



# North Dakota Legislative Council

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LC# 23.9100.02000  
December 2021

## 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 Legislative Estimate	2019-21 Biennium Actual Collections <sup>1</sup>	Actual Collections Increase (Decrease) to Updated Legislative Estimate
Resources trust fund	\$437,240,000	\$307,440,000	\$305,522,369	(\$1,917,631)

<sup>1</sup>Oil 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 <sup>1</sup>	\$331,915,469 <sup>1</sup>
Bond proceeds from repayment of loans		74,500,000 <sup>2</sup>
Repayments and reimbursements	10,777,487	13,126,800
Investment earnings/miscellaneous income	6,598,257	1,500,000
Total revenues	322,898,113	421,042,269
Total available	\$649,640,731	\$744,052,730
Less expenditures		
State Water Commission - Grants, projects, and project administration	\$322,430,270 <sup>3</sup>	\$660,618,719 <sup>3</sup>
House Bill No. 1431 (2021) - Appropriation to the State Water Commission to provide funding for the Mouse River flood control project		74,500,000 <sup>2</sup>
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		6,605,469 <sup>4</sup>
Total transfers	4,200,000	10,805,469
Ending balance	\$323,010,461	(\$1,871,458) <sup>4</sup>

<sup>1</sup>**Oil extraction tax revenues** - These amounts reflect, for the 2019-21 biennium, actual oil and gas tax revenue collections deposited in the fund and through November 2021 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 \$6,605,469 more than anticipated for the 2021-23 biennium compared to the 2021 legislative revenue forecast.

<sup>2</sup>House Bill No. 1431 (2021) 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.

<sup>3</sup>The 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.

<sup>4</sup>The 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 through November 2021. Senate Bill No. 2345 (2021) 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.