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Operator's Signature

Valosta Rickford

Date

10/2/03

2003 HOUSE APPROPRIATIONS

HB 1103

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10/2/03

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1103

House Appropriations Committee

☐ Conference Committee

Hearing Date 01-21-03

Tape Number	Side A	Side B	Meter #
2	X		21.9
Committee Clerk Signature <i>Chris S. Svedjan</i>			

Minutes:

Chairman Svedjan Opened Hearing

Gary Preszler, State Lands Commission

Rep. Wald Does the State Investment Board invest for you and you pay a fee?

Preszler No, we do that in house. Our trust funds have a much different liability opposed to retirement funds. That is why we don't.

Preszler Grass lease annual payment reimbursements may increase if the drought conditions continue. They are not budgeted for.

Rep. Wald Did you say local volunteer fire departments are putting out fires on state lands and not being reimbursed?

Preszler Yes, they are not directly reimbursed from the state.

Wald Is that fair?

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10/2/03
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House Appropriations Committee

Bill/Resolution Number HB 1103

Hearing Date 01-21-03

Preszler It is not a matter of fairness. If the request for reimbursement is made we have to pay it. What I have before you is if requests are made, we need the ability to make the payments.

There could be other services being provided that are not being reimbursed for either.

Rep. Skarphol Under the current practice, you don't have the ability to make these payments to these fire districts, but the cost of the lands that you manage are being deducted from the trust accounts pertinent to those lands. Is that correct.

Preszler We control the cost share program.

Rep. Skarphol What you are trying to achieve is to have the authority to make the payments in regard to continuing appropriations. Other than that, what is the change in your budget?

Preszler In the area of weed control and land survey costs are the only ones in the past that I would like to move under continuing appropriations.

Rep. Skarphol So you are looking with more budget flexibility with this legislation?

Preszler Flexibility is your terminology. I have to pay it one way or the other and I need to have clear authority to do that. I need to know if I need to come to you to get authority to pay it, or whether I can just deduct it from the trust.

Rep. Monson Where are the fees being paid from now? Will the payment from the trust fund affect money that the schools get?

Preszler The dollars source does not change. I can't make a payment without authority to do it even if funds are there.

Rep. Monson If you had a request to pay for a fire you would not have been able to make a payment.

Preszler Correct, unless it is budgeted for.

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House Appropriations Committee

Bill/Resolution Number HB 1103

Hearing Date 01-21-03

Chairman Svedjan If you did not have authority and you did not have sufficient funding in your budget, you would not be able to make a payment?

Preszler Correct.

Chairman Svedjan To carry that one step further, will this not increase the prospect for there being less money to distribute to the school?

Preszler The distributions would not change at all because the source of the payments would be the trusts.

Rep. Kempenich What are Capital Improvement Rent Credits?

Preszler Dams, fences, etc.

Rep. Wald I'm sure when you had fire around Sioux County, the rural fire departments were not reimbursed at all even after being there for several days.

Preszler No, there was no request for payment.

Rep. Delzer School lands pay no county taxes, except in section 4?

Preszler Correct.

Rep. Delzer This trust was set up for the schools, and we should not open this up. We should not do this at all.

Rep. Monson I think we will short someone some place with this bill.

Preszler The net effect is not changed. The trust gets charged either way.

Chairman Svedjan Under the current situation you budget in the area for payments, but your limited by your budget. It seems you are flinging the doors open for multiple unforeseen payments. Budgeting controls this. If the trust is charged for unforeseen payments, the money to schools will be shorted.

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House Appropriations Committee

Bill/Resolution Number HB 1103

Hearing Date 01-21-03

Preszler Yes, but how do I budget for these payments?

Rep. Skarphol You do have ability to go to the Emergency Commission and ask for funding.

Preszler I don't have the authority to go the emergency fund because I am a special fund agency.

Rep. Skarphol I think we can fix that.

