



North Dakota Legislative Council

Prepared by the Legislative Council staff
 LC# 25.9092.03000
 April 2024

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 December 2023 through February 2024. 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			
	December 2023	January 2024	February 2024
Actual	1,274,869	1,102,976	1,246,691
Forecast	1,100,000	1,100,000	1,100,000
Variance to forecast	174,869	2,976	146,691
Percentage variance to forecast	15.9%	0.3%	13.3%

Average Oil Price - Price Per Barrel			
	December 2023	January 2024	February 2024
Actual	\$66.79	\$68.75	\$71.59
Forecast	70.00	70.00	70.00
Variance to forecast	(\$3.21)	(\$1.25)	\$1.59
Percentage variance to forecast	(4.6%)	(1.8%)	2.3%

Oil and Gas Tax Revenue Collections

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

	February 2024	March 2024	April 2024
Actual	\$236,149,066	\$224,404,549	\$224,161,363
Forecast	231,539,000	231,539,000	209,132,000
Variance to forecast	\$4,610,066	(\$7,134,451)	\$15,029,363
Percentage variance to forecast	2.0%	(3.1%)	7.2%

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 February 2024 through April 2024.

	February 2024	March 2024	April 2024
Three Affiliated Tribes	\$19,254,910	\$18,375,521	\$19,149,328
Legacy fund	65,142,487	61,880,194	61,611,141
North Dakota outdoor heritage fund	0	0	0
Abandoned well reclamation fund	893,422	878,056	552,257
Political subdivisions	33,298,386	32,409,881	30,057,610
Common schools trust fund	9,613,532	8,749,876	9,376,476
Foundation aid stabilization fund	9,613,532	8,749,876	9,376,476
Resources trust fund	19,707,741	17,937,246	19,221,776
Oil and gas research fund	1,577,450	1,513,244	1,503,495
State energy research center fund	788,725	756,622	751,747
General fund	76,258,881	73,154,033	72,561,057
Social service fund	0	0	0
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	\$236,149,066	\$224,404,549	\$224,161,363

Distributions to Political Subdivisions

The schedule below provides information on the distribution of oil and gas gross production tax collections to political subdivisions for February 2024 through April 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.

	February 2024	March 2024	April 2024
Hub cities	\$4,533,166	\$4,447,004	\$4,234,746
Hub city school districts	849,963	830,816	783,647
Counties	18,265,245	17,721,814	16,309,528
Cities (excluding hub cities)	6,118,011	5,940,309	5,469,855
School districts (excluding hub city school districts)	2,332,077	2,308,306	2,192,538
Townships	1,199,924	1,161,632	1,067,296
Total	\$33,298,386	\$32,409,881	\$30,057,610

