

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 January and February 2015.

	January 2015	February 2015	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$115,524,700	\$89,165,375	(\$26,359,325)	(22.8%)
Oil extraction tax	138,551,127	106,177,500	(32,373,627)	(23.4%)
Total actual collections	\$254,075,827	\$195,342,875	(\$58,732,952)	(23.1%)
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	\$29,261,911	(\$36,964,838)		
Percentage	13.0%	(15.9%)		

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

	November 2014	December 2014	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,188,258	1,227,344	39,086	3.3%
Average daily price of oil per barrel	\$60.16	\$40.74	(\$19.42)	(32.3%)
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 January and February 2015.

	January 2015	February 2015	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$93,030,326	\$71,467,850	(\$21,562,476)	(23.2%)
Three Affiliated Tribes	19,405,714	14,851,489	(4,554,225)	(23.5%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	25,340,461	20,193,150	(5,147,311)	(20.3%)
Abandoned well reclamation fund	270,490	0	(270,490)	(100.0%)
North Dakota heritage fund	774,976	599,647	(175,329)	(22.6%)
Foundation aid stabilization fund	11,841,495	9,067,359	(2,774,136)	(23.4%)
Common schools trust fund	11,841,495	9,067,359	(2,774,136)	(23.4%)
Resources trust fund	23,682,991	18,134,718	(5,548,273)	(23.4%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	67,887,879	51,961,303	(15,926,576)	(23.5%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$254,075,827	\$195,342,875	(\$58,732,952)	(23.1%)

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

	August 2013 Through February 2015	August 2011 Through February 2013	Increase (Decrease)	
			Amount	Percentage
Actual collections				
Oil and gas gross production tax	\$2,407,147,510	\$1,411,820,204	\$995,327,306	70.5%
Oil extraction tax	2,848,981,063	1,557,121,175	1,291,859,888	83.0%
Total actual collections	\$5,256,128,573	\$2,968,941,379	\$2,287,187,194	77.0%
Forecasted collections				
Oil and gas gross production tax	\$1,796,616,122	\$813,089,232	\$983,526,890	121.0%
Oil extraction tax	2,353,652,645	779,210,514	1,574,442,131	202.1%
Total forecasted collections	\$4,150,268,767	\$1,592,299,746	\$2,557,969,021	160.6%
Increase (decrease) to forecast				
Amount	\$1,105,859,806	\$1,376,641,633		
Percentage	26.6%	86.5%		

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

	June 2013 Through December 2014	June 2011 Through December 2012	Increase (Decrease)	
			Amount	Percentage
Actual average daily production and price				
Average daily production of oil in barrels	1,022,233	590,047	432,186	73.2%
Average daily price of oil per barrel	\$79.99	\$82.11	(\$2.12)	(2.6%)
Forecasted average daily production and price				
Average daily production of oil in barrels	846,316	469,871	376,445	80.1%
Average daily price of oil per barrel	\$76.84	\$69.52	\$7.32	10.5%

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

	August 2013 Through February 2015	August 2011 Through February 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$1,639,704,466	\$841,777,631	\$797,926,835	94.8%
Three Affiliated Tribes	389,938,479	135,833,712	254,104,767	187.1%
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	100,000,000	140,000,000	140.0%
Political subdivisions	577,853,352	217,222,039	360,631,313	166.0%
Abandoned well reclamation fund	10,000,000	N/A	10,000,000	N/A
North Dakota heritage fund	16,083,200	N/A	16,083,200	N/A
Foundation aid stabilization fund	246,130,037	142,731,394	103,398,643	72.4%
Common schools trust fund	246,130,037	142,731,394	103,398,643	72.4%
Resources trust fund	492,260,077	285,462,789	206,797,288	72.4%
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	724,238,925	435,392,420	288,846,505	66.3%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,256,128,573	\$2,968,941,379	\$2,287,187,194	77.0%

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 February 2015.

	February 2015		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Collections				
Oil and gas gross production tax	\$89,165,375	\$100,564,037	(\$11,398,662)	(11.3%)
Oil extraction tax	106,177,500	131,743,676	(25,566,176)	(19.4%)
Total actual collections	\$195,342,875	\$232,307,713	(\$36,964,838)	(15.9%)
Allocations				
Legacy fund	\$71,467,850	\$85,336,541	(\$13,868,691)	(16.3%)
Three Affiliated Tribes	14,851,489	11,700,000	3,151,489	26.9%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	3,200,054	(3,200,054)	(100.0%)
Political subdivisions	20,193,150	23,687,670	(3,494,520)	(14.8%)
Abandoned well reclamation fund	0	452,384	(452,384)	(100.0%)
North Dakota heritage fund	599,647	770,912	(171,265)	(22.2%)
Foundation aid stabilization fund	9,067,359	12,424,368	(3,357,009)	(27.0%)
Common schools trust fund	9,067,359	12,424,368	(3,357,009)	(27.0%)
Resources trust fund	18,134,718	24,848,735	(6,714,017)	(27.0%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	51,961,303	57,462,681	(5,501,378)	(9.6%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$195,342,875	\$232,307,713	(\$36,964,838)	(15.9%)

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	\$2,407,147,510	\$1,796,616,122	\$610,531,388	34.0%
Oil extraction tax	2,848,981,063	2,353,652,645	495,328,418	21.0%
Total actual collections	\$5,256,128,573	\$4,150,268,767	\$1,105,859,806	26.6%
Allocations				
Legacy fund	\$1,639,704,466	\$1,294,190,958	\$345,513,508	26.7%
Three Affiliated Tribes	389,938,479	213,900,000	176,038,479	82.3%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	240,000,000	240,000,000	0	0.0%
Political subdivisions	577,853,352	477,932,051	99,921,301	20.9%
Abandoned well reclamation fund	10,000,000	10,000,000	0	0.0%
North Dakota heritage fund	16,083,200	13,753,725	2,329,475	16.9%
Foundation aid stabilization fund	246,130,037	221,715,268	24,414,769	11.0%
Common schools trust fund	246,130,037	221,715,268	24,414,769	11.0%
Resources trust fund	492,260,077	443,430,528	48,829,549	11.0%
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	724,238,925	339,840,969	384,397,956	113.1%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,256,128,573	\$4,150,268,767	\$1,105,859,806	26.6%

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, February 2015 distributions of oil and gas gross production tax collections relate to December 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	February 2015	Biennium-to- Date Total
Counties	\$13,425,682	\$10,357,158	\$307,049,481
Hub cities ¹	4,103,125	3,651,854	83,634,993
Other cities	4,501,199	3,471,785	103,340,582
Hub city school districts	708,334	708,332	13,000,000
Other school districts	1,283,369	986,115	32,026,677
Townships	1,318,752	1,017,906	29,756,674
Total	\$25,340,461	\$20,193,150	\$568,808,407
¹ The distributions to the hub cities are as follows:			
Williston	\$2,436,875	\$2,166,113	\$50,405,996
Dickinson	1,280,938	1,145,556	25,390,480
Minot	385,312	340,185	7,838,517
Total	\$4,103,125	\$3,651,854	\$83,634,993