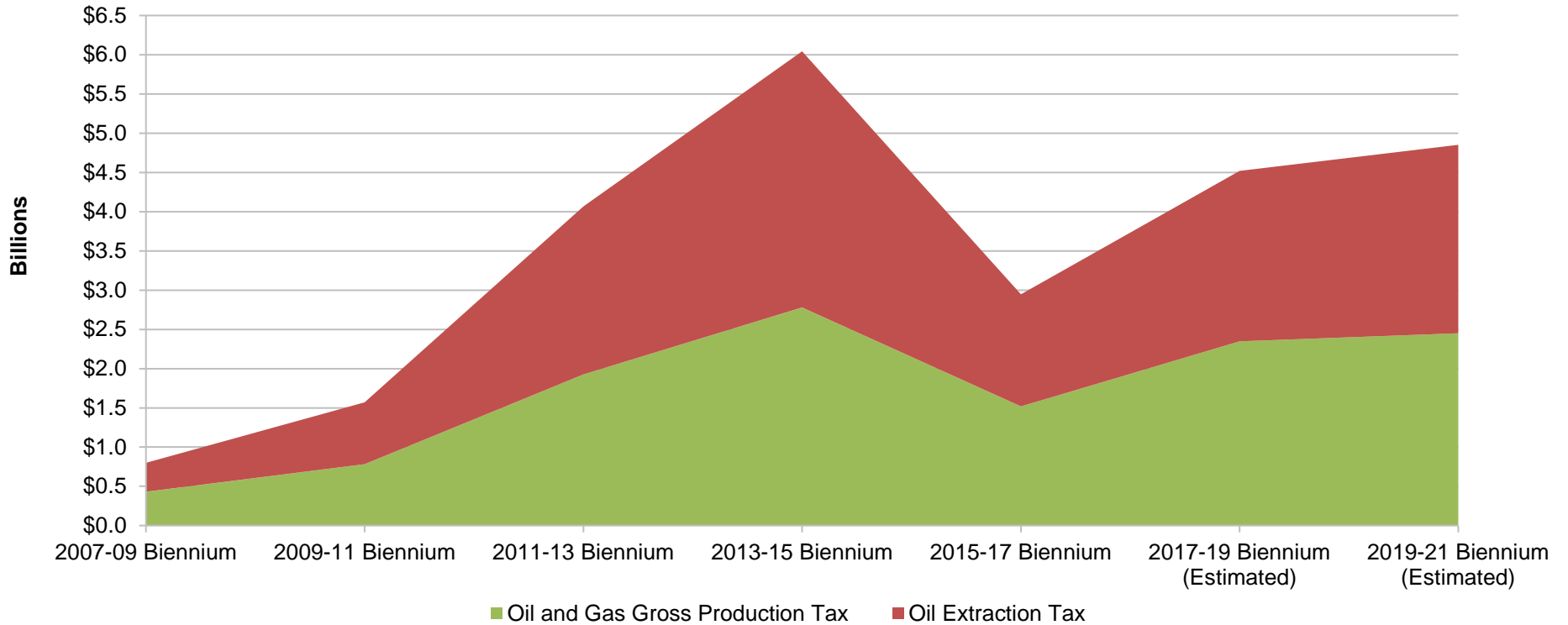


# OIL AND GAS TAX REVENUE SUMMARY

## TOTAL OIL AND GAS TAX REVENUE COLLECTIONS

Based on the 2019 legislative revenue forecast, total 2019-21 biennium oil and gas tax revenues, including the oil and gas gross production tax and the oil extraction tax, are estimated to be \$4,851.19 million, which is \$332.14 million, or 7.3 percent, more than total 2017-19 biennium estimated revenues of \$4,519.05 million.

