



North Dakota Legislative Council

Prepared by the Legislative Council staff
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OIL AND GAS TAX REVENUES MONTHLY UPDATE

This memorandum provides an update on oil production and prices, oil and gas tax revenue collections, and oil and gas tax revenue allocations for February 2023 and for the biennium to date. The forecasted amounts reflect the 2021 legislative revenue forecast ("original forecast") which was prepared at the close of the 2021 regular legislative session and the January 2023 revised legislative forecast ("January 2023 revised forecast"). The oil revenue forecast was not changed during the November 2021 special legislative session.

OIL PRODUCTION AND PRICES

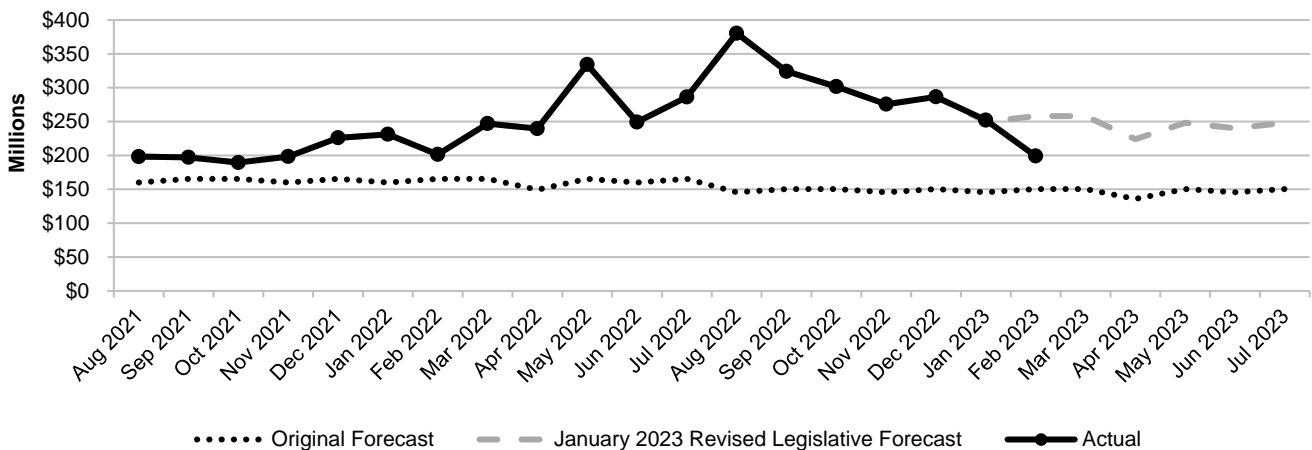
The schedule below provides information on oil production and prices for December 2022 and for the biennium to date. Oil and gas tax revenue allocations reflect production and price from 2 months prior. The actual oil prices reflect the average of Flint Hills Resources posted prices and West Texas Intermediate posted prices.

| | Original Forecast | | | | | | | |
|------------------------------|-------------------|-----------|----------|---------|------------------|-----------|----------|---------|
| | December 2022 | | | | Biennium to Date | | | |
| | Actual | Forecast | Variance | | Actual | Forecast | Variance | |
| | | | Amount | Percent | | | Amount | Percent |
| Average daily oil production | 956,288 | 1,000,000 | (43,712) | (4%) | 1,086,999 | 1,063,158 | 23,841 | 2% |
| Average oil price per barrel | \$75.21 | \$50.00 | \$25.21 | 50% | \$84.26 | \$50.00 | \$34.26 | 69% |

| | January 2023 Revised Forecast | | | | | | | |
|------------------------------|-------------------------------|-----------|-----------|---------|------------------|-----------|----------|---------|
| | December 2022 | | | | Biennium to Date | | | |
| | Actual | Forecast | Variance | | Actual | Forecast | Variance | |
| | | | Amount | Percent | | | Amount | Percent |
| Average daily oil production | 956,288 | 1,100,000 | (143,712) | (13%) | 1,086,999 | 1,094,647 | (7,648) | (1%) |
| Average oil price per barrel | \$75.21 | \$78.00 | (\$2.79) | (4%) | \$84.26 | \$84.13 | \$0.13 | 0% |

OIL AND GAS TAX REVENUE COLLECTIONS

The chart below provides information on total oil and gas tax revenue collections based on the original forecast, the January 2023 revised legislative forecast, and actual allocations through February 2023.



OIL AND GAS TAX REVENUE ALLOCATIONS

The schedule below provides information on oil and gas tax revenue allocations to the Three Affiliated Tribes of the Fort Berthold Reservation, state funds, and political subdivisions for February 2023 and for the biennium to date.

