

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 March and April 2014.

	February 2014	March 2014	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$114,343,920	\$119,311,250	\$4,967,330	4.3%
Oil extraction tax	135,436,389	141,564,121	6,127,732	4.5%
Total actual collections	\$249,780,309	\$260,875,371	\$11,095,062	4.4%
Forecasted collections				
Oil and gas gross production tax	\$94,278,785	\$85,155,032	(\$9,123,753)	(9.7%)
Oil extraction tax	123,509,696	111,557,145	(11,952,551)	(9.7%)
Total forecasted collections	\$217,788,481	\$196,712,177	(\$21,076,304)	(9.7%)
Increase (decrease) to forecast				
Amount	\$31,991,828	\$64,163,194		
Percentage	14.7%	32.6%		

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 January and February 2014. Monthly oil tax revenue collections reflect production from two months prior. For example, April 2014 oil tax revenue collections relate to February 2014 oil production.

	January 2014	February 2014	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	935,126	951,340	16,214	1.7%
Average daily price of oil per barrel	\$74.20	\$86.89	\$12.69	17.1%
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	\$75.00	\$75.00	\$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 March and April 2014.

	March 2014	April 2014	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$69,458,394	\$72,333,974	\$2,875,580	4.1%
Three Affiliated Tribes	18,134,658	19,705,835	1,571,177	8.7%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	15,503,027	16,233,508	730,481	4.7%
Political subdivisions	25,461,605	26,219,271	757,666	3.0%
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	767,487	797,924	30,437	4.0%
Foundation aid stabilization fund	11,763,210	12,204,764	441,554	3.8%
Common schools trust fund	11,763,210	12,204,764	441,554	3.8%
Resources trust fund	23,526,420	24,409,527	883,107	3.8%
General fund	57,389,158	42,610,842	(14,778,316)	(25.8%)
Property tax relief fund	16,013,140	0	(16,013,140)	(100.0%)
Strategic investment and improvements fund	0	34,154,962	34,154,962	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$249,780,309	\$260,875,371	\$11,095,062	4.4%

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 eight months of the 2011-13 and 2013-15 bienniums.

	August 2013 Through April 2014	August 2011 Through April 2012	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$1,084,109,130	\$565,678,980	\$518,430,150	91.6%
Oil extraction tax	1,266,649,082	608,609,660	658,039,422	108.1%
Total actual collections	\$2,350,758,212	\$1,174,288,640	\$1,176,469,572	100.2%
Forecasted collections				
Oil and gas gross production tax	\$822,604,762	\$370,628,352	\$451,976,410	121.9%
Oil extraction tax	1,077,651,396	355,185,504	722,465,892	203.4%
Total forecasted collections	\$1,900,256,158	\$725,813,856	\$1,174,442,302	161.8%
Increase (decrease) to forecast				
Amount	\$450,502,054	\$448,474,784		
Percentage	23.7%	61.8%		

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 eight months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, April 2014 oil tax revenue collections relate to February 2014 oil production.

	June 2013 Through February 2014	June 2011 Through February 2012	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	919,586	484,225	435,361	89.9%
Average daily price of oil per barrel	\$84.42	\$85.79	(\$1.37)	(1.6%)
Forecasted average daily production and price				
Average daily production of oil in barrels	842,222	392,889	449,333	114.4%
Average daily price of oil per barrel	\$75.00	\$72.00	\$3.00	4.2%

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 eight months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through April 2014	August 2011 Through April 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$653,533,154	\$307,138,849	\$346,394,305	112.8%
Three Affiliated Tribes	171,335,368	50,103,825	121,231,543	242.0%
Oil and gas research fund	10,000,000	4,000,000	6,000,000	150.0%
Oil and gas impact grant fund	128,197,824	85,112,028	43,085,796	50.6%
Political subdivisions	258,330,556	95,666,252	162,664,304	170.0%
Abandoned well reclamation fund	5,000,000	N/A	5,000,000	N/A
North Dakota heritage fund	7,207,447	N/A	7,207,447	N/A
Foundation aid stabilization fund	110,247,436	56,288,983	53,958,453	95.9%
Common schools trust fund	110,247,436	56,288,983	53,958,453	95.9%
Resources trust fund	220,494,873	112,577,967	107,916,906	95.9%
General fund	300,000,000	200,000,000	100,000,000	50.0%
Property tax relief fund	341,790,000	207,111,753	134,678,247	65.0%
Strategic investment and improvements fund	34,374,118	0	34,374,118	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$2,350,758,212	\$1,174,288,640	\$1,176,469,572	100.2%

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 April 2014.

