

2019-2021 Revenue Forecast

March 11, 2019

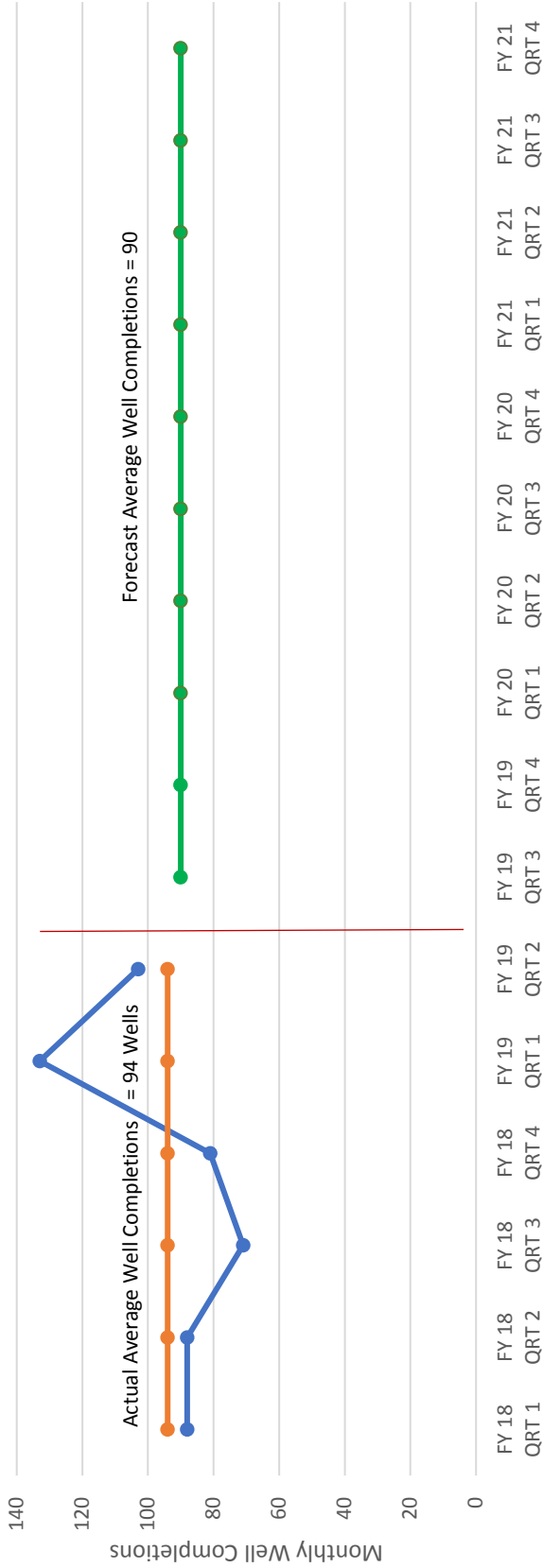


NORTH
Dakota
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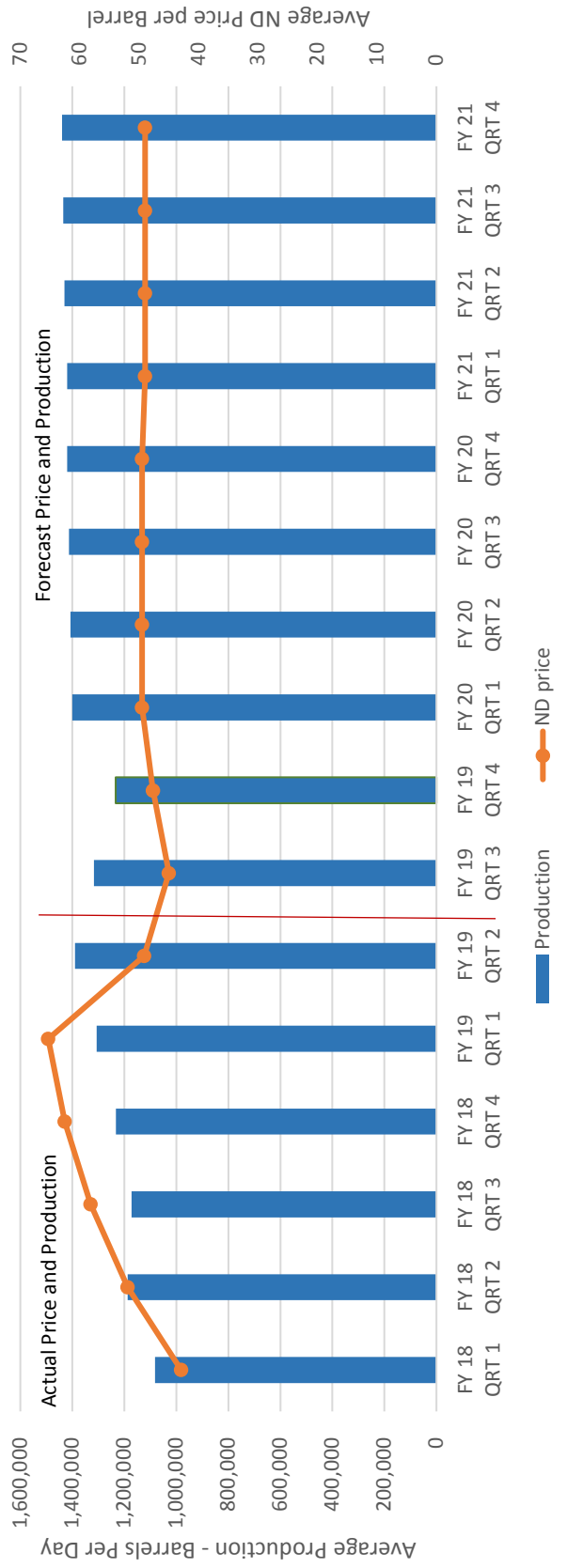
Management
and Budget

