

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1358

- Page 1, line 2, after "hedging" insert "; to provide an appropriation; to provide a continuing appropriation; to provide for a transfer; to provide a statement of legislative intent; and to declare an emergency"
- Page 1, line 6, after "**hedging**" insert "**fund - Advisory committee - Continuing appropriation - Transfer to strategic investment and improvements fund**"
- Page 1, overstrike line 7
- Page 1, line 8, overstrike "the industrial commission, the"
- Page 1, line 8, remove "Bank of North Dakota"
- Page 1, line 8, overstrike "may purchase oil"
- Page 1, line 9, overstrike "put options"
- Page 1, line 9, remove "and enter swap agreements or any other hedging strategies with designated"
- Page 1, line 10, remove "counterparts approved by the industrial commission"
- Page 1, line 10, overstrike "for the office of management and budget."
- Page 1, line 11, overstrike "The"
- Page 1, line 11, remove "execution of any hedging strategies"
- Page 1, line 11, overstrike "must be designed to offset"
- Page 1, line 12, overstrike "reduced state"
- Page 1, line 12, overstrike "oil and gas tax revenues due to oil and gas prices falling below"
- Page 1, line 13, overstrike "levels"
- Page 1, line 13, remove "included in the legislative revenue forecast at the conclusion of the most"
- Page 1, line 14, remove "recently adjourned regular or special session of the legislative assembly"
- Page 1, line 14, overstrike the period
- Page 1, line 17, overstrike "The office of management and"
- Page 1, line 18, overstrike "budget shall report any"
- Page 1, line 18, remove "execution of hedging strategies"
- Page 1, line 18, overstrike "to the budget"
- Page 1, overstrike line 19 and insert immediately thereafter:

- "1. There is created in the state treasury the oil and gas tax revenue hedging fund. The fund consists of all moneys transferred to the fund by the legislative assembly, interest and earnings upon moneys in the fund, and proceeds from any hedging financial instruments. The moneys in the fund are appropriated to the Bank of North Dakota on a continuing basis for the purpose of implementing hedging strategies as approved by the oil and gas tax revenue hedging advisory committee and for administrative expenses.
2. The oil and gas tax revenue hedging advisory committee consists of:
 - a. The director of the office of management and budget, as chairman;
 - b. One senator appointed by the senate majority leader;
 - c. One representative appointed by the house majority leader;
 - d. The president of the Bank of North Dakota or the president's designee; and
 - e. The director of the department of mineral resources.
3. The advisory committee shall meet at least quarterly, and the Bank shall provide administrative services to the committee.
4. The advisory committee shall recommend to the Bank hedging strategies to offset any reductions to state oil and gas tax revenues due to oil and gas prices falling below levels included in the legislative revenue forecast at the conclusion of the most recently adjourned regular or special session of the legislative assembly. Hedging strategies include put options, swap agreements, or any other hedging financial instruments. The committee shall submit quarterly reports to the legislative management regarding the results of the hedging strategies.
5. The Bank may contract for consulting services to implement the hedging strategies, and any related contracting expenses must be paid from the fund.
6. On or before September fifteenth of each year, the Bank shall certify to the state treasurer the amount of accumulated funds in the oil and gas tax revenue hedging fund on June thirtieth of the preceding fiscal year which exceed the estimated hedging costs for the current fiscal year. The state treasurer shall transfer the certified amount from the oil and gas tax revenue hedging fund to the strategic investment and improvements fund by September thirtieth of each fiscal year.

SECTION 2. APPROPRIATION - TRANSFER - INTENT - LEGACY FUND EARNINGS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, which the office of management and budget shall transfer to the oil and gas tax revenue hedging fund during the period beginning with the effective date of this Act and ending June 30, 2023. It is the intent of the sixty-seventh legislative assembly that the funds appropriated be derived from legacy fund earnings transferred to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly