



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 March 2024 through May 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			
	March 2024	April 2024	May 2024
Actual	1,229,539	1,243,678	1,195,120
Forecast	1,100,000	1,100,000	1,100,000
Variance to forecast	129,539	143,678	95,120
Percentage variance to forecast	11.8%	13.1%	8.6%

Average Oil Price - Price Per Barrel			
	March 2024	April 2024	May 2024
Actual	\$75.91	\$80.68	\$75.58
Forecast	70.00	70.00	70.00
Variance to forecast	\$5.91	\$10.68	\$5.58
Percentage variance to forecast	8.4%	15.3%	8.0%

Oil and Gas Tax Revenue Collections

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

	May 2024	June 2024	July 2024
Actual	\$275,622,525	\$271,838,490	\$242,848,589
Forecast	231,539,000	224,070,000	231,539,000
Variance to forecast	\$44,083,525	\$47,768,490	\$11,309,589
Percentage variance to forecast	19.0%	21.3%	4.9%

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 May 2024 through July 2024.

	May 2024	June 2024	July 2024
Three Affiliated Tribes	\$23,430,158	\$23,107,254	\$20,562,637
Legacy fund	75,868,669	74,815,225	66,847,396
North Dakota outdoor heritage fund	0	0	0
Abandoned well reclamation fund	0	0	0
Political subdivisions	37,696,776	36,803,833	32,847,009
Common schools trust fund	10,985,788	11,029,006	9,952,955
Foundation aid stabilization fund	10,985,788	11,029,006	9,952,955
Resources trust fund	22,520,865	22,609,462	20,403,558
Oil and gas research fund	1,896,753	919,079	0
State energy research center fund	157,917	0	0
General fund	481,033	0	0
Social service fund	0	0	0
Budget stabilization fund	0	0	0
Lignite research fund	10,000,000	0	0
State disaster relief fund	8,450,480	0	0
Strategic investment and improvements fund	73,148,298	91,525,625	82,282,079
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	\$275,622,525	\$271,838,490	\$242,848,589

Distributions to Political Subdivisions

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

	May 2024	June 2024	July 2024
Hub cities	\$4,914,337	\$4,825,923	\$4,479,365
Hub city school districts	934,668	915,020	838,007
Counties	20,879,806	20,330,625	17,972,457
Cities (excluding hub cities)	6,997,689	6,819,100	6,027,735
School districts (excluding hub city school districts)	2,600,942	2,583,126	2,353,429
Townships	1,369,334	1,330,039	1,176,016
Total	\$37,696,776	\$36,803,833	\$32,847,009

