

RESOURCES TRUST FUND - 2017-19 AND 2019-21 BIENNIUM UPDATE

This memorandum provides information regarding estimated and actual oil extraction tax revenues deposited in the resources trust fund for the 2017-19 biennium and an analysis of the resources trust fund for the 2017-19 and 2019-21 bienniums.

2017-19 BIENNIUM ESTIMATED REVENUES AND ACTUAL COLLECTIONS

The schedule below compares the 2017-19 revenue forecasts to actual oil and gas tax revenue collections for the resources trust fund.

	2017-19 Biennium Original Legislative Estimate	2017-19 Biennium Final Legislative Estimate	2017-19 Biennium Actual Collections	Actual Collections Increase (Decrease) to Final Legislative Estimate
Resources trust fund	\$267,100,000	\$352,870,000	\$357,504,568	\$4,634,568

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2017-19 AND 2019-21 BIENNIUMS

The schedule below provides an update of the resources trust fund for the 2017-19 and 2019-21 bienniums.

	2017-19 Biennium Actual		2019-21 Biennium Estimated	
	Beginning balance, excluding infrastructure revolving loan fund		\$306,411,028	
Add revenues and transfers				
Oil extraction tax collections	\$357,504,568 ¹		\$435,968,928 ¹	
Repayments and reimbursements	11,756,065		13,568,805	
Investment earnings/miscellaneous income	10,724,424		4,492,000	
Total revenues		379,985,057		454,029,733
Total available		\$686,396,085		\$780,772,351
Less funds designated for the infrastructure revolving loan fund (North Dakota Century Code Section 61-02-78)	\$0 ²		\$0 ²	
Less expenditures				
State Water Commission - Grants, projects, and project administration	356,016,811 ³		766,775,550 ³	
Industrial Commission - Western Area Water Supply study	150,000			
Total State Water Commission designated funds and expenditures		356,166,811		766,775,550
Transfer to renewable energy development fund (Section 57-51.1-07)	\$3,000,000 ⁴		\$3,000,000 ⁴	
Transfer to energy conservation grant fund (Section 57-51.1-07)	486,656 ⁴		1,200,000 ⁴	
Total transfers		3,486,656		4,200,000
Ending balance, excluding funds designated for infrastructure revolving loan fund		\$326,742,618		\$9,796,801

¹**Oil extraction tax revenues - These amounts reflect**, for the 2017-19 biennium, actual oil and gas tax revenue collections deposited in the fund and **for the 2019-21 biennium, actual collections through April 2020 and original legislative estimates for the remainder of the biennium**. Actual 2017-19 biennium collections were \$4,634,568 more than anticipated in the 2019 legislative revenue forecast. Actual 2019-21 biennium collections through April 2020 are (\$1,271,072) less than anticipated in the 2019 legislative revenue forecast.

²House Bill No. 1020 (2017) amended Section 61-02-78 to provide no more than \$26 million of total resources trust fund revenue may be allocated to the infrastructure revolving loan fund.

Infrastructure Revolving Loan Fund Share of Oil Extraction Tax Collections	
	Actual Total Infrastructure Revolving Loan Fund Collections
2013-15 biennium	\$11,407,864
2015-17 biennium	23,032,609
2017-19 biennium	(8,440,473)
Total	\$26,000,000

³The State Water Commission expended \$10,366,811 more than anticipated during the 2017-19 biennium, resulting in an equivalent reduction to project carryover anticipated during the 2019-21 biennium and increased utilization of the water development trust fund of \$1,339,845 by the State Water Commission in place of utilizing funds from the resources trust fund.

⁴The Legislative Assembly approved Senate Bill No. 2362 (2019), which changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands. The changes also restored the maximum allocation to the energy conservation grant fund from \$200,000 to \$1.2 million, resulting in additional transfers of \$260,000. The actual transfer during the 2017-19 biennium was \$26,656 more than anticipated in the 2019 legislative revenue forecast.