



North Dakota Legislative Council

Prepared by the Legislative Council staff
LC# 21.9593.02000
March 2021

BUDGET STATUS - MOTION FOR PROPOSED MARCH 2021 FORECAST

GENERAL FUND REVENUE FORECASTS

The schedules below provide information on the 2019-21 biennium revised general fund revenue forecast and the 2021-23 biennium general fund revenue forecast based on the January 2021 revenue forecast adopted by the Appropriations Committees and a proposed March 2021 revenue forecast.

2019-21 Biennium Revised Forecast			
	January 2021 Revenue Forecast	March 2021 Proposed Forecast ¹	Proposed Adjustments
Tax and fee revenues			
Sales and use tax	\$1,797,420,205	\$1,785,000,000	(\$12,420,205)
Motor vehicle excise tax	238,120,460	246,000,000	7,879,540
Individual income tax	764,128,922	758,000,000	(6,128,922)
Corporate income tax	188,201,051	196,000,000	7,798,949
Oil and gas tax collections	400,000,000	400,000,000	0
Coal conversion tax	42,398,724	42,398,724	0
Cigarette and tobacco tax	49,032,505	49,032,505	0
Wholesale liquor tax	17,972,734	17,972,734	0
Gaming tax	31,304,238	26,804,238	(4,500,000)
Insurance premium tax	94,520,219	94,520,219	0
Departmental collections	79,914,882	79,914,882	0
Interest income	22,903,179	17,744,338	(5,158,841)
Mineral leasing fees	30,168,017	36,410,368	6,242,351
Total tax and fee revenues	\$3,756,085,136	\$3,749,798,008	(\$6,287,128)
Transfers and other sources			
Bank of North Dakota profits	\$140,000,000	\$140,000,000	\$0
Mill and Elevator Association profits	10,923,841	10,923,841	0
Lottery	10,222,500	10,222,500	0
Gas tax administration	1,991,418	1,991,418	0
Budget stabilization fund (interest)	7,369,136	26,500,000	19,130,864
Legacy fund earnings	500,000,000	636,000,000	136,000,000
Strategic investment and improvements fund	764,400,000	764,400,000	0
Tax relief fund	8,600,000	8,600,000	0
Research North Dakota fund	581,000	581,000	0
Other miscellaneous transfers	3,351,923	3,351,923	0
Total transfers and other sources	\$1,447,439,818	\$1,602,570,682	\$155,130,864
Total general fund revenues	\$5,203,524,954	\$5,352,368,690	\$148,843,736

NOTE: The shaded rows reflect the four major tax types for general fund revenue, which are based on economic forecasting data provided by consultants (Moody's Analytics and IHS Markit).

¹The amounts shown for the sales and use tax, motor vehicle excise tax, individual income tax, and corporate income tax under the March 2021 proposed forecast reflect the average of the March 2021 revised executive forecast and the March 2021 IHS baseline forecast. The amount shown for interest income does not include the interest transferred from the budget stabilization fund, which is shown separately under transfers. The amount shown for the legacy fund reflects the estimated earnings before any transfers or appropriations. All other amounts shown under the proposed forecast reflect the amounts included in the March 2021 revised executive forecast.

2021-23 Biennium Forecast			
	January 2021 Revenue Forecast ¹	March 2021 Proposed Forecast ²	Proposed Adjustments
Tax and fee revenues			
Sales and use tax	\$1,736,000,000	\$1,791,000,000	\$55,000,000
Motor vehicle excise tax	249,000,000	261,000,000	12,000,000
Individual income tax	802,000,000	797,000,000	(5,000,000)
Corporate income tax	188,000,000	207,000,000	19,000,000
Oil and gas tax collections	400,000,000	400,000,000	0
Coal conversion tax	42,600,000	42,600,000	0
Cigarette and tobacco tax	43,846,000	43,846,000	0
Wholesale liquor tax	16,932,000	16,932,000	0
Gaming tax	41,000,000	29,500,000	(11,500,000)
Insurance premium tax	121,024,481	121,024,481	0
Departmental collections	76,423,632	76,423,632	0
Interest income	20,000,000	20,000,000	0
Mineral leasing fees	25,000,000	35,000,000	10,000,000
Total tax and fee revenues	\$3,761,826,113	\$3,841,326,113	\$79,500,000
Transfers and other sources			
Bank of North Dakota profits	\$140,000,000	\$140,000,000	\$0
Mill and Elevator Association profits	15,500,000	15,500,000	0
Lottery	14,600,000	14,600,000	0
Gas tax administration	1,873,744	1,873,744	0
Budget stabilization fund (interest)	14,000,000	30,000,000	16,000,000
Total transfers and other sources	\$185,973,744	\$201,973,744	\$16,000,000
Total general fund revenues	\$3,947,799,857	\$4,043,299,857	\$95,500,000

NOTE: The shaded rows reflect the four major tax types for general fund revenue, which are based on economic forecasting data provided by consultants (Moody's Analytics and IHS Markit).

