

## 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 February and March 2015.

	February 2015	March 2015	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$89,165,375	\$64,804,648	(\$24,360,727)	(27.3%)
Oil extraction tax	106,177,500	75,378,921	(30,798,579)	(29.0%)
Total actual collections	\$195,342,875	\$140,183,569	(\$55,159,306)	(28.2%)
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$100,564,037	\$100,564,037	\$0	0.0%
Oil extraction tax	131,743,676	131,743,676	0	0.0%
Total forecasted collections	\$232,307,713	\$232,307,713	\$0	0.0%
<b>Increase (decrease) to forecast</b>				
Amount	(\$36,964,838)	(\$92,124,144)		
Percentage	(15.9%)	(39.7%)		

### Oil Production and Prices

The schedule below provides information on actual and originally forecasted average daily production and average daily price of oil per barrel for the months of December 2014 and January 2015. Monthly oil tax revenue collections reflect production from two months prior. For example, March 2015 oil tax revenue collections relate to January 2015 oil production. Actual oil prices shown reflect Flint Hills Resources posted price.

	December 2014	January 2015	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	1,227,483	1,190,511	(36,972)	(3.0%)
Average daily price of oil per barrel	\$40.74	\$31.41	(\$9.33)	(22.9%)
<b>Forecasted average daily production and price</b>				
Average daily production of oil in barrels	850,000	850,000	0	0.0%
Average daily price of oil per barrel	\$80.00	\$80.00	\$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 February and March 2015.

	February 2015	March 2015	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$71,467,850	\$39,248,769	(\$32,219,081)	(45.1%)
Three Affiliated Tribes	14,851,489	9,356,127	(5,495,362)	(37.0%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	20,193,150	15,532,950	(4,660,200)	(23.1%)
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	599,647	444,986	(154,661)	(25.8%)
Foundation aid stabilization fund	9,067,359	6,583,596	(2,483,763)	(27.4%)
Common schools trust fund	9,067,359	6,583,596	(2,483,763)	(27.4%)
Resources trust fund	18,134,718	13,167,192	(4,967,526)	(27.4%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	51,961,303	49,266,353	(2,694,950)	(5.2%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$195,342,875	\$140,183,569	(\$55,159,306)	(28.2%)

## 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 20 months of the 2011-13 and 2013-15 bienniums.

	August 2013 Through March 2015	August 2011 Through March 2013	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$2,471,952,158	\$1,514,350,982	\$957,601,176	63.2%
Oil extraction tax	2,924,359,984	1,673,129,444	1,251,230,540	74.8%
Total actual collections	\$5,396,312,142	\$3,187,480,426	\$2,208,831,716	69.3%
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$1,897,180,159	\$859,403,232	\$1,037,776,927	120.8%
Oil extraction tax	2,485,396,321	823,594,764	1,661,801,557	201.8%
Total forecasted collections	\$4,382,576,480	\$1,682,997,996	\$2,699,578,484	160.4%
<b>Increase (decrease) to forecast</b>				
Amount	\$1,013,735,662	\$1,504,482,430		
Percentage	23.1%	89.4%		

### 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 20 months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, March 2015 oil tax revenue collections relate to January 2015 oil production.

	June 2013 Through January 2015	June 2011 Through January 2013	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	1,030,653	597,434	433,219	72.5%
Average daily price of oil per barrel	\$77.56	\$82.40	(\$4.84)	(5.9%)
<b>Forecasted average daily production and price</b>				
Average daily production of oil in barrels	846,500	480,500	366,000	76.2%
Average daily price of oil per barrel	\$77.00	\$69.53	\$7.47	10.7%

### 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 20 months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through February 2015	August 2011 Through February 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$1,678,953,235	\$927,243,809	\$751,709,426	81.1%
Three Affiliated Tribes	399,294,606	146,744,953	252,549,653	172.1%
Oil and gas research fund	10,000,000	4,000,000	6,000,000	150.0%
Oil and gas impact grant fund	240,000,000	100,000,000	140,000,000	140.0%
Political subdivisions	593,386,302	227,740,861	365,645,441	160.6%
Abandoned well reclamation fund	10,000,000	N/A	10,000,000	N/A
North Dakota heritage fund	16,528,186	N/A	16,528,186	N/A
Foundation aid stabilization fund	252,713,633	153,267,409	99,446,224	64.9%
Common schools trust fund	252,713,633	153,267,409	99,446,224	64.9%
Resources trust fund	505,427,269	306,534,819	198,892,450	64.9%
General fund	300,000,000	300,000,000	0	0.0%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	773,505,278	504,891,166	268,614,112	53.2%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,396,312,142	\$3,187,480,426	\$2,208,831,716	69.3%

## COMPARISON OF ACTUAL TO FORECAST - COLLECTIONS AND ALLOCATIONS

### Monthly Comparison

The schedule below provides a comparison of actual to originally forecasted oil tax revenue collections and allocations for the month of March 2015.