Joe Morrissette
Director

MONTHLY WELL COMPLETIONS



AVERAGE DAILY PRODUCTION NORTH DAKOTA PRICE PER BARREL



2017-19 and 2019-21 BIENNIUM OIL REVENUES Compared to November Executive Forecast

OFFICE OF MANAGEMENT & BUDGET

	2017-19			2019-21 (Based on Current Law)		
	November 2018 Revised Forecast	March 2019 Revised Forecast	Change	November 2018 Executive Forecast	March 2019 Revised Forecast	Change
Allocation						
Countries and Cities	\$666,544,287	\$664,975,492	(\$1,568,795)	\$653,679,958	\$693,733,912	\$40,053,954
Three Affiliated Tribes	437,886,514	438,623,095	736,581	444,222,069	485,386,245	41,164,176
Legacy Fund	1,226,615,997	1,216,901,073	(9,714,924)	1,254,927,345	1,340,573,070	85,645,725
Foundation Aid Stabilization Fund	175,762,291	172,696,278	(3,066,013)	185,016,202	196,115,654	11,099,452
Common Schools Trust Fund	175,762,291	172,696,278	(3,066,013)	185,016,202	196,115,654	11,099,452
Resources Trust Fund	348,324,583	342,192,556	(6,132,027)	365,832,404	388,031,309	22,198,905
Renewable Energy Development Fund	3,000,000	3,000,000	-	3,000,000	3,000,000	-
Energy Conservation Grant Fund	200,000	200,000	-	1,200,000	1,200,000	-
Oil and Gas Research Fund	10,000,000	10,000,000	-	10,000,000	10,000,000	-
Oil and Gas Impact Fund	28,353,446	28,353,446	-	5,000,000	5,000,000	-
North Dakota Outdoor Heritage Fund	10,799,177	10,799,177	-	30,219,313	32,352,546	2,133,233
Abandoned Well and Site Reclamation Fund	8,399,588	8,399,588	-	14,806,073	15,000,000	193,927
General Fund	400,000,000	400,000,000	-	300,000,000	300,000,000	-
Tax Relief Fund	200,000,000	200,000,000	-	200,000,000	200,000,000	-
Budget Stabilization Fund	75,000,000	75,000,000	-	75,000,000	75,000,000	-
State Disaster Relief Fund	-	-	-	-	-	-
Energy Impact Fund	4,000,000	4,000,000	-	-	-	-
Lignite Research Fund	3,000,000	3,000,000	-	3,000,000	3,000,000	-
Strategic Investment and Improvement Fund	752,958,329	744,123,021	(8,835,308)	896,393,654	1,009,454,755	113,061,101
Total Oil and Gas Taxes	\$4,526,606,503	\$4,494,960,004	(\$31,646,499)	\$4,627,313,220	\$4,953,963,145	\$326,649,925

November 2018 Forecast

Oil Price Range for the Remainder of the 2017-19 Biennium:
 Oil Price Range for 2019-21:
 Oil Production Assumption:

\$55.00 per barrel decreasing to \$46.00 per barrel
 \$46.00 - \$50.00 per barrel
 Gradually increasing from 1.30 million barrels per day to 1.35 million by the end of 2019-21

March 2019 Forecast

Oil Price Range for the Remainder of the 2017-19 Biennium:
 Oil Price Range for 2019-21:
 Oil Production Assumption:

\$43.00 increasing to \$49.00 per barrel by the end of the year
 \$49.50 for FY 2020; \$49.00 for FY 2021
 1.30 million barrels per day increasing to 1.40 million barrels per day for remainder of FY 2019
 1.40 million barrels per day increasing to 1.42 million barrels per day for FY 2020
 1.42 million barrels per day increasing to 1.44 million barrels per day for FY 2021

Note: For comparison purposes, the November executive forecast allocations for the 2019-21 biennium has been adjusted to reflect current law.