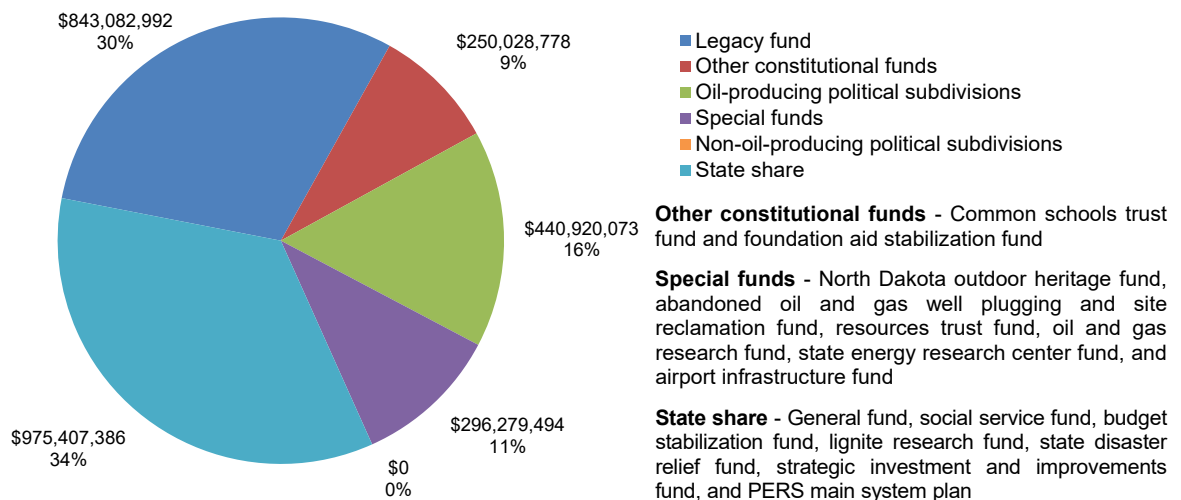
CURRENT BIENNIUM COMPARISON TO FORECAST

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

	Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Three Affiliated Tribes	\$258,443,058	\$355,327,431	(\$96,884,373)	(27.3%)
Legacy fund	843,082,992	712,313,274	130,769,718	18.4%
North Dakota outdoor heritage fund	7,500,000	7,500,000	0	0.0%
Abandoned well reclamation fund	7,500,000	7,500,000	0	0.0%
Political subdivisions	440,920,073	358,938,938	81,981,135	22.8%
Common schools trust fund	125,014,389	116,371,562	8,642,827	7.4%
Foundation aid stabilization fund	125,014,389	116,371,562	8,642,827	7.4%
Resources trust fund	256,279,494	238,561,703	17,717,791	7.4%
Oil and gas research fund	17,500,000	16,336,412	1,163,588	7.1%
State energy research center fund	7,500,000	7,500,000	0	0.0%
General fund	460,000,904	460,000,000	904	0.0%
Social service fund	250,000,000	250,000,000	0	0.0%
Budget stabilization fund	0	0	0	N/A
Lignite research fund	10,000,000	10,000,000	0	0.0%
State disaster relief fund	8,450,480	12,533,761	(4,083,281)	(32.6%)
Strategic investment and improvements fund	246,956,002	56,930,357	190,025,645	333.8%
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	\$3,064,161,781	\$2,726,185,000	\$337,976,781	12.4%

