

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2007-09 BIENNIUM

	2007-09 Biennium	
Beginning balance - July 1, 2007		\$32,655,609
Add estimated revenues		
Oil extraction tax collections	\$44,233,100 ¹	
Repayments and reimbursements	2,007,000	
Investment earnings/miscellaneous	1,357,030	
Total estimated revenues		47,597,130
Total available		\$80,252,739
Less estimated expenditures and transfers		
State Water Commission - Grants and administration	\$69,352,698 ²	
Total estimated expenditures and transfers		69,352,698
Estimated ending balance - June 30, 2009		\$10,900,041

¹Estimated oil extraction tax collections reflect actual collections through April 30, 2008, and original legislative projections for the remainder of the biennium.

²Section 4 of Senate Bill No. 2020 provided \$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. Based on estimates of funds available at the end of the 2007 legislative session, expenditures were estimated to be \$62,801,933.

NOTE: Estimated funds available as of June 30, 2009, of \$80,252,739 exceed the estimates made at the end of the 2007 legislative session of \$62,801,933. The estimated increase of \$17,450,806 is primarily due to the actual July 1, 2007, balance of \$32,655,609 being \$6,990,441 more than the July 1, 2007, balance estimated at the close of the 2007 legislative session of \$25,665,168, and the 2007-09 revised estimated revenues being \$10,460,365 more than projected at the end of the 2007 legislative session due to increased oil production and oil prices. The estimated June 30, 2009, balance made at the end of the 2007 legislative session was \$0. The increase in the estimated balance of \$10,900,041 is primarily due to the increase in the estimated funds available of \$17,450,806 and the revised estimated expenditures of \$69,352,698 being \$6,550,765 more than the \$62,801,933 estimated at the end of the 2007 legislative session.

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.