

ANALYSIS OF THE LANDS AND MINERALS TRUST FUND FOR THE 2003-05 AND 2005-07 BIENNIUMS

	<u>2003-05 Biennium</u>	<u>2005-07 Biennium</u>
Beginning balance	\$641,126	\$6,320,259
Add estimated revenues		
Production royalties	\$3,728,665	\$1,737,808
Mineral leases	382,310	100,000
Oil and gas bonuses	4,581,611	143,868
Investment earnings	152,273	500,876
Loan repayments from facilities providing services to the developmentally disabled (1983 SB 2020; 1985 SB 2249)	1,872,074	1,361,660
Total estimated revenues	<u>10,716,933</u>	<u>3,844,212</u>
Total available	\$11,358,059	\$10,164,471
Less estimated expenditures and transfers		
Payments to common schools trust fund - DD loan fund Nos. 2 and 3 (2003 SB 2012; 2005 SB 2013 - Continuing appropriation)	\$2,791,500 ¹	\$1,789,322 ²
Industrial Commission - Oil and Gas Division contingency (2005 SB 2014)	0	225,000 ³
Transfer to the general fund (2003 SB 2015; 2005 HB 1015)	2,000,000	6,800,000
Administrative costs/other fees	<u>246,300</u>	<u>261,300</u>
Total estimated expenditures and transfers	<u>5,037,800</u>	<u>9,075,622</u>
Estimated ending balance	<u><u>\$6,320,259</u></u>	<u><u>\$1,088,849</u></u>

¹The 2003-05 biennium appropriation in 2003 Senate Bill No. 2012 totals \$3,261,556.

²In previous bienniums, this amount was appropriated in the Department of Human Services appropriations bill. Section 8 of 2005 Senate Bill No. 2013 creates a new section to North Dakota Century Code Chapter 15-08.1 providing a continuing appropriation from the lands and minerals trust fund for making these loan payments under DD loan fund Nos. 2 and 3.

³Subdivision 1 of Section 3 of 2005 Senate Bill No. 2014 contains an Oil and Gas Division contingency appropriation of \$225,000, and Section 18 provides that the funds appropriated in this contingency line item are from the land and minerals trust fund. Section 18 also provides that the Oil and Gas Division may use the funds, upon Emergency Commission approval, to hire up to 2 full-time equivalent positions if the average drilling rig count exceeds 30 active rigs for each month in any consecutive three-month period.

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 North Dakota Century Code Section 15-08.1-08.

The principal and interest of the trust fund may be used only for purposes approved by the Legislative Assembly.