

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2001-03 BIENNIUM

Beginning balance - July 1, 2001		\$14,727,287
Add estimated revenues		
Oil extraction tax collections	\$8,522,152 ¹	
Repayments and reimbursements	1,799,439	
Investment earnings/miscellaneous	778,840	
	<hr/>	
Total estimated revenues		<hr/> \$11,100,431
Total available		\$25,827,718
Less estimated expenditures		
State Water Commission		
Grants and administration (2001 HB 1023)	21,718,031 ²	
	<hr/>	
Total estimated expenditures		<hr/> \$21,718,031
Estimated ending balance - June 30, 2003		<hr/> <hr/> \$4,109,687

¹ Oil extraction tax collections - 2001-03 biennium oil extraction tax collections were estimated to be \$8,846,808 at the end of the 2001 legislative session. The decrease in collections of \$324,656 is due to lower than estimated oil production.

² Estimated expenditures - 2001 House Bill No. 1023 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.

NOTE: The estimated June 30, 2003, ending balance is \$508,115 more than the \$3,601,572 estimated at the close of the 2001 legislative session. The increase is due to the July 1, 2001, balance being more than projected and higher than anticipated investment earnings.

FUND HISTORY

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 Article X, Section 24, of the Constitution of North Dakota, 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 Article X, Section 24, of the Constitution of North Dakota.
- Sixty percent to the general fund.