

Fiscal Note

State of Alaska
2026 Legislative Session

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

Identifier: CSHB194-DNR-DOG-02-27-26
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
OPERATING EXPENDITURES	FY 2027	FY 2027					
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

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None			***	***	***		
Total	0.0	0.0	***	***	***	0.0	0.0

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If yes, by what date are the regulations to be adopted, amended or repealed?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 to reflect the Senate Finance Committee Substitute.

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Division: <u>Division of Oil and Gas</u>	Date: <u>2/27/26 08:38 AM</u>
Approved By: <u>Shannon Miller, Administrative Services Director</u>	Date: <u>02/27/2026</u>
Agency: <u>Department of Natural Resources</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSHB 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 17 months with two 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 \$6 million and \$9 million for the initial 17 months of the contract.