

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version: SB 275  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB275-DNR-DOG-03-06-26  
Title: NATURAL GAS PROJECTS/INCOME  
TAX/SURCHARGE  
Sponsor: RESOURCES  
Requester: (S)Resources

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 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates				
			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>	***	***	***	***	***

**Fund Source (Operating Only)**

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

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</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? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 1/1/2028

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

Not applicable, initial version.

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Division: Division of Oil and Gas	Date: 03/06/2026
Approved By: Melissa Hurley-Marvin, Division Operation Manager	Date: 03/06/2026
Agency: Department of Natural Resources	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2026 LEGISLATIVE SESSION

BILL NO. SB 275

**Analysis**

The State's share of oil and gas production royalties is taken in value unless a contract for taking royalty-in-kind is in place and a nomination for a specific volume from a producer is agreed upon in an in-kind contract. To require a determination for taking in-value from each producing field would require a substantial amount of additional work from the Division of Oil & Gas, potentially requiring the creation of additional PCNs or hiring of contractors to support determinations.

This bill does not specify the rate at which such in-value determinations must be made, or the criteria to make such determinations. Since the base unit of time for royalty reporting is monthly, this legislation could create a burden on the State, specifically the Division of Oil & Gas, and would require a significant increase in staffing or contracted support.

With clarity surrounding the rate at which royalty-in-value determinations must be made, and the criteria to make those determinations, the Division of Oil and Gas would be able to determine the cost of the implementation of this legislation. The Department submits an indeterminate fiscal note at this time.