	April 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$119,311,250	\$85,155,032	\$34,156,218	40.1%
Oil extraction tax	141,564,121	111,557,145	30,006,976	26.9%
Total actual collections	\$260,875,371	\$196,712,177	\$64,163,194	32.6%
Allocations				
Legacy fund	\$72,333,974	\$55,713,654	\$16,620,320	29.8%
Three Affiliated Tribes	19,705,835	11,000,000	8,705,835	79.1%
Oil and gas research fund	0	683,656	(683,656)	(100.0%)
Oil and gas impact grant fund	16,233,508	12,665,099	3,568,409	28.2%
Political subdivisions	26,219,271	20,153,588	6,065,683	30.1%
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	797,924	649,240	148,684	22.9%
Foundation aid stabilization fund	12,204,764	10,455,715	1,749,049	16.7%
Common schools trust fund	12,204,764	10,455,715	1,749,049	16.7%
Resources trust fund	24,409,527	20,911,429	3,498,098	16.7%
General fund	42,610,842	0	42,610,842	N/A
Property tax relief fund	0	54,024,081	(54,024,081)	(100.0%)
Strategic investment and improvements fund	34,154,962	0	34,154,962	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$260,875,371	\$196,712,177	\$64,163,194	32.6%

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	\$1,084,109,130	\$822,604,762	\$261,504,368	31.8%
Oil extraction tax	1,266,649,082	1,077,651,396	188,997,686	17.5%
Total actual collections	\$2,350,758,212	\$1,900,256,158	\$450,502,054	23.7%
Allocations				
Legacy fund	\$653,533,154	\$540,376,848	\$113,156,306	20.9%
Three Affiliated Tribes	171,335,368	99,000,000	72,335,368	73.1%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	128,197,824	107,038,078	21,159,746	19.8%
Political subdivisions	258,330,556	216,162,887	42,167,669	19.5%
Abandoned well reclamation fund	5,000,000	5,000,000	0	0.0%
North Dakota heritage fund	7,207,447	6,292,837	914,610	14.5%
Foundation aid stabilization fund	110,247,436	101,465,141	8,782,295	8.7%
Common schools trust fund	110,247,436	101,465,141	8,782,295	8.7%
Resources trust fund	220,494,873	202,930,279	17,564,594	8.7%
General fund	300,000,000	200,000,000	100,000,000	50.0%
Property tax relief fund	341,790,000	310,524,947	31,265,053	10.1%
Strategic investment and improvements fund	34,374,118	0	34,374,118	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$2,350,758,212	\$1,900,256,158	\$450,502,054	23.7%

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, April 2014 distributions of oil and gas tax gross production tax collections relate to February 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.

	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014
Counties	\$29,617,443	\$18,978,803	\$16,863,054	\$14,455,833	\$13,413,638	\$13,343,930
Hub cities ¹	6,488,813	4,914,901	4,599,771	4,237,259	4,105,771	4,099,314
Other cities	9,912,791	6,421,354	5,703,480	4,902,388	4,537,578	4,513,164
Hub city school districts	729,167	729,167	729,167	729,167	729,167	729,167
Other school districts	3,001,565	2,146,297	1,940,497	1,746,648	1,546,262	1,525,296
Townships	2,867,537	1,818,269	1,608,183	1,366,505	1,278,846	1,274,543
Total	\$52,617,316	\$35,008,791	\$31,444,152	\$27,437,800	\$25,611,262	\$25,485,414
¹ The distributions to the hub cities are as follows:						
Williston	\$3,924,535	\$2,980,191	\$2,791,113	\$2,573,606	\$2,494,712	\$2,490,838
Dickinson	1,946,626	1,474,470	1,379,931	1,271,177	1,231,732	1,229,795
Minot	617,652	460,240	428,727	392,476	379,327	378,681
Total	\$6,488,813	\$4,914,901	\$4,599,771	\$4,237,259	\$4,105,771	\$4,099,314

	March 2014	April 2014	Biennium-to- Date Total
Counties	\$13,314,242	\$13,802,200	\$133,789,143
Hub cities ¹	4,090,355	4,172,550	36,708,734
Other cities	4,509,851	4,666,021	45,166,627
Hub city school districts	729,167	729,167	5,833,336
Other school districts	1,549,420	1,525,965	14,981,950
Townships	1,268,570	1,323,368	12,805,821
Total	\$25,461,605	\$26,219,271	\$249,285,611
¹ The distributions to the hub cities are as follows:			
Williston	\$2,485,463	\$2,534,780	\$22,275,238
Dickinson	1,227,106	1,251,765	11,012,602
Minot	377,786	386,005	3,420,894
Total	\$4,090,355	\$4,172,550	\$36,708,734