



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 2024 through November 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			
	September 2024	October 2024	November 2024
Actual	1,199,828	1,177,986	1,221,073
Forecast	1,100,000	1,100,000	1,100,000
Variance to forecast	99,828	77,986	121,073
Percentage variance to forecast	9.1%	7.1%	11.0%

Average Oil Price - Price Per Barrel			
	September 2024	October 2024	November 2024
Actual	\$66.41	\$67.65	\$66.33
Forecast	62.00	62.00	62.00
Variance to forecast	\$4.41	\$5.65	\$4.33
Percentage variance to forecast	7.1%	9.1%	7.0%

Oil and Gas Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for November 2024 through January 2025.

	November 2024	December 2024	January 2025
Actual	\$215,428,376	\$211,278,198	\$219,174,815
Forecast	198,462,000	205,077,400	198,462,000
Variance to forecast	\$16,966,376	\$6,200,798	\$20,712,815
Percentage variance to forecast	8.5%	3.0%	10.4%

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 2024 through January 2025.

	November 2024	December 2024	January 2025
Three Affiliated Tribes	\$20,806,853	\$18,878,047	\$18,919,577
Legacy fund	58,502,330	57,830,317	60,167,006
North Dakota outdoor heritage fund	1,604,686	1,575,167	803,430
Abandoned well reclamation fund	802,343	787,583	827,338
Political subdivisions	31,273,854	30,122,031	31,394,300
Common schools trust fund	8,557,027	8,588,681	8,897,200
Foundation aid stabilization fund	8,557,027	8,588,681	8,897,200
Resources trust fund	17,541,906	17,606,797	18,239,260
Oil and gas research fund	0	0	0
State energy research center fund	0	0	0
General fund	0	0	0
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	33,891,175	33,650,447	35,514,752
County and township infrastructure fund	33,891,175	33,650,447	35,514,752
Airport infrastructure fund	0	0	0
Total	\$215,428,376	\$211,278,198	\$219,174,815

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 2024 through January 2025. 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 2024	December 2024	January 2025
Hub cities	\$4,361,136	\$4,241,668	\$4,360,698
Hub city school districts	811,734	785,186	811,637
Counties	17,067,489	16,350,055	17,120,959
Cities (excluding hub cities)	5,713,104	5,482,740	5,737,193
School districts (excluding hub city school districts)	2,196,925	2,192,011	2,240,540
Townships	1,123,466	1,070,371	1,123,273
Total	\$31,273,854	\$30,122,031	\$31,394,300

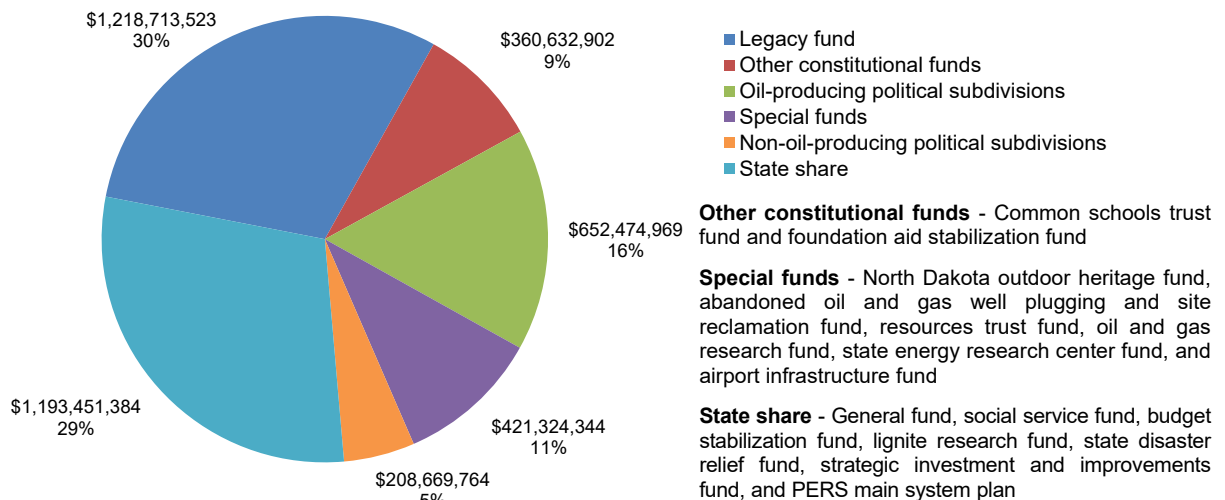
CURRENT BIENNIUM COMPARISON TO FORECAST

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue allocations for the biennium to date through January 2025.

	Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Three Affiliated Tribes	\$383,515,148	\$513,314,709	(\$129,799,561)	(25.3%)
Legacy fund	1,218,713,523	1,028,630,550	190,082,973	18.5%
North Dakota outdoor heritage fund	14,999,999	13,880,968	1,119,031	8.1%
Abandoned well reclamation fund	11,675,623	10,690,484	985,139	9.2%
Political subdivisions	652,474,969	531,704,353	120,770,616	22.7%
Common schools trust fund	180,316,451	168,048,737	12,267,714	7.3%
Foundation aid stabilization fund	180,316,451	168,048,737	12,267,714	7.3%
Resources trust fund	369,648,722	344,499,905	25,148,817	7.3%
Oil and gas research fund	17,500,000	17,500,000	0	0.0%
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	400,000,000	400,000,000	0	0.0%
PERS main system plan	65,000,000	450,996	64,549,004	14,312.5%
Municipal infrastructure fund	104,334,882	0	104,334,882	N/A
County and township infrastructure fund	104,334,882	0	104,334,882	N/A
Airport infrastructure fund	0	0	0	N/A
Total	\$4,438,782,034	\$3,936,803,200	\$501,978,834	12.8%

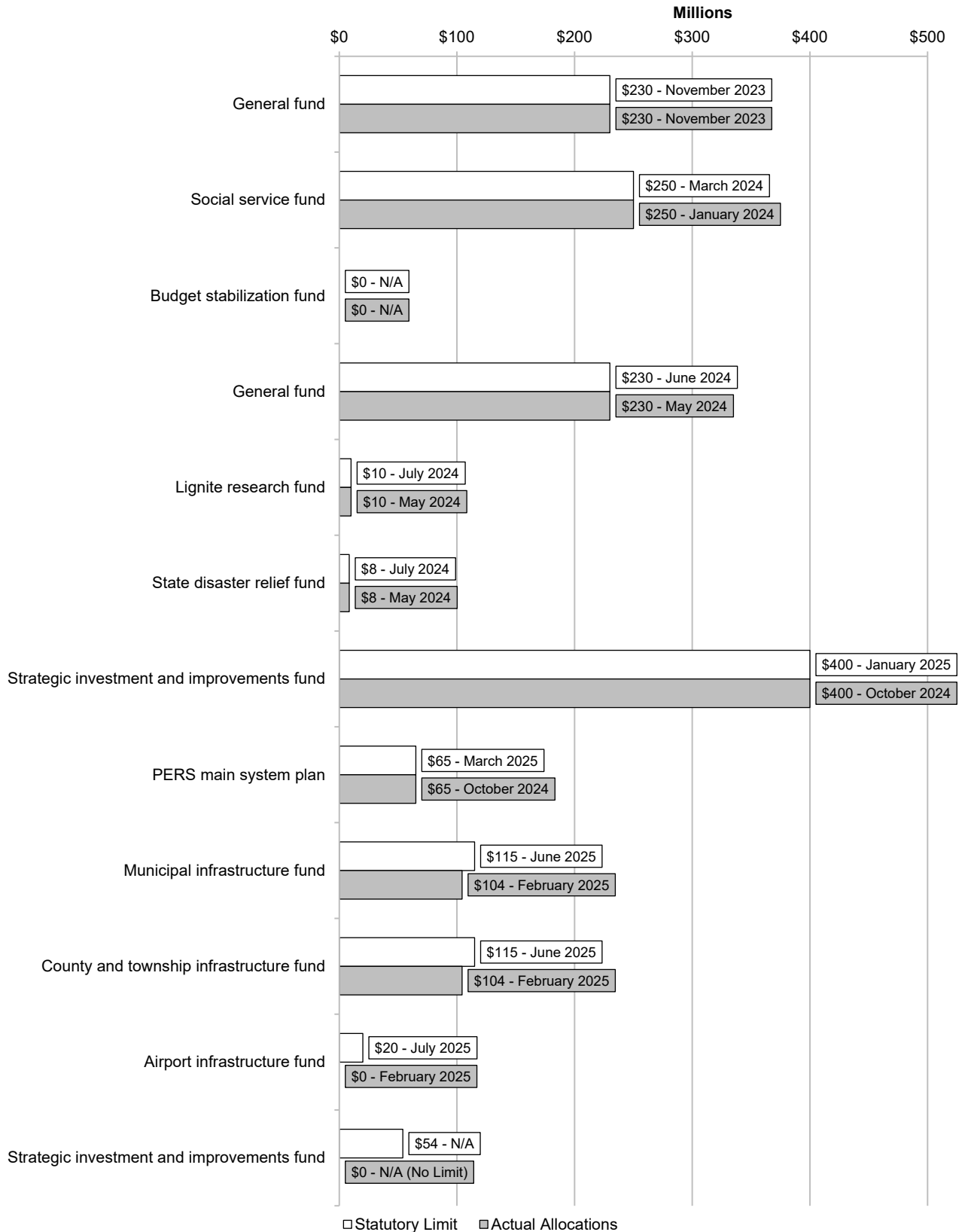
OIL AND GAS TAX REVENUE ALLOCATIONS

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 2025.



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 2025. 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 2025 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 2025	Remaining Forecast	Biennium Total	Original Forecast
Three Affiliated Tribes	\$383,515,148	\$157,133,575	\$540,648,723	\$670,448,284
Legacy fund	1,218,713,523	314,588,767	1,533,302,290	1,343,219,317
North Dakota outdoor heritage fund	14,999,999	1	15,000,000	15,000,000
Abandoned well reclamation fund	11,675,623	3,324,377	15,000,000	14,485,700
Political subdivisions	652,474,969	150,689,481	803,164,450	682,393,834
