

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 November and December 2014.

	November 2014	December 2014	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$137,789,582	\$129,896,216	(\$7,893,366)	(5.7%)
Oil extraction tax	165,496,113	155,279,320	(10,216,793)	(6.2%)
Total actual collections	\$303,285,695	\$285,175,536	(\$18,110,159)	(6.0%)
Forecasted collections				
Oil and gas gross production tax	\$97,320,036	\$100,564,037	\$3,244,001	3.3%
Oil extraction tax	127,493,880	131,743,676	4,249,796	3.3%
Total forecasted collections	\$224,813,916	\$232,307,713	\$7,493,797	3.3%
Increase (decrease) to forecast				
Amount	\$78,471,779	\$52,867,823		
Percentage	34.9%	22.8%		

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

	September 2014	October 2014	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,186,228	1,182,174	(4,054)	(0.3%)
Average daily price of oil per barrel	\$74.85	\$68.94	(\$5.91)	(7.9%)
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	\$80.00	\$80.00	\$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 November and December 2014.

	November 2014	December 2014	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$110,633,293	\$102,857,902	(\$7,775,391)	(7.0%)
Three Affiliated Tribes	22,102,943	25,695,877	3,592,934	16.3%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	32,903,944	28,472,402	(4,431,542)	(13.5%)
Abandoned well reclamation fund	934,448	840,398	(94,050)	(10.1%)
North Dakota heritage fund	933,814	841,740	(92,074)	(9.9%)
Foundation aid stabilization fund	14,235,463	12,856,301	(1,379,162)	(9.7%)
Common schools trust fund	14,235,463	12,856,301	(1,379,162)	(9.7%)
Resources trust fund	28,470,926	25,712,602	(2,758,324)	(9.7%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	78,835,401	75,042,013	(3,793,388)	(4.8%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$303,285,695	\$285,175,536	(\$18,110,159)	(6.0%)

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

	August 2013 Through December 2014	August 2011 Through December 2012	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$2,202,457,435	\$1,225,311,417	\$977,146,018	79.7%
Oil extraction tax	2,604,252,436	1,345,973,849	1,258,278,587	93.5%
Total actual collections	\$4,806,709,871	\$2,571,285,266	\$2,235,424,605	86.9%
Forecasted collections				
Oil and gas gross production tax	\$1,598,732,049	\$722,495,232	\$876,236,817	121.3%
Oil extraction tax	2,094,415,089	692,391,264	1,402,023,825	202.5%
Total forecasted collections	\$3,693,147,138	\$1,414,886,496	\$2,278,260,642	161.0%
Increase (decrease) to forecast				
Amount	\$1,113,562,733	\$1,156,398,770		
Percentage	30.2%	81.7%		

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

	June 2013 Through October 2014	June 2011 Through October 2012	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,000,322	570,925	429,397	75.2%
Average daily price of oil per barrel	\$83.47	\$82.49	\$0.98	1.2%
Forecasted average daily production and price				
Average daily production of oil in barrels	845,882	446,414	399,468	89.5%
Average daily price of oil per barrel	\$76.47	\$69.48	\$6.99	10.1%

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

	August 2013 Through December 2014	August 2011 Through December 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$1,475,206,290	\$707,521,274	\$767,685,016	108.5%
Three Affiliated Tribes	355,681,276	113,974,830	241,706,446	212.1%
Oil and gas research fund	10,000,000	4,000,000	6,000,000	150.0%
Oil and gas impact grant fund	240,000,000	99,999,999	140,000,001	140.0%
Political subdivisions	532,319,741	197,444,760	334,874,981	169.6%
Abandoned well reclamation fund	9,729,510	N/A	9,729,510	N/A
North Dakota heritage fund	14,708,577	N/A	14,708,577	N/A
Foundation aid stabilization fund	225,221,183	123,813,278	101,407,905	81.9%
Common schools trust fund	225,221,183	123,813,278	101,407,905	81.9%
Resources trust fund	450,442,368	247,626,559	202,815,809	81.9%
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	604,389,743	289,301,288	315,088,455	108.9%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$4,806,709,871	\$2,571,285,266	\$2,235,424,605	86.9%

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 December 2014.