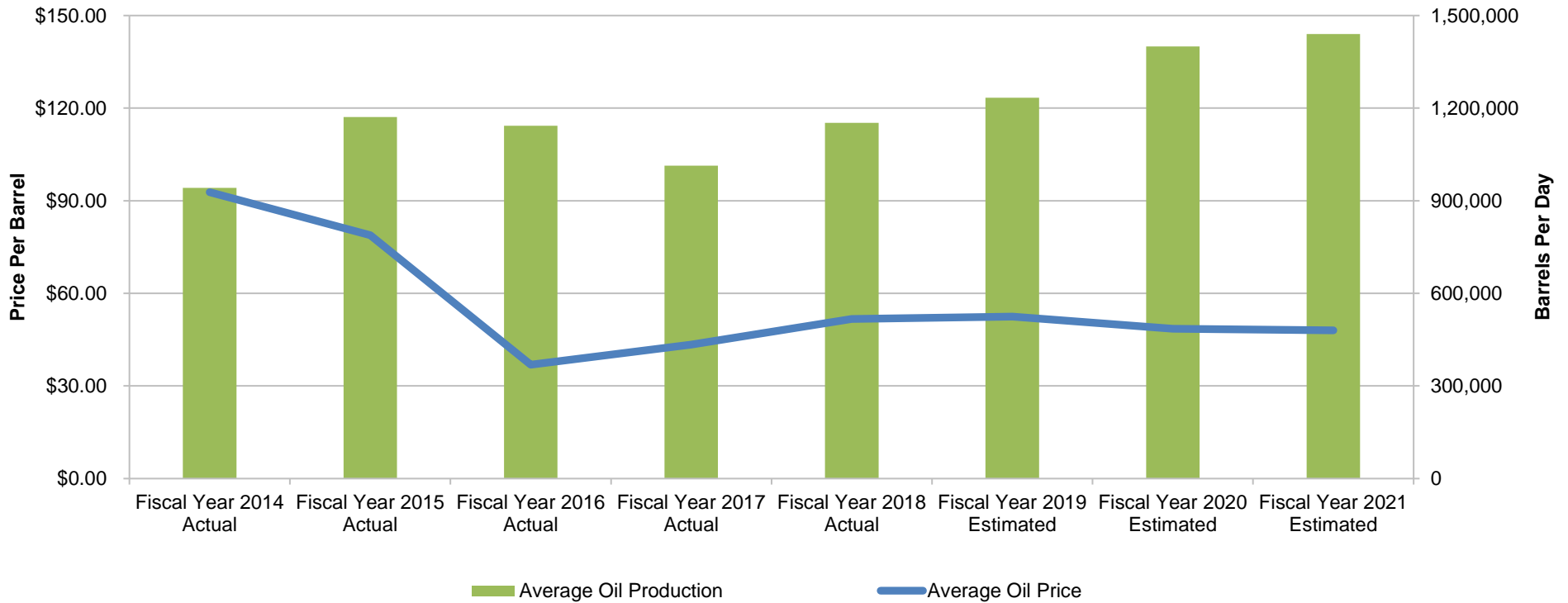


	Actual					Estimated	
	2007-09 Biennium	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium
Oil and gas gross production tax	\$430,919,403	\$783,182,869	\$1,926,078,873	\$2,778,556,383	\$1,517,963,563	\$2,348,690,000	\$2,450,600,000
Oil extraction tax	368,180,938	786,208,921	2,142,515,128	3,265,069,245	1,429,726,986	2,170,360,000	2,400,590,000
<b>Total</b>	<b>\$799,100,341</b>	<b>\$1,569,391,790</b>	<b>\$4,068,594,001</b>	<b>\$6,043,625,628</b>	<b>\$2,947,690,549</b>	<b>\$4,519,050,000</b>	<b>\$4,851,190,000</b>

**NOTE:** In House Bill No. 1476 (2015), the Legislative Assembly repealed the provisions of the "large trigger" effective with December 2015 oil production and changed the oil extraction tax rate from 6.5 to 5 percent effective with January 2016 oil production. The oil and gas gross production tax rate was not changed and remains at 5 percent.

## OIL PRODUCTION AND OIL PRICE Oil Production and Oil Price Trends

Based on the 2019 legislative revenue forecast, oil and gas tax revenue collections for the remainder of the 2017-19 biennium reflect average daily oil production remaining at 1.38 million barrels per day and oil prices remaining at \$47 per barrel. Oil and gas tax revenue collections for the 2019-21 biennium reflect average daily oil production increasing from 1.4 million barrels per day in the 1<sup>st</sup> year to 1.44 million barrels per day in the 2<sup>nd</sup> year of the biennium and reflect oil prices decreasing from \$48.50 per barrel in the 1<sup>st</sup> year to \$48 per barrel in the 2<sup>nd</sup> year of the biennium.



	2013-15 Biennium		2015-17 Biennium		2017-19 Biennium		2019-21 Biennium	
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
Average daily oil production (barrels per day)	941,491	1,171,342	1,142,973	1,013,629	1,152,501	1,234,036	1,400,000	1,440,000
Average daily oil price (per barrel)	\$92.77 <sup>1</sup>	\$78.83 <sup>1</sup>	\$36.89 <sup>1</sup>	\$43.42 <sup>1</sup>	\$51.74 <sup>1</sup>	\$52.44	\$48.50	\$48.00

<sup>1</sup>These amounts reflect the average of the Flint Hills Resources prices and the West Texas Intermediate prices.

**NOTE:** Monthly oil tax revenue allocations reflect oil prices and oil production from 2 months prior. For example, June 2019 oil prices and oil production relate to August 2019 oil tax revenue allocations. As a result, the fiscal year averages are based on the oil prices and oil production for the period June through May.

## 2019-21 Biennium Oil Production and Oil Price Changes

Based on the oil prices in the 2019 legislative revenue forecast for the 2019-21 biennium:

- For every 100,000 barrels of variance from the forecast, the total 2019-21 biennium oil and gas tax revenue collections would change by \$341.7 million.
- For example, if oil production ranged from 1.5 million to 1.54 million barrels per day for the entire 2019-21 biennium, rather than ranging from 1.4 million to 1.44 million as forecasted, the total 2019-21 biennium oil and gas tax revenue collections would increase by \$341.7 million, from \$4,851.2 million to \$5,192.9 million.

Based on the oil production levels in the 2019 legislative revenue forecast for the 2019-21 biennium:

- For every \$1 of variance from the forecast, the total 2019-21 biennium oil and gas tax revenue collections would change by \$100.5 million.
- For example, if oil prices ranged from \$49.50 to \$49 per barrel for the 2019-21 biennium, rather than ranging from \$48.50 to \$48 as forecasted, the total 2019-21 biennium oil and gas tax revenue collections would increase by \$100.5 million, from \$4,851.2 million to \$4,951.7 million.

## OIL AND GAS TAX ALLOCATION CHANGES

Changes to the oil and gas tax allocation formulas, as approved by the 2019 Legislative Assembly include House Bill Nos. 1014 and 1066 and Senate Bill Nos. 2016, 2249, 2312, and 2362.

- **House Bill No. 1014** - Limits the allocations to the abandoned oil and gas well plugging and site reclamation fund by decreasing the fund balance limit by \$50 million, from \$100 million to \$50 million; decreases the allocations to the North Dakota outdoor heritage fund from up to \$20 million per fiscal year to up to \$7.5 million per fiscal year only for the 2019-21 biennium; and allocates an additional \$6 million to the oil and gas research fund only for the 2019-21 biennium.
- **House Bill No. 1066** ("Operation prairie dog" bill) - Changes the allocations to hub cities and hub city school districts and provides allocations to three new infrastructure funds. Current allocations to hub cities and hub city school districts are based on mining employment, but the new allocations are based on a scoring system reflecting data related to mining employment, mining establishments, oil production, and population. The bill also provides up to \$115 million to a municipal infrastructure fund, up to \$115 million to a county and township infrastructure fund, and up to \$20 million to an airport infrastructure fund. Funding from the municipal infrastructure fund and the county and township infrastructure fund is distributed by the State Treasurer on a biennial basis to non-oil-producing political subdivisions for infrastructure projects.
- **Senate Bill No. 2016** - Decreases the allocations to the state disaster relief fund to provide up to \$15 million per biennium if the unobligated balance of the fund is less than \$15 million. Prior to the change, up to \$20 million was allocated to the fund if the unobligated balance of the fund was less than \$20 million.
- **Senate Bill No. 2249** - Creates a state energy research center fund and allocates up to \$5 million per biennium to the fund for distributions to a state energy research center.
- **Senate Bill No. 2312** - Changes the provisions for revenue sharing between the state and the Three Affiliated Tribes of the Fort Berthold Reservation. The changes are effective for new oil production after June 30, 2019. The changes provide 80 percent of the trust land revenue and 20 percent of the nontrust land revenue to the Three Affiliated Tribes with the remaining 20 percent of trust land revenue and 80 percent of nontrust land revenue allocated to the state. Overall, the changes result in an increase for the Three Affiliated Tribes and a decrease to the state.
- **Senate Bill No. 2362** - Includes the oil extraction tax revenue attributed to oil production on tribal lands in the allocations to the common schools trust fund, the foundation aid stabilization fund, and the resources trust fund, resulting in an increase in the allocations to those funds and a corresponding decrease in the allocations to the strategic investment and improvements fund.

