

**ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2005-07 AND 2007-09 BIENNIUMS
(REFLECTING THE 2007-09 BIENNIUM EXECUTIVE BUDGET RECOMMENDATION)**

	2005-07 Biennium		2007-09 Biennium	
Beginning balance		\$36,743,173		\$26,723,173
Add estimated revenues				
Oil extraction tax collections	\$25,850,000		\$41,005,500	
Repayments and reimbursements	2,223,000		2,395,000	
Investment earnings/miscellaneous	1,607,000		760,600	
Total estimated revenues		29,680,000 ¹		44,161,100
Total available		\$66,423,173		\$70,884,273
Less estimated expenditures and transfers				
State Water Commission - Grants and administration	\$39,700,000 ²		\$69,352,698 ³	
Total estimated expenditures and transfers		39,700,000		69,352,698
Estimated ending balance		\$26,723,173		\$1,531,575

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.

¹Estimated revenues - 2005-07 - The estimated revenues for the 2005-07 biennium reflect actual revenues through September 30, 2006, and estimated revenues for the remainder of the biennium. The current estimate of revenues for the biennium is **\$10,400,467 more than the estimate of \$19,279,533** made at the close of the 2005 legislative session. The increase is attributable to the following changes:

Increase in oil extraction tax collections	\$9,414,444
Increase in repayments for previously funded water projects	218,000
Increase in investment income	768,023
	\$10,400,467

²Section 4 of House Bill No. 1021 (2005) provided \$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. The State Water Commission estimates 2005-07 biennium expenditures from the resources trust fund to be \$39.7 million.

³Section 4 of Senate Bill No. 2020 (2007) provides \$69,352,698, or any additional amount that becomes available, from the resources trust fund for the purpose of defraying the expenses of the State Water Commission.