OIL TAX REVENUE COLLECTIONS AND ALLOCATIONS SUMMARY

This memorandum provides a summary of oil tax revenue collections, oil production and prices, and oil tax revenue allocations. The first page compares the current month to the previous month. The second page compares the biennium to date for the 2013-15 biennium to the same number of months for the 2011-13 biennium. The third page provides a comparison of actual and forecasted collections and allocations. The fourth page provides information on the distribution of oil and gas gross production tax collections to political subdivisions for the current month and for the biennium to date.

MONTHLY SUMMARY

Oil Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil tax revenue collections for the months of August and September 2014.

	August 2014	September 2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
Actual collections				
Oil and gas gross production tax	$147,026,175	$151,471,984	$4,445,809	3.0%
Oil extraction tax	175,530,949	181,851,708	6,320,759	3.6%
Total actual collections	$322,557,124	$333,323,692	$10,766,568	3.3%
Forecasted collections				
Oil and gas gross production tax	$97,320,036	$100,564,037	$3,244,001	3.3%
Oil extraction tax	127,493,880	131,743,676	4,249,796	3.3%
Total forecasted collections	$224,813,916	$232,307,713	$7,493,797	3.3%
Increase (decrease) to forecast				
Amount	$97,743,208	$101,015,979		
Percentage	43.5%	43.5%		

Oil Production and Prices

The schedule below provides information on actual and forecasted average daily production and average daily price of oil per barrel for the months of June and July 2014. Monthly oil tax revenue collections reflect production from two months prior. For example, September 2014 oil tax revenue collections relate to July 2014 oil production.

	June 2014	July 2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,092,519	1,110,642	18,123	1.7%
Average daily price of oil per barrel	$90.03	$86.20	($3.83)	(4.3%)
Forecasted average daily production and price				
Average daily production of oil in barrels	850,000	850,000	0	0.0%
Average daily price of oil per barrel	$80.00	$80.00	$0.00	0.0%

Oil Tax Revenue Allocations

The schedule below provides information on the total oil tax revenue allocations to state funds, the Three Affiliated Tribes, and political subdivisions for the months of August and September 2014.

	August 2014	September 2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
Legacy fund	$113,720,871	$111,467,779	($2,253,092)	(2.0%)
Three Affiliated Tribes	23,114,976	23,331,193	216,217	0.9%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	19,941,841	20,853,120	911,279	4.6%
Political subdivisions	31,298,467	56,975,900	25,677,433	82.0%
Abandoned well reclamation fund	993,848	1,010,542	16,694	1.7%
North Dakota heritage fund	993,848	1,029,041	35,193	3.5%
Foundation aid stabilization fund	15,212,861	15,811,573	598,712	3.9%
Common schools trust fund	15,212,861	15,811,573	598,712	3.9%
Resources trust fund	30,425,723	31,623,147	1,197,424	3.9%
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	71,641,828	55,409,824	(16,232,004)	(22.7%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	$322,557,124	$333,323,692	$10,766,568	3.3%

BIENNIUM-TO-DATE SUMMARY - COMPARISON

Oil Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil tax revenue collections for the first 14 months of the 2011-13 and 2013-15 bienniums.

	August 2013 Through September 2014	August 2011 Through September 2012	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	$1,791,416,423	$943,341,915	$848,074,508	89.9%
Oil extraction tax	2,112,062,001	1,028,531,175	1,083,530,826	105.3%
Total actual collections	$3,903,478,424	$1,971,873,090	$1,931,605,334	98.0%
Forecasted collections				
Oil and gas gross production tax	$1,199,719,902	$542,603,232	$657,116,670	121.1%
Oil extraction tax	1,571,690,181	519,994,764	1,051,695,417	202.3%
Total forecasted collections	$2,771,410,083	$1,062,597,996	$1,708,812,087	160.8%
Increase (decrease) to forecast				
Amount	$798,744,649	$748,228,619		
Percentage	28.8%	70.4%		

Oil Production and Prices

The schedule below provides information on actual and forecasted average daily production and average daily price of oil per barrel for the first 14 months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, September 2014 oil tax revenue collections relate to July 2014 oil production.

	June 2013 Through July 2014	June 2011 Through July 2012	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	964,361	537,561	426,800	79.4%
Average daily price of oil per barrel	$85.48	$82.12	$3.36	4.1%
Forecasted average daily production and price				
Average daily production of oil in barrels	845,000	405,615	439,385	108.3%
Average daily price of oil per barrel	$75.71	$69.42	$6.29	9.1%

