

ANALYSIS OF THE RESOURCES TRUST FUND 1999-2001 AND 2001-03 BIENNIUMS (REFLECTING THE 2001-03 BIENNIUM EXECUTIVE BUDGET RECOMMENDATIONS)

	1999-2001 Biennium	2001-03 Biennium
Beginning balance	\$6,733,283	\$10,900,000 ³
Add estimated revenues		
Oil extraction tax collections	\$9,048,040	\$8,648,581
Repayments and reimbursements	1,805,000	1,804,439
Investment earnings/miscellaneous	653,657	365,011
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Total estimated revenues	\$11,506,697 ¹	\$10,818,031
Total available	\$18,239,980	\$21,718,031
Less estimated expenditures		
State Water Commission		
Grants and administration (2001 HB 1023)	\$5,039,980	\$21,718,031 ⁴
Capital construction carryover from the 1997-99 biennium	2,300,000 ²	0
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Total estimated expenditures	\$7,339,980	\$21,718,031
Ending balance	<u>\$10,900,000³</u>	<u>\$0</u>

NOTE: The resources trust fund was created pursuant to passage of measure No. 6 in the November 1980 general election. Measure No. 6 created a 6.5 percent oil extraction tax, 10 percent of which was to be allocated to the resources trust fund. In June 1990 the Constitution of North Dakota was amended to establish the resources trust fund as a constitutional trust fund and provide that the principal and income of the fund could be spent only upon legislative appropriations for:

- Constructing water-related projects, including rural water systems.
- Energy conservation programs.

In November 1994 the voters of North Dakota approved a constitutional amendment, which is now the Constitution of North Dakota Article X, Section 24, to provide that 20 percent of oil extraction taxes be allocated as follows:

- Fifty percent (of the 20 percent) to the common schools trust fund.
- Fifty percent (of the 20 percent) to the foundation aid stabilization fund.

North Dakota Century Code Section 57-51.1-07 provides that oil extraction tax revenues be distributed as follows:

- Twenty percent to the resources trust fund.
- Twenty percent allocated as provided in the Constitution of North Dakota Article X, Section 24.
- Sixty percent to the state general fund.

¹ Estimated revenues - 1999-2001 - The estimated revenues for the 1999-2001 biennium reflect actual revenues through October 31, 2000, and estimated revenues for the remainder of the biennium. The current estimate of revenues for the biennium is \$4,919,061 more than the estimate of \$6,587,636 made at the close of the 1999 legislative session. The increase is attributable to the following changes:

• Increase in oil extraction tax collections	\$4,553,150
• Increase in repayments for previously funded water projects	5,000
• Increase in investment income	360,911
Net increase from revenue amount previously estimated for 1999-2001	<u>\$4,919,061</u>

² Capital construction carryover - 1999-2001 - The State Water Commission had \$2.3 million of unexpended 1997-99 biennium appropriation authority carried over to the 1999-2001 biennium for various water projects.

³ Ending balance - 1999-2001 - The estimated June 30, 2001, ending balance is anticipated to include approximately \$8 million of obligations for the following projects:

Maple River Dam	\$3,500,000
Nesson Valley irrigation	1,300,000
Elk Charbon irrigation	1,000,000
Miscellaneous water projects	<u>2,200,000</u>
Total	<u>\$8,000,000</u>

⁴ Estimated expenditures - 2001-03 - House Bill No. 1023 (2001) provides that any 2001-03 resources trust fund revenues in excess of \$21,718,031 are appropriated to the State Water Commission, subject to Emergency Commission approval. Section 10 of House Bill No. 1023 allows the State Water Commission to use moneys from the resources trust fund in lieu of issuing bonds for water development projects.