



GOVERNMENT FINANCE COMMITTEE

Thursday, March 19, 2026
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Randy A. Burckhard, Chairman, called the meeting to order at 1:00 p.m.

Members present: Senators Randy A. Burckhard, Jeff Barta, Justin Gerhardt, Richard Marcellais,* Donald Schaible, Chuck Walen; Representatives Bert Anderson, Jason Dockter, Ty Dressler, Austin Foss, Jim Grueneich, Patrick R. Hatlestad, Craig Headland, Mike Nathe, Vicky Steiner,* Gregory Stemen, Kelby Timmons

Member absent: Representative Lisa Meier

Others present: Senators Brad Bekkedahl, Williston, and Jerry Klein, Fessenden, members of the Legislative Management

Shailyn Hieb and Brian Kroshus, Tax Department; Greg Hoffman, Information Technology Department; Joe Morrissette and Brandon Solberg, Office of Management and Budget; Robin Rehborg, Department of Transportation

John Bjornson, Legislative Council, Bismarck

See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Senator Barta, seconded by Representative Dockter, and carried on a voice vote that the minutes of the December 11, 2025, meeting be approved as distributed.

STATE BUDGET INFORMATION

Office of Management and Budget

Mr. Joe Morrissette, Director, Office of Management and Budget, presented information ([Appendix B](#)) regarding the status of the General Fund for the 2025-27 biennium and selected special fund balances. He noted:

- General Fund revenue collections for the 2025-27 biennium through February 2026 totaled \$1,687 million, which was \$2 million more than the forecast.
- The uncommitted balance of the Strategic Investment and Improvements Fund was \$69 million as of December 31, 2025.

Legislative Council

Mr. Adam Mathiak, Senior Fiscal Analyst, Legislative Council, presented the [69th Legislative Assembly State Budget Actions Supplement](#) for the 2025-27 biennium reflecting legislative action during the January 2026 special session.

TAX UPDATES

Taxable Sales and Purchases

Ms. Shailyn Hieb, Revenue Analyst, Tax Department, presented information ([Appendix C](#)) regarding the most recent taxable sales and purchases report. She noted taxable sales and purchases in 2025 totaled \$27.16 billion, an increase of \$0.07 billion or 0.27 percent, compared to \$27.09 billion in 2024.

Impact of Federal Income Tax Changes

Mr. Brian Kroshus, Tax Commissioner, presented information ([Appendix D](#)) regarding the estimated fiscal impact of the federal "One Big Beautiful Bill Act" on state individual and corporate income tax revenue collections. He noted:

- State income tax collections are anticipated to decrease by \$129 million during the 2025-27 biennium compared to the 2025 legislative forecast due to the federal income tax changes, including \$74 million related to business income and \$55 million related to personal income.
- The decrease in taxable business income is primarily related to depreciation expenses and research and development expenses while the decrease in taxable personal income is primarily related to overtime pay and increases in the standard deduction.

Primary Residence Credit

Mr. Kroshus noted the department received approximately 154,000 applications for the primary residence certification under the primary residence credit through March 18, 2026, compared to 145,000 applications for property tax year 2025, with more applications anticipated before the April 1st deadline.

REVENUE FORECAST

Mr. Mathiak presented a memorandum entitled [Forecast Comparison - Major General Fund Revenues](#) comparing March 2026 estimates prepared by S&P Global for the 2025-27 and 2027-29 bienniums to the legislative revenue forecast for the 2025-27 biennium prepared at the close of the 2025 regular legislative session. He noted the S&P Global baseline forecasts compared to the 2025-27 legislative revenue forecast reflects an increase of \$89.5 million, or 2.2 percent, for the 2025-27 biennium and an increase of \$512.1 million, or 12.4 percent, for the 2027-29 biennium.

Mr. Mathiak distributed a report ([Appendix E](#)) regarding revenue forecasting data prepared by S&P Global reflecting estimates for major General Fund revenues and oil and gas prices and production for the 2025-27 and 2027-29 bienniums.

STATE AGENCY FEES STUDY

Department of Transportation

Ms. Robin Rehborg, Deputy Director, Driver Safety, Department of Transportation, presented information ([Appendix F](#)) regarding fees collected by the department. She noted:

- The department collects approximately 125 fees, primarily related to driver licenses, motor vehicle sales and registrations, and state fleet services.
- Fee changes since the 2023-25 biennium include a new blackout plate for \$25 authorized by the 2025 Legislative Assembly with approximately 39,000 blackout plates issued since implementation.

In response to a question from a committee member, Ms. Rehborg noted the fees collected for driver licenses cover approximately 50 percent of the cost to administer the licenses.

Information Technology Department

Mr. Greg Hoffman, Deputy Chief Information Officer, Information Technology Department, presented information ([Appendix G](#)) regarding fees collected by the department. He noted the:

- Department charges state agencies for services provided except for cybersecurity expenses which are covered by a General Fund appropriation.
- Department sets rates in the spring of even-numbered years which agencies use as the basis for preparing their budgets for the subsequent biennium.
- Fee structure is based on the cost for each service, including salaries and wages, hardware and software, and overhead.

LEGISLATIVE OFFICE BUILDING STUDY**Leased Office Space**

Mr. Brandon Solberg, Division Director, Facility Management Division, Office of Management and Budget, presented information ([Appendix H](#)) regarding information on office space leased by state agencies in Bismarck and Mandan. He noted:

- State agencies lease approximately 315,000 square feet of office space at privately owned property in Bismarck and Mandan for approximately 950 full-time equivalent positions at an average of approximately \$16 per square foot per year.
- State agencies lease approximately 165,000 square feet of storage space in Bismarck and Mandan at an average of approximately \$6 per square foot per year.

Legislative Space Needs

Mr. John Bjornson, Director, Legislative Council, noted:

- As directed by the committee, the Legislative Council coordinated with the Office of Management and Budget to procure architectural services from Klein McCarthy Architects for concepts related to a legislative office building and parking facilities.
- Preliminary designs and cost estimates are anticipated to be completed by August 2026.
- The remodeling project on the 15th floor of the Capitol is anticipated to be completed in May 2026 to accommodate the Legislative Council staff expansion authorized by the 2025 Legislative Assembly.

SUBCOMMITTEE UPDATES

Mr. Mathiak noted the Government Finance Committee - Transportation Study Subcommittee received an overview of the transit operations in Grand Forks and Bismarck.

Representative Stemen noted the Government Finance Committee - Regional Jail Study Subcommittee toured the Burleigh Morton Detention Center.

No further business appearing, Chairman Burckhard adjourned the meeting at 2:55 p.m.

Adam Mathiak
Senior Fiscal Analyst

ATTACH:8