

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 January and February 2014.

	January 2014	February 2014	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$115,873,113	\$114,979,748	(\$893,365)	(0.8%)
Oil extraction tax	136,893,252	135,392,759	(1,500,493)	(1.1%)
Total actual collections	\$252,766,365	\$250,372,507	(\$2,393,858)	(0.9%)
Forecasted collections				
Oil and gas gross production tax	\$91,237,534	\$94,278,785	\$3,041,251	3.3%
Oil extraction tax	119,525,513	123,509,696	3,984,183	3.3%
Total forecasted collections	\$210,763,047	\$217,788,481	\$7,025,434	3.3%
Increase (decrease) to forecast				
Amount	\$42,003,318	\$32,584,026		
Percentage	19.9%	15.0%		

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 2013 and December 2013. Monthly oil tax revenue collections reflect production from two months prior. For example, February 2014 oil tax revenue collections relate to December 2013 oil production.

	November 2013	December 2013	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	976,453	923,227	(53,226)	(5.5%)
Average daily price of oil per barrel	\$71.42	\$73.47	\$2.05	2.9%
Forecasted average daily production and price				
Average daily production of oil in barrels	850,000	850,000	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 January and February 2014.

	January 2014	February 2014	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$69,929,468	\$69,581,856	(\$347,612)	(0.5%)
Three Affiliated Tribes	19,668,785	18,446,501	(1,222,284)	(6.2%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	14,707,473	15,401,511	694,038	4.7%
Political subdivisions	25,611,262	25,485,413	(125,849)	(0.5%)
Abandoned well reclamation fund	766,267	126,493	(639,774)	(83.5%)
North Dakota heritage fund	766,267	768,528	2,261	0.3%
Foundation aid stabilization fund	11,755,684	11,798,795	43,111	0.4%
Common schools trust fund	11,755,684	11,798,795	43,111	0.4%
Resources trust fund	23,511,368	23,597,591	86,223	0.4%
General fund	0	0	0	N/A
Property tax relief fund	74,294,107	73,367,024	(927,083)	(1.2%)
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	\$252,766,365	\$250,372,507	(\$2,393,858)	(0.9%)

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 six months of the 2011-13 and 2013-15 bienniums.

	August 2013 Through February 2014	August 2011 Through February 2012	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$850,453,960	\$419,468,018	\$430,985,942	102.7%
Oil extraction tax	989,648,572	449,170,599	540,477,973	120.3%
Total actual collections	\$1,840,102,532	\$868,638,617	\$971,463,915	111.8%
Forecasted collections				
Oil and gas gross production tax	\$643,170,945	\$289,602,432	\$353,568,513	122.1%
Oil extraction tax	842,584,555	277,535,664	565,048,891	203.6%
Total forecasted collections	\$1,485,755,500	\$567,138,096	\$918,617,404	162.0%
Increase (decrease) to forecast				
Amount	\$354,347,032	\$301,500,521		
Percentage	23.8%	53.2%		

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 seven months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, February 2014 oil tax revenue collections relate to December 2013 oil production.

	June 2013 Through December 2013	June 2011 Through December 2011	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	912,335	464,736	447,599	96.3%
Average daily price of oil per barrel	\$85.53	\$85.25	\$0.28	0.3%
Forecasted average daily production and price				
Average daily production of oil in barrels	840,000	391,571	448,429	114.5%
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 seven months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through February 2014	August 2011 Through February 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$511,740,786	\$219,528,327	\$292,212,459	133.1%
Three Affiliated Tribes	133,494,875	35,992,349	97,502,526	270.9%
Oil and gas research fund	10,000,000	4,000,001	5,999,999	150.0%
Oil and gas impact grant fund	96,461,289	60,197,495	36,263,794	60.2%
Political subdivisions	206,649,679	80,464,072	126,185,607	156.8%
Abandoned well reclamation fund	5,000,001	N/A	5,000,001	N/A
North Dakota heritage fund	5,642,036	N/A	5,642,036	N/A
Foundation aid stabilization fund	86,279,462	41,742,106	44,537,356	106.7%
Common schools trust fund	86,279,462	41,742,106	44,537,356	106.7%
Resources trust fund	172,558,926	83,484,212	89,074,714	106.7%
General fund	200,000,000	200,000,000	0	0.0%
Property tax relief fund	325,776,860	101,487,949	224,288,911	221.0%
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	\$1,840,102,532	\$868,638,617	\$971,463,915	111.8%

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 February 2014.

