Prepared by the Legislative Council staff for
House Industry, Business and Labor
March 28, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2306

Page 1, line 1, replace the second "and" with a comma

Page 1, line 1, after "6-09.7-03" insert ", and 6-09.7-05"

Page 1, line 2, remove "and"

Page 1, line 4, after "guarantees" insert "; and to provide an expiration date"

Page 1, line 23, after the second comma insert "farm credit associations,"

Page 2, line 6, replace "twenty-five" with "twelve"

Page 2, line 6, remove the overstrike over "~~five hundred thousand~~"

Page 2, line 7, replace "fifty" with "twenty-five"

Page 2, after line 7, insert:

"**SECTION 3. AMENDMENT.** Section 6-09.7-05 of the North Dakota Century Code is amended and reenacted as follows:

6-09.7-05. Establishment and maintenance of adequate guarantee funds - Use of lands and minerals trust.

The Bank of North Dakota shall establish and at all times maintain an adequate guarantee reserve fund in a special account in the Bank. The ~~guarantee reserve fund must be maintained~~Bank may request the director of the office of management and budget to transfer funds from the lands and minerals trust created by section 15-08.1-08 ~~and any moneys transferred from the lands and minerals trust to maintain the~~to maintain twenty-five percent of the guarantee reserve fund balance. Transfers from the lands and minerals trust may not exceed a total of six million two hundred fifty thousand dollars. Moneys in the guarantee reserve fund are available to reimburse lenders for guaranteed loans in default. The securities in which the moneys in the reserve fund may be invested must meet the same requirements as those authorized for investment under the state investment board. The income from such investments must be made available for the costs of administering the state guarantee loan program and income in excess of that required to pay the cost of administering the program shall be deposited in the reserve fund. The amount of reserves for all guaranteed loans must be determined by a formula which will assure, as determined by the Bank, an adequate amount of reserve."

Page 2, after line 8, insert:

"**SECTION 5. EXPIRATION DATE.** This Act is effective through July 31, 2013, and after that date is ineffective."

Renumber accordingly