Rep. Aarsvold It seems to me that whenever we have a state obligation unpaid that the adjacent land owners pick up the tab on our behalf. We should provide our correct expense to the fire departments.

Chairman Svedjan So if you have more requests for reimbursements than you have budgeted, your likely to carry that difference over into the next budget cycle and pay those liabilities sometime later?

Preszler No. By contingent liability I mean unforeseen expenditures.

Rep. Wald Why is that repealed section in there? It is section 10 of the bill.

Preszler It refers to the maintenance fund.

Rep. Wald So your definition of contingencies do not refer to section 10.

Rep.. Warnke Requested Roxanne from LC to look into the Emergency Commission issue.

Rep. Timm How did you manage before this bill?

Preszler Under section 2 of HB 1103. Payments were made as fees. The fire issue would have been funded out of the general operating expense fund.

Hearing Closed

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1103

House Appropriations Committee

☐ Conference Committee

Hearing Date 02-05-03

Tape Number	Side A	Side B	Meter #
2	X		20.2 - 26.0
Committee Clerk Signature <i>Chris E. Nygren</i>			

Minutes:

Chairman Svedjan Opened HB 1103 for discussion.

Rep. Carlson I move a Do Pass. 2nd by Rep. Aarsvold.

Rep. Wald Refresh us on Section 10, line 26 and 27, the repeal on page 4. What are we repealing?

Gary Prezler, Commissioner of State Land Department. It refers to an outdated section on the Maintenance Fund. It is essentially what creates the special fund where we pay our budget expenses. It is just a clean up thing in the bill.

Rep. Delzer Is this done by the board, not by an appointed official?

Rep. Carlson It is by the board.

Rep. Delzer Tell us who is on the board.

Rep. Carlson The Governor, DPI, Attorney General, Secretary of State, and State Treasurer.

There are 5 members.

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10/2/03
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Page 2
House Appropriations Committee
Bill/Resolution Number HB 1103
Hearing Date 02-05-03

Motion Carries 22-0-1. Rep. Carlson will carry this bill.

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10/2/03
Date

FISCAL NOTE

Requested by Legislative Council
01/10/2003

REVISION

Bill/Resolution No.: HB 1103

1A. **State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$90,000	\$0	\$0
Appropriations	\$0	\$0	\$0	(\$140,000)	\$0	\$0

1B. **County, city, and school district fiscal effect:** Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

This proposed bill will not have a General Fund fiscal impact.

3. **State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

This proposed bill will not affect revenues.

B. **Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Weed control costs for the 2003-2005 biennium are included in the Operating Expenses line of the budget that the proposed bill authorizes payment under continuing appropriation authority.

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

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Valista Rickford

Date

10/2/03

This proposed bill allows weed control costs to be paid under continuing appropriation authority. Consequently, the Operating Expenses line of the 2003-2005 biennium can be reduced by \$90,000 for the budgeted weed control payments. Further, the budget appropriation request also included a Contingency request for \$100,000 to cover any unforeseen costs on school lands for fire protection, asset improvement, and maintenance. This proposed bill authorizes these specific expenses to be paid as a continuing appropriation. The Contingency request can be reduced to \$50,000 which is considered adequate to cover any remaining and unexpected expenses such as for litigation costs.

Name:	Gary D. Preszler	Agency:	Land Department
Phone Number:	328-2800	Date Prepared:	01/10/2003

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01/10/2003

REVISION

Bill/Resolution No.: HB 1103

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1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

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Salvatore Rickford
Operator's Signature

10/2/03
Date

FISCAL NOTE
Requested by Legislative Council
01/03/2003

Bill/Resolution No.: HB 1103

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Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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10/2/03
Date

REPORT OF STANDING COMMITTEE (410)
February 6, 2003 9:40 a.m.