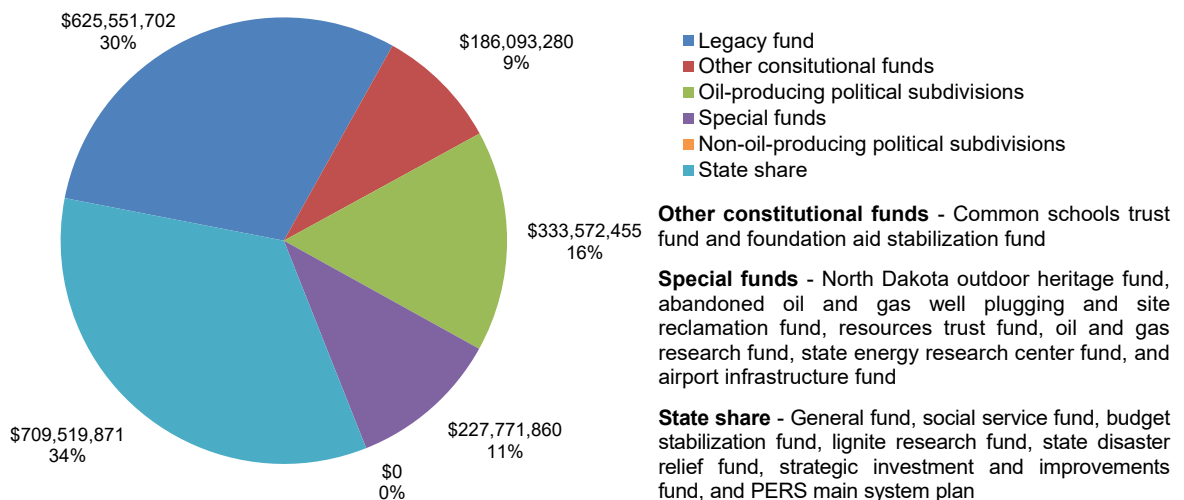
CURRENT BIENNIUM COMPARISON TO FORECAST

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

	Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Three Affiliated Tribes	\$191,343,009	\$265,772,681	(\$74,429,672)	(28.0%)
Legacy fund	625,551,702	532,771,298	92,780,404	17.4%
North Dakota outdoor heritage fund	7,500,000	7,500,000	0	0.0%
Abandoned well reclamation fund	7,500,000	5,721,076	1,778,924	31.1%
Political subdivisions	333,572,455	275,304,829	58,267,626	21.2%
Common schools trust fund	93,046,640	87,039,552	6,007,088	6.9%
Foundation aid stabilization fund	93,046,640	87,039,552	6,007,088	6.9%
Resources trust fund	190,745,609	178,431,082	12,314,527	6.9%
Oil and gas research fund	14,684,168	12,041,939	2,642,229	21.9%
State energy research center fund	7,342,083	6,020,969	1,321,114	21.9%
General fund	459,519,871	331,394,022	128,125,849	38.7%
Social service fund	250,000,000	250,000,000	0	0.0%
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	\$2,273,852,177	\$2,039,037,000	\$234,815,177	11.5%

