

**GENERAL FUND REVENUE ESTIMATES FOR THE 2001-03 AND 2003-05 BIENNIUMS
AND ACTUAL COLLECTIONS FOR PRIOR BIENNIUMS**

	Actual		Estimated		2003-05 Increase (Decrease) Compared to 2001-03	2003-05 Percentage Increase (Decrease) Compared to 2001-03
	1997-99 Biennium	1999-2001 Biennium	2001-03 Biennium\1	2003-05 Biennium\2		
Beginning balance	\$65,000,000	\$61,114,425	\$62,240,652	\$5,450,180	(\$56,790,472)	(91.24%)
Revenues						
Sales and use tax	\$569,501,827	\$613,066,466	\$643,668,333	\$674,764,000	\$31,095,667	4.83%
Motor vehicle excise tax	94,863,089	109,115,230	119,742,675	126,784,840	7,042,165	5.88%
Individual income tax	358,287,825	409,331,437	396,136,091	435,255,000	39,118,909	9.88%
Corporate income tax	123,420,219	99,134,855	86,864,297	91,450,000	4,585,703	5.28%
Insurance premium tax	33,133,216	39,113,433	49,752,204	55,869,000	6,116,796	12.29%
Business privilege tax	6,494,162	5,464,955	5,200,000	5,200,000		
Cigarette and tobacco tax	44,091,170	41,706,350	39,435,582	36,709,000	(2,726,582)	(6.91%)
Oil and gas production tax	26,973,613	38,433,365 ^{\3}	39,159,000 ^{\4}	42,348,719 ^{\5}	3,189,719	8.15%
Oil extraction tax	16,703,114	23,566,635 ^{\3}	22,841,000 ^{\4}	28,651,281 ^{\5}	5,810,281	25.44%
Coal severance tax	22,596,137	22,173,854				
Coal conversion tax	23,786,790	25,672,170	46,779,502	47,221,000	441,498	0.94%
Lottery				1,431,000 ^{\6}	1,431,000	
Gaming tax	22,801,868	27,437,507	27,474,000	23,145,000	(4,329,000)	(15.76%)
Wholesale liquor tax	11,140,328	10,321,999	11,131,782	11,634,000	502,218	4.51%
Mineral leasing fees	7,257,989	9,531,698	6,225,800	4,215,000	(2,010,800)	(32.30%)
Interest income	19,013,889	20,832,123	8,796,000	12,629,000	3,833,000	43.58%
Departmental collections	32,997,069	40,816,171	57,512,000	54,410,473	(3,101,527)	(5.39%)
Total revenues	\$1,413,062,305	\$1,535,718,248	\$1,560,718,266	\$1,651,717,313	\$90,999,047	5.83%
Transfers and other sources						
Bank of North Dakota	\$29,600,000	\$50,000,000	\$60,000,000 ^{\7}	\$60,000,000 ^{\8}		
Bank of North Dakota - Contingent transfer			17,433,102 ^{\7}		(\$17,433,102)	
Student loan trust			9,000,000	26,258,969	17,258,969	191.77%
Mill and Elevator	3,000,000	3,000,000	6,000,000	5,000,000	(1,000,000)	(16.67%)
Gas tax administration	1,128,872	1,380,608	1,363,392	1,396,200	32,808	2.41%
Lands and minerals fund	5,500,000		3,545,102	2,000,000	(1,545,102)	(43.58%)
Permanent oil tax trust fund				11,910,000	11,910,000	
Water development trust			9,733,820	10,070,373	336,553	3.46%
State bonding fund				2,800,000	2,800,000	
Health care trust fund				35,911,035	35,911,035	
State aid distribution fund	28,016,831					
Information technology savings transfer				1,400,000	1,400,000	
Sale of DD loans			2,000,000 ^{\9}		(2,000,000)	(100.00%)
Other	3,197,042	5,159,194	84,559		(84,559)	(100.00%)
Total transfers	\$70,442,745	\$59,539,802	\$109,159,975	\$156,746,577	\$47,586,602	43.59%
Total beginning balance, revenues, and transfers	\$1,548,505,050	\$1,656,372,475	\$1,732,118,893	\$1,813,914,070	\$81,795,177	4.72%

¹ Revised 2001-03 revenue forecast (March 2003).

² Legislative amounts for the 2003-05 biennium.

³ North Dakota Century Code (NDCC) Section 57-51.1-07.2 provides that if, at the end of any biennium, oil and gas production and extraction tax collections during the biennium exceed \$62 million, the excess amount must be transferred from the general fund to the permanent oil tax trust fund. Money in the permanent oil tax trust fund may only be spent upon approval of two-thirds of each house of the Legislative Assembly. Interest on money in the fund is transferred to the general fund.

Total oil and gas tax collections were \$75.2 million during the 1999-2001 biennium, resulting in \$13.2 million being transferred to the permanent oil tax trust fund.

⁴ Total oil and gas tax collections are estimated to be \$68.7 million during the 2001-03 biennium, resulting in a \$6.7 million transfer to the permanent oil tax trust fund.

⁵ The Legislative Assembly, in Section 26 of 2003 Senate Bill No. 2015, amended NDCC Section 57-51.1-07.2 to provide that at the end of any biennium oil and gas production and extraction tax collections in excess of \$71 million, rather than \$62 million, be transferred from the general fund to the permanent oil tax trust fund. Senate Bill No. 2311 (2003) establishes and provides for \$50,000 from oil and gas production and extraction tax collections to be transferred to the oil and gas research fund; and 2003 House Bill No. 1145 provides for a 24-month exemption from gross production tax for new or recompleted shallow gas wells which is anticipated to reduce oil and gas production tax collections by \$13,300. Total oil and gas tax collections are estimated to be \$71,734,700 (including the effect of House Bill No. 1145) during the 2003-05 biennium, resulting in \$734,700 being transferred to the permanent oil tax trust fund at the end of the 2003-05 biennium.

⁶ North Dakota voters passed an initiated measure in November 2002 to amend the Constitution and allow North Dakota to join a multistate lottery. The 2003 Legislative Assembly approved House Bill No. 1243 creating the North Dakota Lottery. Based on the March 2003 legislative revenue forecast, 2003-05 biennium lottery revenues are estimated to be \$1.4 million.

⁷ In addition to the \$60 million transfer from the Bank of North Dakota, the Legislative Assembly provided for a contingent Bank of North Dakota transfer if actual general fund revenues are less than projected for the 2001-03 biennium. The amount transferred may not exceed the lesser of \$25 million or the actual revenue shortfall and may not reduce the Bank's capital structure below \$140 million. Based on the March 2003 revised revenue forecast, a contingent transfer of \$17.4 million is anticipated.

⁸ Section 9 of 2003 Senate Bill No. 2015 provides for up to a \$60 million transfer from the Bank of North Dakota's current earnings and accumulated undivided profits. No more than \$15 million of the amount transferred may come from accumulated undivided profits. Section 10 provides for an additional contingent transfer from the Bank's earnings and accumulated undivided profits to the general fund. The contingent transfer may not exceed the lesser of \$9 million or the revenue shortfall of actual collections compared to the March 2003 legislative forecast for the 2003-05 biennium.

⁹ The 2001 Legislative Assembly authorized that, at the request of the director of the Office of Management and Budget, the Department of Human Services sell the outstanding loans of the developmental disabilities revolving loan fund No. 1 to the Bank of North Dakota and deposit the proceeds, estimated to be \$2 million, in the general fund.