Module No: HR-23-1810
Carrier: Carlson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1103: Appropriations Committee (Rep. Svedjan, Chairman) recommends DO PASS
(22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1103 was placed on the
Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-23-1810

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2003 SENATE APPROPRIATIONS

HB 1103

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10/2/03

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1103

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 3-06-03

Tape Number	Side A	Side B	Meter #
1		X	2564-end
2	X		0-500
Committee Clerk Signature <i>Sandra Dawson</i>			

Minutes: CHAIRMAN HOLMBERG opened the hearing to HB 1103. A bill relating to the authority for payment of expenses by the board of university and school lands; to authority for the payment of expenses by the board of university and school lands; to apportionment of board of university and school lands maintenance fund balances; to provide a continuing appropriation.

(Meter 2564) GARY PRESZLER, State Land Commissioner gave written testimony, see Exhibit 1.

(Meter 3473) CHAIRMAN HOLMBERG asked on going back to Section 2, the new language about the cost of capitalized building repairs and renovations. He asked Gary to give examples so the committee can understand what is meant there? (Meter 3520) GARY PRESZLER explained for example a building that is owned by the common school trust fund and the legislature had some discussion when that building was built, it is a trust asset but from the stand point of budget appropriations, how can he budget for repair such as the roof, which needs to be done. That is what he is looking for funding for those types of projects any major costs of repairs. (Meter

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10/2/03
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Senate Appropriations Committee

Bill/Resolution Number HB 1103

Hearing Date 3-6-03

3607) CHAIRMAN HOLMBERG asked if this would not authorize to build a new building or expand the building. GARY PRESZLER stated that no this would authorize them to build a new building, in fact, the statute states they could not build a new building and need legislation approval to so. That is not the intent to purchase new property.

(Meter 3629) SENATOR TALLACKSON asked if the building they occupy was paid for? And if the building they occupy is shared with anyone else? (Meter 3661) GARY PRESZLER stated that the building is paid for and owned by the common schools trust fund which is an investment to them and is a market asset. The Office of Administrative Hearings share the building with them at 1707 North 9th Street (right across Divide Ave). There is some rental proceeds.

(Meter 3772) GARY PRESZLER continued on with his testimony. See written testimony Exhibit 1. He proposed amendments to Engrossed HB 1013 as attached to testimony

(Meter 4480) SENATOR CHRISTMANN stated that he understands that if people fail to make the payments and it is then resold. Are we still selling any school lands? (Meter 4511) GARY PRESZLER stated there hasn't been any direct school lands sold for about 20 years. Several years ago, there was regard to low return lands that were dealt with specifically on a tract to tract basis. (Meter 4578) SENATOR CHRISTMANN stated that as he went through this it seems that everything is just a matter of putting it in its place and paying what has been paid and yet there is a fiscal note. What is the difference here? (Meter 4619) GARY PRESZLER covered the fiscal note. (Meter 4870) SENATOR BOWMAN inquired about two years ago about some marginal land that wasn't bringing any return back to the this investment. He ended up with going along with this and there was pressure from special interest groups not to market this land where it was covered with leafy spurge and etc. This land is still in there (the trust fund), do still have the same

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10/2/03

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Senate Appropriations Committee
Bill/Resolution Number HB 1103
Hearing Date 3-6-03

problem with the leafy spurge to control, do you still have acres that are not beneficial to this trust that are not making you any money? Are we going to continue to own land that we are losing money on? (Meter 4980) GARY PRESZLER answered that he is aware of the history of that situation and when he became commissioner he made a point of looking at the zero percent lands. Based on that review the following transpired, some of those lands, about 1,000 acres, are no longer on that list because they have been leased out. Some of the lands may now have improved or lowered the expenses. On the leafy spurge, the flea beetle have been used on over 500 sites. These lands have been improved. There were concerns of some of the lands being sold to out of state hunters. There are about 4,000 acres that have been looked at with other agency management's. Their agency is not biologists, not there to increase the wildlife benefits so it would make some sense to incorporate other agencies such as game and fish could put into reserves, also the department of transportation could use some. SENATOR BOWMAN requested a listing of who he leases these school lands out to. He was upset that some of the lands were dominated by some special interest groups. GARY PRESZLER stated that the time they did the public hearings, they identified about 18,000 acres that there was really no rental income from or what was considered to be low return type land. Some of those tracts have been leased but not many. Some are not longer on the list because they have been leased. Those are leased to private ranchers who picked them up that were looking for the acreage for whatever reason. The Board of University and School lands has the authority to sell school lands. There are several other tracts that they are looking at for specific proposes, for example, the UND has a section of land in Grand Forks county, they have been using for years for research, the biology department has been using and it makes more sense for them to have total management control

