

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HB 373
Fiscal Note Number:	2
(S) Publish Date:	4/17/2016

Identifier: HB373-DNR-DOG-4-8-16
 Title: APPROVAL OF SALE OF ROYALTY OIL TO
 TESORO
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Senate 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)

	FY2017	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2017 Request	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
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	8,085.0		8,655.0	9,110.0	9,421.0	9,965.0	***
---------------------------	---------	--	---------	---------	---------	---------	-----

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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Updated Fiscal Note. Per Senate Finance Committee comment, DNR amended the Fiscal Note to reflect the net positive revenue impact of the Bill.

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: 04/08/2016 12:00 AM
 Date: 04/08/16

REPORTED OUT OF
SFC 04/16/2016

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. During the course of the contract the proposed sale will provide the State with a minimum estimate of \$45.2 million in revenue in addition to what would have been obtained if the State of Alaska elected to receive its royalties in value. This estimate is based upon the March 2016 Revenue Forecast oil value.