2017-19 and 2019-21 BIENNIUM OIL REVENUES Compared to January 2019 Legislative Estimate

OFFICE OF MANAGEMENT & BUDGET

Allocation	2017-19			2019-21 (Based on Current Law)		
	January 2019 Legislative Estimate	March 2019 Revised Forecast	Change	January 2019 Legislative Estimate	March 2019 Revised Forecast	Change
Counties and Cities	\$639,570,000	\$664,975,492	\$25,405,492	\$596,170,000	\$693,733,912	\$97,563,912
Three Affiliated Tribes	426,790,000	438,623,095	11,833,095	406,150,000	485,386,245	79,236,245
Legacy Fund	1,178,220,000	1,216,901,073	38,681,073	1,096,970,000	1,340,573,070	243,603,070
Foundation Aid Stabilization Fund	168,730,000	172,696,278	3,966,278	159,630,000	196,115,654	36,485,654
Common Schools Trust Fund	168,730,000	172,696,278	3,966,278	159,630,000	196,115,654	36,485,654
Resources Trust Fund	334,270,000	342,192,556	7,922,556	315,050,000	388,031,309	72,981,309
Renewable Energy Development Fund	3,000,000	3,000,000	-	3,000,000	3,000,000	-
Energy Conservation Grant Fund	200,000	200,000	-	1,200,000	1,200,000	-
Oil and Gas Research Fund	10,000,000	10,000,000	-	10,000,000	10,000,000	-
Oil and Gas Impact Fund	28,350,000	28,353,446	3,446	5,000,000	5,000,000	-
North Dakota Outdoor Heritage Fund	10,800,000	10,799,177	(823)	25,380,000	32,352,546	6,972,546
Abandoned Well and Site Reclamation Fund	8,400,000	8,399,588	(412)	12,690,000	15,000,000	2,310,000
General Fund	400,000,000	400,000,000	-	300,000,000	300,000,000	-
Tax Relief Fund	200,000,000	200,000,000	-	200,000,000	200,000,000	-
Budget Stabilization Fund	75,000,000	75,000,000	-	75,000,000	75,000,000	-
State Disaster Relief Fund	-	-	-	-	-	-
Energy Impact Fund	4,000,000	4,000,000	-	-	-	-
Lignite Research Fund	3,000,000	3,000,000	-	3,000,000	3,000,000	-
Strategic Investment and Improvement Fund	695,130,000	744,123,021	48,993,021	693,850,000	1,009,454,755	315,604,755
Total Oil and Gas Taxes	\$4,354,190,000	\$4,494,960,004	\$140,770,004	\$4,062,720,000	\$4,953,963,145	\$891,243,145

January 2019 Legislative Estimate

Oil Price Range for the Remainder of the 2017-19 Biennium: \$42.50 per barrel
 Oil Price Range for 2019-21: \$42.50 per barrel
 Average Oil Production Assumption: 1,350,000 barrels per day for the remainder of FY 2019 and all of the 2019-21 biennium

March 2019 Forecast

Oil Price Range for the Remainder of the 2017-19 Biennium: \$43.00 increasing to \$49.00 per barrel by the end of FY 2019
 Oil Price Range for 2019-21: \$49.50 for FY 2020; \$49.00 for FY 2021
 Oil Production Assumption: 1.30 million barrels per day increasing to 1.40 million barrels per day for remainder of FY 2019
 1.40 million barrels per day increasing to 1.42 million barrels per day for FY 2020
 1.42 million barrels per day increasing to 1.44 million barrels per day for FY 2021

2017-19 and 2019-21 BIENNIUM GENERAL FUND REVENUES Compared to November Executive Forecast