	February 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$114,979,748	\$94,278,785	\$20,700,963	22.0%
Oil extraction tax	135,392,759	123,509,696	11,883,063	9.6%
Total actual collections	\$250,372,507	\$217,788,481	\$32,584,026	15.0%
Allocations				
Legacy fund	\$69,581,856	\$62,036,545	\$7,545,311	12.2%
Three Affiliated Tribes	18,446,501	11,000,000	7,446,501	67.7%
Oil and gas research fund	0	1,213,536	(1,213,536)	(100.0%)
Oil and gas impact grant fund	15,401,511	13,694,630	1,706,881	12.5%
Political subdivisions	25,485,413	22,332,192	3,153,221	14.1%
Abandoned well reclamation fund	126,493	722,230	(595,737)	(82.5%)
North Dakota heritage fund	768,528	722,230	46,298	6.4%
Foundation aid stabilization fund	11,798,795	11,650,970	147,825	1.3%
Common schools trust fund	11,798,795	11,650,970	147,825	1.3%
Resources trust fund	23,597,591	23,301,939	295,652	1.3%
General fund	0	0	0	N/A
Property tax relief fund	73,367,024	59,463,239	13,903,785	23.4%
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	\$250,372,507	\$217,788,481	\$32,584,026	15.0%

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	\$850,453,960	\$643,170,945	\$207,283,015	32.2%
Oil extraction tax	989,648,572	842,584,555	147,064,017	17.5%
Total actual collections	\$1,840,102,532	\$1,485,755,500	\$354,347,032	23.8%
Allocations				
Legacy fund	\$511,740,786	\$422,626,649	\$89,114,137	21.1%
Three Affiliated Tribes	133,494,875	77,000,000	56,494,875	73.4%
Oil and gas research fund	10,000,000	8,102,808	1,897,192	23.4%
Oil and gas impact grant fund	96,461,289	80,034,752	16,426,537	20.5%
Political subdivisions	206,649,679	173,677,107	32,972,572	19.0%
Abandoned well reclamation fund	5,000,001	4,921,367	78,634	1.6%
North Dakota heritage fund	5,642,036	4,921,367	720,669	14.6%
Foundation aid stabilization fund	86,279,462	79,358,456	6,921,006	8.7%
Common schools trust fund	86,279,462	79,358,456	6,921,006	8.7%
Resources trust fund	172,558,926	158,716,911	13,842,015	8.7%
General fund	200,000,000	200,000,000	0	0.0%
Property tax relief fund	325,776,860	197,037,627	128,739,233	65.3%
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	\$1,840,102,532	\$1,485,755,500	\$354,347,032	23.8%

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, February 2014 distributions of oil and gas tax gross production tax collections relate to December 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	January 2014	February 2014	Biennium- to-Date Total
Counties	\$29,617,443	\$18,978,803	\$16,863,054	\$14,455,833	\$13,413,638	\$13,343,930	\$106,672,701
Hub cities ¹	6,488,813	4,914,901	4,599,771	4,237,259	4,105,771	4,099,314	28,445,829
Other cities	9,912,791	6,421,354	5,703,480	4,902,388	4,537,578	4,513,164	35,990,755
Hub city school districts	729,167	729,167	729,167	729,167	729,167	729,167	4,375,002
Other school districts	3,001,565	2,146,297	1,940,497	1,746,648	1,546,262	1,525,296	11,906,565
Townships	2,867,537	1,818,269	1,608,183	1,366,505	1,278,846	1,274,542	10,213,882
Total	\$52,617,316	\$35,008,791	\$31,444,152	\$27,437,800	\$25,611,262	\$25,485,413	\$197,604,734
¹ The distributions to the hub cities are as follows:							
Williston	\$3,924,535	\$2,980,191	\$2,791,113	\$2,573,606	\$2,494,712	\$2,490,838	\$17,254,995
Dickinson	1,946,626	1,474,470	1,379,931	1,271,177	1,231,732	1,229,795	8,533,731
Minot	617,652	460,240	428,727	392,476	379,327	378,681	2,657,103
Total	\$6,488,813	\$4,914,901	\$4,599,771	\$4,237,259	\$4,105,771	\$4,099,314	\$28,445,829