

## **CHAPTER 48-03 DEPRECIATION AND INTEREST**

### **48-03-01. Public expenditures in public buildings not interest bearing.**

Expenditures by and on behalf of the state for public buildings or other structures for educational, charitable, penal, industrial, or other public purposes shall be made in order to provide the equipment to promote such public purposes, and such investments shall not be interest bearing.

### **48-03-02. Auditors prohibited from setting up interest charges in audit where no interest charged on public buildings.**

Auditing boards, auditors, and examiners in their respective audits and examinations shall refrain from setting up an interest charge on the amounts invested in any public building or structure. The books of the respective institutions or boards shall be adjusted accordingly.

### **48-03-03. Discrimination as to interest on public buildings prohibited.**

There shall be no discrimination in respect to interest on investments made or to be made in any of the following public buildings owned, managed, and controlled wholly by the state of North Dakota:

1. The capitol building.
2. The university or other educational buildings.
3. The state mill and elevator, Bank of North Dakota, or other industrial buildings.
4. The state hospital or other charitable institutions.
5. The memorial building, bridges, or highways, or any other public building or structure.

### **48-03-04. Depreciation on public buildings or other structures - How computed.**

When it is deemed proper to set up charges for depreciation to ascertain a basis for insurance or for other purposes, the annual charge for depreciation shall be such an amount that it, with interest thereon added thereto annually at the highest rate of interest paid regularly on twelve-month deposits in the Bank of North Dakota, will aggregate at the end of the period estimated to be the natural life of the building or other structure, the original cost of the building or structure. Such addition annually of the depreciation charge and interest shall be credited to a fund to be entitled "reserve for depreciation". The depreciation credit shall be charged against undivided profits and the interest credited to depreciation shall be charged to interest paid. Any depreciation charges made in excess of the amount herein provided shall be restored on the books and in the audits or reports of examination thereof to the fund against which such depreciation was previously charged in relation to the several institutions affected. Amounts credited, or investments in real estate and structures thereon, shall be restricted to the fund representing such assets, to the end that such real estate shall continue to be carried on the books at its original cost or actual value, whichever is lower as of the date of purchase or erection.