¹The shaded amounts shown under the March 2021 proposed forecast reflect the average of the March 2021 revised executive forecast and the March 2021 IHS baseline forecast, except for sales and use tax which reflects the March 2021 revised executive forecast. The amount shown for interest income does not include interest transferred from the budget stabilization fund, which is shown separately under transfers. Excluding the shaded amounts and the adjustment for interest income, all other amounts shown under the March 2021 proposed forecast reflect the amounts included in the March 2021 revised executive forecast.

OIL PRICE AND PRODUCTION FORECASTS

The schedules below provide information on the oil price and oil production forecasts for the remainder of the 2019-21 biennium and for the 2021-23 biennium based on the January 2021 revenue forecast adopted by the Appropriations Committees and a proposed March 2021 revenue forecast. Estimated oil and gas tax revenue allocations based on current law are attached as [Appendix A](#). Estimated oil and gas tax revenue allocations based on proposed changes compared to the January forecast for the 2021-23 biennium are attached as [Appendix B](#).

2019-21 Biennium		
	January 2021 Revenue Forecast	March 2021 Proposed Forecast
Average oil price	Remaining at \$40 per barrel (North Dakota price)	Remaining at \$50 per barrel (North Dakota price)
Average daily oil production	Decreasing from 1.2 to 1.1 million barrels	Decreasing from 1.2 to 1.1 million barrels

NOTE: The amounts shown for the average oil price and production reflect the forecasts for the remainder of the biennium.

2021-23 Biennium		
	January 2021 Revenue Forecast	March 2021 Proposed Forecast
Average oil price	Remaining at \$40 per barrel (North Dakota price)	Remaining at \$50 per barrel (North Dakota price)
Average daily oil production	Decreasing from 1.1 to 1 million barrels	Decreasing from 1.1 to 1 million barrels

ESTIMATED UNSPENT GENERAL FUND APPROPRIATIONS

The schedule below provides information on the estimated unspent 2019-21 biennium general fund appropriation authority ("turnback") and currently authorized exemptions for unspent 2019-21 biennium general fund appropriation authority ("carryover").

	January 2021 Revenue Forecast	March 2021 Agency Survey	Increase (Decrease)
Unspent 2019-21 general fund appropriations	\$199,795,297 ¹	\$239,455,779	\$39,660,482
Exemptions for unspent 2019-21 appropriations	(33,289,496)	(41,649,099)	(8,359,603)
Remaining unspent general fund appropriations	\$166,505,801	\$197,806,680	\$31,300,879

¹This amount includes \$9,156,432 related to exemptions for unspent 2019-21 biennium general fund appropriation authority included in the December 2020 executive budget.

APPROPRIATIONS COMMITTEES MOTION - BUDGET STATUS ADJUSTMENTS

The following is a motion for consideration by the Appropriations Committees related to the 2021-23 biennium estimated revenues reflecting a March 2021 revenue forecast:

It was moved by _____ and seconded by _____ that the House (Senate) Appropriations Committees of the 67th Legislative Assembly adopt, for Legislative Council budget status reporting purposes, the following estimated revenue adjustments (as shown for the proposed adjustments in the schedules above):

- Adjustment to estimated unspent 2019-21 biennium general fund appropriations - \$39,660,482.
- Adjustment to exemptions for unspent 2019-21 biennium general fund appropriations - (\$8,359,603).
- Adjustment to 2019-21 biennium estimated total general fund revenues - \$148,843,736.
- Adjustment to 2021-23 biennium estimated total general fund revenues - \$95,500,000.
- Estimated oil price and daily oil production for the remainder of the 2019-21 biennium - Oil prices remaining at \$50 per barrel and oil production decreasing from 1.2 to 1.1 million barrels per day.
- Estimated oil price and daily oil production for the 2021-23 biennium - Oil prices remaining at \$50 per barrel and oil production decreasing from 1.1 to 1 million barrels per day.

ATTACH:2