

Legislative Council's Interim Taxation Committee
September 4, 2007

My name is Lawrence Hopkins, Deputy State Treasurer.

Oil and Gas Gross Production Tax is collected by the Tax Department monthly and distributed by the Treasurer's Office quarterly.

The Office of State Treasurer distributed a total of \$227,454,322 of gross production tax in the 05-07 biennium. The State's share of \$173,593,349 was distributed among four funds:

State General Fund	\$45,970,447
Permanent Oil and Gas Trust Fund	\$121,781,445
Oil and Gas Research Fund	\$841,457
Oil Impact Fund	\$5,000,000

The remaining \$53,860,973 represents the "County/City share." The "County/City share" is distributed among counties, cities, and school districts in North Dakota's sixteen oil producing counties. The "County/City Share" is apportioned as follows:

45% to the county general fund
 35% to school districts
 20% to cities

The Treasurer's Office distributes both the county portion (45%) and the amount available to school districts (35%) directly to the Counties. It's each County Treasurer's responsibility to distribute the 35% share to their school districts. The Treasurer's Office does distribute the city share (20%) directly to the cities.

I have included two tables for your review. The first table lists the 05-07 biennium payments to individual counties and totals \$43,963,305. The second table reports the city payments and totals \$9,897,668. The payments made to counties and cities from January 2005 to the present are available on the Treasurer's website at www.nd.gov/ndtreas/.

The Oil and Gas Gross Production tax distribution is complicated by the fact that there are caps at every level of distribution. The Oil Impact fund was capped at \$5 million per biennium. It will be \$6 million in the 07-09 biennium. The General Fund remains capped at \$71 million. The Oil and Gas Research fund was \$1.3 million and has been upped to \$3 million in 07-09. In addition to the fund caps there are annual County/City share caps, individual school district caps and individual city caps. It

should be noted that if the County/City share cap is met it effectively caps the county and all cities and school districts within that county.

Bowman County's "County/City Share" capped at \$4.1 million in the second quarter of both Fiscal Year (FY) 2006 and FY 2007. McKenzie County capped at \$4.1 million in the final quarter of FY 2007. In addition to the cities in Bowman and McKenzie County which capped due to the County/City share cap, the cities of Marmarth, Amidon and Medora capped due to population. I am unable to report on any individual school district caps as that distribution and the calculation of caps is performed at the county level.

I would be happy to answer questions.

**Oil and Gas Gross Production Tax
Distributed to Counties
for the 05-07 Biennium**

County	Amount Distributed*	Percent of Total Distributed
Billings County Total	\$6,220,577.68	14.149%
Bottineau County Total	2,993,005.62	6.808%
Bowman County Total	6,559,740.84	14.921%
Burke County Total	1,988,400.21	4.523%
Divide County Total	1,838,394.93	4.182%
Dunn County Total	2,190,954.98	4.984%
Golden Valley County Total	1,820,838.86	4.142%
McHenry County Total	61,065.94	0.139%
McKenzie County Total	6,577,903.90	14.962%
McLean County Total	126,143.66	0.287%
Mountrail County Total	1,485,010.04	3.378%
Renville County Total	1,586,718.32	3.609%
Slope County Total	1,656,054.74	3.767%
Stark County Total	2,924,277.80	6.652%
Ward County Total	150,233.00	0.342%
Williams County Total	5,783,984.28	13.156%
GRAND TOTAL	\$43,963,304.80	100.000%

* The amount distributed by the State Treasurer's Office to the Counties represents the 45% County portion and the 35% available to each counties school districts. Counties are responsible for distributing to the school districts.

