

## BUDGET STATUS - MOTION FOR PROPOSED MARCH 2019 FORECAST

### 2017-19 BIENNIUM Revised General Fund Revenue Forecasts

The schedule below provides information on the 2017-19 biennium revised general fund revenue forecast based on the January 2019 revenue forecast adopted by the Appropriations Committees and a proposed March 2019 revenue forecast.

2017-19 Biennium Revised Forecast			
	January 2019 Revenue Forecast <sup>1</sup>	Proposed Adjustments <sup>2</sup>	Proposed March 2019 Forecast <sup>1</sup>
<b>Tax and fee revenues</b>			
Sales and use tax	\$1,748,254,113	\$24,022,093	\$1,772,276,206
Motor vehicle excise tax	239,980,388	0	239,980,388
Individual income tax	764,312,657	3,500,000	767,812,657
Corporate income tax	179,908,244	0	179,908,244
Oil and gas tax collections	400,000,000	0	400,000,000
Coal conversion tax	41,937,227	1,282,000	43,219,227
Cigarette and tobacco tax	52,054,549	(202,001)	51,852,548
Wholesale liquor tax	17,877,575	74,000	17,951,575
Gaming tax	6,528,322	699,999	7,228,321
Insurance premium tax	109,325,897	1,000,000	110,325,897
Departmental collections	83,429,676	1,453,762	84,883,438
Interest income	8,277,250	1,193,918	9,471,168
Mineral leasing fees	31,930,066	6,942,621	38,872,687
<b>Total tax and fee revenues</b>	<b>\$3,683,815,964</b>	<b>\$39,966,392</b>	<b>\$3,723,782,356</b>
<b>Transfers and other sources</b>			
Bank of North Dakota profits	\$140,000,000	\$0	\$140,000,000
Mill and Elevator profits	19,872,762	0	19,872,762
Lottery	14,600,000	0	14,600,000
Gas tax administration	2,016,120	0	2,016,120
Legacy fund	300,000,000	0	300,000,000
Strategic investment and improvements fund	248,000,000	0	248,000,000
Tax relief fund	183,000,000	0	183,000,000
Research North Dakota fund	4,000,000	0	4,000,000
Insurance tax distribution fund	475,000	0	475,000
Other miscellaneous transfers	183,690	0	183,690
Political subdivision oil tax distributions	2,875,000	0	2,875,000
Western Area Water Supply Authority loan refinance	25,000,000	0	25,000,000
<b>Total transfers and other sources</b>	<b>\$940,022,572</b>	<b>\$0</b>	<b>\$940,022,572</b>
<b>Total general fund revenues</b>	<b>\$4,623,838,536</b>	<b>\$39,966,392</b>	<b>\$4,663,804,928</b>
<sup>1</sup> The four major tax types for general fund revenue (sales and use tax, motor vehicle excise tax, individual income tax, and corporate income tax) are based on economic forecasting data provided by Moody's Analytics and IHS Markit. All other amounts shown for the forecasts reflect the amounts included in the executive revenue forecasts.			
<sup>2</sup> The amounts shown in this column reflect the adjustments to 2017-19 biennium general fund revenues.			

### Oil Price and Production Forecasts

The schedule below provides information on the oil price and oil production forecasts for the remainder of the 2017-19 biennium based on the January 2019 revenue forecast adopted by the Appropriations Committees and a proposed March 2019 revenue forecast.

2017-19 Biennium		
	January 2019 Revenue Forecast	Proposed March 2019 Revenue Forecast
Average oil price (North Dakota price)	Remaining at \$42.50 per barrel	Remaining at \$47 per barrel
Average daily oil production	Remaining at 1.35 million barrels per day	Remaining at 1.38 million barrels per day
<b>NOTE:</b> The amounts shown for the average oil price and production reflect the forecasts for the remainder of the biennium.		

### Estimated Unspent 2017-19 Biennium Appropriation Authority

The schedule below provides information on estimated unspent 2017-19 biennium general fund appropriation authority ("turnback").

2017-19 Biennium			
	January 2019 Revenue Forecast	Proposed Adjustments	Proposed March 2019 Revenue Forecast
Unspent general fund appropriations	\$34,857,810	\$19,245,063	\$54,102,873

### 2019-21 BIENNIUM General Fund Revenue Forecasts

The schedule below provides information on the 2019-21 biennium general fund revenue forecast based on the January 2019 revenue forecast adopted by the Appropriations Committees and a proposed March 2019 revenue forecast.

