

## 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 April and May 2015.

	April 2015	May 2015	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$64,586,877	\$69,321,774	\$4,734,897	7.3%
Oil extraction tax	74,992,166	78,654,763	3,662,597	4.9%
Total actual collections	\$139,579,043	\$147,976,537	\$8,397,494	6.0%
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$90,832,034	\$100,564,037	\$9,732,003	10.7%
Oil extraction tax	118,994,288	131,743,676	12,749,388	10.7%
Total forecasted collections	\$209,826,322	\$232,307,713	\$22,481,391	10.7%
<b>Increase (decrease) to forecast</b>				
Amount	(\$70,247,279)	(\$84,331,176)		
Percentage	(33.5%)	(36.3%)		

### 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 February and March 2015. Monthly oil tax revenue collections reflect production from two months prior. For example, May 2015 oil tax revenue collections relate to March 2015 oil production. Actual oil prices shown reflect Flint Hills Resources posted price.

	February 2015	March 2015	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	1,178,082	1,190,583	12,501	1.1%
Average daily price of oil per barrel	\$34.11	\$31.47	(\$2.64)	(7.7%)
<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 April and May 2015.

	April 2015	May 2015	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$38,706,412	\$41,626,258	\$2,919,846	7.5%
Three Affiliated Tribes	10,549,815	9,216,096	(1,333,719)	(12.6%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	15,442,625	16,476,536	1,033,911	6.7%
Abandoned well reclamation fund	0	0	0	N/A
North Dakota outdoor heritage fund	436,390	482,140	45,750	10.5%
Foundation aid stabilization fund	6,387,759	6,926,708	538,949	8.4%
Common schools trust fund	6,387,759	6,926,708	538,949	8.4%
Resources trust fund	12,775,519	13,853,417	1,077,898	8.4%
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	48,892,764	52,468,674	3,575,910	7.3%
State disaster relief fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$139,579,043	\$147,976,537	\$8,397,494	6.0%

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

	August 2013 Through May 2015	August 2011 Through May 2013	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$2,605,860,809	\$1,716,751,736	\$889,109,073	51.8%
Oil extraction tax	3,078,006,913	1,903,840,785	1,174,166,128	61.7%
Total actual collections	\$5,683,867,722	\$3,620,592,521	\$2,063,275,201	57.0%
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$2,088,576,230	\$949,169,232	\$1,139,406,998	120.0%
Oil extraction tax	2,736,134,285	909,620,514	1,826,513,771	200.8%
Total forecasted collections	\$4,824,710,515	\$1,858,789,746	\$2,965,920,769	159.6%
<b>Increase (decrease) to forecast</b>				
Amount	\$859,157,207	\$1,761,802,775		
Percentage	17.8%	94.8%		

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

	June 2013 Through March 2015	June 2011 Through March 2013	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	1,044,655	614,124	430,531	70.1%
Average daily price of oil per barrel	\$73.49	\$82.83	(\$9.34)	(11.3%)
<b>Forecasted average daily production and price</b>				
Average daily production of oil in barrels	846,818	500,471	346,347	69.2%
Average daily price of oil per barrel	\$77.27	\$69.56	\$7.71	11.1%

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

	August 2013 Through May 2015	August 2011 Through May 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$1,759,285,905	\$1,096,274,422	\$663,011,483	60.5%
Three Affiliated Tribes	419,060,517	171,179,250	247,881,267	144.8%
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	625,305,463	246,760,882	378,544,581	153.4%
Abandoned well reclamation fund	10,000,000	N/A	10,000,000	N/A
North Dakota outdoor heritage fund	17,446,716	N/A	17,446,716	N/A
Foundation aid stabilization fund	266,028,100	173,852,192	92,175,908	53.0%
Common schools trust fund	266,028,100	173,852,192	92,175,908	53.0%
Resources trust fund	532,056,205	347,704,385	184,351,820	53.0%
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	874,866,716	643,179,198	231,687,518	36.0%
State disaster relief fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,683,867,722	\$3,620,592,521	\$2,063,275,201	57.0%

