

## ANALYSIS OF THE LANDS AND MINERALS TRUST FUND FOR THE 2007-09 BIENNIUM

|   | 2007-09 Biennium         |              |
|---|--------------------------|--------------|
| Beginning balance - July 1, 2007  |                          | \$14,056,683 |
| Add estimated revenues  |                          |              |
| Production royalties  | \$14,565,596             |              |
| Mineral leases  | 341,064                  |              |
| Oil and gas bonuses   | 4,648,451                |              |
| Investment earnings   | 1,086,765                |              |
| Loan repayments from facilities providing services to the developmentally disabled (1983 SB 2020; 1985 SB 2249)                   | 735,992                  |              |
| Total estimated revenues  |                          | 21,377,868   |
| Total available   |                          | \$35,434,551 |
| Less estimated expenditures and transfers   |                          |              |
| Payments to common schools trust fund - Developmentally disabled loan fund Nos. 2 and 3 (2005 SB 2013 - continuing appropriation) | \$1,417,503 <sup>1</sup> |              |
| Industrial Commission - Oil and Gas Division contingency (2007 HB 1014)   | 285,000 <sup>2</sup>     |              |
| Transfer to the general fund (2007 HB 1014)   | 15,000,000               |              |
| Office of Management and Budget - Heritage Center expansion (2007 SB 2341)  | 1,500,000 <sup>3</sup>   |              |
| State Historical Society - Cold War missile sites (2007 SB 2018)  | 250,000                  |              |
| Administrative costs/other fees   | 224,094                  |              |
| Total estimated expenditures and transfers  |                          | 18,676,597   |
| Estimated ending balance - June 30, 2009  |                          | \$16,757,954 |

<sup>1</sup>Payments to common schools trust fund - North Dakota Century Code (NDCC) Section 15-08.1-09 provides an annual continuing appropriation from the lands and minerals trust fund of the amount necessary to make payments of principal and interest to the common schools trust fund for loans made to developmentally disabled loan fund Nos. 2 and 3.

<sup>2</sup>Industrial Commission - Oil and Gas Division contingency - House Bill No. 1014 provides a \$285,000 contingency appropriation from the lands and minerals trust fund to the Oil and Gas Division for the purpose of hiring, upon Emergency Commission approval, up to 2 FTE positions if the average drilling rig count exceeds 45 active rigs for each month in any consecutive three-month period. The Emergency Commission approved a transfer of \$285,000 at its March 19, 2008, meeting.

<sup>3</sup>Office of Management and Budget - Senate Bill No. 2341 provides a contingent appropriation of \$1.5 million from the lands and minerals trust fund to the Office of Management and Budget for the Heritage Center expansion project. The appropriation is only available when the State Historical Society certifies to the Office of Management and Budget that \$1.5 million of other funds has been received or pledged for the project. The State Historical Society certified to the Office of Management and Budget in May 2007 that \$1.5 million of other funds had been received or pledged for the project.

**NOTE:** The estimated June 30, 2009, balance made at the end of the 2007 legislative session was \$4,990,002. The increase in the estimated balance of \$11,767,952 is due primarily to 2007-09 revised estimated revenues being \$10,637,585 more than the previous estimate of \$10,740,283. The 2007-09 biennium estimated revenues are more than previously estimated due to an increase in production royalties, mineral leases, and oil and gas bonuses relating to increased oil production and prices.

### 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 NDCC Section 15-08.1-08. The principal and interest of the trust fund may be used only for purposes approved by the Legislative Assembly.