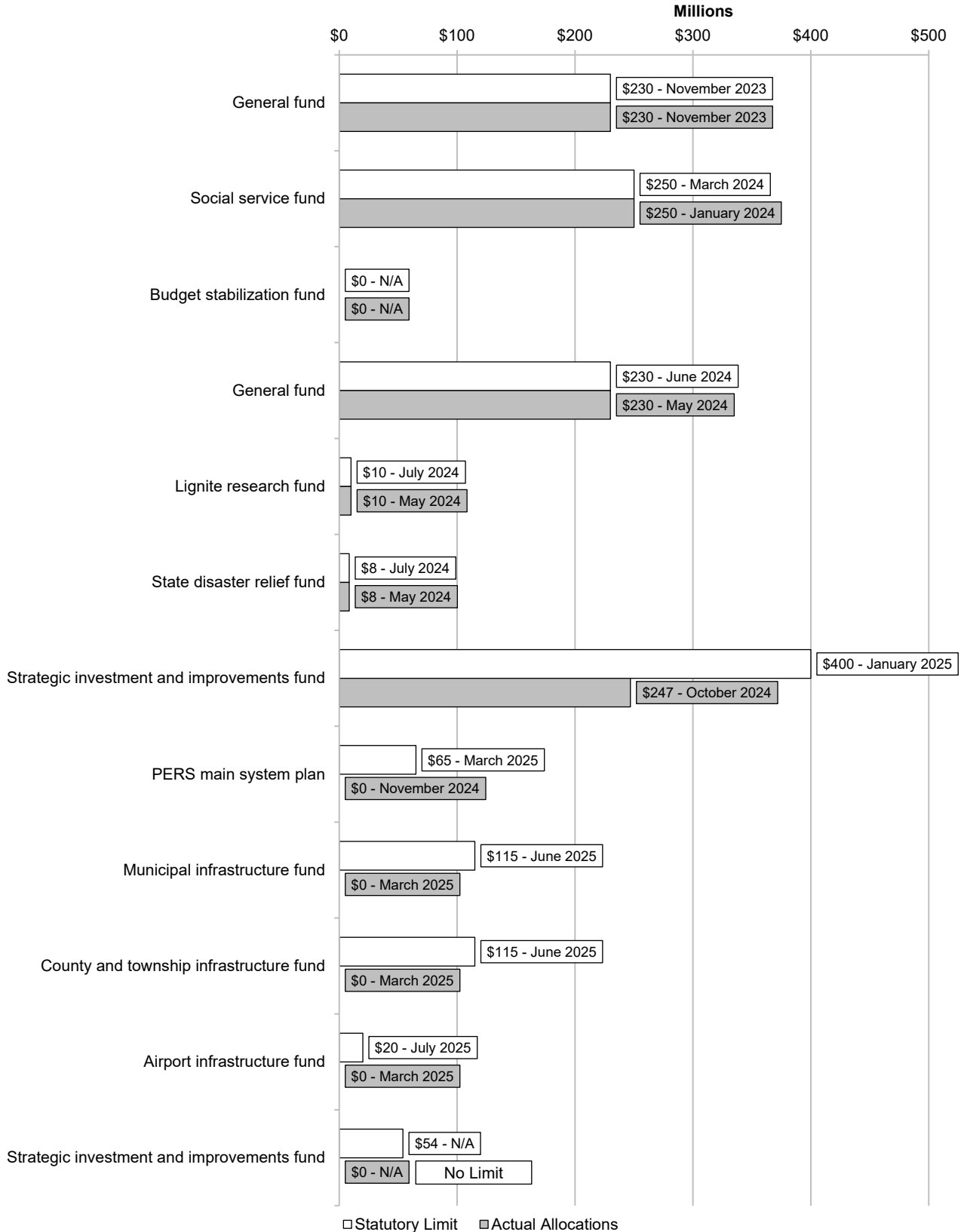
OIL AND GAS TAX REVENUE ALLOCATIONS

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 July 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 July 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 July 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 July 2024	Remaining Forecast	Biennium Total	Original Forecast
Three Affiliated Tribes	\$258,443,058	\$315,120,853	\$573,563,911	\$670,448,284
Legacy fund	843,082,992	630,906,043	1,473,989,035	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	440,920,073	323,454,896	764,374,969	682,393,834
Common schools trust fund	125,014,389	103,071,961	228,086,350	219,443,523
Foundation aid stabilization fund	125,014,389	103,071,961	228,086,350	219,443,523
Resources trust fund	256,279,494	211,297,508	467,577,002	449,859,211
Oil and gas research fund	17,500,000	0	17,500,000	17,500,000
State energy research center fund	7,500,000	0	7,500,000	7,500,000
General fund	460,000,904	0	460,000,904	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	10,000,000	0	10,000,000	10,000,000
State disaster relief fund	8,450,480	0	8,450,480	12,533,761
Strategic investment and improvements fund	246,956,002	397,979,220	644,935,222	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	\$3,064,161,781	\$2,414,621,000	\$5,478,782,781	\$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 12 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 May 2024	2021-23 Biennium Through May 2022	Increase (Decrease)	
			Amount	Percentage
Actual	1,223,553	1,092,535	131,018	12.0%
Forecast	1,100,000	1,100,000	0	0.0%
Variance to forecast	123,553	(7,465)	131,018	(1,755.1%)
Percentage variance to forecast	11.2%	(0.7%)		

Average Oil Price - Price Per Barrel				
	2023-25 Biennium Through May 2024	2021-23 Biennium Through May 2022	Increase (Decrease)	
			Amount	Percentage
Actual	\$75.25	\$81.15	(\$5.90)	(7.3%)
Forecast	70.00	50.00	20.00	40.0%
Variance to forecast	\$5.25	\$31.15	(\$25.90)	(83.1%)
Percentage variance to forecast	7.5%	62.3%		

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

	2023-25 Biennium Through July 2024	2021-23 Biennium Through July 2022	Increase (Decrease)	
			Amount	Percentage
Actual	\$3,064,161,781	\$2,798,014,624	\$266,147,157	9.5%
Forecast	2,726,185,000	1,947,275,000	778,910,000	40.0%
Variance to forecast	\$337,976,781	\$850,739,624	(\$512,762,843)	(60.3%)
Percentage variance to forecast	12.4%	43.7%		