



North Dakota Legislative Council

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RESOURCES TRUST FUND - 2019-21 AND 2021-23 BIENNIUM UPDATE

This memorandum provides information regarding estimated and actual oil extraction tax revenues deposited in the resources trust fund for the 2019-21 biennium and an analysis of the resources trust fund for the 2019-21 and 2021-23 bienniums.

2019-21 BIENNIUM ESTIMATED AND ACTUAL REVENUES

The schedule below compares the 2019-21 biennium revenue forecasts to actual oil and gas tax revenue for the resources trust fund.

	2019-21 Biennium Original Legislative Estimate	2019-21 Biennium Updated March 2021 Legislative Estimate	2019-21 Biennium Actual Collections ¹	Actual Collections Increase (Decrease) to Updated Legislative Estimate
Resources trust fund	\$437,240,000	\$307,440,000	\$305,522,369	(\$1,917,631)

¹Oil extraction tax revenues - These amounts reflect, for the 2019-21 biennium, actual oil and gas tax revenues.

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2019-21 AND 2021-23 BIENNIUMS

The schedule below provides an update of the resources trust fund for the 2019-21 and 2021-23 bienniums.

	2019-21 Biennium Estimated		2021-23 Biennium Estimated	
Beginning balance, excluding infrastructure revolving loan fund		\$326,742,618		\$323,010,461
Add revenues and transfers				
Oil extraction tax collections	\$305,522,369 ¹		\$376,602,414 ¹	
Bond proceeds from repayment of loans			74,500,000 ²	
Repayments and reimbursements	10,777,487		13,126,800	
Investment earnings/miscellaneous income	6,598,257		1,662,176	
Total revenues		322,898,113		465,891,390
Total available		\$649,640,731		\$788,901,851
Less expenditures				
State Water Commission - Grants, projects, and project administration	\$322,430,270 ³		\$660,618,719 ³	
House Bill No. 1431 (2021) - Appropriation to the State Water Commission to provide funding for the Mouse River flood control project			74,500,000 ²	
Total State Water Commission designated funds and expenditures		322,430,270		735,118,719
Transfer to renewable energy development fund (North Dakota Century Code Section 57-51.1-07)	\$3,000,000		\$3,000,000	
Transfer to energy conservation grant fund (Section 57-51.1-07)	1,200,000		1,200,000	
Senate Bill No. 2345 (2021) - Transfer to water project stabilization fund			51,292,414 ⁴	
Total transfers		4,200,000		55,492,414
Ending balance		\$323,010,461		(\$1,709,282) ⁴

¹Oil extraction tax collections - These amounts reflect, for the 2021-23 biennium, actual oil and gas tax collections deposited in the fund and through June 2022 and the 2021 legislative revenue forecast for the remainder of the 2021-23 biennium. Actual 2019-21 biennium collections were \$1,917,631 less than anticipated for the 2019-21 biennium and actual 2021-23 biennium collections are \$51,292,414 more than anticipated for the 2021-23 biennium compared to the 2021 legislative revenue forecast.

²House Bill No. 1431 allocates \$74.5 million of bond proceeds which are deposited into the resources trust fund for the repayment of outstanding loans of the Western Area Water Supply Authority. The bill also provides an appropriation of \$74.5 million from the resources trust fund to the State Water Commission for the Mouse River flood control project.

³The State Water Commission expended \$17,430,270 more than anticipated during the 2019-21 biennium resulting in a reduction of the ending fund balance, which is offset by a reduction in project carryover expenditures during the 2021-23 biennium.

⁴The amount shown reflects the oil and gas tax revenue deposited in the resources trust fund in excess of the revenue forecast for the period August 2021 through June 2022. Senate Bill No. 2345 created the water project stabilization fund for the purpose of defraying planning and construction expenses of water-related projects, provided for a transfer of \$1 million from the resources trust fund to the water project stabilization fund, and provided for the transfer of all oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the 2021 legislative forecast from August 1, 2021, through February 28, 2023, on a quarterly basis.