



North Dakota Legislative Council

Prepared by the Legislative Council staff
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OIL AND GAS TAX REVENUES QUARTERLY UPDATE SUMMARY

This memorandum provides a summary of oil production and prices, oil and gas tax revenue collections, and oil and gas tax revenue allocations, including comparisons to forecasted amounts, projections for the biennium, and comparisons to the prior biennium. **The forecasted amounts reflect the 2023 legislative revenue forecast ("original forecast"), prepared at the close of the 2023 legislative session.**

QUARTERLY SUMMARY

Oil Production and Prices

The schedules below provide information on actual and forecasted oil production and prices for September 2023 through November 2023. Oil and gas tax revenue collections and allocations reflect production and prices from 2 months prior. The amounts shown for the actual oil prices reflect the average of Flint Hills Resources posted prices and West Texas Intermediate posted prices.

Average Daily Oil Production - Barrels Per Day			
	September 2023	October 2023	November 2023
Actual	1,280,052	1,254,475	1,278,475
Forecast	1,100,000	1,100,000	1,100,000
Variance to forecast	180,052	154,475	178,475
Percentage variance to forecast	16.4%	14.0%	16.2%

Average Oil Price - Price Per Barrel			
	September 2023	October 2023	November 2023
Actual	\$86.25	\$82.69	\$74.50
Forecast	70.00	70.00	70.00
Variance to forecast	\$16.25	\$12.69	\$4.50
Percentage variance to forecast	23.2%	18.1%	6.4%

Oil and Gas Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for November 2023 through January 2024.

	November 2023	December 2023	January 2024
Actual	\$304,469,375	\$293,688,421	\$283,363,235
Forecast	224,070,000	231,539,000	224,070,000
Variance to forecast	\$80,399,375	\$62,149,421	\$59,293,235
Percentage variance to forecast	35.9%	26.8%	26.5%

Oil and Gas Tax Revenue Allocations

The schedule below provides information on the oil and gas tax revenue allocations to the Three Affiliated Tribes of the Fort Berthold Reservation, state funds, and political subdivisions for November 2023 through January 2024.

	November 2023	December 2023	January 2024
Three Affiliated Tribes	\$25,572,423	\$24,269,376	\$21,498,591
Legacy fund	83,781,925	80,936,799	78,649,753
North Dakota outdoor heritage fund	2,275,621	1,496,533	0
Abandoned well reclamation fund	1,137,811	1,101,018	1,073,513
Political subdivisions	43,354,224	41,765,729	40,070,558
Common schools trust fund	12,527,614	12,076,619	11,743,623
Foundation aid stabilization fund	12,527,614	12,076,619	11,743,623
Resources trust fund	25,681,608	24,757,068	24,074,426
Oil and gas research fund	1,959,733	1,911,579	1,896,207
State energy research center fund	979,867	955,789	948,103
General fund	21,132,069	0	7,544,996
Social service fund	73,538,866	92,341,292	84,119,842
Budget stabilization fund	0	0	0
Lignite research fund	0	0	0
State disaster relief fund	0	0	0
Strategic investment and improvements fund	0	0	0
PERS main system plan	0	0	0
Municipal infrastructure fund	0	0	0
County and township infrastructure fund	0	0	0
Airport infrastructure fund	0	0	0
Total	\$304,469,375	\$293,688,421	\$283,363,235

Distributions to Political Subdivisions

The schedule below provides information on the distribution of oil and gas gross production tax collections to political subdivisions for November 2023 through January 2024. The formula for the distributions to political subdivisions became effective with July 2023 oil production and September 2023 distributions. However, this memorandum reports the distributions to political subdivisions for the period August 2023 to July 2025 to align with the reporting for the allocations to state funds.

