

## OIL AND GAS TAX REVENUE COLLECTIONS - ESTIMATES - 2011-13 BIENNIUM

The table below provides information on the actual collection and distribution of oil and gas tax revenues through February 2012 and the estimated state and political subdivision share of oil and gas tax revenues made at the close of the Legislative Assembly in 2011 compared to estimates reflecting actual oil and gas tax collections through February 2012 (December 2011 production) and February 2012 revenue collection levels continuing for the remainder of the 2011-13 biennium. Information on legacy fund and other fund estimates is also shown. The oil and gas tax revenue allocation flowchart for the 2011-13 biennium based on 2011 legislative session estimates is attached as an [appendix](#).

North Dakota oil production in December 2011 totaled 534,880 barrels per day at an average price of \$88.57 per barrel. The Legislative Assembly during the regular 2011 session anticipated oil production to begin the 2011-13 biennium at 390,000 barrels per day increasing to 425,000 barrels per day by the end of the biennium. The Legislative Assembly in 2011 anticipated oil prices to average \$72 per barrel for the first year of the 2011-13 biennium and \$75 per barrel for the second year.

|  | Actual Collections Through February 2012 | 2011-13 Biennium                   |  |  |
|--|--|------------------------------------|--|--|
|  |  | 2011 Legislative Session Estimates | Actual Collections Plus Legislative Session Estimates <sup>2</sup> | Actual Collections Plus Continuation of February Revenue Levels <sup>3</sup> |
| General fund                                     | \$200,000,000 <sup>1</sup>               | \$300,000,000                      | \$300,000,000  | \$300,000,000  |
| Property tax relief sustainability fund          | 101,487,949                              | 341,790,000                        | 341,790,000  | 341,790,000  |
| Strategic investment and improvements fund       |  | 36,481,039                         | 181,243,315  | 542,277,268 <sup>4</sup>   |
| State disaster relief fund                       |  | 0                                  | 22,000,000   | 22,000,000   |
| Oil and gas research fund                        | 4,000,000                                | 4,000,000                          | 4,000,000  | 4,000,000  |
| Oil and gas impact grant fund                    | 60,197,495                               | 100,000,000                        | 100,000,000  | 100,000,000  |
| <b>Total state share</b>                         | <b>\$365,685,444</b>                     | <b>\$782,271,039</b>               | <b>\$949,033,315</b>   | <b>\$1,310,067,268</b>   |
| Legacy fund                                      | 219,528,327                              | 612,468,299                        | 661,855,196  | 1,034,234,040 <sup>4</sup>   |
| Resources trust fund                             | 83,484,212                               | 199,812,353                        | 227,789,431  | 326,757,426  |
| Common schools trust fund                        | 41,742,106                               | 99,906,177                         | 113,894,716  | 163,378,713  |
| Foundation aid stabilization fund                | 41,742,106                               | 99,906,177                         | 113,894,716  | 163,378,713  |
| Political subdivisions                           | 80,464,073                               | 247,196,952                        | 240,601,793  | 256,306,468  |
| <b>Subtotal</b>                                  | <b>\$832,646,268</b>                     | <b>\$2,041,560,997</b>             | <b>\$2,307,069,167</b>   | <b>\$3,254,122,628</b>   |
| Fort Berthold Reservation                        | 35,992,349                               | <sup>5</sup>                       | 35,992,350 <sup>5</sup>  | 158,354,130  |
| <b>Total oil and gas tax revenue collections</b> | <b>\$868,638,617</b>                     | <b>\$2,041,560,997</b>             | <b>\$2,343,061,517</b>   | <b>\$3,412,476,758</b>   |

<sup>1</sup>The general fund receives an additional \$100 million after deposits to the property tax relief sustainability fund total \$341,790,000.

<sup>2</sup>Amounts shown are based on tax collections from August 2011 through February 2012 (June through December 2011 production) and legislative session estimates for the remainder of the 2011-13 biennium.

<sup>3</sup>Amounts shown are based on tax collections from August 2011 through February 2012 (June through December 2011 production) and oil and gas production and price levels continuing at the December 2011 level for the remainder of the 2011-13 biennium.

<sup>4</sup>The amounts shown reflect a transfer of \$87.5 million from the strategic investment and improvements fund to the legacy fund pursuant to North Dakota Century Code Section 15-08.1-08. Section 15-08.1-08 provides that if the unobligated balance in the strategic investment and improvements fund at the end of any month exceeds \$300 million, 25 percent of any revenues received for deposit in the fund in the subsequent month must be deposited instead into the legacy fund. The unobligated balance in the strategic investment and improvements fund is anticipated to exceed \$300 million during the 2011-13 biennium.

<sup>5</sup>The 2011 legislative session estimates did not include estimates for distribution of oil and gas tax revenue to the Fort Berthold Reservation for oil and gas tax revenue collected from production of oil within the boundaries of the Fort Berthold Reservation. Pursuant to Chapter 57-51.2, tax revenue from wells on trust lands are divided evenly between the tribe and the state and tax revenue from wells on nontrust lands are allocated 80 percent to the state and 20 percent to the tribe.