ANALYSIS OF THE LIGNITE RESEARCH FUND FOR THE 1999-2001 AND 2001-03 BIENNIUMS

Beginning balance \$9,739,857 \$11,622,382 Add estimated revenues Separate two-cent coal severance tax Separate two-cent coal severance taxes deposited in the coal development trust fund (result of passage of measure No. 3 in June 1990) Twenty percent of coal severance taxes deposited in the coal development trust fund (committed to clean coal projects) (result of passage of constitutional amendment passed by voters in June 1994) Investment income on Dakota Gasification Company ammonia plant project Interest income Total estimated revenues Total available Less estimated expenditures Lignite marketing feasibility study Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Lignite marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Lignite marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Separate two-cent coal severance taxes deposited in the 3,485,164 3,485,164 3,375,000 1,350,000 1,000,000 1,000,000 1,000,000 1,000,000		1999-2001 Biennium		2001-03 Biennium	
Separate two-cent coal severance tax S1,239,148 S1,200,000 Fifty percent of coal severance taxes deposited in the coal development trust fund (result of passage of measure No. 3 in June 1990) Twenty percent of coal severance taxes deposited in the coal development trust fund (committed to clean coal projects) (result of passage of constitutional amendment passed by voters in June 1994) Investment income on Dakota Gasification Company ammonia plant project Interest income Total estimated revenues Less estimated expenditures Lignite marketing feasibility study Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures S1,239,148 S1,239,164 S1,300,000 1,350,000 1,000,000 1,000,000 1,000,000 1,000,000	Beginning balance		\$9,739,857		\$11,622,382
Fifty percent of coal severance taxes deposited in the coal development trust fund (result of passage of measure No. 3 in June 1990) Twenty percent of coal severance taxes deposited in the coal development trust fund (committed to clean coal projects) (result of passage of constitutional amendment passed by voters in June 1994) Investment income on Dakota Gasification Company ammonia plant project Interest income Total estimated revenues Lignite marketing feasibility study Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Lignite marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Lignite marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Lignite marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Lignite marketing program (includes funding for clean coal demonstration projects and bond payments)	Add estimated revenues				
coal development trust fund (result of passage of measure No. 3 in June 1990) Twenty percent of coal severance taxes deposited in the coal development trust fund (committed to clean coal projects) (result of passage of constitutional amendment passed by voters in June 1994) Investment income on Dakota Gasification Company ammonia plant project Interest income Total estimated revenues Lignite marketing feasibility study Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Lignite marketing feasibility study Total estimated expenditures Lignite marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures Lignite marketing feasibility study \$795,800 \$1,300,000 \$1,300,000 \$1,5150,000 12 \$15,150,000 12 \$15,150,000 12	Separate two-cent coal severance tax	\$1,239,148		\$1,200,000	
coal development trust fund (committed to clean coal projects) (result of passage of constitutional amendment passed by voters in June 1994) Investment income on Dakota Gasification Company ammonia plant project Interest income 789,669 360,000 Total estimated revenues 7,224,221 7,285,000 Total available \$16,964,078 \$18,907,382 Less estimated expenditures Lignite marketing feasibility study \$795,800 \$1,300,000 Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures 5,341,696 16,450,000 3	coal development trust fund (result of passage of measure	3,485,164		3,375,000	
ammonia plant project Interest income 789,669 360,000 Total estimated revenues 7,224,221 7,285,000 Total available \$16,964,078 \$18,907,382 Less estimated expenditures Lignite marketing feasibility study \$795,800 \$1,300,000 Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures 5,341,696 16,450,000 3	coal development trust fund (committed to clean coal projects) (result of passage of constitutional amendment	1,393,980		1,350,000	
Total estimated revenues Total available Less estimated expenditures Lignite marketing feasibility study Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures 7,224,221 \$16,964,078 \$11,300,000 \$1,300,000 \$1,5150,000 1.2 \$15,150,000 1.2 \$15,150,000 1.2 \$15,341,696	· · ·	316,260		1,000,000	
Total available \$16,964,078 \$18,907,382 Less estimated expenditures Lignite marketing feasibility study \$795,800 \$1,300,000 Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures \$5,341,696 \$16,450,000 3	Interest income	789,669		360,000	
Less estimated expenditures Lignite marketing feasibility study Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures \$795,800 \$1,300,000 15,150,000 1.2 \$5,341,696 \$1,300,000 1.2 \$1,300,000 1.2 \$1,300,000 1.2 \$1,450,000 1.2 \$1,450,000 1.2 \$1,450,000 1.2	Total estimated revenues		7,224,221		7,285,000
Lignite marketing feasibility study \$795,800 \$1,300,000 Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures \$5,341,696\$ \$1,300,000 \\ 15,150,000 \\ 5,341,696\$ \$16,450,000 \\ 16,45	Total available		\$16,964,078		\$18,907,382
Lignite marketing feasibility study \$795,800 \$1,300,000 Administration and development of the lignite research, development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures \$5,341,696\$ \$1,300,000 \\ 15,150,000 \\ 5,341,696\$ \$16,450,000 \\ 16,45	Less estimated expenditures				
development, and marketing program (includes funding for clean coal demonstration projects and bond payments) Total estimated expenditures 5,341,696 16,450,000 ³	·	\$795,800		\$1,300,000	
· · · · · · · · · · · · · · · · · · ·	development, and marketing program (includes funding for	4,545,896 ¹		15,150,000 ^{1,2}	
Ending balance \$11,622,382 \$2,457,382	Total estimated expenditures		5,341,696		16,450,000 ³
	Ending balance		\$11,622,382		\$2,457,382

NOTE: North Dakota Century Code Section 57-61-01.5(2) and Article X, Section 21, of the Constitution of North Dakota provide for 70 percent of the taxes collected and deposited in the coal development trust fund to be deposited in the lignite research fund. The remaining 30 percent of the funds deposited in the coal development trust fund are to be held in trust and administered by the Board of University and School Lands, which has the authority to invest the funds, and may, as provided by law, lend money from the fund to political subdivisions.

¹ The Industrial Commission has a policy stating that 45 percent of lignite research fund income will be used for small research projects and 55 percent for large demonstration research projects. The commission has further directed that no single large demonstration project can receive more than 37.5 percent of available funds.

² The Industrial Commission has waived the fund allocation policy and has committed \$20 million through the 2007-09 biennium with \$5,931,210 anticipated to be spent during the 2001-03 biennium for the Lignite Vision 21 project. The object of the Lignite Vision 21 project is to construct new lignite-fired power plants in North Dakota.

³ The 2001 Legislative Assembly appropriated \$16,450,000 for lignite research grants; however, at the present time the Incapproximately \$12.6 million for lignite research grants during the 2001-03 biennium. If the level of spending is \$12.6 million for lignite research grants during the 2001-03 biennium.	dustrial Commission anticipates spending ion, the ending balance may be \$6.3 million.