



OIL FORECAST 2021-2023

FORECAST FOR GROSS PRODUCTION TAX AND OTHER SIGNIFICANT FUNDS

OCTOBER 8, 2020

WHAT WAS TO BE

OIL TAX FUNDING OF STATE BUCKETS

\$48.25 ND price with 1.42 production (March 2019 Revenue Forecast)

Local Political Subs **\$661,150,000**

State Bucket Funds

Extraction \$629,300,000

Gross Production \$844,200,000

Total **\$1,473,500,000**

General Fund **\$200,000,000**

County Social Services (Tax Relief) **\$200,000,000**

Budget Stabilization **\$75,000,000**

General Fund **\$200,000,000**

Lignite Research **\$10,000,000**

Disaster Relief (cap of \$20,000,000) **\$0**

Municipal Infrastructure **\$30,400,000**

Strategic Investment & Improvement **\$400,000,000**

County/Township Infrastructure **\$30,400,000**

Municipal Infrastructure	County/Township
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\$84,600,000

\$84,600,000

Airport Infrastructure **\$20,000,000**

Strategic Investment & Improvement **\$117,470,000+**

WHAT IS

State Share "The Buckets"
\$1,452.5 M

General Fund \$200 M

Tax Relief \$200 M

Budget Stabilization \$75 M

General Fund \$200 M

Lignite Research \$10 M

Disaster Relief (capped at \$15M) \$0 M

Municipal (OPD Fund) \$30.4 M

Strategic Investment (SIIF) \$400 M

County (OPD Fund) \$30.4 M

City/County (OPD Fund) \$169.2 M

Airport (OPD Fund) \$20 M

Strategic Investment (SIIF) \$117.5 M

Current Status of "The Buckets"



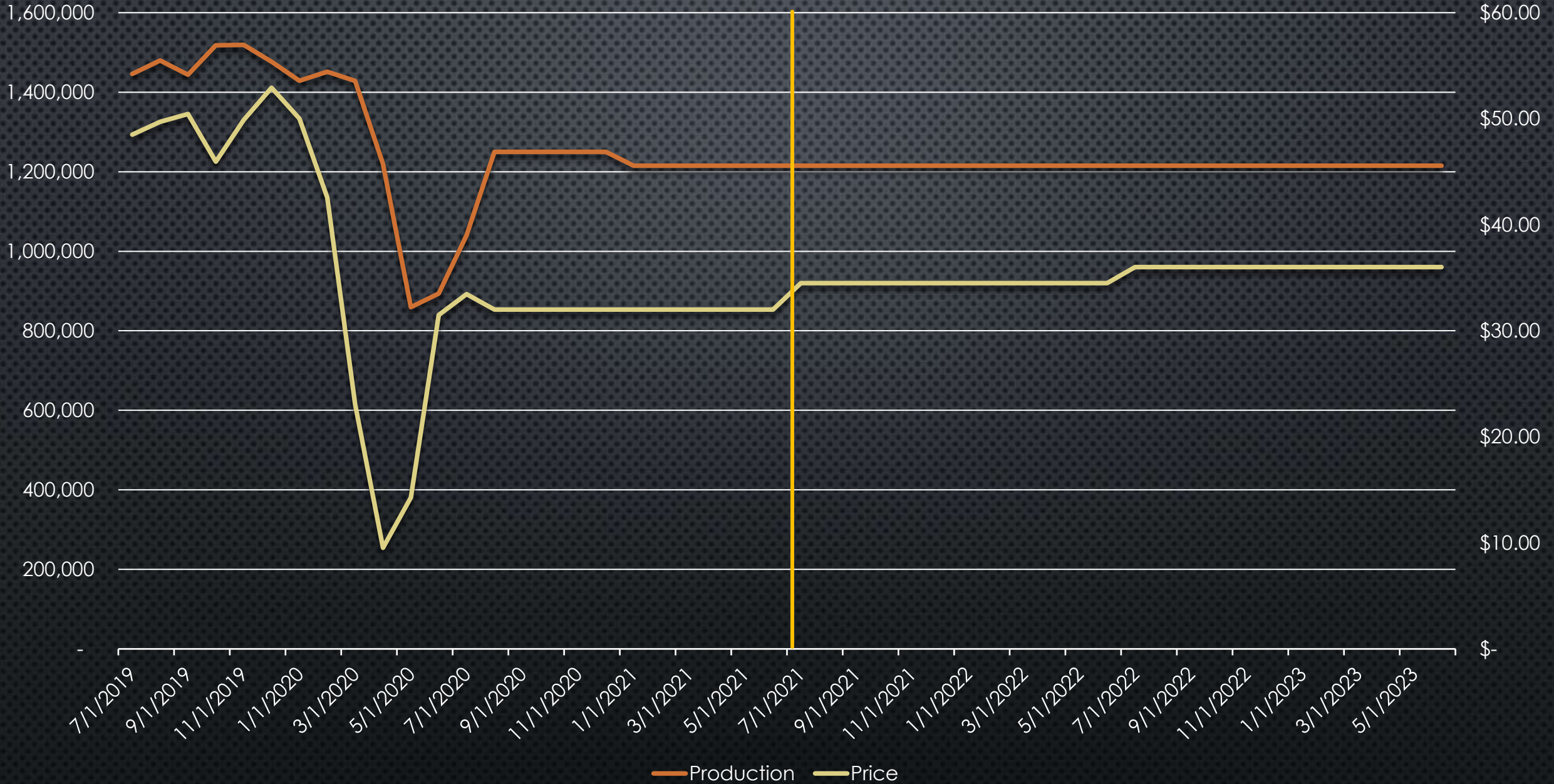
Oil Revenue for "The Buckets"



