

September 2008

## 2008 GENERAL ELECTION BALLOT MEASURES AND FISCAL ANALYSIS

This memorandum summarizes measures that are scheduled to be placed on the 2008 general election ballot. Attached to this memorandum are copies of the fiscal analysis for each initiated measure prepared at the request of the Legislative Council staff as required by North Dakota Century Code (NDCC) Section 16.1-01-17.

### MEASURE NO. 1

#### PERMANENT OIL TAX TRUST FUND

The Legislative Assembly adopted House Concurrent Resolution No. 3045 (2007) which would establish a permanent oil tax trust fund and impose limitations on the use of money in the fund. If approved, the measure would create a new section to Article X of the Constitution of North Dakota which would require that all revenue deposited in the general fund during a biennium derived from taxes imposed on oil and gas at the time of production or extraction which exceeds \$100 million must be transferred by the State Treasurer to a special fund in the state treasury known as the permanent oil tax trust fund. The measure provides that beginning in 2011, at the beginning of each biennium immediately following a biennium in which revenue from taxes imposed on oil and gas was deposited in the permanent oil tax trust fund, the State Treasurer would be required to adjust the dollar threshold amount for transfers to the permanent oil tax trust fund by applying to that amount the rate of change since the beginning of the previous biennium in the consumer price index as calculated by the United States Department of Labor. The measure would require the State Treasurer to transfer interest earnings of the permanent oil tax trust fund to the general fund at the end of each fiscal year. The measure would allow the principal of the permanent oil tax trust fund to be expended only upon a vote of three-fourths of the members elected to each house of the Legislative Assembly and would limit the amount expended during a biennium to not more than 20 percent of the principal. If approved by the voters, the measure would become effective on July 1, 2009.

### MEASURE NO. 2

#### CORPORATE AND INDIVIDUAL INCOME TAX

The initiated measure would reduce the income tax rate for corporations by 15 percent. The measure would also reduce individual income tax rates by 50 percent.

### MEASURE NO. 3

#### TOBACCO PREVENTION AND CONTROL

The initiated measure would establish a tobacco prevention and control advisory committee and an executive committee of that advisory committee. The tobacco prevention and control advisory committee would consist of nine members appointed by the Governor and would be required to select the executive committee, develop an initial comprehensive statewide tobacco prevention and control program, and evaluate the effectiveness of the plan and its implementation on an annual basis. The measure also would create in the state treasury a tobacco prevention and control trust fund consisting of the tobacco settlement funds obtained by the state. The measure would provide that interest earned on the fund must be credited to the fund and deposited in the fund, and money received in the fund would be administered by the executive committee for the purpose of creating and implementing the comprehensive statewide tobacco prevention and control plan. The measure also would require that, if in any biennium the tobacco prevention and control trust fund does not have adequate funds to fund a comprehensive plan, the State Treasurer must transfer money from the water development trust fund to the tobacco prevention and control trust fund in an amount equal to the amount determined necessary by the executive committee to fund a comprehensive plan.

### MEASURE NO. 4

#### WORKFORCE SAFETY AND INSURANCE

The initiated measure would create two new sections to NDCC Title 65. One of the new sections would require the Governor to appoint a director of Workforce Safety and Insurance who would serve at the pleasure of the Governor. That section also would require the Governor to set the compensation and prescribe the duties of the director. In addition, that section would provide that each employee of Workforce Safety and Insurance must occupy a position in the classified service and be subject to the provisions of the state personnel system. The other new section would require Workforce Safety and Insurance to contract with the Office of Administrative Hearings for the designation of administrative law judges to conduct evidentiary hearings and issue final findings of fact, conclusions of law, and orders. The section also would require that rehearings be conducted as hearings under the Administrative Agencies Practice Act.

[ATTACH:3](#)