

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 December 2014 and January 2015.

	December 2014	January 2015	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$129,896,216	\$115,524,700	(\$14,371,516)	(11.1%)
Oil extraction tax	155,279,320	138,551,127	(16,728,193)	(10.8%)
Total actual collections	\$285,175,536	\$254,075,827	(\$31,099,709)	(10.9%)
Forecasted collections				
Oil and gas gross production tax	\$100,564,037	\$97,320,036	(\$3,244,001)	(3.2%)
Oil extraction tax	131,743,676	127,493,880	(4,249,796)	(3.2%)
Total forecasted collections	\$232,307,713	\$224,813,916	(\$7,493,797)	(3.2%)
Increase (decrease) to forecast				
Amount	\$52,867,823	\$29,261,911		
Percentage	22.8%	13.0%		

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 October 2014 and November 2014. Monthly oil tax revenue collections reflect production from two months prior. For example, January 2015 oil tax revenue collections relate to November 2014 oil production.

	October 2014	November 2014	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,183,515	1,187,206	3,691	0.3%
Average daily price of oil per barrel	\$68.94	\$60.16	(\$8.78)	(12.7%)
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 December 2014 and January 2015.

	December 2014	January 2015	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$102,857,902	\$93,030,326	(\$9,827,576)	(9.6%)
Three Affiliated Tribes	25,695,877	19,405,714	(6,290,163)	(24.5%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	28,472,402	25,340,461	(3,131,941)	(11.0%)
Abandoned well reclamation fund	840,398	270,491	(569,907)	(67.8%)
North Dakota heritage fund	841,740	774,976	(66,764)	(7.9%)
Foundation aid stabilization fund	12,856,301	11,841,495	(1,014,806)	(7.9%)
Common schools trust fund	12,856,301	11,841,495	(1,014,806)	(7.9%)
Resources trust fund	25,712,602	23,682,991	(2,029,611)	(7.9%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	75,042,013	67,887,878	(7,154,135)	(9.5%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$285,175,536	\$254,075,827	(\$31,099,709)	(10.9%)

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

	August 2013 Through January 2015	August 2011 Through January 2013	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$2,317,982,135	\$1,316,200,486	\$1,001,781,649	76.1%
Oil extraction tax	2,742,803,563	1,448,834,181	1,293,969,382	89.3%
Total actual collections	\$5,060,785,698	\$2,765,034,667	\$2,295,751,031	83.0%
Forecasted collections				
Oil and gas gross production tax	\$1,696,052,085	\$766,775,232	\$929,276,853	121.2%
Oil extraction tax	2,221,908,969	734,826,264	1,487,082,705	202.4%
Total forecasted collections	\$3,917,961,054	\$1,501,601,496	\$2,416,359,558	160.9%
Increase (decrease) to forecast				
Amount	\$1,142,824,644	\$1,263,433,171		
Percentage	29.2%	84.1%		

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 18 months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, January 2015 oil tax revenue collections relate to November 2014 oil production.

	June 2013 Through November 2014	June 2011 Through November 2012	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,010,779	580,044	430,735	74.3%
Average daily price of oil per barrel	\$82.17	\$82.39	(\$0.22)	(0.3%)
Forecasted average daily production and price				
Average daily production of oil in barrels	846,111	458,533	387,578	84.5%
Average daily price of oil per barrel	\$76.67	\$69.50	\$7.17	10.3%

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

	August 2013 Through January 2015	August 2011 Through January 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$1,568,236,616	\$762,503,966	\$805,732,650	105.7%
Three Affiliated Tribes	375,086,990	124,620,631	250,466,359	201.0%
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	557,660,202	207,085,634	350,574,568	169.3%
Abandoned well reclamation fund	10,000,001	N/A	10,000,001	N/A
North Dakota heritage fund	15,483,553	N/A	15,483,553	N/A
Foundation aid stabilization fund	237,062,678	132,992,707	104,069,971	78.3%
Common schools trust fund	237,062,678	132,992,707	104,069,971	78.3%
Resources trust fund	474,125,359	265,985,416	208,139,943	78.3%
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	672,277,621	371,063,607	301,214,014	81.2%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,060,785,698	\$2,765,034,667	\$2,295,751,031	83.0%

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 January 2015.

