

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 October and November 2014.

	October 2014	November 2014	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$143,355,214	\$137,789,582	(\$5,565,632)	(3.9%)
Oil extraction tax	171,415,002	165,496,113	(5,918,889)	(3.5%)
Total actual collections	\$314,770,216	\$303,285,695	(\$11,484,521)	(3.6%)
Forecasted collections				
Oil and gas gross production tax	\$100,564,037	\$97,320,036	(\$3,244,001)	(3.2%)
Oil extraction tax	131,743,676	127,493,880	(4,249,796)	(3.2%)
Total forecasted collections	\$232,307,713	\$224,813,916	(\$7,493,797)	(3.2%)
Increase (decrease) to forecast				
Amount	\$82,462,503	\$78,471,779		
Percentage	35.5%	34.9%		

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 August and September 2014. Monthly oil tax revenue collections reflect production from two months prior. For example, November 2014 oil tax revenue collections relate to September 2014 oil production.

	August 2014	September 2014	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,132,241	1,184,635	52,394	4.6%
Average daily price of oil per barrel	\$78.46	\$74.85	(\$3.61)	(4.6%)
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 October and November 2014.

	October 2014	November 2014	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$109,890,502	\$110,633,293	\$742,791	0.7%
Three Affiliated Tribes	25,326,376	22,102,943	(3,223,433)	(12.7%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	13,682,605	0	(13,682,605)	(100.0%)
Political subdivisions	36,630,445	32,903,944	(3,726,501)	(10.2%)
Abandoned well reclamation fund	950,274	934,448	(15,826)	(1.7%)
North Dakota heritage fund	949,578	933,814	(15,764)	(1.7%)
Foundation aid stabilization fund	14,537,247	14,235,463	(301,784)	(2.1%)
Common schools trust fund	14,537,247	14,235,463	(301,784)	(2.1%)
Resources trust fund	29,074,495	28,470,926	(603,569)	(2.1%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	69,191,447	78,835,401	9,643,954	13.9%
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$314,770,216	\$303,285,695	(\$11,484,521)	(3.6%)

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

	August 2013 Through November 2014	August 2011 Through November 2012	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$2,072,561,219	\$1,125,702,686	\$946,858,533	84.1%
Oil extraction tax	2,448,973,116	1,233,603,849	1,215,369,267	98.5%
Total actual collections	\$4,521,534,335	\$2,359,306,535	\$2,162,227,800	91.6%
Forecasted collections				
Oil and gas gross production tax	\$1,498,168,012	\$676,739,232	\$821,428,780	121.4%
Oil extraction tax	1,962,671,413	648,541,764	1,314,129,649	202.6%
Total forecasted collections	\$3,460,839,425	\$1,325,280,996	\$2,135,558,429	161.1%
Increase (decrease) to forecast				
Amount	\$1,060,694,910	\$1,034,025,539		
Percentage	30.6%	78.0%		

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

	June 2013 Through September 2014	June 2011 Through September 2012	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	988,857	559,782	429,075	76.7%
Average daily price of oil per barrel	\$84.38	\$82.21	\$2.17	2.6%
Forecasted average daily production and price				
Average daily production of oil in barrels	845,625	433,786	411,839	94.9%
Average daily price of oil per barrel	\$76.25	\$69.46	\$6.79	9.8%

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

	August 2013 Through November 2014	August 2011 Through November 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$1,372,348,388	\$646,682,753	\$725,665,635	112.2%
Three Affiliated Tribes	329,985,399	103,212,970	226,772,429	219.7%
Oil and gas research fund	10,000,000	4,000,000	6,000,000	150.0%
Oil and gas impact grant fund	240,000,000	99,999,999	140,000,001	140.0%
Political subdivisions	503,847,339	186,398,508	317,448,831	170.3%
Abandoned well reclamation fund	8,889,112	N/A	8,889,112	N/A
North Dakota heritage fund	13,866,837	N/A	13,866,837	N/A
Foundation aid stabilization fund	212,364,882	113,627,945	98,736,937	86.9%
Common schools trust fund	212,364,882	113,627,945	98,736,937	86.9%
Resources trust fund	424,729,766	227,255,894	197,473,872	86.9%
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	529,347,730	200,710,521	328,637,209	163.7%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$4,521,534,335	\$2,359,306,535	\$2,162,227,800	91.6%

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 November 2014.