The flowchart in the "2019-21 Biennium Oil and Gas Tax Revenue Allocation Flowchart" section of this report provides more detailed information on the allocation of oil and gas tax revenue.

## OIL AND GAS TAX ALLOCATIONS FROM THE 2013-15 BIENNIUM TO THE 2019-21 BIENNIUM

Allocations	Actual		Estimated		2019-21 Biennium Increase (Decrease) Compared to the 2017-19 Biennium	
	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium <sup>1</sup>	2019-21 Biennium <sup>2</sup>	Amount	Percentage
Three Affiliated Tribes	\$443,091,532 <sup>3</sup>	\$228,369,195 <sup>3</sup>	\$442,920,000 <sup>3</sup>	\$525,110,000 <sup>3</sup>	\$82,190,000	18.6%
Legacy fund	1,860,223,128 <sup>4</sup>	815,796,247 <sup>4</sup>	1,222,840,000 <sup>4</sup>	1,297,820,000 <sup>4</sup>	74,980,000	6.1%
North Dakota outdoor heritage fund	18,641,973	19,958,442 <sup>5</sup>	10,800,000 <sup>5</sup>	15,000,000 <sup>5</sup>	4,200,000	38.9%
Abandoned well reclamation fund	10,000,000	10,304,327 <sup>6</sup>	8,400,000 <sup>6</sup>	14,820,000 <sup>6</sup>	6,420,000	76.4%
Oil and gas impact grant fund	240,000,000	78,073,753 <sup>7</sup>	28,350,000 <sup>7</sup>	0 <sup>7</sup>	(28,350,000)	(100.0%)
Political subdivisions*	664,714,101	548,374,060 <sup>8</sup>	662,720,000 <sup>8</sup>	661,150,000 <sup>8</sup>	(1,570,000)	(0.2%)
Energy impact fund	0	0	4,000,000 <sup>9</sup>	0	(4,000,000)	(100.0%)
Common schools trust fund	282,260,501 <sup>10</sup>	120,282,476 <sup>10</sup>	176,430,000 <sup>10</sup>	213,290,000 <sup>10</sup>	36,860,000	20.9%
Foundation aid stabilization fund	282,260,501 <sup>10</sup>	120,282,476 <sup>10</sup>	176,430,000 <sup>10</sup>	213,290,000 <sup>10</sup>	36,860,000	20.9%
Resources trust fund	564,521,002 <sup>11</sup>	240,564,951 <sup>11</sup>	352,870,000 <sup>11</sup>	437,240,000 <sup>11</sup>	84,370,000	23.9%
Oil and gas research fund	10,000,000 <sup>12</sup>	10,000,000 <sup>12</sup>	10,000,000 <sup>12</sup>	16,000,000 <sup>12</sup>	6,000,000	60.0%
State energy research center fund	0	0	0	5,000,000 <sup>13</sup>	5,000,000	N/A
General fund	300,000,000	300,000,000	400,000,000	400,000,000 <sup>14</sup>	0	0.0%
Tax relief fund	341,790,000	300,000,000	200,000,000	200,000,000 <sup>14</sup>	0	0.0%
Budget stabilization fund	0	0	75,000,000	75,000,000 <sup>14</sup>	0	0.0%
Lignite research fund	0	0	3,000,000	10,000,000 <sup>14</sup>	7,000,000	233.3%
State disaster relief fund	22,000,000	3,482,364	0	0	0	N/A
Municipal infrastructure fund	0	0	0	115,000,000 <sup>14</sup>	115,000,000	N/A
Strategic investment and improvements fund	1,004,122,890	136,541,740	745,290,000	517,470,000 <sup>14</sup>	(227,820,000)	(30.6%)
County and township infrastructure fund	0	0	0	115,000,000 <sup>14</sup>	115,000,000	N/A
Airport infrastructure fund	0	0	0	20,000,000 <sup>14</sup>	20,000,000	N/A
Political subdivision allocation fund	0	15,660,518	0	0	0	N/A
<b>Total oil and gas tax allocations</b>	<b>\$6,043,625,628</b>	<b>\$2,947,690,549</b>	<b>\$4,519,050,000</b>	<b>\$4,851,190,000</b>	<b>\$332,140,000</b>	<b>7.3%</b>
*The amounts shown for the allocations to political subdivisions include the following:						
	<b>2013-15 Biennium</b>	<b>2015-17 Biennium</b>	<b>2017-19 Biennium<sup>1</sup></b>	<b>2019-21 Biennium<sup>2</sup></b>	<b>Amount</b>	<b>Percentage</b>
Hub cities in oil-producing counties	\$100,644,230	\$118,556,099	\$93,220,000	\$95,820,000	\$2,600,000	2.8%
Hub cities in non-oil-producing counties	0	10,312,502	430,000	0	(430,000)	(100.0%)
Hub city schools	16,541,668	27,395,832	13,810,000	17,420,000	3,610,000	26.1%
Counties	359,293,774	245,669,770	352,340,000	355,020,000	2,680,000	0.8%
Cities	118,028,352	82,244,654	118,240,000	119,220,000	980,000	0.8%
Schools	36,195,048	39,949,465	50,160,000	50,100,000	(60,000)	(0.1%)
Townships	34,011,029	24,245,738	34,520,000	23,570,000	(10,950,000)	(31.7%)
<b>Total political subdivisions</b>	<b>\$664,714,101</b>	<b>\$548,374,060</b>	<b>\$662,720,000</b>	<b>\$661,150,000</b>	<b>(\$1,570,000)</b>	<b>(0.2%)</b>
<sup>1</sup> These amounts reflect the revised 2017-19 revenue forecast (March 2019). <sup>2</sup> These amounts reflect the legislative forecast for the 2019-21 biennium.						