2019-21 Biennium Forecast			
	January 2019 Revenue Forecast <sup>1</sup>	Proposed Adjustments <sup>2</sup>	Proposed March 2019 Forecast <sup>1</sup>
<b>Tax and fee revenues</b>			
Sales and use tax	\$1,799,802,200	\$68,459,800	\$1,868,262,000
Motor vehicle excise tax	261,107,365	(11,000,365)	250,107,000
Individual income tax	829,615,426	(14,000,426)	815,615,000
Corporate income tax	132,957,685	315	132,958,000
Oil and gas tax collections	300,000,000	0	300,000,000
Coal conversion tax	38,032,000	3,406,000	41,438,000
Cigarette and tobacco tax	48,281,000	(443,000)	47,838,000
Wholesale liquor tax	18,757,000	(54,000)	18,703,000
Gaming tax	6,850,000	1,150,000	8,000,000
Insurance premium tax	108,400,000	0	108,400,000
Departmental collections	90,882,286	(286)	90,882,000
Interest income	38,000,000	(28,000,000)	10,000,000
Mineral leasing fees	32,000,000	6,000,000	38,000,000
<b>Total tax and fee revenues</b>	<b>\$3,704,684,962</b>	<b>\$25,518,038</b>	<b>\$3,730,203,000</b>
<b>Transfers and other sources</b>			
Bank of North Dakota profits	\$140,000,000	\$0	\$140,000,000
Mill and Elevator profits	13,400,000	0	13,400,000
Lottery	13,000,000	0	13,000,000
Gas tax administration	1,991,024	0	1,991,024
Legacy fund	300,000,000	(200,000,000)	100,000,000
<b>Total transfers and other sources</b>	<b>\$468,391,024</b>	<b>(\$200,000,000)</b>	<b>\$268,391,024</b>
<b>Total general fund revenues</b>	<b>\$4,173,075,986</b>	<b>(\$174,481,962)</b>	<b>\$3,998,594,024</b>

<sup>1</sup>The four major tax types for general fund revenue (sales and use tax, motor vehicle excise tax, individual income tax, and corporate income tax) are based on economic forecasting data provided by Moody's Analytics and IHS Markit. All other amounts shown for the forecasts reflect the amounts included in the executive revenue forecasts.

<sup>2</sup>The amounts shown in this column reflect the budget status adjustments for the 2019-21 biennium estimated general fund revenues.

### Oil Price and Production Forecasts

The schedule below provides information on the oil price and oil production forecasts for the 2019-21 biennium based on the January 2019 revenue forecast adopted by the Appropriations Committees and a proposed March 2019 revenue forecast.

2019-21 Biennium		
	January 2019 Revenue Forecast	Proposed March 2019 Revenue Forecast
Average oil price (North Dakota price)	Remaining at \$42.50 per barrel	\$48.50 per barrel (1 <sup>st</sup> year) \$48 per barrel (2 <sup>nd</sup> year)
Average daily oil production	Remaining at 1.35 million barrels per day	1.4 million barrels per day (1 <sup>st</sup> year) 1.44 million barrels per day (2 <sup>nd</sup> year)

### APPROPRIATIONS COMMITTEES MOTION - BUDGET STATUS ADJUSTMENTS

The following is a motion for consideration by the Appropriations Committees related to the 2019-21 biennium estimated revenues reflecting a proposed March 2019 revenue forecast:

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_ that the House (Senate) Appropriations Committees of the 66<sup>th</sup> Legislative Assembly adopt, for Legislative Council budget status reporting purposes, the following estimated revenue adjustments (as detailed in the schedules above):

- Adjustment to 2017-19 biennium estimated total general fund revenues - \$39,966,392.
- Adjustment to estimated unspent 2017-19 biennium appropriation authority - \$19,245,063.
- Adjustment to 2019-21 biennium estimated total general fund revenues - (\$174,481,962).
- Estimated oil price and daily oil production for the remainder of the 2017-19 biennium - Remaining at \$47 per barrel and 1.38 million barrels per day.
- Estimated oil price and daily oil production for the 2019-21 biennium - \$48.50 per barrel (1<sup>st</sup> year) and \$48 per barrel (2<sup>nd</sup> year); 1.4 million barrels per day (1<sup>st</sup> year) and 1.44 million barrels per day (2<sup>nd</sup> year).

**NOTE:** These amounts will be reflected in the budget status reports when adopted by both Appropriations Committees.