

HUB CITY ALLOCATIONS AND EMPLOYMENT DATA

ALLOCATION OF TWENTY PERCENT OF OIL AND GAS GROSS PRODUCTION TAX

The schedule below provides information on the allocation of the 1 percent of the 5 percent oil and gas gross production tax (20 percent of the oil and gas gross production tax) pursuant to North Dakota Century Code Section 57-51-15.

2013-15 Biennium Allocation Formulas	2015-17 Biennium Allocation Formulas	2017-19 Biennium Allocation Formulas
<p>Hub cities¹ \$375,000 per full or partial percentage point of private covered employment engaged in the mining industry</p> <p>Hub city¹ school districts \$125,000 per full or partial percentage point of private covered employment engaged in the mining industry</p> <p>North Dakota outdoor heritage fund 4 percent of the 20 percent of the oil and gas gross production tax collections up to \$15 million per fiscal year</p> <p>Abandoned oil and gas well plugging and site reclamation fund 4 percent of the 20 percent of the oil and gas gross production tax collections up to \$5 million per fiscal year</p> <p>Oil and gas impact grant fund Any remaining collections from the 20 percent of the oil and gas gross production tax up to \$240 million per biennium</p> <p>State share Any remaining collections from the 20 percent of the oil and gas gross production tax after all other allocations have been made</p>	<p>Hub cities² located in oil-producing counties \$375,000 per full or partial percentage point of private covered employment engaged in oil- and gas-related employment</p> <p>Hub cities² located in non-oil-producing counties \$250,000 per full or partial percentage point of private covered employment engaged in oil- and gas-related employment</p> <p>Hub city² school districts located in oil-producing counties \$125,000 per full or partial percentage point of private covered employment engaged in oil- and gas-related employment</p> <p>School districts in eligible counties \$1.5 million per fiscal year to counties that received more than \$5 million of oil and gas gross production tax allocations in fiscal year 2014 for distribution to school districts within the county based on average daily attendance</p> <p>North Dakota outdoor heritage fund 8 percent of the 20 percent of the oil and gas gross production tax collections up to \$20 million per fiscal year</p> <p>Abandoned oil and gas well plugging and site reclamation fund 4 percent of the 20 percent of the oil and gas gross production tax collections up to \$7.5 million per fiscal year</p> <p>Oil and gas impact grant fund Any remaining collections from the 20 percent of the oil and gas gross production tax up to \$140 million per biennium</p> <p>State share Any remaining collections from the 20 percent of the oil and gas gross production tax after all other allocations have been made</p>	<p>Hub cities¹ located in oil-producing counties \$375,000 per full or partial percentage point of private covered employment engaged in the mining industry</p> <p>Hub cities¹ located in non-oil-producing counties \$250,000 per full or partial percentage point of private covered employment engaged in the mining industry</p> <p>Hub city¹ school districts \$125,000 per full or partial percentage point of private covered employment engaged in the mining industry</p> <p>School districts in eligible counties \$1.5 million per fiscal year to counties that received more than \$5 million of oil and gas gross production tax allocations in fiscal year 2014 for distribution to school districts within the county based on average daily attendance</p> <p>North Dakota outdoor heritage fund 8 percent of the 20 percent of the oil and gas gross production tax collections up to \$20 million per fiscal year</p> <p>Abandoned oil and gas well plugging and site reclamation fund 4 percent of the 20 percent of the oil and gas gross production tax collections up to \$7.5 million per fiscal year</p> <p>Oil and gas impact grant fund Any remaining collections from the 20 percent of the oil and gas gross production tax up to \$100 million per biennium</p> <p>State share Any remaining collections from the 20 percent of the oil and gas gross production tax after all other allocations have been made</p>
<p>¹A "hub city" means a city with a population of 12,500 or more, according to the last official decennial federal census, which has more than 1 percent of its private covered employment engaged in the mining industry, according to data compiled by Job Service North Dakota.</p> <p>²A "hub city" means a city with a population of 12,500 or more, according to the last official decennial federal census, which has more than 1 percent of its private covered employment engaged in oil- and gas-related employment, according to data compiled by Job Service North Dakota.</p>		