	November 2023	December 2023	January 2024
Hub cities	\$5,421,144	\$5,286,489	\$5,137,452
Hub city school districts	1,047,291	1,017,368	984,249
Counties	24,270,336	23,331,087	22,319,866
Cities (excluding hub cities)	8,129,178	7,811,479	7,472,445
School districts (excluding hub city school districts)	2,891,692	2,784,570	2,688,050
Townships	1,594,583	1,534,736	1,468,496
Total	\$43,354,224	\$41,765,729	\$40,070,558

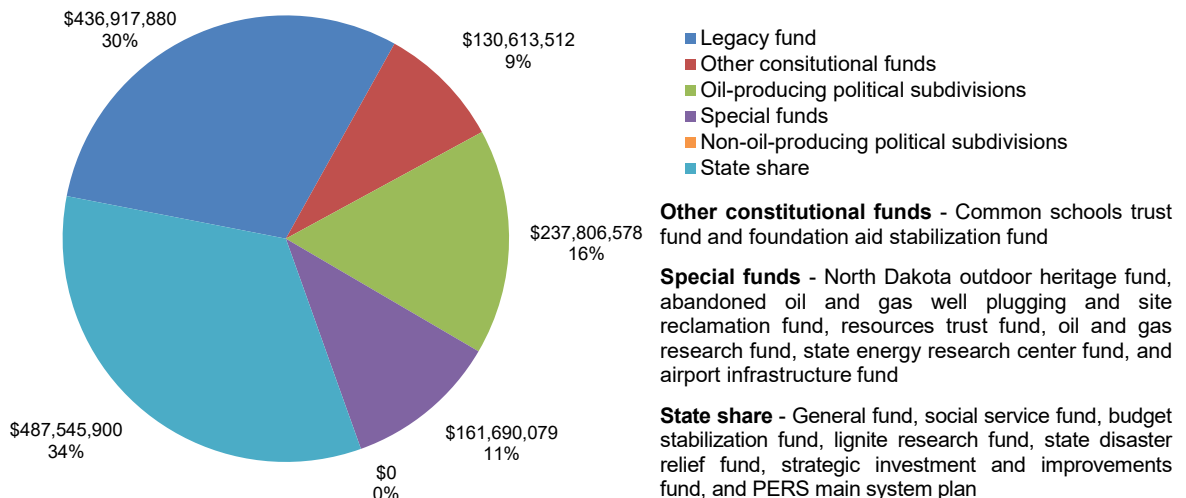
CURRENT BIENNIUM COMPARISON TO FORECAST

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue allocations for the biennium to date through January 2024.

	Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Three Affiliated Tribes	\$134,563,250	\$178,145,643	(\$43,582,393)	(24.5%)
Legacy fund	436,917,880	357,132,408	79,785,472	22.3%
North Dakota outdoor heritage fund	7,500,000	7,204,316	295,684	4.1%
Abandoned well reclamation fund	5,176,265	3,602,159	1,574,106	43.7%
Political subdivisions	237,806,578	191,628,232	46,178,346	24.1%
Common schools trust fund	65,306,756	58,345,194	6,961,562	11.9%
Foundation aid stabilization fund	65,306,756	58,345,194	6,961,562	11.9%
Resources trust fund	133,878,846	119,607,648	14,271,198	11.9%
Oil and gas research fund	10,089,979	7,891,524	2,198,455	27.9%
State energy research center fund	5,044,989	3,945,763	1,099,226	27.9%
General fund	237,545,900	230,000,000	7,545,900	3.3%
Social service fund	250,000,000	150,978,919	99,021,081	65.6%
Budget stabilization fund	0	0	0	N/A
Lignite research fund	0	0	0	N/A
State disaster relief fund	0	0	0	N/A
Strategic investment and improvements fund	0	0	0	N/A
PERS main system plan	0	0	0	N/A
Municipal infrastructure fund	0	0	0	N/A
County and township infrastructure fund	0	0	0	N/A
Airport infrastructure fund	0	0	0	N/A
Total	\$1,589,137,199	\$1,366,827,000	\$222,310,199	16.3%