Oil Tax Revenue Allocations

The schedule below compares oil tax revenue allocations to state funds, the Three Affiliated Tribes, and political subdivisions for the first 14 months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through September 2014	August 2011 Through September 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	$1,151,824,593	$535,224,266	$616,600,327	115.2%
Three Affiliated Tribes	282,556,080	85,104,215	197,451,865	232.0%
Oil and gas research fund	10,000,000	4,000,000	6,000,000	150.0%
Oil and gas impact grant fund	226,317,395	99,999,999	126,317,396	126.3%
Political subdivisions	434,312,950	158,016,714	276,296,236	174.9%
Abandoned well reclamation fund	7,004,390	N/A	7,004,390	N/A
North Dakota heritage fund	11,983,445	N/A	11,983,445	N/A
Foundation aid stabilization fund	183,592,172	94,967,838	88,624,334	93.3%
Common schools trust fund	183,592,172	94,967,838	88,624,334	93.3%
Resources trust fund	367,184,345	189,935,679	177,248,666	93.3%
General fund	300,000,000	300,000,000	0	0.0%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	381,320,882	67,866,541	313,454,341	461.9%
State disaster fund	22,000,000	0	22,000,000	N/A
Total oil and gas tax revenue allocations	$3,903,478,424	$1,971,873,090	$1,931,605,334	98.0%

COMPARISON OF ACTUAL TO FORECAST - COLLECTIONS AND ALLOCATIONS

Monthly Comparison

The schedule below provides a comparison of actual to forecasted oil tax revenue collections and allocations for the month of September 2014.

	September 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	$151,471,984	$100,564,037	$50,907,947	50.6%
Oil extraction tax	181,851,708	131,743,676	50,108,032	38.0%
Total actual collections	$333,323,692	$232,307,713	$101,015,979	43.5%
Allocations				
Legacy fund	$111,467,779	$74,312,192	$37,155,587	50.0%
Three Affiliated Tribes	23,331,193	11,700,000	11,631,193	99.4%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	20,853,120	14,814,316	6,038,804	40.8%
Political subdivisions	56,975,900	47,080,745	9,895,155	21.0%
Abandoned well reclamation fund	1,010,542	770,912	239,630	31.1%
North Dakota heritage fund	1,029,041	770,912	258,129	33.5%
Foundation aid stabilization fund	15,811,573	12,424,368	3,387,205	27.3%
Common schools trust fund	15,811,573	12,424,368	3,387,205	27.3%
Resources trust fund	31,623,147	24,848,735	6,774,412	27.3%
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	55,409,824	24,389,635	31,020,189	127.2%
State disaster fund	0	8,771,530	(8,771,530)	(100.0%)
Total oil and gas tax revenue allocations	$333,323,692	$232,307,713	$101,015,979	43.5%

Biennium-to-Date Comparison

The schedule below provides a comparison of actual to forecasted oil tax revenue collections and allocations for the biennium to date for the 2013-15 biennium.

	2013-15 Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	$1,791,416,423	$1,300,283,939	$491,132,484	37.8%
Oil extraction tax	2,112,062,001	1,703,433,857	408,628,144	24.0%
Total actual collections	$3,903,478,424	$3,003,717,796	$899,760,628	30.0%
Allocations				
Legacy fund	$1,151,824,593	$887,625,220	$264,199,373	29.8%
Three Affiliated Tribes	282,556,080	155,400,000	127,156,080	81.8%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	226,317,395	178,736,474	47,580,921	26.6%
Political subdivisions	434,312,950	350,535,980	83,776,970	23.9%
Abandoned well reclamation fund	7,004,390	6,515,872	488,518	7.5%
North Dakota heritage fund	11,983,445	9,951,069	2,032,376	20.4%
Foundation aid stabilization fund	183,592,172	160,443,388	23,148,784	14.4%
Common schools trust fund	183,592,172	160,443,388	23,148,784	14.4%
Resources trust fund	367,184,345	320,886,771	46,297,574	14.4%
General fund	300,000,000	300,000,000	0	0.0%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	381,320,882	99,389,634	281,931,248	283.7%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	$3,903,478,424	$3,003,717,796	$899,760,628	30.0%

2013-15 BIENNIUM DISTRIBUTIONS TO POLITICAL SUBDIVISIONS - OIL AND GAS GROSS PRODUCTION TAX COLLECTIONS

The schedule below provides information on the distribution of oil and gas gross production tax collections to political subdivisions for the biennium to date. Distributions of the oil and gas gross production tax to political subdivisions reflect production from two months prior. For example, September 2014 distributions of oil and gas gross production tax collections relate to July 2014 oil production. Distributions to political subdivisions pursuant to the new formula in 2013 House Bill No. 1358 became effective with July 2013 oil production and September 2013 distributions. As a result, this memorandum reports the distributions to political subdivisions for the period September 2013 to August 2015 to reflect 24 months of distributions based on the new formula.

	Fiscal Year 2014	September 2014	Biennium-to-Date Total
Counties	$197,538,275	$32,339,212	$229,877,487
Hub cities[1]	54,724,166	6,912,200	61,636,366
Other cities	66,635,265	10,829,819	77,465,084
Hub city school districts	8,750,000	708,334	9,458,334
Other school districts	21,661,622	2,994,868	24,656,490
Townships	18,982,777	3,191,467	22,174,244
Total	$368,292,105	$56,975,900	$425,268,005
[1]The distributions to the hub cities are as follows:			
Williston	$33,209,498	$4,122,320	$37,331,818
Dickinson	16,417,231	2,123,660	18,540,891
Minot	5,097,437	666,220	5,763,657
Total	$54,724,166	$6,912,200	$61,636,366