OFFICE OF MANAGEMENT & BUDGET

Tax Type	2017-19			2019-21 (Based on Current Law)		
	November 2018	March 2019	Change	November 2018	March 2019	Change
	Executive Forecast	Revised Forecast		Executive Forecast	Revised Forecast	
Sales and Use Tax	\$1,766,360,206	\$1,772,276,206	\$5,916,000	\$1,928,091,000	\$1,972,976,000	\$44,885,000
Motor Vehicle Excise Tax	235,472,237	237,472,237	2,000,000	245,808,000	240,613,000	(5,195,000)
Individual Income Tax	772,867,125	773,943,125	1,076,000	826,009,000	826,386,000	377,000
Corporate Income Tax	155,789,170	174,877,170	19,088,000	93,947,000	122,947,000	29,000,000
Insurance Premium Tax	109,325,897	110,325,897	1,000,000	108,400,000	108,400,000	-
Oil & Gas Production Tax	212,147,128	212,147,128	-	120,750,000	120,750,000	-
Oil Extraction Tax	187,852,872	187,852,872	-	179,250,000	179,250,000	-
Gaming	6,528,321	7,228,321	700,000	6,850,000	8,000,000	1,150,000
Lottery	14,600,000	14,600,000	-	13,000,000	13,000,000	-
Cigarette and Tobacco Tax	52,054,548	51,852,548	(202,000)	48,281,000	47,838,000	(443,000)
Wholesale Liquor Tax	17,877,575	17,951,575	74,000	18,757,000	18,703,000	(54,000)
Coal Conversion Tax	41,937,227	43,219,227	1,282,000	38,032,000	41,438,000	3,406,000
Mineral Leasing Fees	31,930,066	38,872,687	6,942,621	32,000,000	38,000,000	6,000,000
Departmental Collections	83,429,676	84,883,438	1,453,762	90,882,286	90,882,286	-
Interest	8,277,250	9,471,168	1,193,918	38,000,000	10,000,000	(28,000,000)
State Mill Profits - Transfer	19,872,762	19,872,762	-	13,400,000	13,400,000	-
Bank of North Dakota - Transfer	140,000,000	140,000,000	-	140,000,000	140,000,000	-
Legacy Fund - Transfer	300,000,000	300,000,000	-	300,000,000	300,000,000	-
Tax Relief Fund - Transfer	183,000,000	183,000,000	-	-	-	-
SIIF - Transfer	248,000,000	248,000,000	-	-	-	-
Gas Tax Administration	2,016,120	2,016,120	-	1,991,024	1,991,024	-
Other Transfers	32,533,690	32,533,690	-	-	-	-
Total Revenues	\$4,621,871,872	\$4,662,396,173	\$40,524,301	\$4,243,448,310	\$4,294,574,310	\$51,126,000

Note: For comparison purposes, the November 2018 executive forecast amounts for individual income tax, corporate income tax, and oil and gas tax allocations for the 2019-21 biennium have been adjusted to reflect current law.

**2017-19 and 2019-21 BIENNIUM GENERAL FUND REVENUES
Compared to January 2019 Legislative Estimate**

OFFICE OF MANAGEMENT & BUDGET

Tax Type	2017-19			2019-21 (Based on Current Law)		
	January 2019	March 2019	Change	January 2019	March 2019	Change
	Legislative Estimate	Revised Forecast		Legislative Estimate	Revised Forecast	
Sales and Use Tax	\$1,748,254,113	\$1,772,276,206	\$24,022,093	\$1,799,802,200	\$1,972,976,000	\$173,173,800
Motor Vehicle Excise Tax	239,980,388	237,472,237	(2,508,151)	261,107,365	240,613,000	(20,494,365)
Individual Income Tax	764,312,657	773,943,125	9,630,468	829,615,426	826,386,000	(3,229,426)
Corporate Income Tax	179,908,244	174,877,170	(5,031,074)	132,957,685	122,947,000	(10,010,685)
Insurance Premium Tax	109,325,897	110,325,897	1,000,000	108,400,000	108,400,000	-
Oil & Gas Production Tax	212,147,128	212,147,128	-	120,750,000	120,750,000	-
Oil Extraction Tax	187,852,872	187,852,872	-	179,250,000	179,250,000	-
Gaming	6,528,321	7,228,321	700,000	6,850,000	8,000,000	1,150,000
Lottery	14,600,000	14,600,000	-	13,000,000	13,000,000	-
Cigarette and Tobacco Tax	52,054,548	51,852,548	(202,000)	48,281,000	47,838,000	(443,000)
Wholesale Liquor Tax	17,877,575	17,951,575	74,000	18,757,000	18,703,000	(54,000)
Coal Conversion Tax	41,937,227	43,219,227	1,282,000	38,032,000	41,438,000	3,406,000
Mineral Leasing Fees	31,930,066	38,872,687	6,942,621	32,000,000	38,000,000	6,000,000
Departmental Collections	83,429,676	84,883,438	1,453,762	90,882,286	90,882,286	-
Interest	8,277,250	9,471,168	1,193,918	38,000,000	10,000,000	(28,000,000)
State Mill Profits - Transfer	19,872,762	19,872,762	-	13,400,000	13,400,000	-
Bank of North Dakota - Transfer	140,000,000	140,000,000	-	140,000,000	140,000,000	-
Legacy Fund - Transfer	300,000,000	300,000,000	-	300,000,000	300,000,000	-
Tax Relief Fund - Transfer	183,000,000	183,000,000	-	-	-	-
SIIF - Transfer	248,000,000	248,000,000	-	-	-	-
Gas Tax Administration	2,016,120	2,016,120	-	1,991,024	1,991,024	-
Other Transfers	32,533,690	32,533,690	-	-	-	-
Total Revenues	\$4,623,838,536	\$4,662,396,173	\$38,557,637	\$4,173,075,986	\$4,294,574,310	\$121,498,324