

## 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 2015.

	May 2015	June 2015	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$69,321,774	\$78,843,507	\$9,521,733	13.7%
Oil extraction tax	78,654,763	88,070,856	9,416,093	12.0%
Total actual collections	\$147,976,537	\$166,914,363	\$18,937,826	12.8%
<b>Forecasted collections</b>				
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%)
<b>Increase (decrease) to forecast</b>				
Amount	(\$84,331,176)	(\$57,899,553)		
Percentage	(36.3%)	(25.8%)		

#### Oil Production and Prices

The schedule below provides information on actual and originally forecasted average daily production and average daily price of oil per barrel for the months of March and April 2015. Monthly oil tax revenue collections reflect production from two months prior. For example, June 2015 oil tax revenue collections relate to April 2015 oil production. Actual oil prices shown reflect Flint Hills Resources (FHR) posted prices and West Texas Intermediate (WTI) posted prices.

	March 2015	April 2015	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	1,190,502	1,168,636	(21,866)	(1.8%)
Average daily price - FHR	\$31.47	\$38.33	\$6.86	21.8%
Average daily price - WTI	\$47.82	\$54.45	\$6.63	13.9%
<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	\$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 May and June 2015.

	May 2015	June 2015	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$41,626,258	\$46,839,874	\$5,213,616	12.5%
Three Affiliated Tribes	9,216,096	10,781,449	1,565,353	17.0%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	16,476,536	18,353,554	1,877,018	11.4%
Abandoned well reclamation fund	0	0	0	N/A
North Dakota outdoor heritage fund	482,140	547,153	65,013	13.5%
Foundation aid stabilization fund	6,926,708	7,698,444	771,736	11.1%
Common schools trust fund	6,926,708	7,698,444	771,736	11.1%
Resources trust fund	13,853,417	15,396,889	1,543,472	11.1%
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	52,468,674	59,598,556	7,129,882	13.6%
State disaster relief fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$147,976,537	\$166,914,363	\$18,937,826	12.8%

## 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 23 months of the 2011-13 and 2013-15 bienniums.

	August 2013 Through June 2015	August 2011 Through June 2013	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$2,684,704,316	\$1,817,864,931	\$866,839,385	47.7%
Oil extraction tax	3,166,077,769	2,018,549,445	1,147,528,324	56.8%
Total actual collections	\$5,850,782,085	\$3,836,414,376	\$2,014,367,709	52.5%
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$2,185,896,266	\$995,069,232	\$1,190,827,034	119.7%
Oil extraction tax	2,863,628,165	953,608,014	1,910,020,151	200.3%
Total forecasted collections	\$5,049,524,431	\$1,948,677,246	\$3,100,847,185	159.1%
<b>Increase (decrease) to forecast</b>				
Amount	\$801,257,654	\$1,887,737,130		
Percentage	15.9%	96.9%		

### 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 first 23 months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, June 2015 oil tax revenue collections relate to April 2015 oil production.

	June 2013 Through April 2015	June 2011 Through April 2013	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	1,050,042	621,939	428,103	68.8%
Average daily price - FHR	\$71.96	\$83.05	(\$11.09)	(13.4%)
Average daily price - WTI	\$88.02	\$93.56	(\$5.54)	(5.9%)
<b>Forecasted average daily production and price</b>				
Average daily production of oil in barrels	846,957	509,600	337,357	66.2%
Average daily price of oil per barrel	\$77.39	\$69.57	\$7.82	11.2%

### 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 23 months of the 2011-13 to the 2013-15 bienniums.

	August 2013 Through June 2015	August 2011 Through June 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$1,806,125,779	\$1,180,355,223	\$625,770,556	53.0%
Three Affiliated Tribes	429,841,966	183,578,141	246,263,825	134.1%
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	643,659,017	256,030,544	387,628,473	151.4%
Abandoned well reclamation fund	10,000,000	N/A	10,000,000	N/A
North Dakota outdoor heritage fund	17,993,869	N/A	17,993,869	N/A
Foundation aid stabilization fund	273,726,544	184,084,835	89,641,709	48.7%
Common schools trust fund	273,726,544	184,084,835	89,641,709	48.7%
Resources trust fund	547,453,094	368,169,670	179,283,424	48.7%
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	934,465,272	712,321,128	222,144,144	31.2%
State disaster relief fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,850,782,085	\$3,836,414,376	\$2,014,367,709	52.5%

## COMPARISON OF ACTUAL TO FORECAST - COLLECTIONS AND ALLOCATIONS

### Monthly Comparison

The schedule below provides a comparison of actual to originally forecasted oil tax revenue collections and allocations for the month of June 2015.

