



North Dakota Legislative Council

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

This memorandum provides a summary of oil production and prices, oil and gas tax revenue collections, and oil and gas tax revenue allocations, including comparisons to forecasted amounts, projections for the biennium, and comparisons to the prior biennium. **The forecasted amounts reflect the 2021 legislative revenue forecast**, prepared at the close of the 2021 legislative session. The oil revenue forecast was not changed during the November 2021 special session.

QUARTERLY SUMMARY

Oil Production and Prices

The schedules below provide information on actual and forecasted oil production and prices for December 2021 through February 2022. Oil and gas tax revenue collections and allocations reflect production and prices from 2 months prior. The amounts shown for the actual oil prices reflect the average of Flint Hills Resources posted prices and West Texas Intermediate posted prices.

Average Daily Oil Production - Barrels Per Day			
	December 2021	January 2022	February 2022
Actual	1,144,999	1,088,613	1,089,193
Forecast	1,100,000	1,100,000	1,100,000
Variance to forecast	44,999	(11,387)	(10,807)
Percentage variance to forecast	4.1%	(1.0%)	(1.0%)

Average Oil Price - Price Per Barrel			
	December 2021	January 2022	February 2022
Actual	\$68.58	\$78.92	\$88.90
Forecast	50.00	50.00	50.00
Variance to forecast	\$18.58	\$28.92	\$38.90
Percentage variance to forecast	37.2%	57.8%	77.8%

Oil and Gas Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for February 2022 through April 2022.

	February 2022	March 2022	April 2022
Actual	\$201,410,408	\$247,019,172	\$239,533,896
Forecast	165,385,000	165,385,000	149,380,000
Variance to forecast	\$36,025,408	\$81,634,172	\$90,153,896
Percentage variance to forecast	21.8%	49.4%	60.4%

Oil and Gas Tax Revenue Allocations

The schedule below provides information on the oil and gas tax revenue allocations to the Three Affiliated Tribes of the Fort Berthold Reservation, state funds, and political subdivisions for February 2022 through April 2022.

	February 2022	March 2022	April 2022
Three Affiliated Tribes	\$26,915,516	\$29,160,789	\$28,624,536
Legacy fund	52,437,282	65,454,312	63,362,984
North Dakota outdoor heritage fund	808,412	0	0
Abandoned well reclamation fund	659,869	831,253	800,100
Political subdivisions	26,771,140	31,828,599	31,135,209
Common schools trust fund	8,066,910	10,131,267	9,793,080
Foundation aid stabilization fund	8,066,910	10,131,267	9,793,080
Resources trust fund	16,537,165	20,769,098	20,075,814
Oil and gas research fund	1,228,865	1,580,705	1,524,994
State energy research center fund	614,433	790,352	63,818
General fund	0	67,117,877	74,360,281
Tax relief fund	58,881,310	0	0
Budget stabilization fund	422,596	9,223,653	0
Lignite research fund	0	0	0
State disaster relief fund	0	0	0
Strategic investment and improvements fund	0	0	0
Municipal infrastructure fund	0	0	0
County and township infrastructure fund	0	0	0
Airport infrastructure fund	0	0	0
Total	\$201,410,408	\$247,019,172	\$239,533,896

Distributions to Political Subdivisions

The schedule below provides information on the distribution of oil and gas gross production tax collections to political subdivisions for February 2022 through April 2022. The formula for the distributions to political subdivisions became effective with July 2021 oil production and September 2021 distributions. However, this memorandum reports the distributions to political subdivisions for the period August 2021 to July 2023 to align with the reporting for the allocations to state funds.

