North Dakota Legislative Council

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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 2025 legislative revenue forecast ("original forecast")**, prepared at the close of the 2025 legislative session.

QUARTERLY SUMMARY

Oil Production and Prices

The schedules below provide information on actual and forecasted oil production and prices for June 2026 through August 2026. 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 North Dakota prices reported by the Tax Department.

Average Daily Oil Production - Barrels Per Day			
	June 2026	**July 2026**	**August 2026**
Actual	1,154,795	1,158,660	1,161,427
Forecast	1,100,000	1,100,000	1,100,000
Variance to forecast	54,795	58,660	61,427
Percentage variance to forecast	5.0%	5.3%	5.6%

Average Oil Price - Price Per Barrel			
	June 2026	**July 2026**	**August 2026**
Actual	$80.56	$75.56	$76.14
Forecast	57.00	57.00	57.00
Variance to forecast	$23.56	$18.56	$19.14
Percentage variance to forecast	41.3%	32.6%	33.6%

Oil and Gas Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for August 2026 to October 2026.

	August 2026	**September 2026**	**October 2026**
Actual	$260,636,898	$244,649,728	$254,196,761
Forecast	168,537,600	174,155,520	174,155,520
Variance to forecast	$92,099,298	$70,494,208	$80,041,241
Percentage variance to forecast	54.6%	40.5%	46.0%

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 August 2026 to October 2026.

	August 2026	**September 2026**	**October 2026**
Three Affiliated Tribes	$18,782,717	$17,360,303	$17,202,504
Legacy Fund	72,628,910	68,250,175	71,161,545
North Dakota Outdoor Heritage Fund	0	1,915,931	2,010,017
Abandoned Well Reclamation Fund	0	957,965	1,005,009
Political subdivisions	36,306,225	52,989,937	38,343,824
Common Schools Trust Fund	10,560,289	10,063,496	10,427,440
Foundation Aid Stabilization Fund	10,560,289	10,063,496	10,427,440
Resources Trust Fund	21,648,593	20,630,166	21,376,253
Oil and Gas Research Fund	1,258,635	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
Municipal Infrastructure Fund	44,445,620	27,407,869	0
County and Township Infrastructure Fund	44,445,620	27,407,869	0
PERS main system plan	0	7,602,521	57,397,479
Airport Infrastructure Fund	0	0	20,000,000
Strategic Investment and Improvements Fund	0	0	4,845,250
Total	**$260,636,898**	**$244,649,728**	**$254,196,761**

Distributions to Political Subdivisions

The schedule below provides information on the distribution of oil and gas gross production tax collections to political subdivisions for August 2026 to October 2026. The formula for the distributions to political subdivisions became effective with July 2025 oil production and September 2025 distributions. However, this memorandum reports the distributions to political subdivisions for the period August 2025 to July 2027 to align with the reporting for the allocations to state funds.

	August 2026	September 2026	October 2026
Hub cities	$5,579,813	$7,084,485	$5,762,957
Hub city school districts	888,107	1,222,478	928,805
Counties	19,567,351	29,582,808	20,789,510
Cities (excluding hub cities)	6,569,578	9,906,321	6,977,098
School districts (excluding hub city school districts)	2,425,163	3,248,890	2,527,844
Townships	1,276,213	1,944,955	1,357,610
Total	**$36,306,225**	**$52,989,937**	**$38,343,824**

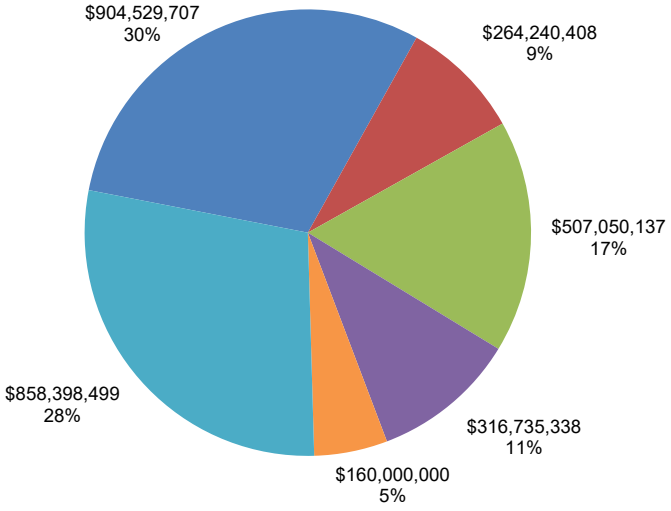
CURRENT BIENNIUM COMPARISON TO FORECAST

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue allocations for the biennium to date through October 2026.

	Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Three Affiliated Tribes	$225,446,616	$243,878,432	($18,431,816)	(7.6%)
Legacy Fund	904,529,707	748,873,235	155,656,472	20.8%
North Dakota Outdoor Heritage Fund	11,425,948	10,085,264	1,340,684	13.3%
Abandoned Well Reclamation Fund	9,462,974	8,792,632	670,342	7.6%
Political subdivisions	507,050,137	429,664,109	77,386,028	18.0%
Common Schools Trust Fund	132,120,204	110,812,725	21,307,479	19.2%
Foundation Aid Stabilization Fund	132,120,204	110,812,725	21,307,479	19.2%
Resources Trust Fund	270,846,416	227,166,084	43,680,332	19.2%
Oil and Gas Research Fund	17,500,000	17,000,746	499,254	2.9%
State Energy Research Center Fund	7,500,000	7,500,000	0	0.0%
General Fund	500,000,000	500,000,000	0	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	8,553,249	7,562,403	990,846	13.1%
Municipal Infrastructure Fund	80,000,000	26,833,343	53,166,657	198.1%
County and Township Infrastructure Fund	80,000,000	26,833,342	53,166,658	198.1%
PERS main system plan	65,000,000	0	65,000,000	N/A
Airport Infrastructure Fund	20,000,000	0	20,000,000	N/A
Strategic Investment and Improvements Fund	4,845,250	0	4,845,250	N/A
Total	**$3,236,400,705**	**$2,735,815,040**	**$500,585,665**	**18.3%**

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 October 2026.



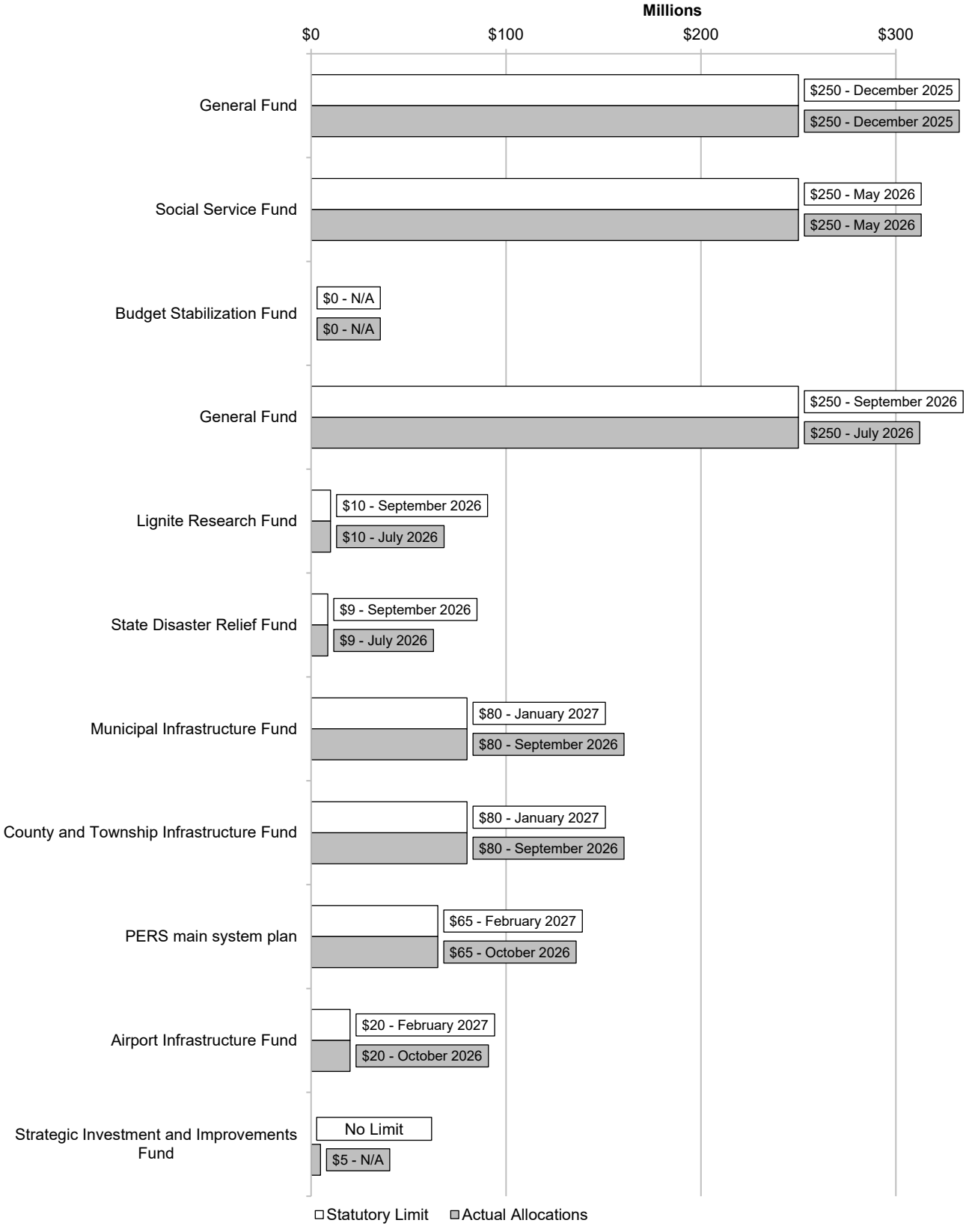
Other constitutional funds - Common Schools Trust Fund and Foundation Aid Stabilization Fund