## 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 May 2015.

	May 2015		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
<b>Collections</b>				
Oil and gas gross production tax	\$69,321,774	\$100,564,037	(\$31,242,263)	(31.1%)
Oil extraction tax	78,654,763	131,743,676	(53,088,913)	(40.3%)
Total actual collections	\$147,976,537	\$232,307,713	(\$84,331,176)	(36.3%)
<b>Allocations</b>				
Legacy fund	\$41,626,258	\$86,385,412	(\$44,759,154)	(51.8%)
Three Affiliated Tribes	9,216,096	11,700,000	(2,483,904)	(21.2%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	16,476,536	23,144,624	(6,668,088)	(28.8%)
Abandoned well reclamation fund	0	0	0	N/A
North Dakota outdoor heritage fund	482,140	770,912	(288,772)	(37.5%)
Foundation aid stabilization fund	6,926,708	12,424,368	(5,497,660)	(44.2%)
Common schools trust fund	6,926,708	12,424,368	(5,497,660)	(44.2%)
Resources trust fund	13,853,417	24,848,735	(10,995,318)	(44.2%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	52,468,674	60,609,294	(8,140,620)	(13.4%)
State disaster relief fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$147,976,537	\$232,307,713	(\$84,331,176)	(36.3%)

### 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	\$2,605,860,809	\$2,088,576,230	\$517,284,579	24.8%
Oil extraction tax	3,078,006,913	2,736,134,285	341,872,628	12.5%
Total actual collections	\$5,683,867,722	\$4,824,710,515	\$859,157,207	17.8%
<b>Allocations</b>				
Legacy fund	\$1,759,285,905	\$1,544,342,809	\$214,943,096	13.9%
Three Affiliated Tribes	419,060,517	249,000,000	170,060,517	68.3%
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	625,305,463	545,846,431	79,459,032	14.6%
Abandoned well reclamation fund	10,000,000	10,000,000	0	0.0%
North Dakota outdoor heritage fund	17,446,716	15,988,605	1,458,111	9.1%
Foundation aid stabilization fund	266,028,100	257,713,433	8,314,667	3.2%
Common schools trust fund	266,028,100	257,713,433	8,314,667	3.2%
Resources trust fund	532,056,205	515,426,856	16,629,349	3.2%
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	874,866,716	514,888,948	359,977,768	69.9%
State disaster relief fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,683,867,722	\$4,824,710,515	\$859,157,207	17.8%

## 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, May 2015 distributions of oil and gas gross production tax collections relate to March 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>April 2015</b>	<b>May 2015</b>
Counties	\$13,425,682	\$10,357,158	\$7,579,877	\$7,519,290	\$8,137,090
Hub cities <sup>1</sup>	4,103,125	3,651,854	3,240,735	3,231,617	3,322,955
Other cities	4,501,199	3,471,785	2,537,933	2,521,486	2,728,281
Hub city school districts	708,334	708,332	708,334	708,334	708,332
Other school districts	1,283,369	986,115	722,249	724,153	781,242
Townships	1,318,752	1,017,906	743,822	737,745	798,636
<b>Total</b>	<b>\$25,340,461</b>	<b>\$20,193,150</b>	<b>\$15,532,950</b>	<b>\$15,442,625</b>	<b>\$16,476,536</b>
<sup>1</sup> The distributions to the hub cities are as follows:					
Williston	\$2,436,875	\$2,166,113	\$1,919,441	\$1,913,970	\$1,968,773
Dickinson	1,280,938	1,145,556	1,022,221	1,019,485	1,046,887
Minot	385,312	340,185	299,073	298,162	307,295
<b>Total</b>	<b>\$4,103,125</b>	<b>\$3,651,854</b>	<b>\$3,240,735</b>	<b>\$3,231,617</b>	<b>\$3,322,955</b>

	<b>Biennium-to- Date Total</b>
Counties	\$330,285,738
Hub cities <sup>1</sup>	93,430,300
Other cities	111,128,282
Hub city school districts	15,125,000
Other school districts	34,254,321
Townships	32,036,877
<b>Total</b>	<b>\$616,260,518</b>
<sup>1</sup> The distributions to the hub cities are as follows:	
Williston	\$56,208,180
Dickinson	28,479,073
Minot	8,743,047
<b>Total</b>	<b>\$93,430,300</b>