

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 June and July 2014.

	June 2014	July 2014	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$130,996,912	\$143,847,208	\$12,850,296	9.8%
Oil extraction tax	154,794,151	173,481,260	18,687,109	12.1%
Total actual collections	\$285,791,063	\$317,328,468	\$31,537,405	11.0%
Forecasted collections				
Oil and gas gross production tax	\$91,237,534	\$94,278,785	\$3,041,251	3.3%
Oil extraction tax	119,525,513	123,509,696	3,984,183	3.3%
Total forecasted collections	\$210,763,047	\$217,788,481	\$7,025,434	3.3%
Increase (decrease) to forecast				
Amount	\$75,028,016	\$99,539,987		
Percentage	35.6%	45.7%		

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 April and May 2014. Monthly oil tax revenue collections reflect production from two months prior. For example, July 2014 oil tax revenue collections relate to May 2014 oil production.

	April 2014	May 2014	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,003,256	1,039,635	36,379	3.6%
Average daily price of oil per barrel	\$85.68	\$88.31	\$2.63	3.1%
Forecasted average daily production and price				
Average daily production of oil in barrels	850,000	850,000	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 June and July 2014.

	June 2014	July 2014	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$79,589,331	\$111,811,809	\$32,222,478	40.5%
Three Affiliated Tribes	20,454,553	22,931,242	2,476,689	12.1%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	18,288,959	20,360,281	2,071,322	11.3%
Political subdivisions	28,215,046	30,684,689	2,469,643	8.8%
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	883,568	969,873	86,305	9.8%
Foundation aid stabilization fund	13,446,218	15,023,150	1,576,932	11.7%
Common schools trust fund	13,446,218	15,023,150	1,576,932	11.7%
Resources trust fund	26,892,436	30,046,299	3,153,863	11.7%
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	83,572,099	70,477,975	(13,094,124)	(15.7%)
State disaster fund	1,002,635	0	(1,002,635)	(100.0%)
Total oil and gas tax revenue allocations	\$285,791,063	\$317,328,468	\$31,537,405	11.0%

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

	August 2013 Through July 2014	August 2011 Through July 2012	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$1,492,918,264	\$795,700,303	\$697,217,961	87.6%
Oil extraction tax	1,754,679,344	864,033,385	890,645,959	103.1%
Total actual collections	\$3,247,597,608	\$1,659,733,688	\$1,587,863,920	95.7%
Forecasted collections				
Oil and gas gross production tax	\$1,102,399,866	\$498,863,232	\$603,536,634	121.0%
Oil extraction tax	1,444,196,301	478,077,264	966,119,037	202.1%
Total forecasted collections	\$2,546,596,167	\$976,940,496	\$1,569,655,671	160.7%
Increase (decrease) to forecast				
Amount	\$701,001,441	\$682,793,192		
Percentage	27.5%	69.9%		

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 first 12 months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, July 2014 oil tax revenue collections relate to May 2014 oil production.

	June 2013 Through May 2014	June 2011 Through May 2012	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	941,422	515,416	426,006	82.7%
Average daily price of oil per barrel	\$85.04	\$83.84	\$1.20	1.4%
Forecasted average daily production and price				
Average daily production of oil in barrels	844,167	395,500	448,667	113.4%
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 12 months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through July 2014	August 2011 Through July 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$926,635,943	\$446,334,852	\$480,301,091	107.6%
Three Affiliated Tribes	236,109,911	71,460,356	164,649,555	230.4%
Oil and gas research fund	10,000,000	4,000,000	6,000,000	150.0%
Oil and gas impact grant fund	185,522,434	99,999,999	85,522,435	85.5%
Political subdivisions	346,038,583	118,077,477	227,961,106	193.1%
Abandoned well reclamation fund	5,000,000	N/A	5,000,000	N/A
North Dakota heritage fund	9,960,556	N/A	9,960,556	N/A
Foundation aid stabilization fund	152,567,738	79,754,818	72,812,920	91.3%
Common schools trust fund	152,567,738	79,754,818	72,812,920	91.3%
Resources trust fund	305,135,475	159,509,638	145,625,837	91.3%
General fund	300,000,000	259,051,730	40,948,270	15.8%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	254,269,230	0	254,269,230	N/A
State disaster fund	22,000,000	0	22,000,000	N/A
Total oil and gas tax revenue allocations	\$3,247,597,608	\$1,659,733,688	\$1,587,863,920	95.7%

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 July 2014.

