Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	SB 176
Fiscal Note Number:	1
(S) Publish Date:	4/15/2025

Identifier: 0086-DNR-DOG-04-14-25
Title: APPROVE MARATHON PETRO ROYALTY OIL SALE
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: 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)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
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 (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Initial version.

Prepared By: Ryan Fitzpatrick Phone: (907)269-8801
Division: Division of Oil and Gas Date: 04/14/2025 12:00 PM
Approved By: Shannon Miller, Administrative Services Director Date: 04/14/25
Agency: Department of Natural Resources

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

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.