	February 2022	March 2022	April 2022
Hub cities	\$3,923,714	\$4,367,934	\$4,286,050
Hub city school districts	714,529	813,245	795,048
Counties	14,368,480	17,384,705	16,936,205
Cities (excluding hub cities)	4,837,561	5,849,053	5,710,375
School districts (excluding hub city school districts)	1,997,798	2,287,174	2,317,435
Townships	929,058	1,126,488	1,090,096
Total	\$26,771,140	\$31,828,599	\$31,135,209

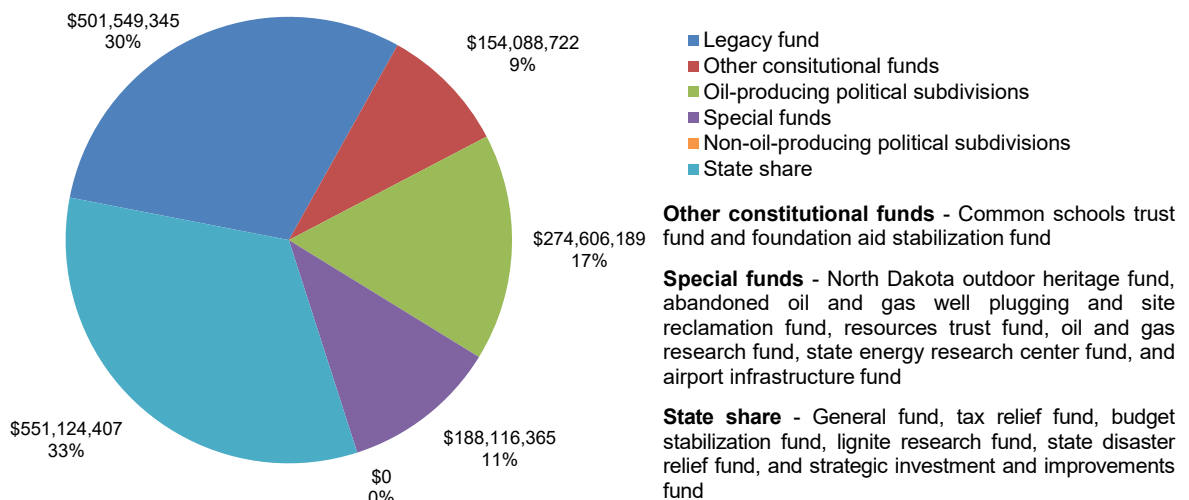
CURRENT BIENNIUM COMPARISON TO FORECAST

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue allocations for the biennium to date through April 2022.

	Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Three Affiliated Tribes	\$258,856,638	\$190,438,871	\$68,417,767	35.9%
Legacy fund	501,549,345	380,550,928	120,998,417	31.8%
North Dakota outdoor heritage fund	7,500,000	7,500,000	0	0.0%
Abandoned well reclamation fund	6,278,067	4,590,987	1,687,080	36.7%
Political subdivisions	274,606,189	206,589,121	68,017,068	32.9%
Common schools trust fund	77,044,361	62,171,109	14,873,252	23.9%
Foundation aid stabilization fund	77,044,361	62,171,109	14,873,252	23.9%
Resources trust fund	157,940,941	127,450,774	30,490,167	23.9%
Oil and gas research fund	11,397,357	8,349,582	3,047,775	36.5%
State energy research center fund	5,000,000	4,174,791	825,209	19.8%
General fund	341,478,158	202,467,728	139,010,430	68.7%
Tax relief fund	200,000,000	200,000,000	0	0.0%
Budget stabilization fund	9,646,249	0	9,646,249	N/A
Lignite research fund	0	0	0	N/A
State disaster relief fund	0	0	0	N/A
Strategic investment and improvements fund	0	0	0	N/A
Municipal infrastructure fund	0	0	0	N/A
County and township infrastructure fund	0	0	0	N/A
Airport infrastructure fund	0	0	0	N/A
Total	\$1,928,341,666	\$1,456,455,000	\$471,886,666	32.4%

