

## 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 February and March 2014.

	February 2014	March 2014	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$114,979,748	\$114,343,920	(\$635,828)	(0.6%)
Oil extraction tax	135,392,759	135,436,389	43,630	0.0%
Total actual collections	\$250,372,507	\$249,780,309	(\$592,198)	(0.2%)
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$94,278,785	\$94,278,785	\$0	0.0%
Oil extraction tax	123,509,696	123,509,696	0	0.0%
Total forecasted collections	\$217,788,481	\$217,788,481	\$0	0.0%
<b>Increase (decrease) to forecast</b>				
Amount	\$32,584,026	\$31,991,828		
Percentage	15.0%	14.7%		

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

	December 2013	January 2014	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	926,687	933,128	6,441	0.7%
Average daily price of oil per barrel	\$73.47	\$74.20	\$0.73	1.0%
<b>Forecasted average daily production and price</b>				
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 February and March 2014.

	February 2014	March 2014	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$69,581,856	\$69,458,394	(\$123,462)	(0.2%)
Three Affiliated Tribes	18,446,501	18,134,658	(311,843)	(1.7%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	15,401,511	15,503,027	101,516	0.7%
Political subdivisions	25,485,413	25,461,604	(23,809)	(0.1%)
Abandoned well reclamation fund	126,493	0	(126,493)	(100.0%)
North Dakota heritage fund	768,528	767,487	(1,041)	(0.1%)
Foundation aid stabilization fund	11,798,795	11,763,210	(35,585)	(0.3%)
Common schools trust fund	11,798,795	11,763,210	(35,585)	(0.3%)
Resources trust fund	23,597,591	23,526,420	(71,171)	(0.3%)
General fund	0	57,389,158	57,389,158	N/A
Property tax relief fund	73,367,024	16,013,141	(57,353,883)	(78.2%)
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	\$250,372,507	\$249,780,309	(\$592,198)	(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 eight months of the 2011-13 and 2013-15 bienniums.

	August 2013 Through March 2014	August 2011 Through March 2012	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$964,797,880	\$494,911,193	\$469,886,687	94.9%
Oil extraction tax	1,125,084,961	532,576,060	592,508,901	111.3%
Total actual collections	\$2,089,882,841	\$1,027,487,253	\$1,062,395,588	103.4%
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$737,449,730	\$331,921,152	\$405,528,578	122.2%
Oil extraction tax	966,094,251	318,091,104	648,003,147	203.7%
Total forecasted collections	\$1,703,543,981	\$650,012,256	\$1,053,531,725	162.1%
<b>Increase (decrease) to forecast</b>				
Amount	\$386,338,860	\$377,474,997		
Percentage	22.7%	58.1%		

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

	June 2013 Through January 2014	June 2011 Through January 2012	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	915,367	474,934	440,433	92.7%
Average daily price of oil per barrel	\$84.11	\$85.60	(\$1.49)	(1.7%)
<b>Forecasted average daily production and price</b>				
Average daily production of oil in barrels	841,250	392,000	449,250	114.6%
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 eight months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through March 2014	August 2011 Through March 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$581,199,180	\$264,862,025	\$316,337,155	119.4%
Three Affiliated Tribes	151,629,533	43,377,095	108,252,438	249.6%
Oil and gas research fund	10,000,000	4,000,001	5,999,999	150.0%
Oil and gas impact grant fund	111,964,316	73,086,832	38,877,484	53.2%
Political subdivisions	232,111,283	88,375,492	143,735,791	162.6%
Abandoned well reclamation fund	5,000,001	N/A	5,000,001	N/A
North Dakota heritage fund	6,409,523	N/A	6,409,523	N/A
Foundation aid stabilization fund	98,042,672	49,322,597	48,720,075	98.8%
Common schools trust fund	98,042,672	49,322,597	48,720,075	98.8%
Resources trust fund	196,085,346	98,645,195	97,440,151	98.8%
General fund	257,389,158	200,000,000	57,389,158	28.7%
Property tax relief fund	341,790,001	156,495,419	185,294,582	118.4%
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	\$2,089,882,841	\$1,027,487,253	\$1,062,395,588	103.4%