	January 2015		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$115,524,700	\$97,320,036	\$18,204,664	18.7%
Oil extraction tax	138,551,127	127,493,880	11,057,247	8.7%
Total actual collections	\$254,075,827	\$224,813,916	\$29,261,911	13.0%
Allocations				
Legacy fund	\$93,030,326	\$79,555,870	\$13,474,456	16.9%
Three Affiliated Tribes	19,405,714	11,700,000	7,705,714	65.9%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	14,217,420	(14,217,420)	(100.0%)
Political subdivisions	25,340,461	22,988,069	2,352,392	10.2%
Abandoned well reclamation fund	270,491	744,960	(474,469)	(63.7%)
North Dakota heritage fund	774,976	744,960	30,016	4.0%
Foundation aid stabilization fund	11,841,495	11,999,388	(157,893)	(1.3%)
Common schools trust fund	11,841,495	11,999,388	(157,893)	(1.3%)
Resources trust fund	23,682,991	23,998,776	(315,785)	(1.3%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	67,887,878	46,865,085	21,022,793	44.9%
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$254,075,827	\$224,813,916	\$29,261,911	13.0%

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	\$2,317,982,135	\$1,696,052,085	\$621,930,050	36.7%
Oil extraction tax	2,742,803,563	2,221,908,969	520,894,594	23.4%
Total actual collections	\$5,060,785,698	\$3,917,961,054	\$1,142,824,644	29.2%
Allocations				
Legacy fund	\$1,568,236,616	\$1,208,854,417	\$359,382,199	29.7%
Three Affiliated Tribes	375,086,990	202,200,000	172,886,990	85.5%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	240,000,000	236,799,946	3,200,054	1.4%
Political subdivisions	557,660,202	454,244,381	103,415,821	22.8%
Abandoned well reclamation fund	10,000,001	9,547,616	452,385	4.7%
North Dakota heritage fund	15,483,553	12,982,813	2,500,740	19.3%
Foundation aid stabilization fund	237,062,678	209,290,900	27,771,778	13.3%
Common schools trust fund	237,062,678	209,290,900	27,771,778	13.3%
Resources trust fund	474,125,359	418,581,793	55,543,566	13.3%
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	672,277,621	282,378,288	389,899,333	138.1%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,060,785,698	\$3,917,961,054	\$1,142,824,644	29.2%

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, January 2015 distributions of oil and gas gross production tax collections relate to November 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
Counties	\$197,538,275	\$32,339,212	\$20,175,767	\$17,940,453	\$15,272,934
Hub cities ¹	54,724,166	6,912,200	5,103,636	4,773,306	4,366,706
Other cities	66,635,265	10,829,819	6,758,411	6,015,978	5,128,125
Hub city school districts	8,750,000	708,334	708,334	708,332	708,334
Other school districts	21,661,622	2,994,868	1,898,537	1,700,335	1,501,831
Townships	18,982,777	3,191,467	1,985,760	1,765,540	1,494,472
Total	\$368,292,105	\$56,975,900	\$36,630,445	\$32,903,944	\$28,472,402
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
Dickinson	16,417,231	2,123,660	1,581,091	1,481,992	1,360,012
Minot	5,097,437	666,220	485,363	452,330	411,670
Total	\$54,724,166	\$6,912,200	\$5,103,636	\$4,773,306	\$4,366,706

	January 2015	Biennium-to- Date Total
Counties	\$13,425,682	\$296,692,323
Hub cities ¹	4,103,125	79,983,139
Other cities	4,501,199	99,868,797
Hub city school districts	708,334	12,291,668
Other school districts	1,283,369	31,040,562
Townships	1,318,752	28,738,768
Total	\$25,340,461	\$548,615,257
¹ The distributions to the hub cities are as follows:		
Williston	\$2,436,875	\$48,239,883
Dickinson	1,280,938	24,244,924
Minot	385,312	7,498,332
Total	\$4,103,125	\$79,983,139