

OIL TAX REVENUE COLLECTIONS AND ALLOCATIONS SUMMARY

This memorandum provides a summary of oil tax revenue collections, oil production and prices, and oil tax revenue allocations. The first page compares the current month to the previous month. The second page compares the biennium to date for the 2013-15 biennium to the same number of months for the 2011-13 biennium. The third page provides a comparison of actual and forecasted collections and allocations. The fourth page provides information on the distribution of oil and gas gross production tax collections to political subdivisions for the current month and for the biennium to date.

MONTHLY SUMMARY Oil Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil tax revenue collections for the months of November and December 2013.

	November 2013	December 2013	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$130,539,650	\$123,341,818	(\$7,197,832)	(5.5%)
Oil extraction tax	152,098,638	145,836,180	(6,262,458)	(4.1%)
Total actual collections	\$282,638,288	\$269,177,998	(\$13,460,290)	(4.8%)
Forecasted collections				
Oil and gas gross production tax	\$90,164,151	\$93,169,623	\$3,005,472	3.3%
Oil extraction tax	118,119,330	122,056,641	3,937,311	3.3%
Total forecasted collections	\$208,283,481	\$215,226,264	\$6,942,783	3.3%
Increase (decrease) to forecast				
Amount	\$74,354,807	\$53,951,734		
Percentage	35.7%	25.1%		

Oil Production and Prices

The schedule below provides information on actual and forecasted average daily production and average daily price of oil per barrel for the months of November and December 2013. Monthly oil tax revenue collections reflect production from two months prior. For example, December 2013 oil tax revenue collections relate to October 2013 oil production.

	September 2013	October 2013	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	932,966	941,637	8,671	0.9%
Average daily price of oil per barrel	\$92.96	\$85.16	(\$7.80)	(8.4%)
Forecasted average daily production and price				
Average daily production of oil in barrels	840,000	840,000	0	0.0%
Average daily price of oil per barrel	\$75.00	\$75.00	\$0.00	0.0%

Oil Tax Revenue Allocations

The schedule below provides information on the total oil tax revenue allocations to state funds, the Three Affiliated Tribes, and political subdivisions for the months of November and December 2013.

	November 2013	December 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$78,485,734	\$74,578,510	(\$3,907,224)	(5.0%)
Three Affiliated Tribes	21,013,499	20,582,964	(430,535)	(2.0%)
Oil and gas research fund	2,179,124	1,563,303	(615,821)	(28.3%)
Oil and gas impact grant fund	16,988,154	15,948,911	(1,039,243)	(6.1%)
Political subdivisions	31,444,152	27,437,800	(4,006,352)	(12.7%)
Abandoned well reclamation fund	865,427	820,243	(45,184)	(5.2%)
North Dakota heritage fund	865,427	820,243	(45,184)	(5.2%)
Foundation aid stabilization fund	13,228,046	12,551,959	(676,087)	(5.1%)
Common schools trust fund	13,228,046	12,551,959	(676,087)	(5.1%)
Resources trust fund	26,456,093	25,103,917	(1,352,176)	(5.1%)
General fund	0	0	0	N/A
Property tax relief fund	77,884,586	77,218,189	(666,397)	(0.9%)
Strategic investment and improvements fund	0	0	0	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$282,638,288	\$269,177,998	(\$13,460,290)	(4.8%)

BIENNIUM TO DATE SUMMARY - COMPARISON

Oil Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil tax revenue collections for the first five months of the 2011-13 and 2013-15 bienniums.

	August 2013 Through December 2013	August 2011 Through December 2011	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$619,601,099	\$281,442,885	\$338,158,214	120.2%
Oil extraction tax	717,362,561	298,243,794	419,118,767	140.5%
Total actual collections	\$1,336,963,660	\$579,686,679	\$757,276,981	130.6%
Forecasted collections				
Oil and gas gross production tax	\$457,654,626	\$206,641,152	\$251,013,474	121.5%
Oil extraction tax	599,549,346	198,031,104	401,518,242	202.8%
Total forecasted collections	\$1,057,203,972	\$404,672,256	\$652,531,716	161.2%
Increase (decrease) to forecast				
Amount	\$279,759,688	\$175,014,423		
Percentage	26.5%	43.2%		

Oil Production and Prices

The schedule below provides information on actual and forecasted average daily production and average daily price of oil per barrel for the first five months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, December 2013 oil tax revenue collections relate to October 2013 oil production.

	June 2013 Through October 2013	June 2011 Through October 2011	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	896,625	441,499	455,126	103.1%
Average daily price of oil per barrel	\$90.76	\$83.93	\$6.83	8.1%
Forecasted average daily production and price				
Average daily production of oil in barrels	836,000	390,800	445,200	113.9%
Average daily price of oil per barrel	\$75.00	\$72.00	\$3.00	4.2%

Oil Tax Revenue Allocations

The schedule below compares oil tax revenue allocations to state funds, the Three Affiliated Tribes, and political subdivisions for the first five months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through December 2013	August 2011 Through December 2011	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$372,229,462	\$136,666,378	\$235,563,084	172.4%
Three Affiliated Tribes	95,379,589	22,316,207	73,063,382	327.4%
Oil and gas research fund	10,000,000	4,000,001	5,999,999	150.0%
Oil and gas impact grant fund	66,352,305	36,731,446	29,620,859	80.6%
Political subdivisions	155,553,004	64,414,050	91,138,954	141.5%
Abandoned well reclamation fund	4,107,241	N/A	4,107,241	N/A
North Dakota heritage fund	4,107,241	N/A	4,107,241	N/A
Foundation aid stabilization fund	62,724,983	27,942,939	34,782,044	124.5%
Common schools trust fund	62,724,983	27,942,939	34,782,044	124.5%
Resources trust fund	125,449,967	55,885,878	69,564,089	124.5%
General fund	200,000,000	200,000,000	0	0.0%
Property tax relief fund	178,115,729	3,786,841	174,328,888	4,603.5%
Strategic investment and improvements fund	219,156	0	219,156	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$1,336,963,660	\$579,686,679	\$757,276,981	130.6%

COMPARISON OF ACTUAL TO FORECAST - COLLECTIONS AND ALLOCATIONS

Monthly Comparison

The schedule below provides a comparison of actual to forecasted oil tax revenue collections and allocations for the month of December 2013.