Page 4

Senate Appropriations Committee

Bill/Resolution Number HB 1103

Hearing Date 3-6-03

over that and has been approach to having them purchase those lands. Also a tract in east Bismarck that has BISMARCK outlined in trees. There is currently a task force of Realtors and outside peoples assisting the board on whether or not to sell this tract because it is surrounding by development now. But the property is more valuable as a commercial development property than a grazing income. There is interest in developing these lands.

(Meter 5908) SENATOR THANE inquired if the lands can be sold other than a bid basis? Can there be a direct sale without an advertisement? (Meter 5920) GARY PRESZLER stated there are two methods in which the board can sell land. First, only to those entities that is considered 1509 sale to the government entities without a bid process or public auction such as UND. The board would have establish a fair market value and could not sell it for less. The second method would be public auction method and they would only be able to sell to private individuals and have a public publication and do the sale at the court house to the highest bidder. The board has to establish a minimum bid with approval of an outside appraisal probably with the county. The private sale has not happened for about 20 years.

(Meter 6132) SENATOR KILZER asked if the process was still in place like when he was a kid, these Sections 16 & 36, if a local farmer wanted to buy it, he could force the auction, if he was willing to meet the minimum price. Has that been changed? (Meter 6171) GARY PRESZLER replied that it is still the same, there is just not too much interest in selling yet. He explained the process of the sections 16 and 36 history.

Tape 2 Side A

(Meter 43) SENATOR KILZER asked Gary to clarify if a farmer wants to buy the section, he has to have the approval of the board which formerly was not the case. (Meter 95) GARY

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Senate Appropriations Committee
Bill/Resolution Number HB 1103
Hearing Date 3-6-03

PRESZLER stated that individuals could ask the board and explained this process. (Meter 132)

SENATOR KILZER asked if Gary felt there were any land better usage if broken up. (Meter

146) GARY PRESZLER stated that most pasture land and would not potentially be broken up.

(Meter 178) SENATOR KRAUTER asked if the land pay property tax? (Meter 196) GARY

PRESZLER stated no. SENATOR KRAUTER then stated in these particular state lands such as

Grant county there are over 30,000 acres that are not on the tax rolls. These school districts and

political subdivisions are having a tough time from lands that are not paying the property taxes-

they would like to see it sold. (Meter 228) GARY PRESZLER agreed with SENATOR

KRAUTER and stated that the grant lands do not pay the property taxes. (Meter 258) SENATOR

KRAUTER then commented if the bill such be amended Section 7 to include in expenses

payment lieu of taxes? (Meter 268) GARY PRESZLER stated there are some in lieu payments to

the counties that were to replace the auction sites. We have a choice whether to amend it out and

require an in lieu of taxes. If you would make it some that you would make rural property taxes

like a private owner, that has to come out somewhere so rents would go up or lower distribution

to schools. There is no other sources to make it. It would have to come out somewhere else.

(Meter 357) SENATOR BOWMAN stated that Where does the majority of the income of the

money goes? The money is coming out of the western part of the state and going to the students

eastern part being paid for by the west. He feels that the land has been sold in the east.

(Meter 415) GARY PRESZLER agreed that there has been the east-west arguments.

Meter 500 CHAIRMAN HOLMBERG closed the hearing to HB 1103 with stating that there are
amendments attached for HB 1013.