	June 2015		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
<b>Collections</b>				
Oil and gas gross production tax	\$78,843,507	\$97,320,036	(\$18,476,529)	(19.0%)
Oil extraction tax	88,070,856	127,493,880	(39,423,024)	(30.9%)
Total actual collections	\$166,914,363	\$224,813,916	(\$57,899,553)	(25.8%)
<b>Allocations</b>				
Legacy fund	\$46,839,874	\$83,427,847	(\$36,587,973)	(43.9%)
Three Affiliated Tribes	10,781,449	11,700,000	(918,551)	(7.9%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	18,353,554	22,462,541	(4,108,987)	(18.3%)
Abandoned well reclamation fund	0	0	0	N/A
North Dakota outdoor heritage fund	547,153	744,960	(197,807)	(26.6%)
Foundation aid stabilization fund	7,698,444	11,999,388	(4,300,944)	(35.8%)
Common schools trust fund	7,698,444	11,999,388	(4,300,944)	(35.8%)
Resources trust fund	15,396,889	23,998,776	(8,601,887)	(35.8%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	59,598,556	58,481,016	1,117,540	1.9%
State disaster relief fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$166,914,363	\$224,813,916	(\$57,899,553)	(25.8%)

### Biennium-to-Date Comparison

The schedule below provides a comparison of actual to originally 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	\$2,684,704,316	\$2,185,896,266	\$498,808,050	22.8%
Oil extraction tax	3,166,077,769	2,863,628,165	302,449,604	10.6%
Total actual collections	\$5,850,782,085	\$5,049,524,431	\$801,257,654	15.9%
<b>Allocations</b>				
Legacy fund	\$1,806,125,779	\$1,627,770,656	\$178,355,123	11.0%
Three Affiliated Tribes	429,841,966	260,700,000	169,141,966	64.9%
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	643,659,017	568,308,972	75,350,045	13.3%
Abandoned well reclamation fund	10,000,000	10,000,000	0	0.0%
North Dakota outdoor heritage fund	17,993,869	16,733,565	1,260,304	7.5%
Foundation aid stabilization fund	273,726,544	269,712,821	4,013,723	1.5%
Common schools trust fund	273,726,544	269,712,821	4,013,723	1.5%
Resources trust fund	547,453,094	539,425,632	8,027,462	1.5%
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	934,465,272	573,369,964	361,095,308	63.0%
State disaster relief fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,850,782,085	\$5,049,524,431	\$801,257,654	15.9%

## 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 2015 distributions of oil and gas gross production tax collections relate to April 2015 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>Fiscal Year 2014</b>	<b>September 2014</b>	<b>October 2014</b>	<b>November 2014</b>	<b>December 2014</b>
Counties	\$197,538,275	\$32,339,212	\$20,175,767	\$17,940,453	\$15,272,934
Hub cities <sup>1</sup>	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
<b>Total</b>	<b>\$368,292,105</b>	<b>\$56,975,900</b>	<b>\$36,630,445</b>	<b>\$32,903,944</b>	<b>\$28,472,402</b>
<sup>1</sup> 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
<b>Total</b>	<b>\$54,724,166</b>	<b>\$6,912,200</b>	<b>\$5,103,636</b>	<b>\$4,773,306</b>	<b>\$4,366,706</b>

	<b>January 2015</b>	<b>February 2015</b>	<b>March 2015</b>	<b>April 2015</b>	<b>May 2015</b>
Counties	\$13,425,682	\$10,357,158	\$7,579,877	\$7,519,290	\$8,137,090
Hub cities <sup>1</sup>	4,103,125	3,651,854	3,240,735	3,231,617	3,322,955
Other cities	4,501,199	3,471,785	2,537,933	2,521,486	2,728,281
Hub city school districts	708,334	708,332	708,334	708,334	708,332
Other school districts	1,283,369	986,115	722,249	724,153	781,242
Townships	1,318,752	1,017,906	743,822	737,745	798,636
<b>Total</b>	<b>\$25,340,461</b>	<b>\$20,193,150</b>	<b>\$15,532,950</b>	<b>\$15,442,625</b>	<b>\$16,476,536</b>
<sup>1</sup> The distributions to the hub cities are as follows:					
Williston	\$2,436,875	\$2,166,113	\$1,919,441	\$1,913,970	\$1,968,773
Dickinson	1,280,938	1,145,556	1,022,221	1,019,485	1,046,887
Minot	385,312	340,185	299,073	298,162	307,295
<b>Total</b>	<b>\$4,103,125</b>	<b>\$3,651,854</b>	<b>\$3,240,735</b>	<b>\$3,231,617</b>	<b>\$3,322,955</b>

	<b>June 2015</b>	<b>Biennium-to- Date Total</b>
Counties	\$9,252,118	\$339,537,856
Hub cities <sup>1</sup>	3,487,061	96,917,361
Other cities	3,104,796	114,233,078
Hub city school districts	708,334	15,833,334
Other school districts	893,203	35,147,524
Townships	908,042	32,944,919
<b>Total</b>	<b>\$18,353,554</b>	<b>\$634,614,072</b>
<sup>1</sup> The distributions to the hub cities are as follows:		
Williston	\$2,067,237	\$58,275,417
Dickinson	1,096,118	29,575,191
Minot	323,706	9,066,753
<b>Total</b>	<b>\$3,487,061</b>	<b>\$96,917,361</b>