

HOUSE BILL NO. 1374

Introduced by

Representatives Maragos, Monson

1 A BILL for an Act amend and reenact section 54-44-16 of the North Dakota Century Code,
2 relating to oil and gas tax revenue put options and swaps.

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

4 **SECTION 1. AMENDMENT.** Section 54-44-16 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-44-16. Oil and gas tax revenue put options and swaps.**

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