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1103 Vote

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 4-3-03

Tape Number	Side A	Side B	Meter #
1		X	1666-2075
Committee Clerk Signature <i>Sandra Davis</i>			

Minutes: CHAIRMAN HOLMBERG opened the hearing to vote on HB 1103. A bill relating to the authority for payment of expenses by the board of university and school lands; relating to authority for the payment of expenses by the board of university and school lands; to apportionment of board of university and school lands maintenance fund balances; to provide a continuing appropriation.

CHAIRMAN HOLMBERG asked Gary Preszler to explained the amendments to HB 1103.

(Meter 1671) GARY PRESZLER, State Land Department stated the amendments clarify the current distinction of the way the board of university and school lands has there appropriations to pay. There are two funding sources, the budget which is HB 1013 and the second is continuing appropriations expenses which typically meets expenses to pay fees to money managers to manage the trust funds. He had asked to hold HB 1103 because of the fiscal note on HB 1103. The fiscal note says that the legislature could reduce the budget HB 1013 by \$140,000. If HB 1103 is enacted. It is composed of \$50,000 on a contingency line and the reason is it would

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Senate Appropriations Committee

Bill/Resolution Number HB 1103

Hearing Date 4-3-03

reduce the contingency line from \$100,000 to \$50,000. The differences would allow them to pay the uncertainties under a continuing appropriations. Another \$90,000 could be reduced because of the operating expenses for weed control would also be paid under HB 1103. Not reducing the expenses of weed control, just the method of paying for it.

(Meter 1885) CHAIRMAN HOLMBERG stated HB 1103 stands by itself and in passing that and in doing so would impact HB 1013 and the amendments reflex those changes assuming HB 1103 passes.

(Meter 1932) SENATOR MATHERN made a motion of a DO PASS and SENATOR ROBINSON seconded. The bill passed with a vote of 13 yeas, 0 nays and 1 absent. SENATOR ROBINSON will carry the bill.

CHAIRMAN HOLMBERG closed the hearing to HB 1103.

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Operator's Signature

Date

10/2/03

Date 4-3-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1103

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Robinson Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson					
Senator Thane	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Robinson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
April 3, 2003 3:29 p.m.

Module No: SR-60-6697
Carrier: Robinson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1103: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1103 was placed on the
Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-60-6697

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Operator's Signature

Yolanda Rickford

Date

10/2/03

2003 TESTIMONY

HB 1103

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Operator's Signature

Val Costa Rickford

Date

10/2/03

64

**TESTIMONY OF GARY D. PRESZLER
STATE LAND COMMISSIONER
HOUSE APPROPRIATIONS COMMITTEE**

IN SUPPORT OF HB 1103

January 21, 2003

Chairman Svedjan, members of the House Appropriations Committee, I am Gary D. Preszler, Secretary for the Board of University and School Lands and Commissioner for the State Land Department.

TRUSTS

The Land Grant to the State from the federal government and the State Constitution provides that the Board of University and Schools Land shall manage the land, minerals and proceeds from the land for the exclusive benefit of the institutions for which they were granted. Currently trust assets consist of over 714,000 surface acres, over 2.5 million mineral acres, and over \$529 million in trust fund financial investments held by 13 permanent trusts and 3 other trusts. The Board has a fiduciary responsibility for managing those assets.

The largest trust administered by the Land Department is the Common Schools Trust Fund, which distributes its income to the various school districts through the Department of Public Instruction. The distribution amounts to \$280 per student in kindergarten through grade 12.

The Land Department also administers the Uniform Unclaimed Property Act (NDCC 47-30.1). In this capacity the Department collects "unclaimed property" (un-cashed checks, unused bank accounts, etc.), and verifies and pays owner claims. Property acquired is held in trust in perpetuity on behalf of the owner. The income from property for which remains unclaimed is distributed to ND public schools grades K-12.

