

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version: HB 194  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB194-DNR-DOG-02-20-26  
Title: APPROVE MARATHON PETRO ROYALTY OIL SALE  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: (S)Finance

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)

|                               | FY2027                  | Included in               | Out-Year Cost Estimates |                |                |                |                |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|
|                               | Appropriation Requested | Governor's FY2027 Request | FY 2028                 | FY 2029        | FY 2030        | FY 2031        | FY 2032        |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2027</b>          | <b>FY 2027</b>            | <b>FY 2028</b>          | <b>FY 2029</b> | <b>FY 2030</b> | <b>FY 2031</b> | <b>FY 2032</b> |
| Personal Services             |                         |                           |                         |                |                |                |                |
| Travel                        |                         |                           |                         |                |                |                |                |
| Services                      |                         |                           |                         |                |                |                |                |
| Commodities                   |                         |                           |                         |                |                |                |                |
| Capital Outlay                |                         |                           |                         |                |                |                |                |
| Grants & Benefits             |                         |                           |                         |                |                |                |                |
| Miscellaneous                 |                         |                           |                         |                |                |                |                |
| <b>Total Operating</b>        | <b>0.0</b>              | <b>0.0</b>                | <b>0.0</b>              | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     |

**Fund Source (Operating Only)**

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Positions**

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

**Change in Revenues**

|              |            |            |     |     |     |            |            |
|--------------|------------|------------|-----|-----|-----|------------|------------|
| None         |            |            | *** | *** | *** |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | *** | *** | *** | <b>0.0</b> | <b>0.0</b> |

**Estimated SUPPLEMENTAL (FY2026) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2027) 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? N/A

**Why this fiscal note differs from previous version/comments:**

Updated from SLA2025 to SLA2026 template. Updated the analysis to mention a new contract that was negotiated during the 2025 interim.

|              |  |        |                     |
|--------------|--|--------|---------------------|
| Prepared By: | Weston Nash                                      | Phone: | (907)375-8233       |
| Division:    | Division of Oil and Gas                          | Date:  | 02/20/2026 02:18 PM |
| Approved By: | Shannon Miller, Administrative Services Director | Date:  | 02/20/2026          |
| Agency:      | Department of Natural Resources                  |        |                     |

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2026 LEGISLATIVE SESSION

BILL NO. HB 194

**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 between 10,000 and 15,000 barrels per day of state royalty oil for a fixed term of three years with seven options for one-year extensions.

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 will result in a premium to the state compared to taking the state royalty oil in-value. The specific revenue to the state above taking the royalty in-value is indeterminate as it will depend on variables such as volume nominated and nomination requirements. The additional revenue to the state is expected to be between \$12 million and \$18 million for the initial three years of the contract.

During the 2025 interim, a new contract was negotiated between the State of Alaska and Marathon Petroleum Supply and Trading Company LLC. An amendment to House Bill 194, reflecting this new contract, would be required for the new contract to take effect.