**Oil and Gas Gross Production Distribution to
Cities for the 05-07 Biennium**

County	City	Amount
	Medora Total	709,999.99
Billings Co. CITY Total		709,999.99

	Antler Total	9,301.20
	Bottineau Total	462,289.14
	Gardena Total	7,520.11
	Kramer Total	8,707.51
	Landa Total	5,541.13
	Lansford Total	50,068.13
	Maxbass Total	18,008.70
	Newburg Total	17,415.02
	Overly Total	3,760.05
	Souris Total	16,425.49
	Westhope Total	105,479.48
	Willow City Total	43,735.40
Bottineau Co. CITY Total		748,251.36

	Bowman Total	1,240,026.62
	Gascoyne Total	17,825.38
	Rhame Total	146,478.15
	Scranton Total	235,605.06
Bowman Co. CITY Total		1,639,935.21

	Bowbells Total	161,675.41
	Columbus Total	60,130.51
	Flaxton Total	30,789.93
	Lignite Total	69,289.50
	Portal Total	52,166.20
	Powers Lake Total	123,048.50
Burke Co. CITY Total		497,100.05

	Ambrose Total	8,150.16
	Crosby Total	385,892.82
	Fortuna Total	10,985.03
	Noonan Total	54,570.72
Divide Co. CITY Total		459,598.73

	Dodge Total	57,681.00
	Dunn Center Total	56,296.63
	Halliday Total	104,748.69
	Killdeer Total	329,012.42
Dunn Co. CITY Total		547,738.74

	Beach Total	395,649.57
	Golva Total	37,579.60
	Sentinel Butte Total	21,980.53
Golden Valley Co. CITY Total		455,209.70

	Anamoose Total	1,426.01
	Balfour Total	101.13
	Bantry Total	96.07
	Bergen Total	55.62
	Deering Total	596.71
	Drake Total	1,628.30
	Granville Total	1,446.24
	Karlsruhe Total	601.76
	Kief Total	65.72
	Towner Total	2,902.59
	Upham Total	783.82
	Velva Total	5,304.59
	Voltaire Total	257.93
McHenry Co. CITY Total		15,266.49

	Alexander Total	202,900.41
	Arnegard Total	99,814.90
	Watford City Total	1,341,760.65
McKenzie Co. CITY Total		1,644,475.96

County	City	Amount
	Benedict Total	300.71
	Butte Total	522.00
	Coleharbor Total	601.44
	Garrison Total	7,478.29
	Max Total	1,577.36
	Mercer Total	487.96
	Riverdale Total	1,548.99
	Ruso Total	34.04
	Turtle Lake Total	3,290.90
	Underwood Total	4,607.25
	Washburn Total	7,881.12
	Wilton Total	3,205.86
McLean Co. CITY Total		31,535.92

	New Town Total	127,449.08
	Palermo Total	7,178.91
	Parshall Total	91,461.24
	Plaza Total	15,569.87
	Ross Total	4,475.16
	Stanley Total	119,244.58
	White Earth Total	5,873.69
Mountrail Co. CITY Total		371,252.53

	Glenburn Total	96,839.52
	Grano Total	2,330.35
	Loraine Total	4,919.65
	Mohall Total	210,250.53
	Sherwood Total	66,026.94
	Tolley Total	16,312.58
Renville Co. CITY Total		396,679.57

	Amidon Total	26,000.00
	Marmarth Total	139,999.99
Slope Co. CITY Total		165,999.99

	Belfield Total	34,786.03
	Dickinson Total	643,100.12
	Gladstone Total	9,961.83
	Richardton Total	24,864.39
	South Heart Total	12,331.77
	Taylor Total	6,025.31
Stark Co. CITY Total		731,069.45

	Berthold Total	424.27
	Burlington Total	997.86
	Carpio Total	134.76
	Des Lacs Total	190.29
	Donnybrook Total	81.95
	Douglas Total	58.28
	Kenmare Total	984.20
	Makoti Total	132.02
	Minot Total	33,292.73
	Ryder Total	83.77
	Sawyer Total	343.24
	Surrey Total	834.88
Ward Co. CITY Total		37,558.25

	Alamo Total	5,031.11
	Epping Total	7,793.24
	Grenora Total	19,927.06
	Ray Total	52,678.52
	Springbrook Total	2,564.88
	Tioga Total	110,980.05
	Wildrose Total	12,725.71
	Williston Total	1,234,295.48
Williams Co. CITY Total		1,445,996.05

City Grand Total		9,897,667.99
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