EXPENDITURES

The Board has two separate funding sources from which to pay trust administration and Land Department expenditures. Section 15-03-01.2 provides for the payment of all salaries and expenses of the Office of the Commissioner and School Lands, known as the State Land Department, to be paid from a land maintenance fund. Section 15-03-16 provides for an annual continuing appropriation to pay various kinds of "fees." But because there isn't a clear distinction between 'fees' under 15-03-16 and 'expenses' under 15-03-01.2, the requirements under the Board's two funding sources isn't entirely clear. Thus, there is some uncertainty in whether the Board is using the right source to pay some of our costs.

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Stalosta Rickford
Operator's Signature

10/2/03
Date

Testimony of Gary D. Preszler
House Bill 1103 - Page 2
January 21, 2003

HOUSE BILL 1103

Last spring a review was conducted of all paid budgeted and continuing appropriation expenses. Also reviewed was the legislative history of Section 15-03-16, the statute that grants continuing appropriation authority for the payment of fees for investments including investment management fees, and trustee or consulting fees. The State Investment Board and the Public Employees Retirement System have similar authority. Some payments fell clearly into one category or the other. Some were not as clear. The definition of "fees" versus "expenses or costs" and the definition of "investment" posed ambiguities. The Attorney General's office was asked to provide guidance and issued an April 2002 Memorandum. The Department's 2003-2005 budget request was then developed and submitted using the Memorandum's interpretations.

HB 1103 was crafted to clarify the payment of expenditures under the two funding sources. Section 1 of the bill relates to administrative salaries and operating costs necessary to run the State Land Department. Section 1 states that 'all administrative salaries and operating expenses' of the land department will be paid out of the lands maintenance fund. The other sections of HB 1103 apply to continuing appropriation authority for those expenses, or obligations for expenses where liability exists but cannot be quantified in advance or that relate to expenses for managing a trust asset. Specific expenditures are identified rather than relying on general investment authority. These expenses, rather than pay them from the lands maintenance fund, will be paid from the particular trust fund that gets the benefit of the expenditure." Investment manager fees and consultant fees remain under the investment chapter, but land and unclaimed property expenses are severed from the "investment" term and placed more appropriately within the corresponding code chapters.

FISCAL NOTE

The Fiscal Note for HB 1103 shows a \$140,000 reduction can be made to the Department's budget request, which consists of \$90,000 for weed control costs and a reduction of \$50,000 in contingency. Unknown costs such as asset improvement, rural fire protection, or maintenance costs that can be clearly paid, if incurred, under continuing appropriation authority removes the need to attempt to budget for this uncertainty.

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Yolanda Rickford
Operator's Signature

10/2/03
Date

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PO Box 5523
Bismarck, ND 58506-5523
Phone: (701) 328-2800
Fax: (701) 328-3650

www.land.state.nd.us
www.discovernd.com



Gary D. Preszler, Commissioner

Exhibit 1

**TESTIMONY OF GARY D. PRESZLER
STATE LAND COMMISSIONER
SENATE APPROPRIATIONS COMMITTEE**

IN SUPPORT OF HB 1103

March 6, 2003

Chairman Holmberg, members of the Senate Appropriations Committee, I am Gary D. Preszler, Secretary for the Board of University and School Lands and Commissioner for the State Land Department.

TRUSTS

The Land Grant to the State from the federal government and the State Constitution provides that the Board of University and Schools Land shall manage the land, minerals and proceeds from the land for the exclusive benefit of the institutions for which they were granted. Currently trust assets consist of over 714,000 surface acres, over 2.5 million mineral acres, and over \$541 million in trust fund financial investments held by 13 permanent trusts and 3 other trusts. The Board has a fiduciary responsibility for managing those assets.

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Testimony of Gary D. Preszler
House Bill 1103 - Page 2
March 6, 2003

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Proposed amendments to Engrossed HB 1013 are attached.

STATE LAND DEPARTMENT

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1013

Page 1, line 11, replace "812,572" with "722,572"

Page 1, line 14, replace "100,000" with "50,000"

Page 1, line 15, replace "\$7,715,692" with "\$7,575,692"

Renumber accordingly

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10/2/03
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