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 May and June 2014.

	May 2014	May 2014	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	$133,965,014	$130,996,912	($2,968,102)	(2.2%)
Oil extraction tax	159,754,851	154,794,151	(4,960,700)	(3.1%)
Total actual collections	$293,719,865	$285,791,063	($7,928,802)	(2.7%)
Forecasted collections				
Oil and gas gross production tax	$94,278,785	$91,237,534	($3,041,251)	(3.2%)
Oil extraction tax	123,509,696	119,525,513	(3,984,183)	(3.2%)
Total forecasted collections	$217,788,481	$210,763,047	($7,025,434)	(3.2%)
Increase (decrease) to forecast				
Amount	$75,931,384	$75,028,016		
Percentage	34.9%	35.6%		

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

	March 2014	April 2014	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	977,178	1,001,149	23,971	2.5%
Average daily price of oil per barrel	$86.72	$85.68	($1.04)	(1.2%)
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 May and June 2014.

	May 2014	June 2014	Increase (Decrease)	
			Amount	Percentage
Legacy fund	$81,701,649	$79,589,331	($2,112,318)	(2.6%)
Three Affiliated Tribes	21,388,748	20,454,553	(934,195)	(4.4%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	18,675,370	18,288,959	(386,411)	(2.1%)
Political subdivisions	28,808,292	28,215,046	(593,246)	(2.1%)
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	899,668	883,568	(16,100)	(1.8%)
Foundation aid stabilization fund	13,850,934	13,446,218	(404,716)	(2.9%)
Common schools trust fund	13,850,934	13,446,218	(404,716)	(2.9%)
Resources trust fund	27,701,867	26,892,436	(809,431)	(2.9%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	65,845,038	83,572,099	17,727,061	26.9%
State disaster fund	20,997,365	1,002,635	(19,994,730)	(95.2%)
Total oil and gas tax revenue allocations	$293,719,865	$285,791,063	($7,928,802)	(2.7%)

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

	August 2013 Through June 2014	August 2011 Through June 2012	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	$1,349,071,056	$714,129,547	$634,941,509	88.9%
Oil extraction tax	1,581,198,084	772,829,557	808,368,527	104.6%
Total actual collections	$2,930,269,140	$1,486,959,104	$1,443,310,036	97.1%
Forecasted collections				
Oil and gas gross production tax	$1,008,121,081	$455,473,152	$552,647,929	121.3%
Oil extraction tax	1,320,686,605	436,495,104	884,191,501	202.6%
Total forecasted collections	$2,328,807,686	$891,968,256	$1,436,839,430	161.1%
Increase (decrease) to forecast				
Amount	$601,461,454	$594,990,848		
Percentage	25.8%	66.7%		

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

	June 2013 Through April 2014	June 2011 Through April 2012	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	932,301	504,092	428,209	84.9%
Average daily price of oil per barrel	$84.74	$84.24	$0.50	0.6%
Forecasted average daily production and price				
Average daily production of oil in barrels	843,636	394,636	449,000	113.8%
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 11 months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through June 2014	August 2011 Through June 2012	Increase (Decrease)	
			Amount	Percentage
Legacy fund	$814,824,134	$396,585,660	$418,238,474	105.5%
Three Affiliated Tribes	213,178,669	64,400,441	148,778,228	231.0%
Oil and gas research fund	10,000,000	4,000,000	6,000,000	150.0%
Oil and gas impact grant fund	165,162,153	99,999,999	65,162,154	65.2%
Political subdivisions	315,353,894	110,316,970	205,036,924	185.9%
Abandoned well reclamation fund	5,000,000	N/A	5,000,000	N/A
North Dakota heritage fund	8,990,683	N/A	8,990,683	N/A
Foundation aid stabilization fund	137,544,588	71,315,580	66,229,008	92.9%
Common schools trust fund	137,544,588	71,315,580	66,229,008	92.9%
Resources trust fund	275,089,176	142,631,161	132,458,015	92.9%
General fund	300,000,000	200,000,000	100,000,000	50.0%
Property tax relief fund	341,790,000	326,393,713	15,396,287	4.7%
Strategic investment and improvements fund	183,791,255	0	183,791,255	N/A
State disaster fund	22,000,000	0	22,000,000	N/A
Total oil and gas tax revenue allocations	$2,930,269,140	$1,486,959,104	$1,443,310,036	97.1%

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 June 2014.

