

HOUSE BILL NO. 1441

Introduced by

Representatives Monson, R. Kelsch, Maragos, Nicholas

Senators Nichols, Wardner

1 A BILL for an Act to authorize the state to purchase oil put options; to provide an appropriation;
2 and to provide an expiration date.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. Oil and gas tax revenue put options.** Upon request of the director of
5 the office of management and budget and upon approval by the industrial commission, the state
6 investment board may purchase oil put options for the office of management and budget. The
7 purchase of put options must be designed to offset reduced state general fund oil and gas tax
8 revenues due to oil and gas prices falling below selected levels. Put options may be purchased
9 only at such times that the purchase assures that oil tax revenues plus the revenues from the
10 sale of put options will be in excess of the oil tax revenues estimated for that level of production
11 by the most recently adjourned legislative assembly. The office of management and budget
12 shall report any purchases of put options to the budget section of the legislative council.

13 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the
14 general fund in the state treasury, not otherwise appropriated, for the biennium beginning
15 July 1, 2003, and ending June 30, 2005, such amounts as may be necessary, but not to exceed
16 the additional general fund revenues that will become available pursuant to the sale of oil put
17 options as provided in this Act, to the office of management and budget to purchase oil put
18 options through the state investment board.

19 **SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2005, and
20 after that date is ineffective.