Common schools trust fund	180,316,451	51,394,786	231,711,237	219,443,523
Foundation aid stabilization fund	180,316,451	51,394,786	231,711,237	219,443,523
Resources trust fund	369,648,722	105,359,306	475,008,028	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	400,000,000	328,787,485	728,787,485	453,978,847
PERS main system plan	65,000,000	0	65,000,000	65,000,000
Municipal infrastructure fund	104,334,882	10,665,118	115,000,000	115,000,000
County and township infrastructure fund	104,334,882	10,665,118	115,000,000	115,000,000
Airport infrastructure fund	0	20,000,000	20,000,000	20,000,000
Total	\$4,438,782,034	\$1,204,002,800	\$5,642,784,834	\$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 18 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 2024	2021-23 Biennium Through November 2022	Increase (Decrease)	
			Amount	Percentage
Actual	1,215,096	1,094,223	120,873	11.0%
Forecast	1,100,000	1,066,667	33,333	3.1%
Variance to forecast	115,096	27,556	87,540	317.7%
Percentage variance to forecast	10.5%	2.6%		

Average Oil Price - Price Per Barrel				
	2023-25 Biennium Through November 2024	2021-23 Biennium Through November 2022	Increase (Decrease)	
			Amount	Percentage
Actual	\$73.81	\$84.96	(\$11.15)	(13.1%)
Forecast	67.33	50.00	17.33	34.7%
Variance to forecast	\$6.48	\$34.96	(\$28.48)	(81.5%)
Percentage variance to forecast	9.6%	69.9%		

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

	2023-25 Biennium Through January 2025	2021-23 Biennium Through January 2023	Increase (Decrease)	
			Amount	Percentage
Actual	\$4,438,782,034	\$4,618,046,163	(\$179,264,129)	(3.9%)
Forecast	3,936,803,200	2,834,825,000	1,101,978,200	38.9%
Variance to forecast	\$501,978,834	\$1,783,221,163	(\$1,281,242,329)	(71.8%)
Percentage variance to forecast	12.8%	62.9%		