

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 December 2013 and January 2014.

	December 2013	January 2014	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$123,341,818	\$115,873,113	(\$7,468,705)	(6.1%)
Oil extraction tax	145,836,180	136,893,252	(8,942,928)	(6.1%)
Total actual collections	\$269,177,998	\$252,766,365	(\$16,411,633)	(6.1%)
Forecasted collections				
Oil and gas gross production tax	\$93,169,623	\$91,237,534	(\$1,932,089)	(2.1%)
Oil extraction tax	122,056,641	119,525,513	(2,531,128)	(2.1%)
Total forecasted collections	\$215,226,264	\$210,763,047	(\$4,463,217)	(2.1%)
Increase (decrease) to forecast				
Amount	\$53,951,734	\$42,003,318		
Percentage	25.1%	19.9%		

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 December 2013 and January 2014. Monthly oil tax revenue collections reflect production from two months prior. For example, January 2014 oil tax revenue collections relate to November 2013 oil production.

	October 2013	November 2013	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	945,182	973,045	27,863	2.9%
Average daily price of oil per barrel	\$85.16	\$71.42	(\$13.74)	(16.1%)
Forecasted average daily production and price				
Average daily production of oil in barrels	840,000	850,000	10,000	1.2%
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 December 2013 and January 2014.

	December 2013	January 2014	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$74,578,510	\$69,929,468	(\$4,649,042)	(6.2%)
Three Affiliated Tribes	20,582,964	19,668,785	(914,179)	(4.4%)
Oil and gas research fund	1,563,303	0	(1,563,303)	(100.0%)
Oil and gas impact grant fund	15,948,911	14,707,473	(1,241,438)	(7.8%)
Political subdivisions	27,437,800	25,611,262	(1,826,538)	(6.7%)
Abandoned well reclamation fund	820,243	766,267	(53,976)	(6.6%)
North Dakota heritage fund	820,243	766,267	(53,976)	(6.6%)
Foundation aid stabilization fund	12,551,959	11,755,684	(796,275)	(6.3%)
Common schools trust fund	12,551,959	11,755,684	(796,275)	(6.3%)
Resources trust fund	25,103,917	23,511,368	(1,592,549)	(6.3%)
General fund	0	0	0	N/A
Property tax relief fund	77,218,189	74,294,107	(2,924,082)	(3.8%)
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	\$269,177,998	\$252,766,365	(\$16,411,633)	(6.1%)

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

	August 2013 Through January 2014	August 2011 Through January 2012	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$735,474,212	\$348,417,717	\$387,056,495	111.1%
Oil extraction tax	854,255,813	370,583,362	483,672,451	130.5%
Total actual collections	\$1,589,730,025	\$719,001,079	\$870,728,946	121.1%
Forecasted collections				
Oil and gas gross production tax	\$548,892,160	\$247,283,712	\$301,608,448	122.0%
Oil extraction tax	719,074,859	236,980,224	482,094,635	203.4%
Total forecasted collections	\$1,267,967,019	\$484,263,936	\$783,703,083	161.8%
Increase (decrease) to forecast				
Amount	\$321,763,006	\$234,737,143		
Percentage	25.4%	48.5%		

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 six months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, January 2014 oil tax revenue collections relate to November 2013 oil production.

	June 2013 Through November 2013	June 2011 Through November 2011	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	909,952	453,017	456,935	100.9%
Average daily price of oil per barrel	\$87.54	\$84.70	\$2.84	3.4%
Forecasted average daily production and price				
Average daily production of oil in barrels	838,333	391,000	447,333	114.4%
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 six months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through January 2014	August 2011 Through January 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$442,158,930	\$176,753,035	\$265,405,895	150.2%
Three Affiliated Tribes	115,048,374	28,794,597	86,253,777	299.5%
Oil and gas research fund	10,000,000	4,000,001	5,999,999	150.0%
Oil and gas impact grant fund	81,059,778	48,137,067	32,922,711	68.4%
Political subdivisions	181,164,266	72,494,908	108,669,358	149.9%
Abandoned well reclamation fund	4,873,508	N/A	4,873,508	N/A
North Dakota heritage fund	4,873,508	N/A	4,873,508	N/A
Foundation aid stabilization fund	74,480,667	34,587,011	39,893,656	115.3%
Common schools trust fund	74,480,667	34,587,011	39,893,656	115.3%
Resources trust fund	148,961,335	69,174,023	79,787,312	115.3%
General fund	200,000,000	200,000,000	0	0.0%
Property tax relief fund	252,409,836	50,473,426	201,936,410	400.1%
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	\$1,589,730,025	\$719,001,079	\$870,728,946	121.1%

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 January 2014.