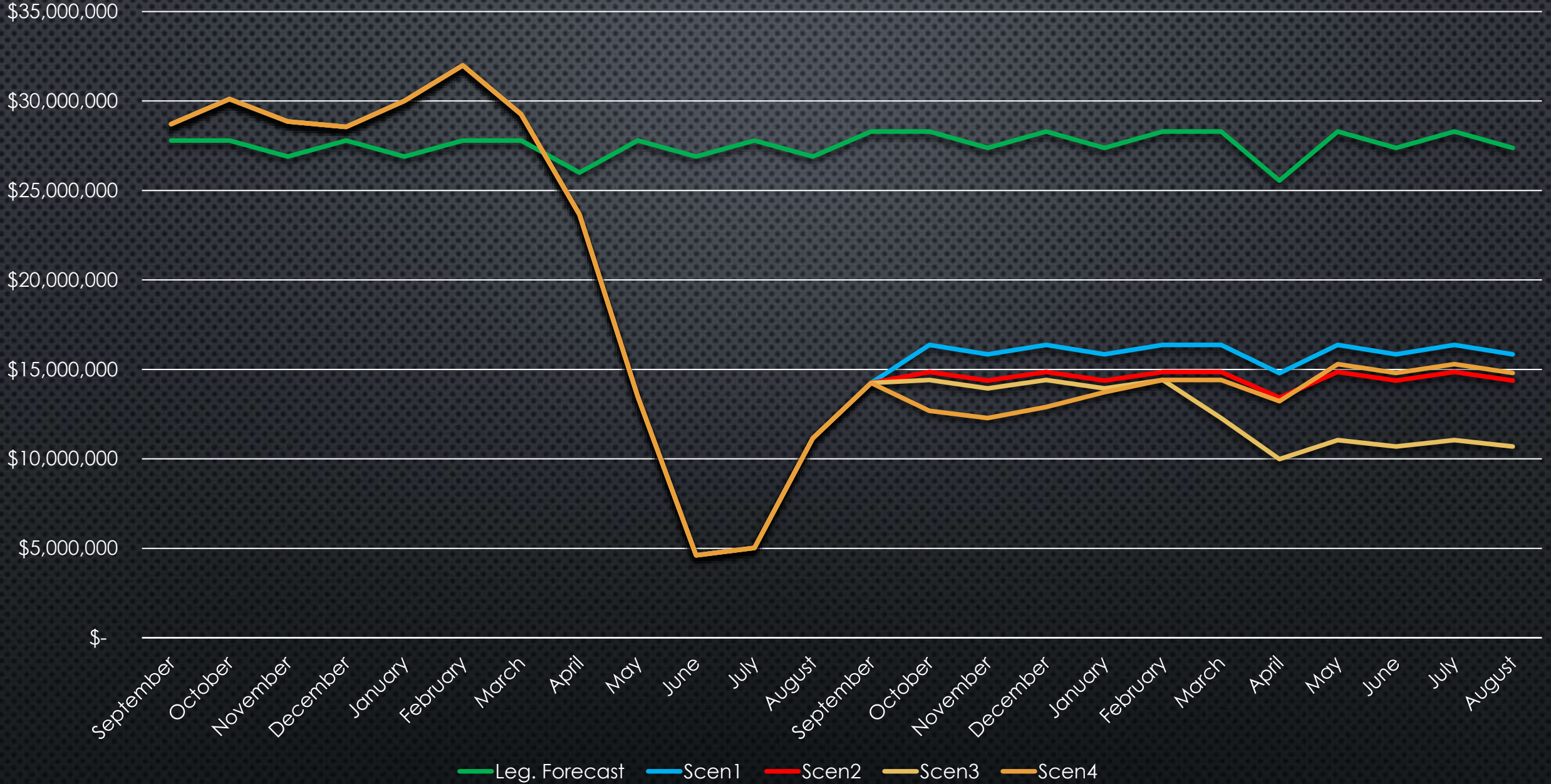
**As of 8/31/2020

CURRENT FORECAST

OMB Oil Forecast (Sept. 2020)