	June 2014		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	$130,996,912	$91,237,534	$39,759,378	43.6%
Oil extraction tax	154,794,151	119,525,513	35,268,638	29.5%
Total actual collections	$285,791,063	$210,763,047	$75,028,016	35.6%
Allocations				
Legacy fund	$79,589,331	$59,928,914	$19,660,417	32.8%
Three Affiliated Tribes	20,454,553	11,000,000	9,454,553	86.0%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	18,288,959	13,832,940	4,456,019	32.2%
Political subdivisions	28,215,046	21,183,633	7,031,413	33.2%
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	883,568	697,900	185,668	26.6%
Foundation aid stabilization fund	13,446,218	11,252,551	2,193,667	19.5%
Common schools trust fund	13,446,218	11,252,551	2,193,667	19.5%
Resources trust fund	26,892,436	22,505,103	4,387,333	19.5%
General fund	0	59,109,455	(59,109,455)	(100.0%)
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	83,572,099	0	83,572,099	N/A
State disaster fund	1,002,635	0	1,002,635	N/A
Total oil and gas tax revenue allocations	$285,791,063	$210,763,047	$75,028,016	35.6%

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	$1,349,071,056	$1,008,121,081	$340,949,975	33.8%
Oil extraction tax	1,581,198,084	1,320,686,605	260,511,479	19.7%
Total actual collections	$2,930,269,140	$2,328,807,686	$601,461,454	25.8%
Allocations				
Legacy fund	$814,824,134	$662,342,307	$152,481,827	23.0%
Three Affiliated Tribes	213,178,669	121,000,000	92,178,669	76.2%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	165,162,153	135,287,878	29,874,275	22.1%
Political subdivisions	315,353,894	259,169,607	56,184,287	21.7%
Abandoned well reclamation fund	5,000,000	5,000,000	0	0.0%
North Dakota heritage fund	8,990,683	7,712,967	1,277,716	16.6%
Foundation aid stabilization fund	137,544,588	124,368,662	13,175,926	10.6%
Common schools trust fund	137,544,588	124,368,662	13,175,926	10.6%
Resources trust fund	275,089,176	248,737,321	26,351,855	10.6%
General fund	300,000,000	289,030,282	10,969,718	3.8%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	183,791,255	0	183,791,255	N/A
State disaster fund	22,000,000	0	22,000,000	N/A
Total oil and gas tax revenue allocations	$2,930,269,140	$2,328,807,686	$601,461,454	25.8%

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, June 2014 distributions of oil and gas gross production tax collections relate to April 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	Biennium-to-Date Total
Counties	$13,314,242	$13,802,200	$15,370,933	$15,024,278	$164,184,354
Hub cities[1]	4,090,355	4,172,550	4,416,643	4,372,549	45,497,926
Other cities	4,509,851	4,666,021	5,178,719	5,060,276	55,405,622
Hub city school districts	729,167	729,167	729,167	729,167	7,291,670
Other school districts	1,549,420	1,525,965	1,626,737	1,572,076	18,180,763
Townships	1,268,570	1,323,368	1,486,093	1,456,700	15,748,614
Total	$25,461,605	$26,219,271	$28,808,292	$28,215,046	$306,308,949
[1]The distributions to the hub cities are as follows:					
Williston	$2,485,463	$2,534,780	$2,681,236	$2,654,780	$27,611,254
Dickinson	1,227,106	1,251,765	1,324,993	1,311,764	13,649,359
Minot	377,786	386,005	410,414	406,005	4,237,313
Total	$4,090,355	$4,172,550	$4,416,643	$4,372,549	$45,497,926