

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	HB 410
Fiscal Note Number:	1
(H) Publish Date:	4/4/2022

Identifier: LL0122-DNR-DOG-3-20-22
 Title: APPROVE MARATHON PETRO ROYALTY OIL SALE
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Rules by Request of the Governor

Department: Department of Natural Resources
 Appropriation: Oil & Gas
 Allocation: Oil & Gas
 OMB Component Number: 439

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates					
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

1004 Gen Fund (UGF)		2,160.8	2,360.3	2,354.3	199.5		
1050 PFD Fund (Other)		720.3	786.8	784.8	66.5		
Total	0.0	2,881.1	3,147.1	3,139.1	266.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
 (Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Oil and Gas	Date:	03/20/2022 05:00 PM
Approved By:	Theresa Cross, Administrative Services Director	Date:	03/20/22
Agency:	Department of Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

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Analysis

This bill provides legislative approval of a contract negotiated between the State of Alaska and Marathon Petroleum Supply and Trading Company LLC for the sale of the state's royalty oil for a term of three years. The agreement provides for the following barrels per day: 10,000–15,000.

The number of barrels per day is multiplied by a negotiated Royalty In Kind differential per barrel to arrive at the expected revenue increase. There will be no fiscal impact to the operating expenditures. The proposed contract is expected to generate between \$3 million and \$14 million in revenues in addition to the amount that would have been collected if the royalty oil sold under this contract had been disposed of in value.