<sup>3</sup> The Legislative Assembly in House Bill No. 1198 (2013) amended North Dakota Century Code Section 57-51.2-02 to allocate revenue from tribal lands 50 percent to the state and 50 percent to the Three Affiliated Tribes of the Fort Berthold Reservation. The bill also eliminates the 5-year oil extraction tax exemption for wells drilled on tribal lands after June 30, 2013. Senate Bill No. 2362 (2019) increases the revenue allocation to the Three Affiliated Tribes providing 80 percent of the trust land revenue and 20 percent of the nontrust land revenue to the tribes with the remaining 20 percent of trust land revenue and 80 percent of nontrust land revenue allocated to the state.

<sup>4</sup> The passage of Constitutional Measure No. 1 in the November 2010 general election resulted in the creation of a legacy fund. Beginning July 1, 2011, the legacy fund receives an allocation of 30 percent of oil and gas gross production and oil extraction taxes.

<sup>5</sup> The Legislative Assembly in House Bill No. 1278 (2013) amended Section 57-51-15 to provide an allocation of 4 percent of the first 1 percent of oil and gas gross production tax revenue, to a newly created North Dakota outdoor heritage fund with an annual funding limit of \$15 million, or \$30 million per biennium. The Legislative Assembly in House Bill No. 1176 (2015) increased the allocation to 8 percent with an annual funding limit of \$20 million. Senate Bill No. 2013 (2017) limits the allocation to \$10 million per biennium for the 2017-19 biennium. **House Bill No. 1014 (2019) limits the allocations to \$7.5 million per fiscal year for the 2019-21 biennium.**

<sup>6</sup> House Bill No. 1333 (2013) amended Section 57-51-15 to provide for 4 percent of the first 1 percent of oil and gas gross production tax to be allocated to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding \$5 million per state fiscal year and not in an amount that would bring the balance of the fund to more than \$75 million. In House Bill No. 1032 (2015), the Legislative Assembly increased the allocation limit from \$5 million to \$7.5 million per fiscal year and increased the fund balance limit from \$75 million to \$100 million. Senate Bill No. 2013 (2017) limits the allocation to \$4 million per fiscal year only for the 2017-19 biennium. **House Bill No. 1014 (2019) decreases the fund balance limit from \$100 million to \$50 million.**

<sup>7</sup> The 2015 Legislative Assembly amended Section 57-51-15 to provide an allocation of up to \$140 million to the oil and gas impact grant fund for the 2015-17 biennium. However, the actual allocations to the oil and gas impact grant fund for the 2015-17 biennium are anticipated to be less than \$140 million due to lower oil prices and oil production levels than originally forecasted. Senate Bill No. 2013 (2017) decreases the allocations to provide up to \$25 million per biennium for the 2017-19 biennium. **House Bill No. 1066 (2019) removes the allocation to the oil and gas impact grant fund.**

<sup>8</sup> Section 57-51-15 provides a formula for distribution of the oil and gas gross production tax to counties and other political subdivisions. In House Bill No. 1358 (2013), the Legislative Assembly changed the formula to provide 100 percent of the first \$5 million of revenue and 25 percent of all revenue over \$5 million to the county. In House Bill No. 1176 (2015), the Legislative Assembly increased the county allocation of revenue over \$5 million by 5 percent to provide 30 percent of all revenue over \$5 million to the county. Senate Bill No. 2013 (2017) changes the allocations to hub cities by excluding the first 2 percentage points of mining employment; changes the supplemental school district allocation to provide specific allocations at varying levels; and changes the basis for the distributions to political subdivisions to reflect the most recently completed even-numbered fiscal year. **House Bill No. 1066 (2019) changes the funding source for the allocations to hub cities, hub city school districts, and school district supplement, and the bill also adjusts the allocation percentages for the distributions to townships and hub city school districts.**

<sup>9</sup> Senate Bill No. 2013 (2017) creates an energy impact fund and, only for the 2017-19 biennium, designates \$2 million per fiscal year of the allocations to counties that received more than \$5 million to the energy impact fund.

<sup>10</sup> The Legislative Assembly passed Senate Concurrent Resolution No. 4011 (1993), and the voters approved the constitutional measure in the November 1994 general election. The constitutional measure allocates 10 percent of the oil extraction tax revenues to the common schools trust fund and 10 percent to the foundation aid stabilization fund. **Senate Bill No. 2362 (2019) changes the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocations to the common schools trust fund and foundation aid stabilization fund.**