	December 2013		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$123,341,818	\$93,169,623	\$30,172,195	32.4%
Oil extraction tax	145,836,180	122,056,641	23,779,539	19.5%
Total actual collections	\$269,177,998	\$215,226,264	\$53,951,734	25.1%
Allocations				
Legacy fund	\$74,578,510	\$61,267,879	\$13,310,631	21.7%
Three Affiliated Tribes	20,582,964	11,000,000	9,582,964	87.1%
Oil and gas research fund	1,563,303	1,171,793	391,510	33.4%
Oil and gas impact grant fund	15,948,911	13,490,544	2,458,367	18.2%
Political subdivisions	27,437,800	23,428,801	4,008,999	17.1%
Abandoned well reclamation fund	820,243	713,357	106,886	15.0%
North Dakota heritage fund	820,243	713,357	106,886	15.0%
Foundation aid stabilization fund	12,551,959	11,505,664	1,046,295	9.1%
Common schools trust fund	12,551,959	11,505,664	1,046,295	9.1%
Resources trust fund	25,103,917	23,011,328	2,092,589	9.1%
General fund	0	0	0	N/A
Property tax relief fund	77,218,189	57,417,877	19,800,312	34.5%
Strategic investment and improvements fund	0	0	0	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$269,177,998	\$215,226,264	\$53,951,734	25.1%

Biennium to Date Comparison

The schedule below provides a comparison of actual to forecasted oil tax revenue collections and allocations for the biennium to date for the 2013-15 biennium.

	2013-15 Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$619,601,099	\$457,654,626	\$161,946,473	35.4%
Oil extraction tax	717,362,561	599,549,346	117,813,215	19.7%
Total actual collections	\$1,336,963,660	\$1,057,203,972	\$279,759,688	26.5%
Allocations				
Legacy fund	\$372,229,462	\$300,661,190	\$71,568,272	23.8%
Three Affiliated Tribes	95,379,589	55,000,000	40,379,589	73.4%
Oil and gas research fund	10,000,000	5,716,937	4,283,063	74.9%
Oil and gas impact grant fund	66,352,305	53,205,082	13,147,223	24.7%
Political subdivisions	155,553,004	129,668,600	25,884,404	20.0%
Abandoned well reclamation fund	4,107,241	3,501,237	606,004	17.3%
North Dakota heritage fund	4,107,241	3,501,237	606,004	17.3%
Foundation aid stabilization fund	62,724,983	56,454,935	6,270,048	11.1%
Common schools trust fund	62,724,983	56,454,935	6,270,048	11.1%
Resources trust fund	125,449,967	112,909,869	12,540,098	11.1%
General fund	200,000,000	200,000,000	0	0.0%
Property tax relief fund	178,115,729	80,129,950	97,985,779	122.3%
Strategic investment and improvements fund	219,156	0	219,156	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$1,336,963,660	\$1,057,203,972	\$279,759,688	26.5%

2013-15 BIENNIUM DISTRIBUTIONS TO POLITICAL SUBDIVISIONS - OIL AND GAS GROSS PRODUCTION TAX COLLECTIONS

The schedule below provides information on the distribution of oil and gas gross production tax collections to political subdivisions for the biennium to date. Distributions of the oil and gas gross production tax to political subdivisions reflect production from two months prior. For example, December 2013 distributions of oil and gas tax gross production tax collections relate to October 2013 oil production. Distributions to political subdivisions pursuant to the new formula in 2013 House Bill No. 1358 became effective with July 2013 oil production and September 2013 distributions. As a result, this memorandum reports the distributions to political subdivisions for the period September 2013 to August 2015 to reflect 24 months of distributions based on the new formula.

	September 2013	October 2013	November 2013	December 2013	Biennium-to- Date Total
Counties	\$29,617,443	\$18,978,803	\$16,863,054	\$14,455,833	\$79,915,133
Hub cities ¹	6,488,813	4,914,901	4,599,771	4,237,260	20,240,745
Other cities	9,912,791	6,421,354	5,703,480	4,902,388	26,940,013
Hub city school districts	729,167	729,167	729,167	729,167	2,916,668
Other school districts	3,001,565	2,146,297	1,940,497	1,746,648	8,835,007
Townships	2,867,537	1,818,269	1,608,183	1,366,504	7,660,493
Total	\$52,617,316	\$35,008,791	\$31,444,152	\$27,437,800	\$146,508,059
¹ The distributions to the hub cities are as follows:					
Williston	\$3,924,535	\$2,980,191	\$2,791,113	\$2,573,606	\$12,269,445
Dickinson	1,946,626	1,474,470	1,379,931	1,271,178	6,072,205
Minot	617,652	460,240	428,727	392,476	1,899,095
Total	\$6,488,813	\$4,914,901	\$4,599,771	\$4,237,260	\$20,240,745