

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 October and November 2013.

	October 2013	November 2013	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$131,023,512	\$130,539,650	(\$483,862)	(0.4%)
Oil extraction tax	152,232,917	152,098,638	(134,279)	(0.1%)
Total actual collections	\$283,256,429	\$282,638,288	(\$618,141)	(0.2%)
Forecasted collections				
Oil and gas gross production tax	\$93,169,623	\$90,164,151	(\$3,005,472)	(3.2%)
Oil extraction tax	122,056,641	118,119,330	(3,937,311)	(3.2%)
Total forecasted collections	\$215,226,264	\$208,283,481	(\$6,942,783)	(3.2%)
Increase (decrease) to forecast				
Amount	\$68,030,165	\$74,354,807		
Percentage	31.6%	35.7%		

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 months of October and November 2013. Monthly oil tax revenue collections reflect production from two months prior. For example, November 2013 oil tax revenue collections relate to September 2013 oil production.

	August 2013	September 2013	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	911,186	931,940	20,754	2.3%
Average daily price of oil per barrel	\$94.11	\$86.61	(\$7.50)	(8.0%)
Forecasted average daily production and price				
Average daily production of oil in barrels	840,000	840,000	0	0.0%
Average daily price of oil per barrel	\$75.00	\$75.00	\$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 October and November 2013.

	October 2013	November 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$78,609,984	\$78,485,734	(\$124,250)	(0.2%)
Three Affiliated Tribes	21,203,634	21,013,499	(190,135)	(0.9%)
Oil and gas research fund	2,114,114	2,179,124	65,010	3.1%
Oil and gas impact grant fund	17,019,275	16,988,154	(31,121)	(0.2%)
Political subdivisions	35,008,791	31,444,152	(3,564,639)	(10.2%)
Abandoned well reclamation fund	866,780	865,427	(1,353)	(0.2%)
North Dakota heritage fund	866,780	865,427	(1,353)	(0.2%)
Foundation aid stabilization fund	13,293,957	13,228,046	(65,911)	(0.5%)
Common schools trust fund	13,293,957	13,228,046	(65,911)	(0.5%)
Resources trust fund	26,587,915	26,456,093	(131,822)	(0.5%)
General fund	51,378,288	0	(51,378,288)	(100.0%)
Property tax relief fund	23,012,954	77,884,586	54,871,632	238.4%
Strategic investment and improvements fund	0	0	0	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$283,256,429	\$282,638,288	(\$618,141)	(0.2%)

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 four months of the 2011-13 and 2013-15 bienniums.

	August 2013 to November 2013	August 2011 to November 2011	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$496,259,281	\$220,248,181	\$276,011,100	125.3%
Oil extraction tax	571,526,381	233,307,593	338,218,788	145.0%
Total actual collections	\$1,067,785,662	\$453,555,774	\$614,229,888	135.4%
Forecasted collections				
Oil and gas gross production tax	\$364,485,003	\$164,643,840	\$199,841,163	121.4%
Oil extraction tax	477,492,705	157,783,680	319,709,025	202.6%
Total forecasted collections	\$841,977,708	\$322,427,520	\$519,550,188	161.1%
Increase (decrease) to forecast				
Amount	\$225,807,954	\$131,128,254		
Percentage	26.8%	40.7%		

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 four months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, November 2013 oil tax revenue collections relate to September 2013 oil production.

	June 2013 to September 2013	June 2011 to September 2011	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	885,115	429,943	455,172	105.9%
Average daily price of oil per barrel	\$90.57	\$84.95	\$5.62	6.6%
Forecasted average daily production and price				
Average daily production of oil in barrels	835,000	390,500	444,500	113.8%
Average daily price of oil per barrel	\$75.00	\$72.00	\$3.00	4.2%

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 four months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 to November 2013	August 2011 to November 2011	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$297,650,952	\$100,195,436	\$197,455,516	197.1%
Three Affiliated Tribes	74,796,625	17,711,991	57,084,634	322.3%
Oil and gas research fund	8,436,697	4,000,001	4,436,696	110.9%
Oil and gas impact grant fund	50,403,394	26,190,490	24,212,904	92.4%
Political subdivisions	128,115,204	56,301,074	71,814,130	127.6%
Abandoned well reclamation fund	3,286,998	N/A	3,286,998	N/A
North Dakota heritage fund	3,286,998	N/A	3,286,998	N/A
Foundation aid stabilization fund	50,173,024	21,822,547	28,350,477	129.9%
Common schools trust fund	50,173,024	21,822,547	28,350,477	129.9%
Resources trust fund	100,346,050	43,645,095	56,700,955	129.9%
General fund	200,000,000	161,866,593	38,133,407	23.6%
Property tax relief fund	100,897,540	0	100,897,540	N/A
Strategic investment and improvements fund	219,156	0	219,156	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$1,067,785,662	\$453,555,774	\$614,229,888	135.4%

COMPARISON OF ACTUAL TO FORECAST - COLLECTIONS AND ALLOCATIONS

Monthly Comparison

The schedule below provides a comparison of actual to forecasted oil tax revenue collections and allocations for the month of November 2013.