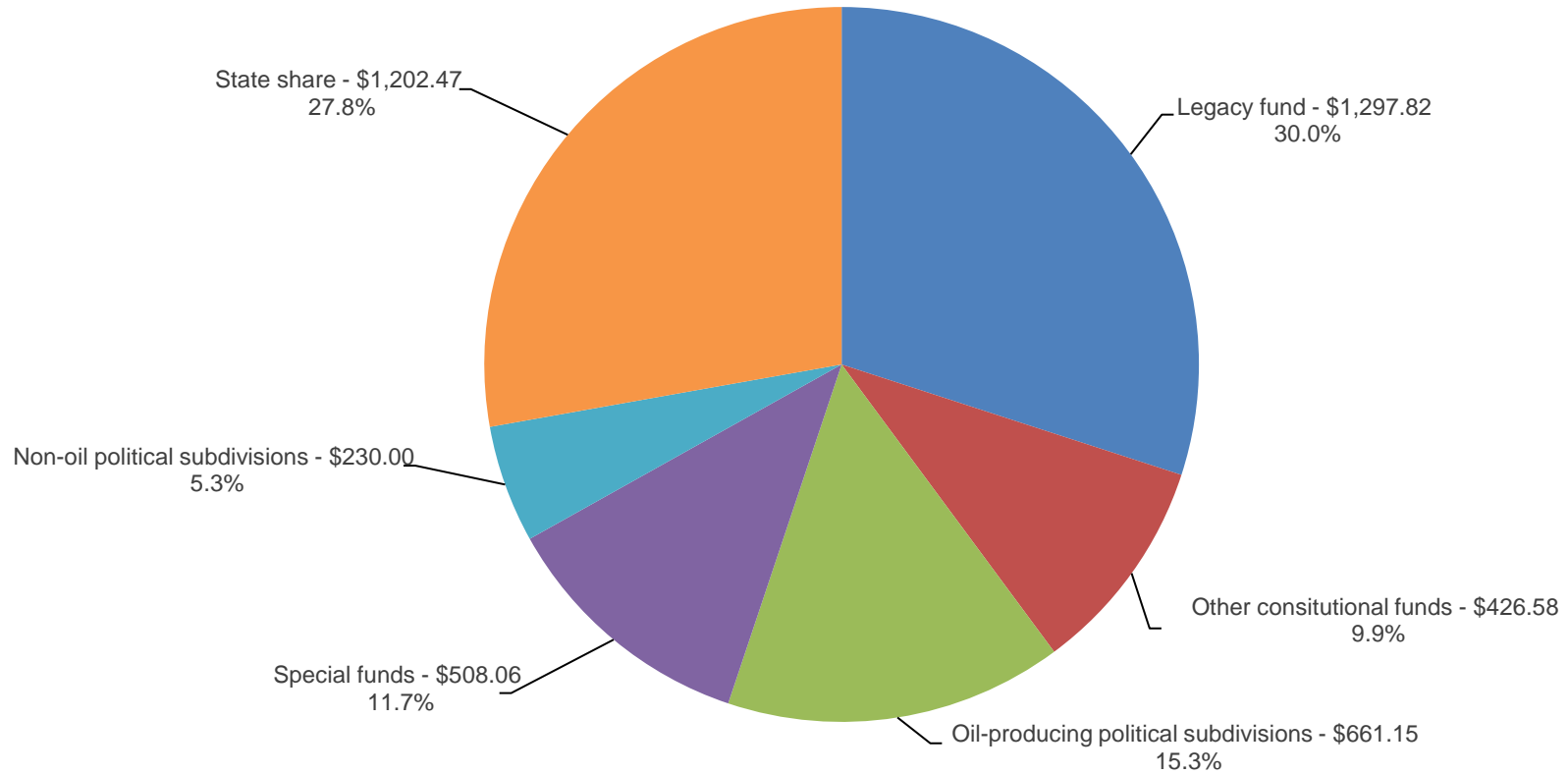
<sup>11</sup> Senate Bill No. 2014 (2013) provides an allocation of 5 percent of the oil extraction tax revenue deposited in the resources trust fund, not to exceed \$3 million, to the renewable energy development fund and an allocation of .5 percent of the oil extraction tax revenue deposited in the resources trust fund, not to exceed \$1.2 million, to a newly created energy conservation fund. House Bill No. 1020 (2017) decreases the percentage transferred to the renewable energy development fund from 5 to 3 percent and limits the allocations to the energy conservation fund to \$200,000 only for the 2017-19 biennium.

Section 61-02-78 (Senate Bill No. 2233 (2013)) establishes an infrastructure revolving loan fund within the resources trust fund, which became effective January 1, 2015. The fund receives 10 percent of the oil extraction tax revenue deposited in the resources trust fund, which is available to provide loans for water supply, flood protection, or other water development and water management projects. House Bill No. 1020 (2017) limits the total amount deposited in the infrastructure revolving loan fund to \$26 million.

**Senate Bill No. 2362 (2019) changes the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands and provides an additional .5 percent allocation to the resources trust fund as an adjustment for prior period allocations both of which result in an increase in the allocations to the fund.**

- <sup>12</sup> Section 57-51.1-07.3 (Senate Bill No. 2311 (2003)) establishes an oil and gas research fund and provides 2 percent of the state's share of oil and gas gross production tax and oil extraction tax revenues, up to \$4 million per biennium, are to be deposited in the oil and gas research fund. All money deposited in the oil and gas research fund is appropriated as a continuing appropriation to the Oil and Gas Research Council. The Legislative Assembly in Senate Bill No. 2014 (2013) increased the allocation to \$10 million per biennium. **House Bill No. 1014 (2019) increases the allocations to the fund by \$6 million, from \$10 million to \$16 million, for the 2019-21 biennium.**
- <sup>13</sup> **Senate Bill No. 2249 (2019) creates a state energy research center fund and allocates 1 percent of the state's share of oil and gas tax revenue, up to \$5 million per biennium, to the fund for the Industrial Commission to contract with the Energy and Environmental Research Center for research projects.**
- <sup>14</sup> The 2011 Legislative Assembly created a new section to Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1. In House Bill No. 1377 (2015), the Legislative Assembly amended the section to change the allocations. House Bill No. 1152 (2017) changes the allocations for the 2017-19 biennium to increase the allocation to the general fund from \$300 million to \$400 million (only for the 2017-19 biennium); to provide an allocation of \$75 million to the budget stabilization fund; to provide an allocation of up to \$3 million to the lignite research fund; and to decrease the allocation to the state disaster relief fund from up to \$22 million to up to \$20 million. **House Bill No. 1066 (2019) continues the \$400 million allocation to the general fund; increases the allocation to the lignite research fund by \$7 million, from \$3 million to \$10 million; and allocates up to \$115 million to a newly created municipal infrastructure fund, up to \$115 million to a newly created county and township infrastructure fund, and \$20 million to a newly created airport infrastructure fund. Senate Bill No. 2016 (2019) decreases the allocation to the state disaster relief fund from up to \$20 million to up to \$15 million.**

**2019-21 BIENNIUM OIL AND GAS TAX REVENUE ALLOCATIONS**  
**Total 2019-21 Estimated Oil and Gas Tax Revenues Excluding Tribal Allocations - \$4,326,080,000**  
**(Amounts Shown in Millions)**



**NOTES:**

**Oil and gas tax revenue collections** - 2019-21 biennium oil and gas tax revenue collections total \$4,851,190,000, including \$525,110,000 of allocations to the Three Affiliated Tribes of the Fort Berthold Reservation and \$4,326,080,000 of remaining collections.

