

PROPOSED AMENDMENTS TO SENATE BILL NO. 2013

Page 1, line 2, after "lands" insert "; and to amend and reenact section 15-03-04 of the North Dakota Century Code, relating to investments by the board of university and school lands"

Page 1, line 11, replace "5,003,904" with "5,000,000"

Page 1, line 12, replace "7,473,102" with "7,469,198"

Page 1, remove lines 13 through 16

Page 1, line 17, replace "\$5,003,904" with "\$5,000,000"

Page 2, after line 8, insert:

"SECTION 5. AMENDMENT. Section 15-03-04 of the North Dakota Century Code is amended and reenacted as follows:

15-03-04. Legal investments. Subject to the provisions of section 15-03-05, the board of university and school lands shall apply the prudent investor rule in investing the permanent funds under its control. The "prudent investor rule" means that in making investments the board shall exercise the same judgment and care, under the circumstances then prevailing and limitations of North Dakota and federal law, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. Notwithstanding any investments made before to July 1, 1997, the board may not use any funds entrusted to it to purchase, as sole owner, commercial or residential real property in North Dakota without prior approval of the legislative assembly."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 226 - LAND DEPARTMENT

This amendment removes Section 2, which provides additional information relating to object code-based line item amounts. These amounts are reflected in the purpose of amendment. This amendment also reduces the Energy Development Impact Office (EDIO) line item by \$3,904, reducing the EDIO line item to \$5 million. North Dakota Century Code Section 57-51-15 provides that in a biennium, no more than \$5 million of gross production tax revenue may be allocated to the oil and gas impact grant fund. This amendment also prohibits the Board of University and School Lands from investing in real property without prior legislative approval and makes the following line item changes:

(By program-based line items)

	1997-99 EXECUTIVE RECOMMENDATION	EDIO REDUCTION	TOTAL CHANGES	SENATE VERSION
Assets management	\$2,469,198			\$2,469,198
Energy Development	5,003,904	\$(3,904)	\$(3,904)	5,000,000
Impact Office	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$7,473,102	\$(3,904)	\$(3,904)	\$7,469,198
General fund				
Other funds	<u>\$7,473,102</u>	<u>\$(3,904)</u>	<u>\$(3,904)</u>	<u>\$7,469,198</u>
Total	\$7,473,102	\$(3,904)	\$(3,904)	\$7,469,198

(By object code-based line items)

	1997-99 EXECUTIVE RECOMMENDATION	EDIO REDUCTION	TOTAL CHANGES	SENATE VERSION
Salaries and wages	\$1,713,110			\$1,713,110
Operating expenses	655,456	\$(3,904)	\$(3,904)	651,552
Equipment	34,000			34,000
Grants	<u>5,070,536</u>	<u> </u>	<u> </u>	<u>5,070,536</u>
Total	\$7,473,102	\$(3,904)	\$(3,904)	\$7,469,198
General fund				
Other funds	<u>\$7,473,102</u>	<u>\$(3,904)</u>	<u>\$(3,904)</u>	<u>\$7,469,198</u>
Total	\$7,473,102	\$(3,904)	\$(3,904)	\$7,469,198