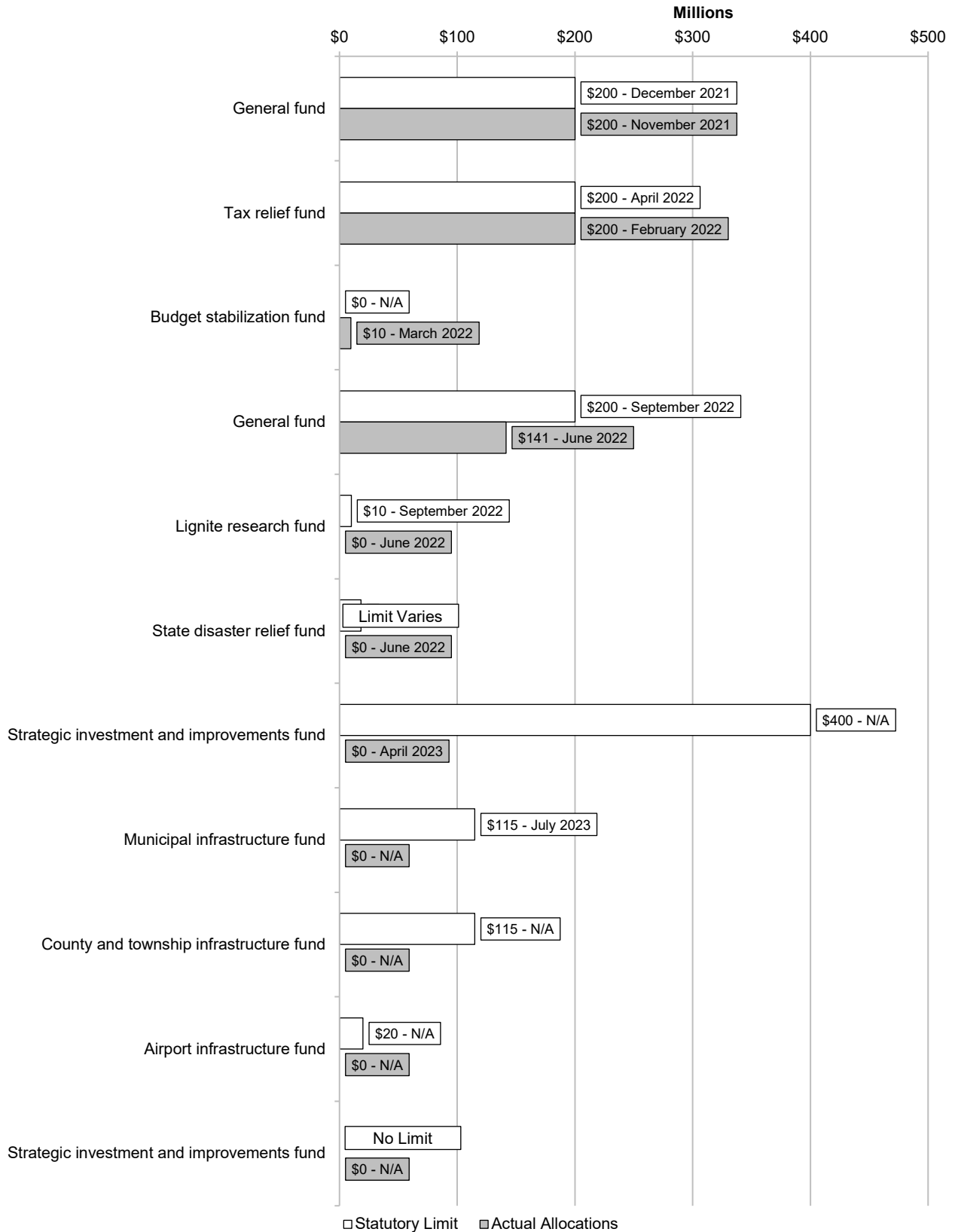
OIL AND GAS TAX REVENUE ALLOCATIONS

The chart below provides information on the oil and gas tax revenue allocations, excluding the allocations to the Three Affiliated Tribes of the Fort Berthold Reservation, for the biennium to date through April 2022.



STATE'S SHARE - FUND STATUS

The chart below provides information on the status of the state's share of allocations ("buckets") for the biennium to date through April 2022. The dates in the white boxes reflect when the funds are estimated to reach the statutory limit based on the 2021 legislative revenue forecast, prepared at the close of the 2021 legislative session. The dates shown in the gray boxes reflect when the funds reached the statutory limit or when the funds are anticipated to reach the statutory limit as adjusted for the actual allocations for the biennium to date.