| Original Forecast - Amounts Shown in Millions | | | | | | | | |
|--|-----------------|-----------------|----------------|------------|-------------------|-------------------|-------------------|------------|
| | February 2023 | | | | Biennium to Date | | | |
| | Actual | Forecast | Variance | | Actual | Forecast | Variance | |
| | | | Amount | Percent | | | Amount | Percent |
| Three Affiliated Tribes | \$18.77 | \$19.71 | (\$0.94) | (5%) | \$573.07 | \$390.83 | \$182.24 | 47% |
| Legacy fund | 54.14 | 39.28 | 14.86 | 38% | 1,275.76 | 779.98 | 495.78 | 64% |
| North Dakota outdoor heritage fund | 0.00 | 0.95 | (0.95) | (100%) | 15.00 | 13.13 | 1.87 | 14% |
| Abandoned well reclamation fund | 0.73 | 0.47 | 0.26 | 55% | 13.55 | 9.41 | 4.14 | 44% |
| Political subdivisions | 27.73 | 20.31 | 7.42 | 37% | 659.56 | 422.07 | 237.49 | 56% |
| Common schools trust fund | 8.07 | 6.42 | 1.65 | 26% | 201.47 | 127.43 | 74.04 | 58% |
| Foundation aid stabilization fund | 8.07 | 6.42 | 1.65 | 26% | 201.47 | 127.43 | 74.04 | 58% |
| Resources trust fund | 16.54 | 13.16 | 3.38 | 26% | 413.01 | 261.23 | 151.78 | 58% |
| Oil and gas research fund | 0.00 | 0.00 | 0.00 | N/A | 14.50 | 14.50 | 0.00 | 0% |
| State energy research center fund | 0.00 | 0.00 | 0.00 | N/A | 5.00 | 5.00 | 0.00 | 0% |
| General fund | 0.00 | 0.00 | 0.00 | N/A | 400.00 | 400.00 | 0.00 | 0% |
| Tax relief fund | 0.00 | 0.00 | 0.00 | N/A | 200.00 | 200.00 | 0.00 | 0% |
| Budget stabilization fund | 0.00 | 0.00 | 0.00 | N/A | 9.65 | 0.00 | 9.65 | N/A |
| Lignite research fund | 0.00 | 0.00 | 0.00 | N/A | 10.00 | 10.00 | 0.00 | 0% |
| State disaster relief fund | 0.00 | 0.00 | 0.00 | N/A | 15.51 | 18.19 | (2.68) | (15%) |
| Strategic investment and improvements fund | 64.99 | 43.63 | 21.36 | 49% | 559.52 | 205.99 | 353.53 | 172% |
| Municipal infrastructure fund | 0.00 | 0.00 | 0.00 | N/A | 115.00 | 0.00 | 115.00 | N/A |
| County and township infrastructure fund | 0.00 | 0.00 | 0.00 | N/A | 115.00 | 0.00 | 115.00 | N/A |
| Airport infrastructure fund | 0.00 | 0.00 | 0.00 | N/A | 20.00 | 0.00 | 20.00 | N/A |
| Total oil and gas tax revenue allocations | \$199.04 | \$150.35 | \$48.69 | 32% | \$4,817.07 | \$2,985.19 | \$1,831.88 | 61% |

| January 2023 Revised Forecast - Amounts Shown in Millions | | | | | | | | |
|---|-----------------|-----------------|------------------|--------------|-------------------|-------------------|------------------|-------------|
| | February 2023 | | | | Biennium to Date | | | |
| | Actual | Forecast | Variance | | Actual | Forecast | Variance | |
| | | | Amount | Percent | | | Amount | Percent |
| Three Affiliated Tribes | \$18.77 | \$39.98 | (\$21.21) | (53%) | \$573.07 | \$606.78 | (\$33.71) | (6%) |
| Legacy fund | 54.14 | 65.50 | (11.36) | (17%) | 1,275.76 | 1,282.64 | (6.88) | (1%) |
| North Dakota outdoor heritage fund | 0.00 | 1.53 | (1.53) | (100%) | 15.00 | 18.02 | (3.02) | (17%) |
| Abandoned well reclamation fund | 0.73 | 0.77 | (0.04) | (5%) | 13.55 | 13.44 | 0.11 | 1% |
| Political subdivisions | 27.73 | 31.14 | (3.41) | (11%) | 659.56 | 658.99 | 0.57 | 0% |
| Common schools trust fund | 8.07 | 10.70 | (2.63) | (25%) | 201.47 | 204.16 | (2.69) | (1%) |
| Foundation aid stabilization fund | 8.07 | 10.70 | (2.63) | (25%) | 201.47 | 204.16 | (2.69) | (1%) |
| Resources trust fund | 16.54 | 21.93 | (5.39) | (25%) | 413.01 | 418.53 | (5.52) | (1%) |
| Oil and gas research fund | 0.00 | 0.00 | 0.00 | N/A | 14.50 | 14.50 | 0.00 | 0% |
| State energy research center fund | 0.00 | 0.00 | 0.00 | N/A | 5.00 | 5.00 | 0.00 | 0% |
| General fund | 0.00 | 0.00 | 0.00 | N/A | 400.00 | 400.00 | 0.00 | 0% |
| Tax relief fund | 0.00 | 0.00 | 0.00 | N/A | 200.00 | 200.00 | 0.00 | 0% |
| Budget stabilization fund | 0.00 | 0.00 | 0.00 | N/A | 9.65 | 9.65 | 0.00 | 0% |
| Lignite research fund | 0.00 | 0.00 | 0.00 | N/A | 10.00 | 10.00 | 0.00 | 0% |
| State disaster relief fund | 0.00 | 0.00 | 0.00 | N/A | 15.51 | 15.51 | 0.00 | 0% |
| Strategic investment and improvements fund | 64.99 | 75.76 | (10.77) | (14%) | 559.52 | 562.27 | (2.75) | 0% |
| Municipal infrastructure fund | 0.00 | 0.00 | 0.00 | N/A | 115.00 | 115.00 | 0.00 | 0% |
| County and township infrastructure fund | 0.00 | 0.00 | 0.00 | N/A | 115.00 | 115.00 | 0.00 | 0% |
| Airport infrastructure fund | 0.00 | 0.00 | 0.00 | N/A | 20.00 | 20.00 | 0.00 | 0% |
| Total oil and gas tax revenue allocations | \$199.04 | \$258.01 | (\$58.97) | (23%) | \$4,817.07 | \$4,873.65 | (\$56.58) | (1%) |