	January 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$115,873,113	\$91,237,534	\$24,635,579	27.0%
Oil extraction tax	136,893,252	119,525,513	17,367,739	14.5%
Total actual collections	\$252,766,365	\$210,763,047	\$42,003,318	19.9%
Allocations				
Legacy fund	\$69,929,468	\$59,928,914	\$10,000,554	16.7%
Three Affiliated Tribes	19,668,785	11,000,000	8,668,785	78.8%
Oil and gas research fund	0	1,172,335	(1,172,335)	(100.0%)
Oil and gas impact grant fund	14,707,473	13,135,040	1,572,433	12.0%
Political subdivisions	25,611,262	21,676,315	3,934,947	18.2%
Abandoned well reclamation fund	766,267	697,900	68,367	9.8%
North Dakota heritage fund	766,267	697,900	68,367	9.8%
Foundation aid stabilization fund	11,755,684	11,252,551	503,133	4.5%
Common schools trust fund	11,755,684	11,252,551	503,133	4.5%
Resources trust fund	23,511,368	22,505,103	1,006,265	4.5%
General fund	0	0	0	N/A
Property tax relief fund	74,294,107	57,444,438	16,849,669	29.3%
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	\$252,766,365	\$210,763,047	\$42,003,318	19.9%

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	\$735,474,212	\$548,892,160	\$186,582,052	34.0%
Oil extraction tax	854,255,813	719,074,859	135,180,954	18.8%
Total actual collections	\$1,589,730,025	\$1,267,967,019	\$321,763,006	25.4%
Allocations				
Legacy fund	\$442,158,930	\$360,590,104	\$81,568,826	22.6%
Three Affiliated Tribes	115,048,374	66,000,000	49,048,374	74.3%
Oil and gas research fund	10,000,000	6,889,272	3,110,728	45.2%
Oil and gas impact grant fund	81,059,778	66,340,122	14,719,656	22.2%
Political subdivisions	181,164,266	151,344,915	29,819,351	19.7%
Abandoned well reclamation fund	4,873,508	4,199,137	674,371	16.1%
North Dakota heritage fund	4,873,508	4,199,137	674,371	16.1%
Foundation aid stabilization fund	74,480,667	67,707,486	6,773,181	10.0%
Common schools trust fund	74,480,667	67,707,486	6,773,181	10.0%
Resources trust fund	148,961,335	135,414,972	13,546,363	10.0%
General fund	200,000,000	200,000,000	0	0.0%
Property tax relief fund	252,409,836	137,574,388	114,835,448	83.5%
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	\$1,589,730,025	\$1,267,967,019	\$321,763,006	25.4%

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, January 2014 distributions of oil and gas tax gross production tax collections relate to November 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	December 2013	January 2014	Biennium-to- Date Total
Counties	\$29,617,443	\$18,978,803	\$16,863,054	\$14,455,833	\$13,413,638	\$93,328,771
Hub cities ¹	6,488,813	4,914,901	4,599,771	4,237,260	4,105,770	24,346,515
Other cities	9,912,791	6,421,354	5,703,480	4,902,388	4,537,578	31,477,591
Hub city school districts	729,167	729,167	729,167	729,167	729,167	3,645,835
Other school districts	3,001,565	2,146,297	1,940,497	1,746,648	1,546,262	10,381,269
Townships	2,867,537	1,818,269	1,608,183	1,366,504	1,278,847	8,939,340
Total	\$52,617,316	\$35,008,791	\$31,444,152	\$27,437,800	\$25,611,262	\$172,119,321
¹ The distributions to the hub cities are as follows:						
Williston	\$3,924,535	\$2,980,191	\$2,791,113	\$2,573,606	\$2,494,712	\$14,764,157
Dickinson	1,946,626	1,474,470	1,379,931	1,271,178	1,231,731	7,303,936
Minot	617,652	460,240	428,727	392,476	379,327	2,278,422
Total	\$6,488,813	\$4,914,901	\$4,599,771	\$4,237,260	\$4,105,770	\$24,346,515