

SENATE JOURNAL SUPPLEMENT

March 18, 1986

TUESDAY

No. 57

FISCAL NOTE

SSSB
430

REQUEST

Bill/Resolution No. : SSSB 430
 Title Revoke/Reduce Royalty Increase

 Sponsor : Fahrenkamp
 Requestor : Senate Resources
 Date of Request : _____

FISCAL DETAIL

Agency Affected: Natural Resources
 BRU: Petroleum Management

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
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CAPITAL						
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REVENUE	(4500.0)*	(4500.0)*	(4500.0)*	(4500.0)*	(4500.0)*	(4500.0)

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS :

Prepared by : Kay Brown Phone : 762-4241
 Division : Oil and Gas Date : 3/13/86
 Approved by Commissioner : Wm D Arnold, Deputy Date : 3/16/86
 Agency : Natural Resources

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* This revenue loss would occur if production continues at current levels. The department has proposed an administrative resolution with similar fiscal impact in the short term. If the bill is not enacted and production stops because the unit is not economic, revenue losses would be higher.

The fiscal impact (revenue) is estimated on the basis of several assumptions:

The bill would affect only Milne Point unit production;

Milne Point Unit production at 30,000 bpd;

Royalty reduction from 20% to 12.5% under SSSB 430;

Gulf price of \$15/barrel