	November 2013		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$130,539,650	\$90,164,151	\$40,375,499	44.8%
Oil extraction tax	152,098,638	118,119,330	33,979,308	28.8%
Total actual collections	\$282,638,288	\$208,283,481	\$74,354,807	35.7%
Allocations				
Legacy fund	\$78,485,734	\$59,185,044	\$19,300,690	32.6%
Three Affiliated Tribes	21,013,499	11,000,000	10,013,499	91.0%
Oil and gas research fund	2,179,124	1,092,876	1,086,248	99.4%
Oil and gas impact grant fund	16,988,154	12,937,537	4,050,617	31.3%
Political subdivisions	31,444,152	24,690,737	6,753,415	27.4%
Abandoned well reclamation fund	865,427	689,313	176,114	25.5%
North Dakota heritage fund	865,427	689,313	176,114	25.5%
Foundation aid stabilization fund	13,228,046	11,111,933	2,116,113	19.0%
Common schools trust fund	13,228,046	11,111,933	2,116,113	19.0%
Resources trust fund	26,456,093	22,223,866	4,232,227	19.0%
General fund	0	30,838,856	(30,838,856)	(100.0%)
Property tax relief fund	77,884,586	22,712,073	55,172,513	242.9%
Strategic investment and improvements fund	0	0	0	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$282,638,288	\$208,283,481	\$74,354,807	35.7%

Biennium to Date Comparison

The schedule below provides a comparison of actual to 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
Collections				
Oil and gas gross production tax	\$496,259,281	\$364,485,003	\$131,774,278	36.2%
Oil extraction tax	571,526,381	477,492,705	94,033,676	19.7%
Total actual collections	\$1,067,785,662	\$841,977,708	\$225,807,954	26.8%
Allocations				
Legacy fund	\$297,650,952	\$239,393,311	\$58,257,641	24.3%
Three Affiliated Tribes	74,796,625	44,000,000	30,796,625	70.0%
Oil and gas research fund	8,436,697	4,545,144	3,891,553	85.6%
Oil and gas impact grant fund	50,403,394	39,714,538	10,688,856	26.9%
Political subdivisions	128,115,204	106,239,799	21,875,405	20.6%
Abandoned well reclamation fund	3,286,998	2,787,880	499,118	17.9%
North Dakota heritage fund	3,286,998	2,787,880	499,118	17.9%
Foundation aid stabilization fund	50,173,024	44,949,271	5,223,753	11.6%
Common schools trust fund	50,173,024	44,949,271	5,223,753	11.6%
Resources trust fund	100,346,050	89,898,541	10,447,509	11.6%
General fund	200,000,000	200,000,000	0	0.0%
Property tax relief fund	100,897,540	22,712,073	78,185,467	344.2%
Strategic investment and improvements fund	219,156	0	219,156	N/A
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$1,067,785,662	\$841,977,708	\$225,807,954	26.8%

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, November 2013 distributions of oil and gas tax gross production tax collections relate to September 2013 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.

	September 2013	October 2013	November 2013	Biennium-to-Date Total
Counties	\$29,617,443	\$18,978,803	\$16,863,054	\$65,459,300
Hub cities ¹	6,488,813	4,914,901	4,599,771	16,003,485
Other cities	9,912,791	6,421,354	5,703,480	22,037,625
Hub city school districts	729,167	729,167	729,167	2,187,501
Other school districts	3,001,565	2,146,297	1,940,497	7,088,359
Townships	2,867,537	1,818,269	1,608,183	6,293,989
Total	\$52,617,316	\$35,008,791	\$31,444,152	\$119,070,259
¹ The distributions to the hub cities are as follows:				
Williston	\$3,924,535	\$2,980,191	\$2,791,113	\$9,695,839
Dickinson	1,946,626	1,474,470	1,379,931	4,801,027
Minot	617,652	460,240	428,727	1,506,619
Total	\$6,488,813	\$4,914,901	\$4,599,771	\$16,003,485