

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HB 373
Fiscal Note Number:	1
(H) Publish Date:	3/23/2016

Identifier: 0225-DNR-DOG-3-22-16
Title: APPROVAL OF SALE OF ROYALTY OIL TO
TESORO
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)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
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	***		***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 (separate capital appropriation required)
(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If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version

Prepared By: Corri Feige, Director
Division: Division of Oil & Gas
Approved By: Marty Rutherford, Acting Commissioner
Agency: Department of Natural Resources

Phone: (907)269-8775
Date: 03/21/2016 12:00 AM
Date: 03/21/16

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2016 LEGISLATIVE SESSION****Analysis**

This bill provides legislative approval of a contract negotiated between the State of Alaska and Tersoro Refining and Marketing Company, LLC for the sale of the state's royalty oil for a term of five years.

There will be no fiscal impact to the operating expenditures. The proposed sale will provide the State, during the course of the contract, an estimated \$45.2 million to \$56.5 million in revenue in addition to what would have been obtained if the State of Alaska elected to receive its royalties in value. There will be an indeterminate increase in revenues; the increase is indeterminate due to the uncertainty in predicting the price of ANS crude.