	July 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$143,847,208	\$94,278,785	\$49,568,423	52.6%
Oil extraction tax	173,481,260	123,509,696	49,971,564	40.5%
Total actual collections	\$317,328,468	\$217,788,481	\$99,539,987	45.7%
Allocations				
Legacy fund	\$111,811,809	\$74,590,586	\$37,221,223	49.9%
Three Affiliated Tribes	22,931,242	11,000,000	11,931,242	108.5%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	20,360,281	14,416,860	5,943,421	41.2%
Political subdivisions	30,684,689	21,823,087	8,861,602	40.6%
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	969,873	722,230	247,643	34.3%
Foundation aid stabilization fund	15,023,150	11,650,970	3,372,180	28.9%
Common schools trust fund	15,023,150	11,650,970	3,372,180	28.9%
Resources trust fund	30,046,299	23,301,939	6,744,360	28.9%
General fund	0	10,969,718	(10,969,718)	(100.0%)
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	70,477,975	37,662,121	32,815,854	87.1%
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$317,328,468	\$217,788,481	\$99,539,987	45.7%

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	\$1,492,918,264	\$1,102,399,866	\$390,518,398	35.4%
Oil extraction tax	1,754,679,344	1,444,196,301	310,483,043	21.5%
Total actual collections	\$3,247,597,608	\$2,546,596,167	\$701,001,441	27.5%
Allocations				
Legacy fund	\$926,635,943	\$736,932,893	\$189,703,050	25.7%
Three Affiliated Tribes	236,109,911	132,000,000	104,109,911	78.9%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	185,522,434	149,704,738	35,817,696	23.9%
Political subdivisions	346,038,583	280,992,694	65,045,889	23.1%
Abandoned well reclamation fund	5,000,000	5,000,000	0	0.0%
North Dakota heritage fund	9,960,556	8,435,197	1,525,359	18.1%
Foundation aid stabilization fund	152,567,738	136,019,632	16,548,106	12.2%
Common schools trust fund	152,567,738	136,019,632	16,548,106	12.2%
Resources trust fund	305,135,475	272,039,260	33,096,215	12.2%
General fund	300,000,000	300,000,000	0	0.0%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	254,269,230	37,662,121	216,607,109	575.1%
State disaster fund	22,000,000	0	22,000,000	N/A
Total oil and gas tax revenue allocations	\$3,247,597,608	\$2,546,596,167	\$701,001,441	27.5%

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, July 2014 distributions of oil and gas gross production tax collections relate to May 2014 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	February 2014
Counties	\$29,617,443	\$18,978,803	\$16,863,054	\$14,455,833	\$13,413,638	\$13,343,930
Hub cities ¹	6,488,813	4,914,901	4,599,771	4,237,259	4,105,771	4,099,314
Other cities	9,912,791	6,421,354	5,703,480	4,902,388	4,537,578	4,513,164
Hub city school districts	729,167	729,167	729,167	729,167	729,167	729,167
Other school districts	3,001,565	2,146,297	1,940,497	1,746,648	1,546,262	1,525,296
Townships	2,867,537	1,818,269	1,608,183	1,366,505	1,278,846	1,274,543
Total	\$52,617,316	\$35,008,791	\$31,444,152	\$27,437,800	\$25,611,262	\$25,485,414
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	\$2,490,838
Dickinson	1,946,626	1,474,470	1,379,931	1,271,177	1,231,732	1,229,795
Minot	617,652	460,240	428,727	392,476	379,327	378,681
Total	\$6,488,813	\$4,914,901	\$4,599,771	\$4,237,259	\$4,105,771	\$4,099,314

	March 2014	April 2014	May 2014	June 2014	July 2014	Biennium-to- Date Total
Counties	\$13,314,242	\$13,802,200	\$15,370,933	\$15,024,278	\$16,491,692	\$180,676,046
Hub cities ¹	4,090,355	4,172,550	4,416,643	4,372,549	4,584,773	50,082,699
Other cities	4,509,851	4,666,021	5,178,719	5,060,276	5,553,376	60,958,998
Hub city school districts	729,167	729,167	729,167	729,167	729,167	8,020,837
Other school districts	1,549,420	1,525,965	1,626,737	1,572,076	1,727,500	19,908,263
Townships	1,268,570	1,323,368	1,486,093	1,456,700	1,598,181	17,346,795
Total	\$25,461,605	\$26,219,271	\$28,808,292	\$28,215,046	\$30,684,689	\$336,993,638
¹ The distributions to the hub cities are as follows:						
Williston	\$2,485,463	\$2,534,780	\$2,681,236	\$2,654,780	\$2,782,114	\$30,393,368
Dickinson	1,227,106	1,251,765	1,324,993	1,311,764	1,375,432	15,024,791
Minot	377,786	386,005	410,414	406,005	427,227	4,664,540
Total	\$4,090,355	\$4,172,550	\$4,416,643	\$4,372,549	\$4,584,773	\$50,082,699