

HB 397

Surcharge on Crude Oil; Arctic Trans Fund

HOUSE RESOURCES PRESENTATION – APRIL 4, 2018

Office of Representative Seaton

HB 397-Background

- Federal 9 cent per barrel tax on refineries.
- Applies to all oil refined in the US.
- Funds deposited into the *Oil Spill Liability Trust Fund*
- Used for cleanup such as Deep Water Horizon.
- Generates \$500 million a year.
- Fund contains about \$5.7 billion.

HB 397 – What the bill does

- A Proactive Bill
- Assures 9 cent per barrel surcharge always in place.
- If federal program is not reauthorized, the state surcharge is imposed.
- If reauthorized at less than 9 cents, then state surcharge applies to the difference.
- Establishes the *Arctic Transportation and Resource Access Fund (ATRA)*.
- Funds road projects and maintenance north of 68 degrees north latitude.

HB 397- History of Federal Fund

- 1984: The *Oil Spill Liability Trust Fund* was created.
- 1990: The Oil Pollution Act was signed into law. Excise tax 5 cents per barrel was instituted.
- 1994: The 5 cent per barrel tax sunset on 12/31/1994.
- 2006: The tax was reinstated in April 2006.
- 2008: The *Energy Improvement and Extension Act* of 2008 extended the per barrel excise tax through December 2017, and increased the tax to 8 cents from 2009-2016, and to 9 cents in 2017.
- 2017: Excise tax expired December 31, 2017.
- 2018: Bipartisan Budget Act temporarily reinstated tax effective March 1, 2018 expiring December 31, 2018.

Projected Revenue

Based on Federal program not reauthorized beyond 12/31/2018

