

ANALYSIS OF THE PERMANENT OIL TAX TRUST FUND FOR THE 2005-07 BIENNIUM AS OF MAY 2006

Beginning balance - July 1, 2005		\$50,369,096
Add estimated revenues		
Oil and gas production tax and oil extraction tax collections	\$75,590,252 ¹	
Total estimated receipts		75,590,252
Total available		\$125,959,348
Less estimated expenditures ²		
Transfer to the general fund (Section 32 of 2005 HB 1015)	\$55,300,000	
Parks and Recreation Department - International Music Camp grant for International Arts Center (2005 SB 2228)	350,000	
Office of Management and Budget - Repayment of loans for centers of excellence (Section 12 of 2005 SB 2018)	16,000,000	
Department of Human Services - Medicaid management information system project (Section 8 of 2005 HB 1012)	3,667,820	
Total estimated expenditures		75,317,820
Estimated ending balance - June 30, 2007		\$50,641,528

¹Estimated collections reflect actual collections through April 2006 and **original legislative projections** for the remainder of the biennium.

²Pursuant to North Dakota Century Code Section 57-51.1-07.2, the principal of the permanent oil tax trust fund may only be spent upon a two-thirds vote of the members elected to each house of the Legislative Assembly.

NOTE: The estimated June 30, 2007, balance made at the end of the 2005 legislative session was \$7,906,762. The increase in the estimated ending balance of \$42,734,766 is due to the beginning balance being \$5,160,868 higher and the estimated revenues being \$37,573,898 more than projected at the end of the 2005 legislative session due to increased oil production and oil prices.

FUND HISTORY

North Dakota Century Code Section 57-51.1-07.2 (1997 Senate Bill No. 2366) establishes a permanent oil tax trust fund and provides that all revenues deposited in the general fund during a biennium and derived from taxes imposed on oil and gas under Chapters 57-51 (Oil and Gas Gross Production Tax) and 57-51.1 (Oil Extraction Tax) which exceed \$71 million are to be transferred into the permanent oil tax trust fund. The State Treasurer is to transfer the interest earned on the fund to the general fund at the end of each fiscal year.