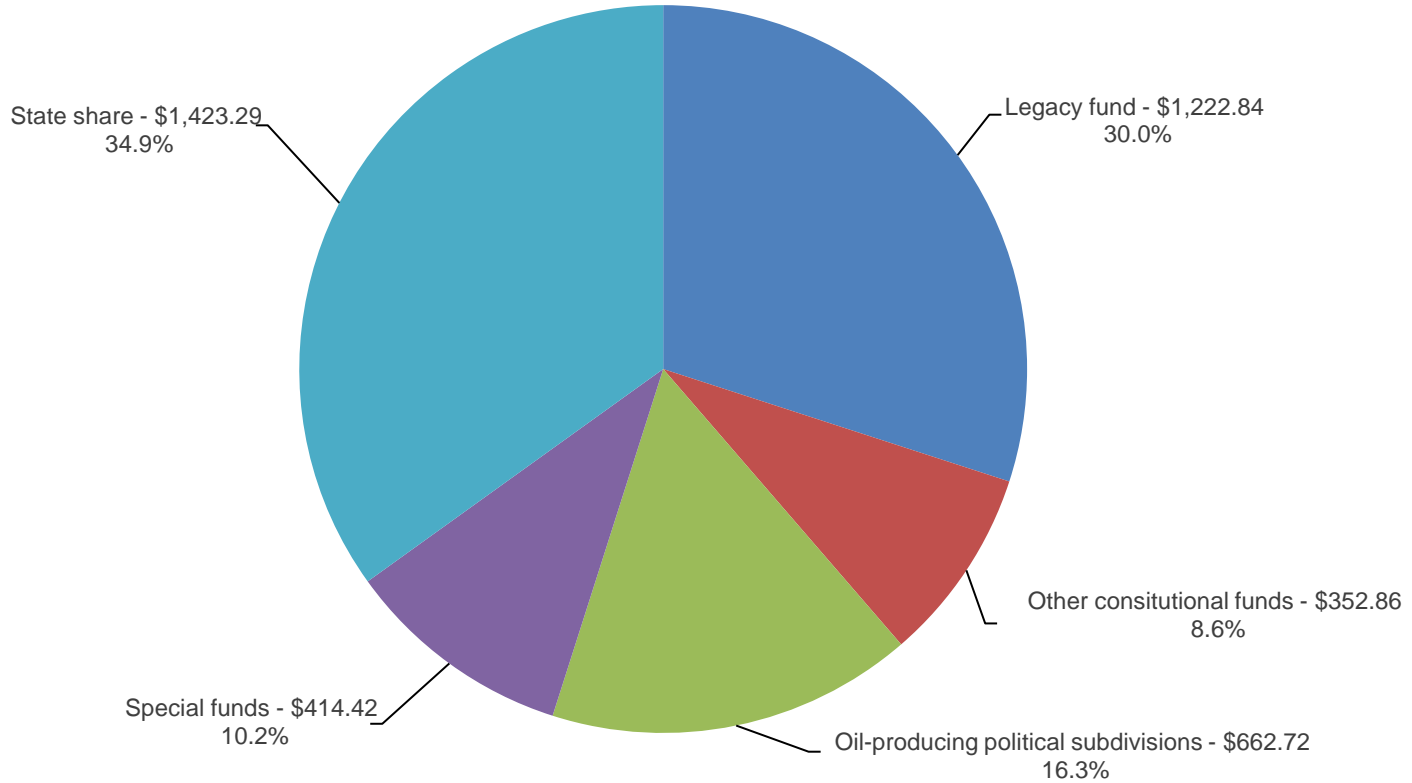
**Other constitutional funds** - Includes the common schools trust fund and foundation aid stabilization fund.

**Special funds** - Includes the North Dakota outdoor heritage fund, abandoned oil and gas well plugging and site reclamation fund, resources trust fund, oil and gas research fund, state energy research center fund, and airport infrastructure fund.

**Non-oil political subdivisions** - Includes the municipal infrastructure fund and county and township infrastructure fund.

**State share** - Includes the general fund, tax relief fund, budget stabilization fund, lignite research fund, state disaster relief fund, and strategic investment and improvements fund.

**2017-19 BIENNIUM OIL AND GAS TAX REVENUE ALLOCATIONS**  
**Total 2017-19 Estimated Oil and Gas Tax Revenues Excluding Tribal Allocations - \$4,076,130,000**  
**(Amounts Shown in Millions)**



**NOTES:**

**Oil and gas tax revenue collections** - 2017-19 biennium oil and gas tax revenue collections total \$4,519,050,000, including \$442,920,000 of allocations to the Three Affiliated Tribes of the Fort Berthold Reservation and \$4,076,130,000 of remaining collections.

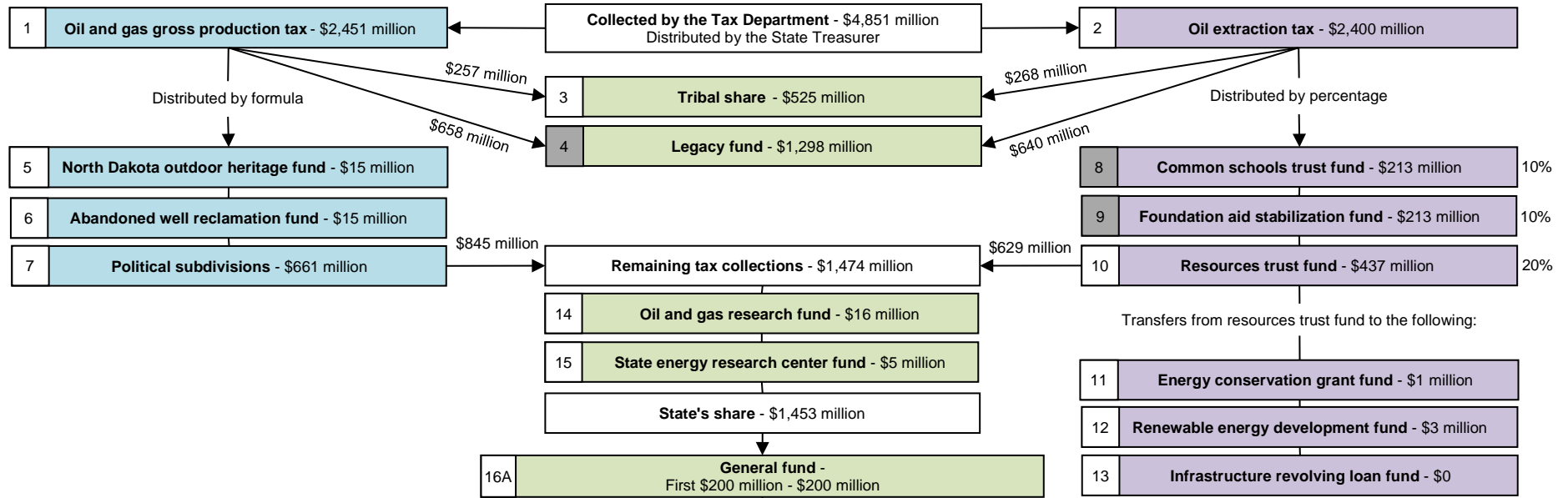
**Other constitutional funds** - Includes the common schools trust fund and foundation aid stabilization fund.

