

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2005-07 BIENNIUM AS OF APRIL 2006

Beginning balance - July 1, 2005		\$36,743,173
Add estimated revenues		
Oil extraction tax collections	\$17,250,726	
Repayments and reimbursements	2,005,000	
Investment earnings/miscellaneous	953,991	
Total estimated revenues		20,209,717
Total available		\$56,952,890
Less estimated expenditures and transfers		
State Water Commission		
Grants and administration (2005 HB 1021)	\$54,013,116 ¹	
Total estimated expenditures and transfers		54,013,116
Estimated ending balance - June 30, 2007		\$2,939,774

¹Section 4 of 2005 House Bill No. 1021 appropriates \$54,013,116, or any additional amount that becomes available, from the resources trust fund for the purpose of defraying the expenses of the State Water Commission.

NOTE: The estimated June 30, 2007, balance made at the end of the 2005 legislative session was \$0. The increase of \$2,939,774 is primarily due to expenditures for water projects being less than originally estimated and oil extraction tax collections being greater than originally estimated.

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.