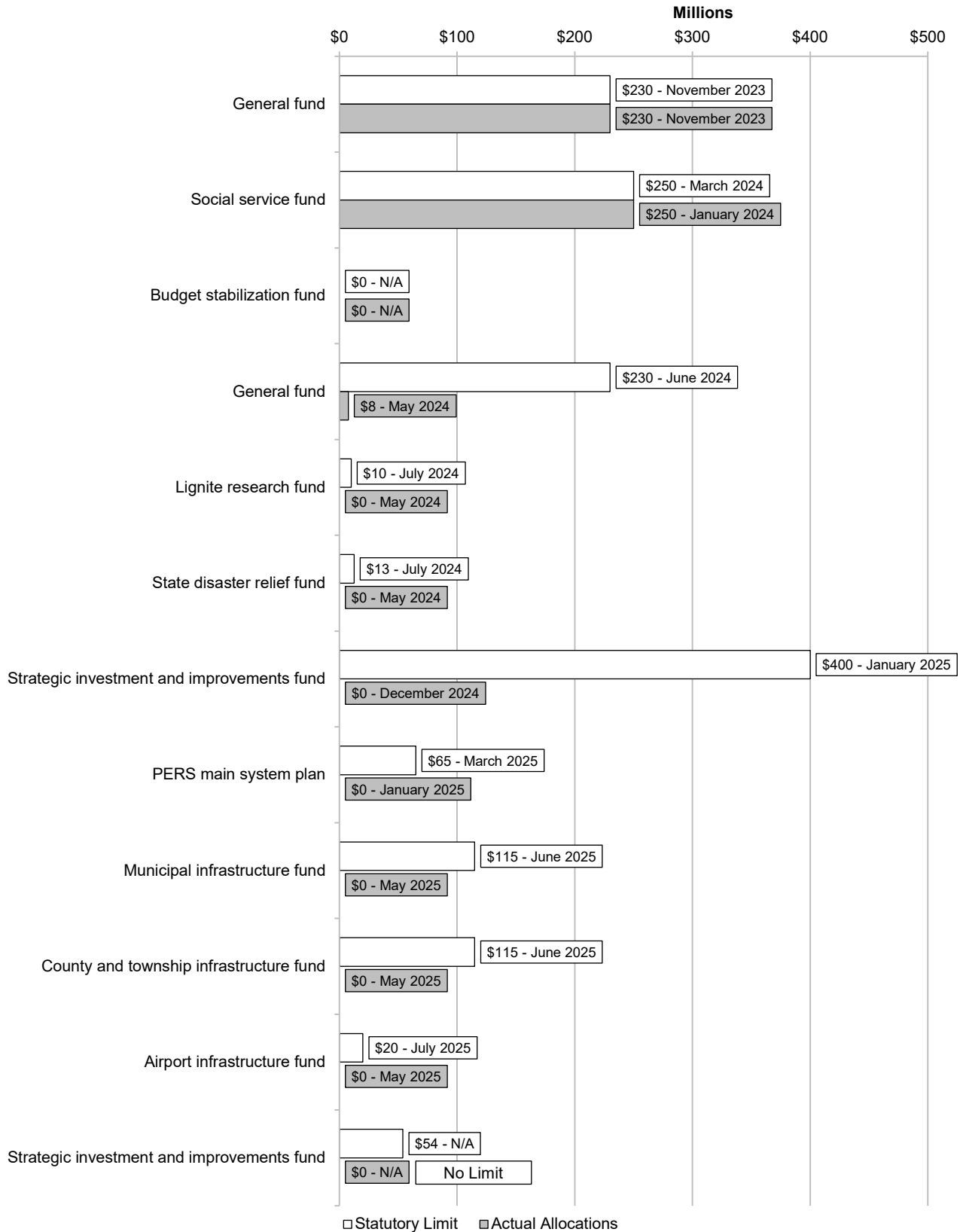
OIL AND GAS TAX REVENUE ALLOCATIONS

The chart below provides information on the oil and gas tax revenue allocations, excluding the allocations to the Three Affiliated Tribes of the Fort Berthold Reservation, for the biennium to date through January 2024.



STATE'S SHARE - FUND STATUS

The chart below provides information on the status of the state's share of allocations ("buckets") for the biennium to date through January 2024. The dates in the white boxes reflect when the funds are estimated to reach the statutory limit based on the 2023 legislative revenue forecast, prepared at the close of the 2023 legislative session. The dates shown in the gray boxes reflect when the funds reached the statutory limit or when the funds are anticipated to reach the statutory limit as adjusted for the actual allocations for the biennium to date.