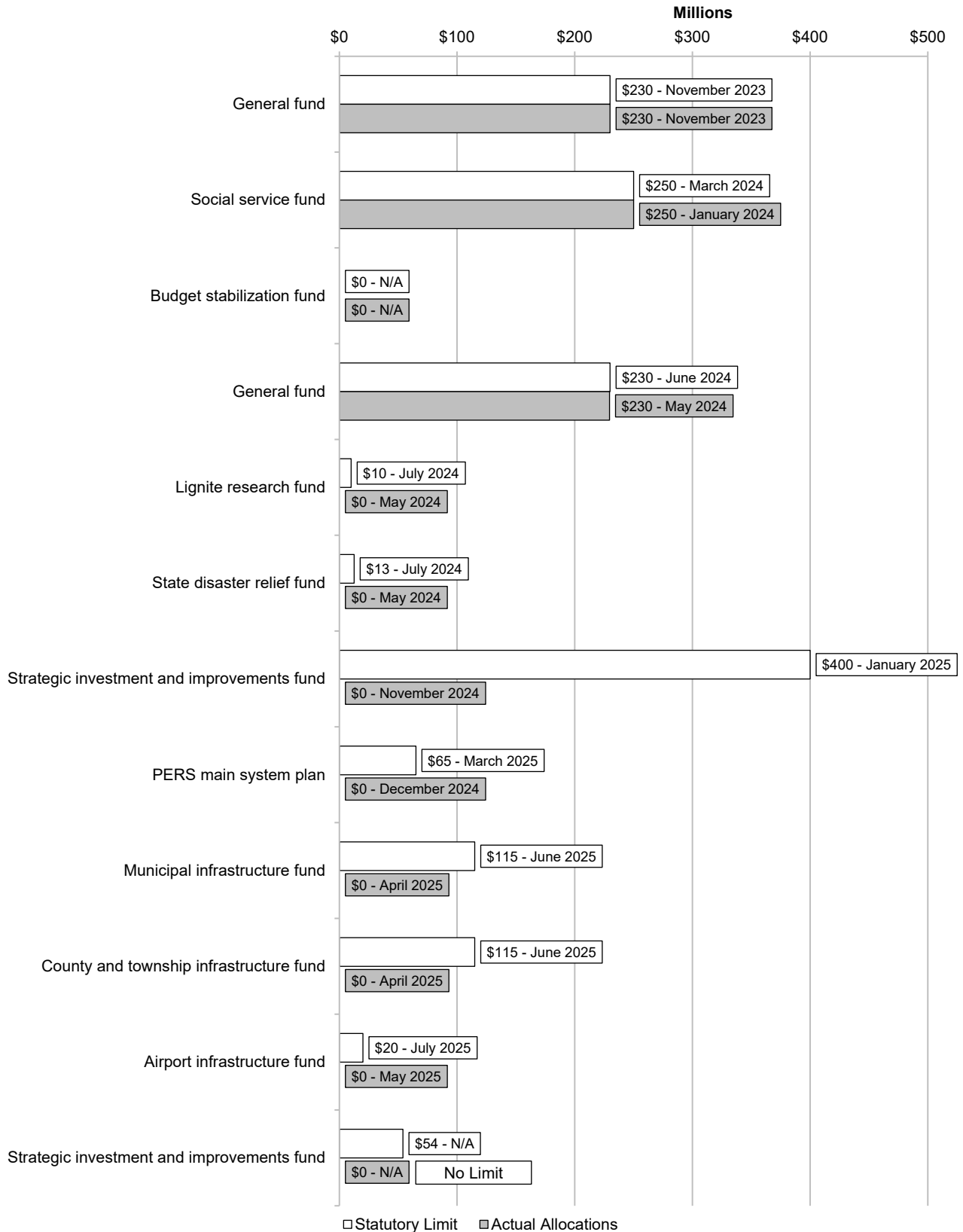
OIL AND GAS TAX REVENUE ALLOCATIONS

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 April 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 April 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 April 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 April 2024	Remaining Forecast	Biennium Total	Original Forecast
Three Affiliated Tribes	\$191,343,009	\$404,675,603	\$596,018,612	\$670,448,284
Legacy fund	625,551,702	810,448,019	1,435,999,721	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	7,500,000	7,218,558	14,718,558	14,485,700
Political subdivisions	333,572,455	407,089,005	740,661,460	682,393,834
Common schools trust fund	93,046,640	132,403,971	225,450,611	219,443,523
Foundation aid stabilization fund	93,046,640	132,403,971	225,450,611	219,443,523
Resources trust fund	190,745,609	271,428,129	462,173,738	449,859,211
Oil and gas research fund	14,684,168	2,815,832	17,500,000	17,500,000
State energy research center fund	7,342,083	157,917	7,500,000	7,500,000
General fund	459,519,871	480,129	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	587,614,105	587,614,105	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	\$2,273,852,177	\$3,101,769,000	\$5,375,621,177	\$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 9 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 February 2024	2021-23 Biennium Through February 2022	Increase (Decrease)	
			Amount	Percentage
Actual	1,223,209	1,113,756	109,453	9.8%
Forecast	1,100,000	1,100,000	0	0.0%
Variance to forecast	123,209	13,756	109,453	795.7%
Percentage variance to forecast	11.2%	1.3%		

Average Oil Price - Price Per Barrel				
	2023-25 Biennium Through February 2024	2021-23 Biennium Through February 2022	Increase (Decrease)	
			Amount	Percentage
Actual	\$74.47	\$73.13	\$1.34	1.8%
Forecast	70.00	50.00	20.00	40.0%
Variance to forecast	\$4.47	\$23.13	(\$18.66)	(80.7%)
Percentage variance to forecast	6.4%	46.3%		

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 9 months of the 2023-25 biennium and 2021-23 biennium.

	2023-25 Biennium Through April 2024	2021-23 Biennium Through April 2022	Increase (Decrease)	
			Amount	Percentage
Actual	\$2,273,852,177	\$1,928,341,666	\$345,510,511	17.9%
Forecast	2,039,037,000	1,456,455,000	582,582,000	40.0%
Variance to forecast	\$234,815,177	\$471,886,666	(\$237,071,489)	(50.2%)
Percentage variance to forecast	11.5%	32.4%		