

ANALYSIS OF THE RESOURCES TRUST FUND 2001-03 AND 2003-05 BIENNIUMS (REFLECTING THE 2003-05 BIENNIUM EXECUTIVE BUDGET RECOMMENDATIONS)

	2001-03 Biennium	2003-05 Biennium
Beginning balance	\$14,727,288	\$3,212,284
Add estimated revenues		
Oil extraction tax collections	\$7,716,229	\$8,595,706
Repayments and reimbursements	1,808,739	1,800,704
Investment earnings/miscellaneous	678,059	89,962
Total estimated revenues	<u>\$10,203,027¹</u>	<u>\$10,486,372</u>
Total available	\$24,930,315	\$13,698,656
Less estimated expenditures		
State Water Commission		
Grants and administration	<u>\$21,718,031²</u>	<u>\$13,650,000³</u>
Total estimated expenditures	<u>\$0</u>	<u>\$13,650,000</u>
Ending balance	<u><u>\$3,212,284</u></u>	<u><u>\$48,656</u></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 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 state general fund.

¹ Estimated revenues - 2001-03 - The estimated revenues for the 2001-03 biennium reflect actual revenues through November 30, 2002, and estimated revenues for the remainder of the biennium. The current estimate of revenues for the biennium is \$816,576 less than the estimate of \$11,019,603 made at the close of the 2001 legislative session. The decrease is attributable to the following changes:

Decrease in oil extraction tax collections	(\$1,130,579)
Increase in repayments for previously funded water projects	4,300
Increase in investment income	309,703
Net decrease from revenue amount previously estimated for 2001-03	(\$816,576)

² Section 3 of 2001 House Bill No. 1023 appropriated \$21,718,031 from the resources trust fund to the State Water Commission.

³ The executive budget recommendation includes an appropriation of \$13,650,000 in Senate Bill No. 2022 from the resources trust fund for the State Water Commission for purposes authorized by the 2003 Legislative Assembly.