EMPLOYMENT DATA

Job Service North Dakota compiles data for mining employment based on North American Industry Classification System codes, which include employment in companies involved in oil and gas extraction, mining excluding oil and gas, and supporting activities for mining. Job Service North Dakota compiles data for oil- and gas-related employment based on employment and wage reports by worksite for all industries related to oil and gas activity. Some types of employment included in the oil- and gas-related employment, but not included in mining employment include transportation jobs, construction jobs, and oil refinery jobs. The data is compiled annually and is based on calendar years. The data is available in June for the prior calendar year and is included in the oil and gas gross production tax allocation formulas beginning with September allocations. For example, oil- and gas-related employment data for calendar year 2015 will be available in June 2016 and included in the allocation formulas for fiscal year 2017 beginning in September 2016. According to information provided by a representative of Job Service North Dakota to the Energy Development and Transmission Committee in November 2015, estimates for future years are not available because of confidentiality requirements with employment reporting to the federal government.

The schedule below provides information on employment percentages for mining employment and oil- and gas-related employment for hub cities for calendar year 2012 through calendar year 2014. The employment percentages used in the allocation formulas reflect employment percentages from 2 years prior. For example, calendar year 2012 and 2013 relate to fiscal years 2014 and 2015 (2013-15 biennium).

	Calendar Year 2012 Mining Employment	Calendar Year 2013 Mining Employment	Calendar Year 2014	
			Oil- and Gas-Related Employment ¹	Mining Employment ²
Williston	43	40	66	40
Dickinson	21	22	40	24
Minot	6	6	14	7
Mandan			9	3
Bismarck			4	
West Fargo			3	
Jamestown			2	
Fargo			2	
Grand Forks			2	
Total	70	68	142	74

¹The amounts shown for calendar year 2014 oil- and gas-related employment reflect the employment percentages being used in the allocation formulas under current law.

²The amounts shown for calendar year 2014 mining employment reflect the employment percentages that would have been used in allocation formulas if the formula was based on mining employment.

The schedule below provides information on the total monthly and annual allocations to all hub cities and hub city school districts for fiscal year 2014 through fiscal year 2016. The amounts shown for the allocations to hub cities include only the allocations under the 1 percent of the 5 percent (20 percent) of the oil and gas gross production tax. The three hub cities with the highest percentage mining or oil- and gas-related employment also receive an allocation from the 4 percent of the 5 percent oil and gas gross production tax (80 percent of the oil and gas gross production tax). The employment percentages used in the allocation formulas reflect employment percentages from 2 years prior. For example, calendar year 2012 and 2013 relate to fiscal years 2014 and 2015 (2013-15 biennium).

	Fiscal Year 2014 ¹	Fiscal Year 2015 ¹	Fiscal Year 2016 ² (Estimated)	
			Oil- and Gas-Related Employment ¹	Mining Employment ²
Monthly allocation				
Hub cities	\$2,187,500	\$2,125,000	\$4,208,333	\$2,281,250
Hub city school districts	729,167	708,333	1,250,000	739,584
Total	\$2,916,667	\$2,833,333	\$5,458,333	\$3,020,834
Annual allocation				
Hub cities	\$26,250,000	\$25,500,000	\$50,500,000	\$27,375,000
Hub city school districts	8,750,000	8,500,000	15,000,000	8,875,000
Total	\$35,000,000	\$34,000,000	\$65,500,000	\$36,250,000

¹The amounts shown for fiscal year 2016 oil- and gas-related employment reflect the employment percentages being used in the allocation formulas under current law.

²The amounts shown for fiscal year 2016 mining employment reflect the employment percentages that would have been used in allocation formulas if the formula was based on mining employment.