Special funds - North Dakota Outdoor Heritage Fund, Abandoned Oil and Gas Well Plugging and Site Reclamation Fund, Resources Trust Fund, Oil and Gas Research Fund, and State Energy Research Center Fund

State share - General Fund, Social Service Fund, Budget Stabilization Fund, Lignite Research Fund, State Disaster Relief Fund, PERS main system plan, Airport Infrastructure Fund, and Strategic Investment and Improvements Fund

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 October 2026. The dates in the white boxes reflect when the funds are estimated to reach the statutory limit based on the 2025 legislative revenue forecast, prepared at the close of the 2025 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 October 2026 and forecasted amounts for the remainder of the biennium. The amount shown for the original forecast reflects the 2025 legislative revenue forecast, prepared at the close of the 2025 legislative session.

2025-27 Biennium Actual Allocations and Remaining Forecast				
	Actual Through October 2026	Remaining Forecast	Biennium Total	Original Forecast
Three Affiliated Tribes	$225,446,616	$136,725,465	$362,172,081	$380,603,897
Legacy Fund	904,529,707	419,816,760	1,324,346,467	1,168,689,995
North Dakota Outdoor Heritage Fund	11,425,948	3,574,052	15,000,000	15,000,000
Abandoned Well Reclamation Fund	9,462,974	5,537,026	15,000,000	14,484,382
Political subdivisions	507,050,137	227,611,229	734,661,366	657,275,338
Common Schools Trust Fund	132,120,204	62,121,379	194,241,583	172,934,104
Foundation Aid Stabilization Fund	132,120,204	62,121,379	194,241,583	172,934,104
Resources Trust Fund	270,846,416	127,348,826	398,195,242	354,514,910
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	500,000,000	0	500,000,000	500,000,000
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	8,553,249	0	8,553,249	7,562,403
Municipal Infrastructure Fund	80,000,000	0	80,000,000	80,000,000
County and Township Infrastructure Fund	80,000,000	0	80,000,000	80,000,000
PERS main system plan	65,000,000	0	65,000,000	65,000,000
Airport Infrastructure Fund	20,000,000	0	20,000,000	20,000,000
Strategic Investment and Improvements Fund	4,845,250	488,836,044	493,681,294	295,508,067
Total	**$3,236,400,705**	**$1,533,692,160**	**$4,770,092,865**	**$4,269,507,200**

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 15 months of the 2025-27 biennium and 2023-25 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				
	2025-27 Biennium Through August 2026	2023-25 Biennium Through August 2024	Increase (Decrease)	
			Amount	Percentage
Actual	1,153,688	1,152,262	1,426	0.1%
Forecast	1,140,000	1,100,000	40,000	3.6%
Variance to forecast	13,688	52,262	(38,574)	(73.8%)
Percentage variance to forecast	1.2%	4.8%		

Average Oil Price - Price Per Barrel				
	2025-27 Biennium Through August 2026	2023-25 Biennium Through August 2024	Increase (Decrease)	
			Amount	Percentage
Actual	$67.68	$72.68	($5.00)	(6.9%)
Forecast	58.60	68.00	(9.40)	(13.8%)
Variance to forecast	$9.08	$4.68	$4.40	94.0%
Percentage variance to forecast	15.5%	6.9%		

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 15 months of the 2025-27 biennium and 2023-25 biennium.

	2025-27 Biennium Through October 2026	2023-25 Biennium Through October 2024	Increase (Decrease)	
			Amount	Percentage
Actual	$3,236,400,705	$3,792,900,645	($556,499,940)	(14.7%)
Forecast	2,735,815,040	3,334,801,800	(598,986,760)	(18.0%)
Variance to forecast	$500,585,665	$458,098,845	$42,486,820	9.3%
Percentage variance to forecast	18.3%	13.7%		