

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium Actual		2009-11 Biennium Estimated	
Beginning balance		\$32,655,609		\$87,378,167
Add revenues				
Oil extraction tax collections	\$73,481,417		\$96,848,825 ¹	
Repayments and reimbursements	3,549,610		3,009,000	
Investment earnings/miscellaneous income	2,791,531		1,508,109	
Total revenues		79,822,558		101,365,934
Total available		\$112,478,167		\$188,744,101
Less expenditures and transfers				
State Water Commission - Grants, projects, and project administration	\$25,100,000		\$188,400,000	
State Water Commission - Beaver Bay embankment feasibility study			342,000	
Total expenditures and transfers		25,100,000		188,742,000 ²
Ending balance		\$87,378,167		\$2,101

¹Estimated revenues - 2009-11 - The estimated revenues for the 2009-11 biennium reflect actual revenues through April 2010 and estimated revenues for the remainder of the biennium based on the February 2009 legislative revenue forecast.

²Sections 1 and 5 of House Bill No. 1020 (2009) appropriate \$188.4 million, or any additional amounts that become available, from the resources trust fund for defraying the expenses of the State Water Commission for the 2009-11 biennium. In addition, Senate Bill No. 2305 (2009) provides a \$342,000 appropriation from the resources trust fund to the State Water Commission for conducting a Beaver Bay embankment feasibility study. Total expenditures will be limited to funding available.

NOTE: The estimated June 30, 2011, balance made at the end of the 2009 legislative session was \$0 and assumed funding would be available for approximately \$132 million of the total \$188.7 million appropriated for the 2009-11 biennium. The increase in the estimated funding available is due to oil extraction tax collections exceeding the February 2009 legislative forecast; however, pursuant to provisions of Section 5 of 2009 House Bill No. 1020, the State Water Commission may spend any additional amounts that may become available in the resources trust fund.

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.