## 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 March 2014.

	March 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
<b>Collections</b>				
Oil and gas gross production tax	\$114,343,920	\$94,278,785	\$20,065,135	21.3%
Oil extraction tax	135,436,389	123,509,696	11,926,693	9.7%
Total actual collections	\$249,780,309	\$217,788,481	\$31,991,828	14.7%
<b>Allocations</b>				
Legacy fund	\$69,458,394	\$62,036,545	\$7,421,849	12.0%
Three Affiliated Tribes	18,134,658	11,000,000	7,134,658	64.9%
Oil and gas research fund	0	1,213,536	(1,213,536)	(100.0%)
Oil and gas impact grant fund	15,503,027	14,338,227	1,164,800	8.1%
Political subdivisions	25,461,604	22,332,192	3,129,412	14.0%
Abandoned well reclamation fund	0	78,633	(78,633)	(100.0%)
North Dakota heritage fund	767,487	722,230	45,257	6.3%
Foundation aid stabilization fund	11,763,210	11,650,970	112,240	1.0%
Common schools trust fund	11,763,210	11,650,970	112,240	1.0%
Resources trust fund	23,526,420	23,301,939	224,481	1.0%
General fund	57,389,158	0	57,389,158	N/A
Property tax relief fund	16,013,141	59,463,239	(43,450,098)	(73.1%)
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	\$249,780,309	\$217,788,481	\$31,991,828	14.7%

### 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
<b>Collections</b>				
Oil and gas gross production tax	\$964,797,880	\$737,449,730	\$227,348,150	30.8%
Oil extraction tax	1,125,084,961	966,094,251	158,990,710	16.5%
Total actual collections	\$2,089,882,841	\$1,703,543,981	\$386,338,860	22.7%
<b>Allocations</b>				
Legacy fund	\$581,199,180	\$484,663,194	\$96,535,986	19.9%
Three Affiliated Tribes	151,629,533	88,000,000	63,629,533	72.3%
Oil and gas research fund	10,000,000	9,316,344	683,656	7.3%
Oil and gas impact grant fund	111,964,316	94,372,979	17,591,337	18.6%
Political subdivisions	232,111,283	196,009,299	36,101,984	18.4%
Abandoned well reclamation fund	5,000,001	5,000,000	1	0.0%
North Dakota heritage fund	6,409,523	5,643,597	765,926	13.6%
Foundation aid stabilization fund	98,042,672	91,009,426	7,033,246	7.7%
Common schools trust fund	98,042,672	91,009,426	7,033,246	7.7%
Resources trust fund	196,085,346	182,018,850	14,066,496	7.7%
General fund	257,389,158	200,000,000	57,389,158	28.7%
Property tax relief fund	341,790,001	256,500,866	85,289,135	33.3%
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	\$2,089,882,841	\$1,703,543,981	\$386,338,860	22.7%

## 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, March 2014 distributions of oil and gas tax gross production tax collections relate to January 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.

	<b>September 2013</b>	<b>October 2013</b>	<b>November 2013</b>	<b>December 2013</b>	<b>January 2014</b>	<b>February 2014</b>
Counties	\$29,617,443	\$18,978,803	\$16,863,054	\$14,455,833	\$13,413,638	\$13,343,930
Hub cities <sup>1</sup>	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	1,274,542
<b>Total</b>	<b>\$52,617,316</b>	<b>\$35,008,791</b>	<b>\$31,444,152</b>	<b>\$27,437,800</b>	<b>\$25,611,262</b>	<b>\$25,485,413</b>
<sup>1</sup> 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
<b>Total</b>	<b>\$6,488,813</b>	<b>\$4,914,901</b>	<b>\$4,599,771</b>	<b>\$4,237,259</b>	<b>\$4,105,771</b>	<b>\$4,099,314</b>

	<b>March 2014</b>	<b>Biennium-to- Date Total</b>
Counties	\$13,314,242	\$119,986,943
Hub cities <sup>1</sup>	4,090,355	32,536,184
Other cities	4,509,851	40,500,606
Hub city school districts	729,167	5,104,169
Other school districts	1,549,420	13,455,985
Townships	1,268,569	11,482,451
<b>Total</b>	<b>\$25,461,604</b>	<b>\$223,066,338</b>
<sup>1</sup> The distributions to the hub cities are as follows:		
Williston	\$2,485,463	\$19,740,458
Dickinson	1,227,106	9,760,837
Minot	377,786	3,034,889
<b>Total</b>	<b>\$4,090,355</b>	<b>\$32,536,184</b>