

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 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 September 2013 and October 2013.

	September 2013	October 2013	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$127,874,318	\$131,023,512	\$3,149,194	2.5%
Oil extraction tax	146,141,233	152,232,917	6,091,684	4.2%
Total actual collections	\$274,015,551	\$283,256,429	\$9,240,878	3.4%
Forecasted collections				
Oil and gas gross production tax	\$92,628,000	\$93,744,000	\$1,116,000	1.2%
Oil extraction tax	113,855,250	115,227,000	1,371,750	1.2%
Total forecasted collections	\$206,483,250	\$208,971,000	\$2,487,750	1.2%
Increase (decrease) to forecast				
Amount	\$67,532,301	\$74,285,429		
Percentage	32.7%	35.5%		

Oil Production and Prices

The schedule below provides information on the average daily production and the average daily price of oil per barrel for the months of September 2013 and October 2013. Monthly oil tax revenue collections reflect production from two months prior. For example, October 2013 oil tax revenue collections relate to August 2013 oil production.

	July 2013	August 2013	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	875,736	911,242	35,506	4.1%
Average daily price of oil per barrel	\$95.78	\$94.11	(\$1.67)	(1.7%)
Forecasted average daily production and price				
Average daily production of oil in barrels	830,000	840,000	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 September 2013 and October 2013.

	September 2013	October 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$76,184,497	\$78,609,984	\$2,425,487	3.2%
Three Affiliated Tribes	19,318,179	21,203,634	1,885,455	9.8%
Oil and gas research fund	1,703,052	2,114,114	411,062	24.1%
Oil and gas impact grant fund	16,395,965	17,019,275	623,310	3.8%
Political subdivisions	52,617,316	35,008,791	(17,608,525)	(33.5%)
Abandoned well reclamation fund	839,680	866,780	27,100	3.2%
North Dakota heritage fund	839,680	866,780	27,100	3.2%
Foundation aid stabilization fund	12,900,652	13,293,957	393,305	3.0%
Common schools trust fund	12,900,652	13,293,957	393,305	3.0%
Resources trust fund	25,801,304	26,587,915	786,611	3.0%
General fund	54,295,418	51,378,288	(2,917,130)	(5.4%)
Property tax relief fund	0	23,012,954	23,012,954	N/A
Strategic investment and improvements fund	219,156	0	(219,156)	(100.0%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$274,015,551	\$283,256,429	\$9,240,878	3.4%

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

	August 2013 to October 2013	August 2011 to October 2011	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$365,719,631	\$164,578,217	\$201,141,414	122.2%
Oil extraction tax	419,427,743	173,817,986	245,609,757	141.3%
Total actual collections	\$785,147,374	\$338,396,203	\$446,751,171	132.0%
Forecasted collections				
Oil and gas gross production tax	\$276,012,000	\$124,001,280	\$152,010,720	122.6%
Oil extraction tax	339,264,750	118,834,560	220,430,190	185.5%
Total forecasted collections	\$615,276,750	\$242,835,840	\$372,440,910	153.4%
Increase (decrease) to forecast				
Amount	\$169,870,624	\$95,560,363		
Percentage	27.6%	39.4%		

Oil Production and Prices

The schedule below provides information on the average daily production and the average daily price of oil per barrel for the first three months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, October 2013 oil tax revenue collections relate to August 2013 oil production.

	June 2013 to August 2013	June 2011 to August 2011	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	869,525	418,628	450,897	107.7%
Average daily price of oil per barrel	\$91.90	\$86.57	\$5.33	6.2%
Forecasted average daily production and price				
Average daily production of oil in barrels	833,333	390,000	443,333	113.7%
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 three months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 to October 2013	August 2011 to October 2011	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$219,165,218	\$66,977,684	\$152,187,534	227.2%
Three Affiliated Tribes	53,783,126	13,104,070	40,679,056	310.4%
Oil and gas research fund	6,257,573	3,172,367	3,085,206	97.3%
Oil and gas impact grant fund	33,415,240	16,654,092	16,761,148	100.6%
Political subdivisions	96,671,052	46,315,882	50,355,170	108.7%
Abandoned well reclamation fund	2,421,571	N/A	2,421,571	N/A
North Dakota heritage fund	2,421,571	N/A	2,421,571	N/A
Foundation aid stabilization fund	36,944,978	16,293,985	20,650,993	126.7%
Common schools trust fund	36,944,978	16,293,985	20,650,993	126.7%
Resources trust fund	73,889,957	32,587,972	41,301,985	126.7%
General fund	200,000,000	126,996,166	73,003,834	57.5%
Property tax relief fund	23,012,954	0	23,012,954	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	\$785,147,374	\$338,396,203	\$446,751,171	132.0%

**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, October 2013 distributions of oil and gas tax gross production tax collections relate to August 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	Biennium to Date Total
Counties	\$29,617,443	\$18,978,803	\$48,596,246
Hub cities ¹	6,488,813	4,914,901	11,403,714
Other cities	9,912,791	6,421,354	16,334,145
Hub city school districts	729,167	729,167	1,458,334
Other school districts	3,001,565	2,146,297	5,147,862
Townships	2,867,537	1,818,269	4,685,806
Total	\$52,617,316	\$35,008,791	\$87,626,107
¹ The distributions to the hub cities are as follows:			
	September 2013	October 2013	Biennium to Date Total
Williston	\$3,924,535	\$2,980,191	\$6,904,726
Dickinson	1,946,626	1,474,470	3,421,096
Minot	617,652	460,240	1,077,892
Total	\$6,488,813	\$4,914,901	\$11,403,714