**Special funds** - Includes the North Dakota outdoor heritage fund, abandoned oil and gas well plugging and site reclamation fund, oil and gas impact grant fund, energy impact fund, resources trust fund, and oil and gas research fund.

**State share** - Includes the general fund, tax relief fund, budget stabilization fund, lignite research fund, state disaster relief fund, and strategic investment and improvements fund.



# 2019-21 BIENNIUM OIL AND GAS TAX REVENUE ALLOCATION FLOWCHART BASED ON THE 2019 LEGISLATIVE REVENUE FORECAST



Summary of Estimated 2019-21 Biennium Allocations	
	Total
3 Tribal share	\$525,110,000
4 Legacy fund	1,297,820,000
5 North Dakota outdoor heritage fund	15,000,000
6 Abandoned well reclamation fund	14,820,000
7 Political subdivisions	661,150,000
8 Common schools trust fund	213,290,000
9 Foundation aid stabilization fund	213,290,000
10 Resources trust fund (net deposits)	433,040,000
11 Energy conservation grant fund	1,200,000
12 Renewable energy development fund	3,000,000
13 Infrastructure revolving loan fund	0
14 Oil and gas research fund	16,000,000
15 State energy research center	5,000,000
16 General fund	400,000,000
17 Tax relief fund	200,000,000
18 Budget stabilization fund	75,000,000
19 Lignite research fund	10,000,000
20 State disaster relief fund	0
21 Municipal infrastructure fund	115,000,000
22 Strategic investment and improvements fund	517,470,000
23 County and township infrastructure fund	115,000,000
24 Airport infrastructure fund	20,000,000
<b>Total</b>	<b>\$4,851,190,000</b>

16A	<b>General fund -</b> First \$200 million - \$200 million
17	<b>Tax relief fund -</b> Next \$200 million - \$200 million
18	<b>Budget stabilization fund -</b> Next \$75 million - \$75 million
16B	<b>General fund -</b> Next \$200 million - \$200 million
19	<b>Lignite research fund -</b> Next \$10 million - \$10 million
20	<b>State disaster relief fund -</b> Next \$15 million if fund balance does not exceed \$15 million - \$0
21A	<b>Municipal infrastructure fund -</b> Next \$30 million - \$30 million
22A	<b>Strategic investment and improvements fund -</b> Next \$400 million - \$400 million
23A	<b>County and township infrastructure fund -</b> Next \$30 million - \$30 million
21B	<b>Non-oil-producing political subdivision infrastructure funds</b> 50 percent - Municipal infrastructure fund - \$85 million 50 percent - County and township infrastructure fund - \$85 million
23B	
24	<b>Airport infrastructure fund -</b> Next \$20 million - \$20 million
22B	<b>Strategic investment and improvements fund -</b> Any remaining revenues - \$118 million

A summary of the funds is shown on the following page.

The shading in the number boxes represents constitutional allocations

NOTE: The amounts shown are preliminary estimates. The actual amounts allocated for the 2019-21 biennium may differ significantly from these amounts based on actual oil price and oil production.

Box	Tax/Fund	Description
1	Oil and gas gross production tax	North Dakota Century Code Section 57-51-02 provides for a tax of 5 percent of the gross value at the well of oil produced in North Dakota unless exempted and tax on gas of four cents times the gas base rate adjustment for each fiscal year as calculated by the Tax Department.
2	Oil extraction tax	Section 57-51.1-02, as amended by House Bill No. 1476 (2015), provides for a tax of 5 percent of the gross value at the well on the extraction of oil unless exempted. Prior to January 1, 2016, the oil extraction tax rate was 6.5 percent.
3	Tribal share	Chapter 57-51.2 provides the requirements for allocating oil and gas tax related to the oil production within the Fort Berthold Reservation. The oil and gas tax revenues are allocated 50 percent to the state and 50 percent to the Three Affiliated Tribes of the Fort Berthold Reservation. <b>Senate Bill No. 2312 (2019) increases the revenue allocation to the Three Affiliated Tribes.</b>
4	Legacy fund	Section 26 of Article X of the Constitution of North Dakota provides for a deposit to the legacy fund of 30 percent of total revenue derived from taxes on oil and gas production and extraction.
5	North Dakota outdoor heritage fund	House Bill No. 1278 (2013) created the North Dakota outdoor heritage fund to preserve natural areas and public lands. House Bill No. 1176 (2015) amended Section 57-51-15 to provide 8 percent of revenues from the first 1 percent of the oil and gas gross production tax, up to \$20 million per fiscal year, be deposited in the fund. Senate Bill No. 2013 (2017) limits the allocations to \$10 million per biennium only for the 2017-19 biennium. <b>House Bill No. 1014 (2019) limits the allocations to \$7.5 million per fiscal year for the 2019-21 biennium.</b>
6	Abandoned oil and gas well plugging and site reclamation fund	House Bill No. 1333 (2013) and House Bill No. 1032 (2015) amended Section 57-51-15 to increase the allocations to the abandoned oil and gas well plugging and site reclamation fund. Based on current law, 4 percent of the first 1 percent of oil and gas gross production tax is allocated to the fund not to exceed \$7.5 million per fiscal year and not in an amount that would bring the balance of the fund to more than \$100 million. Senate Bill No. 2013 (2017) limits the allocations to \$4 million per fiscal year only for the 2017-19 biennium. <b>House Bill No. 1014 (2019) decreases the maximum fund balance by \$50 million, from \$100 million to \$50 million.</b>
7	Political subdivisions	Oil and gas gross production taxes are distributed to political subdivisions under Section 57-51-15, as amended by Senate Bill No. 2013 (2017). <b>House Bill No. 1066 (2019) changes the funding source for the allocations to hub cities, hub city school districts, and school district supplement, and the bill also adjusts the allocation percentages for the distributions to townships and hub city school districts.</b>
8	Common schools trust fund	Section 1 of Article IX of the Constitution of North Dakota provides for a common schools trust fund to be used to support the common schools of the state. Section 24 of Article X of the Constitution of North Dakota provides for a distribution of 10 percent of oil extraction taxes to the common schools trust fund to become part of the principal of the fund. The earnings are distributed through the state school aid payments. <b>Senate Bill No. 2362 (2019) changes the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocation to the common schools trust fund.</b>
9	Foundation aid stabilization fund	Section 24 of Article X of the Constitution of North Dakota provides for a distribution of 10 percent of oil extraction taxes to the foundation aid stabilization fund. Section 24, as amended by Senate Concurrent Resolution No. 4003 (2015) and approved by the voters, restricts a portion of the fund to offset state school aid payments due to a revenue shortfall and allows the remainder to be used for educational purposes. <b>Senate Bill No. 2362 (2019) changes the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocation to the foundation aid stabilization fund.</b>
10	Resources trust fund	Section 57-51.1-07 provides for a distribution of 20 percent of oil extraction taxes to the resources trust fund. Section 22 of Article X of the Constitution of North Dakota provides that the fund may be used, subject to legislative appropriation, for constructing water-related projects, including rural water systems, and funding of programs for energy conservation. <b>Senate Bill No. 2362 (2019) changes the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands and provides an additional .5 percent allocation to the resources trust fund as an adjustment for prior period allocations both of which result in an increase in the allocations to the fund.</b>
11	Energy conservation grant fund	Senate Bill No. 2014 (2013) amended Section 57-51.1-07 to provide for a transfer of one-half of 1 percent of the amount credited to the resources trust fund from the resources trust fund into the energy conservation grant fund, up to \$1.2 million per biennium. House Bill No. 1020 (2017) limits the allocations to \$200,000 per biennium only for the 2017-19 biennium.
12	Renewable energy development fund	Senate Bill No. 2014 (2013) amended Section 57-51.1-07 to provide for a transfer of 5 percent of the amount credited to the resources trust fund from the resources trust fund into the renewable energy development fund, up to \$3 million per biennium. House Bill No. 1020 (2017) decreases the percentage transferred from 5 to 3 percent.
13	Infrastructure revolving loan fund	Senate Bill No. 2233 (2013) created an infrastructure revolving loan fund within the resources trust fund to provide loans for water projects. Ten percent of the oil extraction tax allocations deposited in the fund are designated for the infrastructure revolving loan fund. House Bill No. 1020 (2017) limits the total amount deposited in the infrastructure revolving loan fund to \$26 million.