	March 2015		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
<b>Collections</b>				
Oil and gas gross production tax	\$64,804,648	\$100,564,037	(\$35,759,389)	(35.6%)
Oil extraction tax	75,378,921	131,743,676	(56,364,755)	(42.8%)
Total actual collections	\$140,183,569	\$232,307,713	(\$92,124,144)	(39.7%)
<b>Allocations</b>				
Legacy fund	\$39,248,769	\$86,253,722	(\$47,004,953)	(54.5%)
Three Affiliated Tribes	9,356,127	11,700,000	(2,343,873)	(20.0%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	15,532,950	23,671,385	(8,138,435)	(34.4%)
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	444,986	770,912	(325,926)	(42.3%)
Foundation aid stabilization fund	6,583,596	12,424,368	(5,840,772)	(47.0%)
Common schools trust fund	6,583,596	12,424,368	(5,840,772)	(47.0%)
Resources trust fund	13,167,192	24,848,735	(11,681,543)	(47.0%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	49,266,353	60,214,223	(10,947,870)	(18.2%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$140,183,569	\$232,307,713	(\$92,124,144)	(39.7%)

### Biennium-to-Date Comparison

The schedule below provides a comparison of actual to originally 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
<b>Collections</b>				
Oil and gas gross production tax	\$2,471,952,158	\$1,897,180,159	\$574,771,999	30.3%
Oil extraction tax	2,924,359,984	2,485,396,321	438,963,663	17.7%
Total actual collections	\$5,396,312,142	\$4,382,576,480	\$1,013,735,662	23.1%
<b>Allocations</b>				
Legacy fund	\$1,678,953,235	\$1,380,444,680	\$298,508,555	21.6%
Three Affiliated Tribes	399,294,606	225,600,000	173,694,606	77.0%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	240,000,000	240,000,000	0	0.0%
Political subdivisions	593,386,302	501,603,436	91,782,866	18.3%
Abandoned well reclamation fund	10,000,000	10,000,000	0	0.0%
North Dakota heritage fund	16,528,186	14,524,637	2,003,549	13.8%
Foundation aid stabilization fund	252,713,633	234,139,636	18,573,997	7.9%
Common schools trust fund	252,713,633	234,139,636	18,573,997	7.9%
Resources trust fund	505,427,269	468,279,263	37,148,006	7.9%
General fund	300,000,000	300,000,000	0	0.0%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	773,505,278	400,055,192	373,450,086	93.3%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,396,312,142	\$4,382,576,480	\$1,013,735,662	23.1%

## 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, March 2015 distributions of oil and gas gross production tax collections relate to January 2015 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.

	<b>Fiscal Year 2014</b>	<b>September 2014</b>	<b>October 2014</b>	<b>November 2014</b>	<b>December 2014</b>
Counties	\$197,538,275	\$32,339,212	\$20,175,767	\$17,940,453	\$15,272,934
Hub cities <sup>1</sup>	54,724,166	6,912,200	5,103,636	4,773,306	4,366,706
Other cities	66,635,265	10,829,819	6,758,411	6,015,978	5,128,125
Hub city school districts	8,750,000	708,334	708,334	708,332	708,334
Other school districts	21,661,622	2,994,868	1,898,537	1,700,335	1,501,831
Townships	18,982,777	3,191,467	1,985,760	1,765,540	1,494,472
<b>Total</b>	<b>\$368,292,105</b>	<b>\$56,975,900</b>	<b>\$36,630,445</b>	<b>\$32,903,944</b>	<b>\$28,472,402</b>
<sup>1</sup> The distributions to the hub cities are as follows:					
Williston	\$33,209,498	\$4,122,320	\$3,037,182	\$2,838,984	\$2,595,024
Dickinson	16,417,231	2,123,660	1,581,091	1,481,992	1,360,012
Minot	5,097,437	666,220	485,363	452,330	411,670
<b>Total</b>	<b>\$54,724,166</b>	<b>\$6,912,200</b>	<b>\$5,103,636</b>	<b>\$4,773,306</b>	<b>\$4,366,706</b>

	<b>January 2015</b>	<b>February 2015</b>	<b>March 2015</b>	<b>Biennium-to- Date Total</b>
Counties	\$13,425,682	\$10,357,158	\$7,579,877	\$314,629,358
Hub cities <sup>1</sup>	4,103,125	3,651,854	3,240,735	86,875,728
Other cities	4,501,199	3,471,785	2,537,933	105,878,515
Hub city school districts	708,334	708,332	708,334	13,708,334
Other school districts	1,283,369	986,115	722,249	32,748,926
Townships	1,318,752	1,017,906	743,822	30,500,496
<b>Total</b>	<b>\$25,340,461</b>	<b>\$20,193,150</b>	<b>\$15,532,950</b>	<b>\$584,341,357</b>
<sup>1</sup> The distributions to the hub cities are as follows:				
Williston	\$2,436,875	\$2,166,113	\$1,919,441	\$52,325,437
Dickinson	1,280,938	1,145,556	1,022,221	26,412,701
Minot	385,312	340,185	299,073	8,137,590
<b>Total</b>	<b>\$4,103,125</b>	<b>\$3,651,854</b>	<b>\$3,240,735</b>	<b>\$86,875,728</b>