	December 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$129,896,216	\$100,564,037	\$29,332,179	29.2%
Oil extraction tax	155,279,320	131,743,676	23,535,644	17.9%
Total actual collections	\$285,175,536	\$232,307,713	\$52,867,823	22.8%
Allocations				
Legacy fund	\$102,857,902	\$82,192,929	\$20,664,973	25.1%
Three Affiliated Tribes	25,695,877	11,700,000	13,995,877	119.6%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	14,814,316	(14,814,316)	(100.0%)
Political subdivisions	28,472,402	24,329,330	4,143,072	17.0%
Abandoned well reclamation fund	840,398	770,912	69,486	9.0%
North Dakota heritage fund	841,740	770,912	70,828	9.2%
Foundation aid stabilization fund	12,856,301	12,424,368	431,933	3.5%
Common schools trust fund	12,856,301	12,424,368	431,933	3.5%
Resources trust fund	25,712,602	24,848,735	863,867	3.5%
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	75,042,013	48,031,843	27,010,170	56.2%
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$285,175,536	\$232,307,713	\$52,867,823	22.8%

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	\$2,202,457,435	\$1,598,732,049	\$603,725,386	37.8%
Oil extraction tax	2,604,252,436	2,094,415,089	509,837,347	24.3%
Total actual collections	\$4,806,709,871	\$3,693,147,138	\$1,113,562,733	30.2%
Allocations				
Legacy fund	\$1,475,206,290	\$1,129,298,547	\$345,907,743	30.6%
Three Affiliated Tribes	355,681,276	190,500,000	165,181,276	86.7%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	240,000,000	222,582,526	17,417,474	7.8%
Political subdivisions	532,319,741	431,256,312	101,063,429	23.4%
Abandoned well reclamation fund	9,729,510	8,802,656	926,854	10.5%
North Dakota heritage fund	14,708,577	12,237,853	2,470,724	20.2%
Foundation aid stabilization fund	225,221,183	197,291,512	27,929,671	14.2%
Common schools trust fund	225,221,183	197,291,512	27,929,671	14.2%
Resources trust fund	450,442,368	394,583,017	55,859,351	14.2%
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	604,389,743	235,513,203	368,876,540	156.6%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$4,806,709,871	\$3,693,147,138	\$1,113,562,733	30.2%

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, December 2014 distributions of oil and gas gross production tax collections relate to October 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.

	Fiscal Year 2014	September 2014	October 2014	November 2014	December 2014	Biennium-to- Date Total
Counties	\$197,538,275	\$32,339,212	\$20,175,767	\$17,940,453	\$15,272,934	\$283,266,641
Hub cities ¹	54,724,166	6,912,200	5,103,636	4,773,306	4,366,706	75,880,014
Other cities	66,635,265	10,829,819	6,758,411	6,015,978	5,128,125	95,367,598
Hub city school districts	8,750,000	708,334	708,334	708,332	708,334	11,583,334
Other school districts	21,661,622	2,994,868	1,898,537	1,700,335	1,501,831	29,757,193
Townships	18,982,777	3,191,467	1,985,760	1,765,540	1,494,472	27,420,016
Total	\$368,292,105	\$56,975,900	\$36,630,445	\$32,903,944	\$28,472,402	\$523,274,796
¹ The distributions to the hub cities are as follows:						
Williston	\$33,209,498	\$4,122,320	\$3,037,182	\$2,838,984	\$2,595,024	\$45,803,008
Dickinson	16,417,231	2,123,660	1,581,091	1,481,992	1,360,012	22,963,986
Minot	5,097,437	666,220	485,363	452,330	411,670	7,113,020
Total	\$54,724,166	\$6,912,200	\$5,103,636	\$4,773,306	\$4,366,706	\$75,880,014