

HOUSE CONCURRENT RESOLUTION NO. 3029

Introduced by

Representatives Guggisberg, Beadle, Rich S. Becker, M. Johnson, Mitskog, Schneider

Senators Dotzenrod, Grabinger, Oban, Robinson

1 A concurrent resolution requesting the Legislative Management to consider studying the degree
2 of tax collections volatility to which this state may be vulnerable and the feasibility of creating
3 mechanisms, including the possibility of expanding the programs offered by the Bank of North
4 Dakota to the agriculture, energy, and manufacturing sectors, to mitigate potential volatility of
5 tax collections and state budget impact.

6 **WHEREAS**, state budget decisions have become increasingly reliant on revenues from
7 energy and agricultural taxes; and

8 **WHEREAS**, The Pew Charitable Trusts recently examined tax collection volatility among
9 states and concluded North Dakota has the fourth highest degree of tax collections volatility
10 among the fifty states; and

11 **WHEREAS**, production agriculture is the largest sector of North Dakota's economy, making
12 up to 25 percent of the economic base and nearly 24 percent of North Dakota workers are
13 farmers and ranchers or are employed in farm-related jobs; and

14 **WHEREAS**, during the last year, North Dakota has ranked as high as the second largest oil
15 producing state, and natural gas production is the sixth largest industry in the state; and

16 **WHEREAS**, the Bank of North Dakota is an agile partner that creates financial solutions for
17 current and emerging economic needs and delivers quality, sound financial services that
18 promote agriculture, commerce, and industry in North Dakota; and

19 **WHEREAS**, the Legislative Assembly has had the foresight to establish various funds
20 before and during the recent boom cycle in oil and gas production in the state and consideration
21 should be given to contingency planning feasibility of consolidation and use of these funds to
22 mitigate the potential effects of substantial declines in tax collections;

23 **NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF**
24 **NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

1 That the Legislative Management consider studying the degree of tax collections volatility to
2 which this state may be vulnerable and the feasibility of creating mechanisms, including the
3 possibility of expanding the programs offered by the Bank of North Dakota to the agriculture,
4 energy, and manufacturing sectors, to mitigate potential volatility of tax collections and state
5 budget impact; and

6 **BE IT FURTHER RESOLVED**, that the Legislative Management report its findings and
7 recommendations, together with any legislation required to implement the recommendations, to
8 the Sixty-sixth Legislative Assembly.