	November 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$137,789,582	\$97,320,036	\$40,469,546	41.6%
Oil extraction tax	165,496,113	127,493,880	38,002,233	29.8%
Total actual collections	\$303,285,695	\$224,813,916	\$78,471,779	34.9%
Allocations				
Legacy fund	\$110,633,293	\$78,713,938	\$31,919,355	40.6%
Three Affiliated Tribes	22,102,943	11,700,000	10,402,943	88.9%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	14,217,420	(14,217,420)	(100.0%)
Political subdivisions	32,903,944	26,355,796	6,548,148	24.8%
Abandoned well reclamation fund	934,448	744,960	189,488	25.4%
North Dakota heritage fund	933,814	744,960	188,854	25.4%
Foundation aid stabilization fund	14,235,463	11,999,388	2,236,075	18.6%
Common schools trust fund	14,235,463	11,999,388	2,236,075	18.6%
Resources trust fund	28,470,926	23,998,776	4,472,150	18.6%
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	78,835,401	44,339,290	34,496,111	77.8%
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$303,285,695	\$224,813,916	\$78,471,779	34.9%

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	\$2,072,561,219	\$1,498,168,012	\$574,393,207	38.3%
Oil extraction tax	2,448,973,116	1,962,671,413	486,301,703	24.8%
Total actual collections	\$4,521,534,335	\$3,460,839,425	\$1,060,694,910	30.6%
Allocations				
Legacy fund	\$1,372,348,388	\$1,047,105,618	\$325,242,770	31.1%
Three Affiliated Tribes	329,985,399	178,800,000	151,185,399	84.6%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	240,000,000	207,768,210	32,231,790	15.5%
Political subdivisions	503,847,339	406,926,982	96,920,357	23.8%
Abandoned well reclamation fund	8,889,112	8,031,744	857,368	10.7%
North Dakota heritage fund	13,866,837	11,466,941	2,399,896	20.9%
Foundation aid stabilization fund	212,364,882	184,867,144	27,497,738	14.9%
Common schools trust fund	212,364,882	184,867,144	27,497,738	14.9%
Resources trust fund	424,729,766	369,734,282	54,995,484	14.9%
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	529,347,730	187,481,360	341,866,370	182.3%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$4,521,534,335	\$3,460,839,425	\$1,060,694,910	30.6%

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, November 2014 distributions of oil and gas gross production tax collections relate to September 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	October 2014	November 2014	Biennium-to- Date Total
Counties	\$197,538,275	\$32,339,212	\$20,175,767	\$17,940,453	\$267,993,707
Hub cities ¹	54,724,166	6,912,200	5,103,636	4,773,306	71,513,308
Other cities	66,635,265	10,829,819	6,758,411	6,015,978	90,239,473
Hub city school districts	8,750,000	708,334	708,334	708,332	10,875,000
Other school districts	21,661,622	2,994,868	1,898,537	1,700,335	28,255,362
Townships	18,982,777	3,191,467	1,985,760	1,765,540	25,925,544
Total	\$368,292,105	\$56,975,900	\$36,630,445	\$32,903,944	\$494,802,394
¹ The distributions to the hub cities are as follows:					
Williston	\$33,209,498	\$4,122,320	\$3,037,182	\$2,838,984	\$43,207,984
Dickinson	16,417,231	2,123,660	1,581,091	1,481,992	21,603,974
Minot	5,097,437	666,220	485,363	452,330	6,701,350
Total	\$54,724,166	\$6,912,200	\$5,103,636	\$4,773,306	\$71,513,308