14	Oil and gas research fund	Section 57-51.1-07.3 (Senate Bill No. 2311 (2003)) establishes the oil and gas research fund for the Oil and Gas Research Council to provide grants. Senate Bill No. 2014 (2013) amended Section 57-51.1-07.3 to provide that 2 percent of the state's share of the oil and gas tax revenues, up to \$10 million per biennium, is to be deposited into the oil and gas research fund. <b>House Bill No. 1014 (2019) increases the allocations by \$6 million, from \$10 million to \$16 million, for the 2019-21 biennium.</b>
15	State energy research center fund	<b>Senate Bill No. 2249 (2019) creates a state energy research center fund and allocates 1 percent of the state's share of oil and gas tax revenue, up to \$5 million per biennium, to the fund for the Industrial Commission to contract with the Energy and Environmental Research Center for research projects.</b>
16A, 16B	General fund	The general fund is the chief operating fund of the state. Section 57-51.1-07.5, as amended by House Bill No. 1152 (2017) provides for an allocation of \$400 million of the state's share of oil and gas tax revenues to the general fund for the 2017-19 biennium and an allocation of \$300 million after the 2017-19 biennium. <b>House Bill No. 1066 (2019) increases the allocation to \$400 million.</b>
17	Tax relief fund	House Bill No. 1152 (2017) amends Section 57-51.1-07.5 to provide for the allocation of \$200 million of the state's share of oil and gas tax revenues to the tax relief fund each biennium.
18	Lignite research fund	The lignite research fund is established under Section 57-61-01.6 for research, development projects, and marketing activities related to the lignite industry. House Bill No. 1152 (2017) amends Section 57-51.1-07.5 to provide for an allocation of up to \$3 million from the state's share of oil and gas tax revenues. <b>House Bill No. 1066 (2019) increases the allocation to \$10 million.</b>
19	Budget stabilization fund	The budget stabilization fund is established under Section 54-27.2-01. The Governor may order a transfer from the budget stabilization fund to the general fund when certain criteria are met to offset a general fund revenue shortfall. House Bill No. 1152 (2017) amends Section 57-51.1-07.5 to provide for an allocation of up to \$75 million from the state's share of oil and gas tax revenues, but not in an amount that would bring the balance of the fund to more than the statutory limit.
20	State disaster relief fund	Section 37-17.1-27 provides for the state disaster relief fund to be used for the required state share of funding for expenses associated with presidential-declared disasters. Section 57-51.1-07.5, as amended by House Bill No. 1152 (2017), provides for the distribution of up to \$20 million of oil tax revenues to the state disaster relief fund each biennium, but not in an amount that would bring the balance of the fund to more than \$20 million. <b>Senate Bill No. 2016 (2019) provides up to \$15 million of allocations, but not in an amount that would bring the balance of the fund to more the \$15 million.</b>
21	<b>Municipal infrastructure fund</b>	<b>House Bill No. 1066 (2019) creates a municipal infrastructure fund and allocates up to \$115 million per biennium for grants to non-oil-producing cities for essential infrastructure projects.</b>
22A, 22B	Strategic investment and improvements fund	Section 15-08.1-08 provides for the strategic investment and improvements fund. The fund is to be used for one-time expenditures to improve state infrastructure or initiatives to improve the efficiency and effectiveness of state government. Section 57-51.1-07.5 provides for the allocation of certain oil tax revenues to the strategic investment and improvements fund.
23A, 23B	<b>County and township infrastructure fund</b>	<b>House Bill No. 1066 (2019) creates a county and township infrastructure fund and allocates up to \$115 million per biennium for grants to non-oil-producing counties and townships for road and bridge infrastructure projects.</b>
24	<b>Airport infrastructure fund</b>	<b>House Bill No. 1066 (2019) creates an airport infrastructure fund and allocates up to \$20 million per biennium for airport infrastructure projects, subject to legislative appropriation.</b>