of a felony and upon conviction thereof shall be sentenced to the State Penitentiary for one year, and any person counterfeiting any such certificates or stamps shall be guilty of a felony and upon conviction thereof shall be sentenced to the State Penitentiary for not less than five years.

Approved March 7, 1933.

## CHAPTER 264

S. B. No. 31—(Fine, Bangert, Burkhardt, and Brostuen, By Request.)

## SUSPENSION TAX DEEDS

An Act to suspend the operation of Section 2202 of the Compiled Laws of the State of North Dakota for the year 1913, as amended by Chapter 199 of the Session Laws of 1925 (Section 2202 of the 1925 Supplement to the Compiled Laws of 1913) and as amended by Chapter 266 of the Session Laws of 1927, relating to tax deeds to be issued to the County upon the expiration of the period of redemption, upon due notice; tax deeds to the County and sale of property so acquired, until December 31, 1935; and suspending the operation of 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. That the operation of Section 2202 of the Compiled Laws of North Dakota for the year 1913, as amended by Chapter 199 of the Session Laws of 1925 (Section 2202 of the 1925 Supplement to the Compiled Laws of 1913) and as amended by Chapter 266 of the Session Laws of 1927, relating to tax deeds to be issued to the County upon the expiration of the period of redemption, upon due notice; tax deeds to the County and sale of real property so acquired, and the whole of the provisions of said laws as so amended, be, and the same are hereby suspended until the thirty-first day of December, A. D. 1935, and the various duly elected, qualified, and acting County Auditors of the State of North Dakota, with their several deputies, be, and they are hereby prohibited from proceeding in any manner or taking any action whatsoever under the provisions of said Act as amended until December 31, 1935.

§ 2. SAVING CLAUSE.] Providing, however, that this Act shall not prohibit appraisals or sales of any of the property heretofore acquired under the provisions of the foregoing Acts to which the County has acquired title at or before the time of taking effect hereof.

§ 3. EMERGENCY.] An emergency is hereby declared to exist and this Act shall be in full force and effect from and after its passage and approval.

Approved January 20, 1933.

**CHAPTER 265****S. B. No. 288—(Fowler and Matthaei.)****WHO MAY PURCHASE AT TAX SALES—EFFECT**

An Act to amend and re-enact Section 2196 of the Compiled Laws of North Dakota for the year 1913, relating to persons who may purchase property at tax sales and the effect of purchase by an owner.

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

§ 1. AMENDMENT.] That Section 2196 of the Compiled Laws of North Dakota for the year 1913 be amended and re-enacted to read as follows:

§ 2196. WHO MAY NOT PURCHASE. EFFECT OF PURCHASE BY OWNER.] Any person except county auditors, county treasurers, and each of their deputies or clerks, may become the purchaser at such sale. If the owner purchase, the sale shall have the effect to pass to him (subject to redemption as herein provided) every right, title and interest of any and every person, company or corporation, free from any claim, lien or encumbrance, (except such right, title, interest, lien or encumbrance) as the owner so purchasing may be legally or equitably bound to protect against such sale, or the taxes for which such sale was made; and no such sale of real estate for taxes shall be considered invalid on account of the same having been charged in any other name than that of the rightful owner; provided, that nothing herein contained shall be so construed as to prevent any officer or his deputy or clerk from becoming the purchaser at such sale of any lands of which he may be the owner, or upon which he may have a lien. Provided, further, that no county auditor, county treasurer, their deputies or clerks, shall act as agent or attorney for the purchasers at such sale.

Approved March 3, 1933.

**CHAPTER 266****S. B. No. 264—(Hamilton.)****UNPAID DRAIN TAXES OR ASSESSMENTS**

An Act requiring a county that has acquired, or hereafter acquires, tax title to a tract of land subject to drain taxes to charge against such tract the amount required to redeem when tax title was acquired, and the amounts for which general taxes would have been levied if such tract had been subject to taxation; and to credit against such charges any income received from the land, while the county was owner; and upon sale of such land to pay into the drain fund any excess received over the amount of such charges, after deduction of such income.

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

§ 1. In all cases where a county has heretofore acquired, or does hereafter acquire, tax title to a tract of land against which

there were or are unpaid drain taxes or assessments, the county auditor shall make a charge against such tract of land for the amount which would have been required to redeem at the time the county became entitled to a tax deed; and he shall, also, make a charge against such land each year the land has been, or continues to be, the property of the county of an amount equal to the general taxes that probably would have been levied against such land if title had not passed to the county but remained in a private owner; no penalty or interest shall be added to such charges. If, during the time of ownership, the county receives any income from such land, such income shall be deducted from the charges so made as aforesaid. And, if and when, the county makes a sale of such tract of land it receives therefor a sum in excess of the amounts so charged against such land (after deduction of said income therefrom), such excess shall be paid into the drain fund, and used in payment of the indebtedness for the payment of which the drain taxes and assessments were levied.

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

Approved March 6, 1933.

## CHAPTER 267

S. B. No. 255—(Cain.)

### COUNTY WARRANTS RECEIVABLE FOR TAXES

An Act relating to the duty and authority of the county treasurer to receive county warrants in payment of certain taxes.

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

§ 1. COUNTY WARRANTS RECEIVABLE FOR TAXES.] The county treasurer shall receive in payment of taxes, county warrants on the several funds for which taxes may be levied, to the amount of the tax for such fund, without regard to priority of the numbers of the same, except when otherwise provided by law; and he shall write or stamp across the face of all such warrants the date of their receipt and the name of the person from whom received.

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

§ 3. 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 1, 1933.