

BUDGET REDUCTIONS AND ALLOTMENTS, BANK OF NORTH DAKOTA CONTINGENT TRANSFERS, AND SPECIAL LEGISLATIVE SESSIONS RESULTING FROM GENERAL FUND REVENUE SHORTFALLS SINCE 1980

BUDGET ALLOTMENTS

The schedule below summarizes general fund budget reductions resulting from tax referrals, budget allotments resulting from revenue shortfalls, and also contingent transfers from the Bank of North Dakota due to general fund revenue shortfalls since 1980.

Biennium/Budget-Related Action	General Fund Amount
1985-87	
Budget reductions made by the 50 th Legislative Assembly in December 1986 special legislative session	\$12,965,250
Budget allotment mandated by Governor George A. Sinner (May 1987) (4 percent)	44,125,917
Total general fund revenue shortfall for the 1985-87 biennium	\$57,091,167
Total general fund revenue shortfall as a percentage of total general fund appropriations for the 1985-87 biennium	5.07%
1987-89	
Budget reductions due to cable television sales tax referral reductions	\$3,174,998
Budget allotments ordered by Governor Sinner (August 1988) (1.94 percent)	20,520,081
Total general fund revenue shortfall for the 1987-89 biennium	\$23,695,079
Total general fund revenue shortfall as a percentage of total general fund appropriations for the 1987-89 biennium	2.24%
1989-91	
Budget reductions due to sales, individual income, and gas tax referral reductions	\$95,763,770
Budget stabilization fund transfer	(5,967,192)
2 percent unallotment (August 1990)	(22,395,712)
Total general fund revenue shortfall for the 1989-91 biennium	\$67,400,866
Total general fund revenue shortfall as a percentage of total general fund appropriations for the 1989-91 biennium	6.02%
1991-93	
Budget allotments ordered by Governor Sinner (0.36 percent)	\$4,305,000
Total general fund revenue shortfall as a percentage of total general fund appropriations for the 1991-93 biennium	0.36%
2001-03	
Budget allotment ordered by Governor John Hoeven (July 2002) (1.05 percent)	\$18,343,329
Bank of North Dakota contingent transfer - Section 12 of 2001 House Bill No. 1015 (maximum contingent transfer was \$25 million)	18,699,787
Total general fund revenue shortfall for the 2001-03 biennium	\$37,043,116
Total general fund revenue shortfall as a percentage of total general fund appropriations for the 2001-03 biennium	2.12%

SPECIAL LEGISLATIVE SESSIONS

During the 1985-87 biennium, Governor Sinner called for a special legislative session to occur in December 1986. Governor Sinner called the special legislative session to make necessary appropriation reductions and revenue enhancements for the remainder of the 1985-87 biennium. The state would have incurred a \$27.7 million deficit at the end of the biennium without the legislative action.

The Legislative Assembly made general fund reductions in the amount of \$12,965,250 and provided for increased general fund revenues of \$16,276,000 during the special legislative session. The \$16,276,000 general fund revenue increase consisted of \$13,276,000 from a one-cent sales and use tax increase for the last six months of the 1985-87 biennium and \$3 million from an increase in the individual income tax rate from 10.5 percent to 14 percent and implementing mandatory income tax withholding effective January 1, 1987.