CURRENT BIENNIUM PROJECTIONS

The schedule below provides information on actual oil tax revenue allocations for the biennium to date through April 2022 and forecasted amounts for the remainder of the biennium. The amount shown for the original forecast reflects the 2021 legislative revenue forecast, prepared at the close of the 2021 legislative session.

2021-23 Biennium Actual Allocations and Remaining Forecast				
	Actual Through April 2022	Remaining Forecast	Biennium Total	Original Forecast
	Three Affiliated Tribes	\$258,856,638	\$296,448,535	\$555,305,173
Legacy fund	501,549,345	590,785,350	1,092,334,695	971,336,278
North Dakota outdoor heritage fund	7,500,000	7,500,000	15,000,000	15,000,000
Abandoned well reclamation fund	6,278,067	7,155,183	13,433,250	11,718,253
Political subdivisions	274,606,189	311,633,991	586,240,180	518,223,112
Common schools trust fund	77,044,361	96,517,386	173,561,747	158,688,495
Foundation aid stabilization fund	77,044,361	96,517,386	173,561,747	158,688,495
Resources trust fund	157,940,941	197,860,645	355,801,586	325,311,419
Oil and gas research fund	11,397,357	3,102,643	14,500,000	14,500,000
State energy research center fund	5,000,000	0	5,000,000	5,000,000
General fund	341,478,158	58,521,842	400,000,000	400,000,000
Tax relief fund	200,000,000	0	200,000,000	200,000,000
Budget stabilization fund	9,646,249	0	9,646,249	0
Lignite research fund	0	10,000,000	10,000,000	10,000,000
State disaster relief fund	0	18,187,906	18,187,906	18,187,906
Strategic investment and improvements fund	0	400,000,000	400,000,000	400,000,000
Municipal infrastructure fund	0	83,419,568	83,419,568	11,991,818
County and township infrastructure fund	0	83,419,565	83,419,565	11,991,818
Airport infrastructure fund	0	0	0	0
Total	\$1,928,341,666	\$2,261,070,000	\$4,189,411,666	\$3,717,525,000

CURRENT BIENNIUM TO PRIOR BIENNIUM COMPARISON Oil Production and Prices

The schedules below provide information on actual and forecasted oil production and prices for the first 9 months of the 2021-23 biennium and 2019-21 biennium. Oil and gas tax revenue collections and allocations reflect oil production and prices from 2 months prior.

Average Daily Oil Production - Barrels Per Day				
	2021-23 Biennium Through February 2022	2019-21 Biennium Through February 2020	Increase (Decrease)	
			Amount	Percentage
Actual	1,113,756	1,465,657	(351,901)	(24.0%)
Forecast	1,100,000	1,400,000	(300,000)	(21.4%)
Variance to forecast	13,756	65,657	(51,901)	(79.0%)
Percentage variance to forecast	1.3%	4.7%		

Average Oil Price - Price Per Barrel				
	2021-23 Biennium Through February 2022	2019-21 Biennium Through February 2020	Increase (Decrease)	
			Amount	Percentage
Actual	\$73.13	\$50.28	\$22.85	45.4%
Forecast	50.00	49.00	1.00	2.0%
Variance to forecast	\$23.13	\$1.28	\$21.85	1,707.0%
Percentage variance to forecast	46.3%	2.6%		

Oil and Gas Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for the first 9 months of the 2021-23 biennium and 2019-21 biennium.

	2021-23 Biennium Through April 2022	2019-21 Biennium Through April 2020	Increase (Decrease)	
			Amount	Percentage
Actual	\$1,928,341,666	\$1,867,142,757	\$61,198,909	3.3%
Forecast	1,456,455,000	1,798,059,900	(341,604,900)	(19.0%)
Variance to forecast	\$471,886,666	\$69,082,857	\$402,803,809	583.1%
Percentage variance to forecast	32.4%	3.8%		