

# ANALYSIS OF THE LANDS AND MINERALS TRUST FUND FOR THE 2005-07 BIENNIUM AS OF MAY 2006

Beginning balance - July 1, 2005		\$6,820,579
Add estimated revenues		
Production royalties	\$6,244,509	
Mineral leases	235,597	
Oil and gas bonuses	2,879,716	
Investment earnings	863,384	
Loan repayments from facilities providing services to the developmentally disabled (1983 SB 2020; 1985 SB 2249)	994,734	
Total estimated revenues		<u>11,217,940</u>
Total available		\$18,038,519
Less estimated expenditures		
Payments to common schools trust fund - Developmentally disabled loan fund Nos. 2 and 3 (2005 SB 2013)	\$1,664,437 <sup>1</sup>	
Industrial Commission - Oil and Gas Division contingency (2005 SB 2014)	225,000 <sup>2</sup>	
Transfer to the general fund (2005 HB 1015)	6,800,000	
Administrative costs/other fees	236,251	
Total estimated expenditures and transfers		<u>8,925,688</u>
Estimated ending balance - June 30, 2007		<u><u>\$9,112,831</u></u>

**NOTE:** The estimated ending balance is \$8,023,982 more than estimated at the close of the 2005 legislative session due primarily to 2005-07 revised revenue estimates being more than projected at the close of the 2005 legislative session resulting from an increase in oil prices and production.

<sup>1</sup>Payments to common schools trust fund - Senate Bill No. 2013 (2005) provides a continuing appropriation annually of the amount necessary from the lands and minerals trust fund for the purpose of making payments of principal and interest to the common schools trust fund for loans made to developmentally disabled loan fund Nos. 2 and 3. The Land Department estimates that for the 2005-07 biennium, \$1,664,437 will be required to make the loan payments to the common schools trust fund.

<sup>2</sup>Industrial Commission - Oil and Gas Division contingency - Senate Bill No. 2014 (2005) provides for a contingency appropriation in the amount of \$225,000 from the lands and minerals trust fund to the Oil and Gas Division for the purpose of hiring, upon Emergency Commission approval, up to two full-time equivalent positions if the average drilling rig count exceeds 30 active rigs for each month in any consecutive three-month period. The Emergency Commission approved a transfer of \$142,000 at its March 2, 2006, meeting.

## FUND HISTORY

The lands and minerals trust fund originated in 1977 when the Legislative Assembly transferred to the Board of University and School Lands possessory interest in properties obtained by the Bank of North Dakota, including tracts of real property and reserved mineral interests. All income from the sale, lease, and management of the mineral interests relating to these properties is deposited in the lands and minerals trust fund, pursuant to North Dakota Century Code Section 15-08.1-08. The principal and interest of the trust fund may be used only for purposes approved by the Legislative Assembly.