Political Subdivision GPT Revenue



OIL REVENUE CHANGES AND CHALLENGES

- *Oil Tax Revenue Forecast Revision 2019-2021*
 - *Down \$1.44 Billion*
 - *Down 30%+*
- *OIL TAX REVENUE FORECAST FOR 2021-2023*
 - *DOWN \$1.8 BILLION FROM ORIGINAL 19-21 FORECAST*
 - *DOWN \$ 383 BILLION FROM REVISION 19-21 FORECAST*
 - *DOWN 37%+ FROM ORIGINAL*
 - *DOWN 11%+ FROM REVISION*

OIL TAX ALLOCATIONS

	Original 2019-21	Revised 2019-21	Projected 2021-23
Counties and Cities	\$ 661,151,412	\$ 496,690,547	\$ 429,558,741
Tribal Allocations	\$ 525,114,357	\$ 370,411,592	\$ 328,273,121
Legacy Fund	\$ 1,297,823,623	\$ 913,520,467	\$ 811,329,200
Foundation Aid Stabilization Fund	\$ 213,288,197	\$ 145,147,362	\$ 133,336,256
Common Schools Trust Fund	\$ 213,288,197	\$ 145,147,362	\$ 133,336,256
Resources Trust Fund	\$ 433,040,805	\$ 293,352,091	\$ 269,139,324
Renewable Energy Development Fund	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Energy Conservation Fund	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Oil and Gas Research Fund	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000
State Energy Research Fund	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
ND Outdoor Heritage Fund	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
Well Plugging and Site Reclamation Fund	\$ 14,686,534	\$ 10,643,929	\$ 9,211,290
General Fund	\$ 400,000,000	\$ 400,000,000	\$ 400,000,000
Tax Relief Fund	\$ 200,000,000	\$ 200,000,000	\$ 200,000,000
Budget Stabilization Fund	\$ 75,000,000	\$ 48,431,258	\$ -
OPD	\$ 250,000,000	\$ 30,375,000	\$ 30,375,000
Lignite Research Fund	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
State Disaster Relief Fund	\$ -	\$ -	\$ -
Strategic Investment & Improvements Fund	\$ 517,599,976	\$ 311,560,210	\$ 237,944,599
Total	\$ 4,851,193,101	\$ 3,415,479,818	\$ 3,032,703,787

COUNTY ESTIMATED GPT

COUNTY	21-23 Biennium
Billings	\$ 1,499,940
Bottineau	\$ 648,660
Bowman	\$ 1,989,600
Burke	\$ 1,845,780
Divide	\$ 3,089,340
Dunn	\$ 43,967,340
Golden Valley	\$ 260,220
McHenry	\$ 27,360
McKenzie	\$ 89,539,380
McLean	\$ 367,980
Mountrail	\$ 42,784,740
Renville	\$ 248,760
Slope	\$ 99,780
Stark	\$ 1,102,620
Ward	\$ 7,620
Williams	\$ 37,628,940

FUNDING EXPECTATIONS & OPTIONS

- REVENUES ARE NOT EXPECTED TO IMPROVE NEAR TERM
 - OIL DEMAND/PRODUCTION – NO IMPROVEMENT
 - OIL PRICE – STAGNANT DUE TO MARKET BALANCING
- ADDITIONAL FUNDING SOURCES
 - LEGACY FUND
 - BONDING
 - NEW TAXES OR INCREASES

WDEA MEMBERSHIP FUNDING

- **NO SUNSET** PROVISIONS ON GPT FUNDING THIS SESSION
- OPD DOES NOT IMPACT GPT FUNDING
 - OPTIONS TO FUND MAYBE CONSIDERED DURING SESSION
- CONSTRUCTION GRANTS/LOANS FOR SCHOOLS
 - LIMITED FUNDING CURRENTLY AVAILABLE
- CARES FUNDING OR OTHER FEDERAL PROGRAMS