CURRENT BIENNIUM PROJECTIONS

The schedule below provides information on actual oil tax revenue allocations for the biennium to date through January 2024 and forecasted amounts for the remainder of the biennium. The amount shown for the original forecast reflects the 2023 legislative revenue forecast, prepared at the close of the 2023 legislative session.

2023-25 Biennium Actual Allocations and Remaining Forecast				
	Actual Through January 2024	Remaining Forecast	Biennium Total	Original Forecast
Three Affiliated Tribes	\$134,563,250	\$492,302,641	\$626,865,891	\$670,448,284
Legacy fund	436,917,880	986,086,909	1,423,004,789	1,343,219,317
North Dakota outdoor heritage fund	7,500,000	7,500,000	15,000,000	15,000,000
Abandoned well reclamation fund	5,176,265	9,542,293	14,718,558	14,485,700
Political subdivisions	237,806,578	490,765,602	728,572,180	682,393,834
Common schools trust fund	65,306,756	161,098,329	226,405,085	219,443,523
Foundation aid stabilization fund	65,306,756	161,098,329	226,405,085	219,443,523
Resources trust fund	133,878,846	330,251,563	464,130,409	449,859,211
Oil and gas research fund	10,089,979	7,410,021	17,500,000	17,500,000
State energy research center fund	5,044,989	2,455,011	7,500,000	7,500,000
General fund	237,545,900	222,454,100	460,000,000	460,000,000
Social service fund	250,000,000	0	250,000,000	250,000,000
Budget stabilization fund	0	0	0	0
Lignite research fund	0	10,000,000	10,000,000	10,000,000
State disaster relief fund	0	12,533,761	12,533,761	12,533,761
Strategic investment and improvements fund	0	565,480,441	565,480,441	453,978,847
PERS main system plan	0	65,000,000	65,000,000	65,000,000
Municipal infrastructure fund	0	115,000,000	115,000,000	115,000,000
County and township infrastructure fund	0	115,000,000	115,000,000	115,000,000
Airport infrastructure fund	0	20,000,000	20,000,000	20,000,000
Total	\$1,589,137,199	\$3,773,979,000	\$5,363,116,199	\$5,140,806,000

CURRENT BIENNIUM TO PRIOR BIENNIUM COMPARISON

Oil Production and Prices

The schedules below provide information on actual and forecasted oil production and prices for the first 6 months of the 2023-25 biennium and 2021-23 biennium. Oil and gas tax revenue collections and allocations reflect oil production and prices from 2 months prior.

Average Daily Oil Production - Barrels Per Day				
	2023-25 Biennium Through November 2023	2021-23 Biennium Through November 2021	Increase (Decrease)	
			Amount	Percentage
Actual	1,230,653	1,117,017	113,636	10.2%
Forecast	1,100,000	1,100,000	0	0.0%
Variance to forecast	130,653	17,017	113,636	667.8%
Percentage variance to forecast	11.9%	1.5%		

Average Oil Price - Price Per Barrel				
	2023-25 Biennium Through November 2023	2021-23 Biennium Through November 2021	Increase (Decrease)	
			Amount	Percentage
Actual	\$77.18	\$70.30	\$6.88	9.8%
Forecast	70.00	50.00	20.00	40.0%
Variance to forecast	\$7.18	\$20.30	(\$13.12)	(64.6%)
Percentage variance to forecast	10.3%	40.6%		

Oil and Gas Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for the first 6 months of the 2023-25 biennium and 2021-23 biennium.

	2023-25 Biennium Through January 2024	2021-23 Biennium Through January 2022	Increase (Decrease)	
			Amount	Percentage
Actual	\$1,589,137,199	\$1,240,378,190	\$348,759,009	28.1%
Forecast	1,366,827,000	976,305,000	390,522,000	40.0%
Variance to forecast	\$222,310,199	\$264,073,190	(\$41,762,991)	(15.8%)
Percentage variance to forecast	16.3%	27.0%		