

# Fiscal Note

State of Alaska  
2023 Legislative Session

Bill Version:	CSHB 128(TRA)
Fiscal Note Number:	1
(H) Publish Date:	4/26/2023

Identifier: HB128-DEC-SPAR-04-24-23  
 Title: OIL TERMINAL FACILITY  
 Sponsor: TRANSPORTATION  
 Requester: HOUSE TRANSPORTATION

Department: Department of Environmental Conservation  
 Appropriation: Spill Prevention and Response  
 Allocation: Spill Prevention and Response  
 OMB Component Number: 3094

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2024	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2024 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>OPERATING EXPENDITURES</b>	<b>FY 2024</b>	<b>FY 2024</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

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

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

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

**Estimated SUPPLEMENTAL (FY2023) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2024) 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 If yes, by what date are the regulations to be adopted, amended or repealed? **FY25**

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

This fiscal note has been modified based on testimony provided during the committee process and reflects changes made in the House Transportation Committee. See analysis section for additional details.

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Division:	Commissioner's Office	Date:	04/24/2023
Approved By:	Emma Pokon, Deputy Commissioner	Date:	04/25/2023
Agency:	Environmental Conservation		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2023 LEGISLATIVE SESSION

**Analysis**

The House Transportation Committee Substitute for House Bill 128 clarifies that vessels that currently have oil spill contingency plans as required by current statute do not need to also comply with oil spill requirements for land-based terminals. This language reaffirms the practical application of the statute and longstanding interpretation of the department.

In order to operate in Alaska, Alaska statutes require oil terminals and certain vessels, including tank vessels and oil barges, to maintain compliance with a contingency plan and proof of financial ability to respond to damages approved by the department.

Since these statutes were put in place in the 1980's, the department has held that a plain reading of the statute says that tank vessels and oil barges operating as oil terminal facilities fulfill the contingency planning and financial responsibility requirements with their approved tank vessel or oil barge contingency plan and proof of financial responsibility that includes proposed operations. The statutes do not require vessels conducting ship-to-ship oil transfers to have both a vessel plan and an oil terminal facility plan, or "double" financial responsibility coverage.

CSHB128 (TRA) reaffirms the practical application of the statute and longstanding interpretation of the department to ensure industry is able to continue providing timely, affordable, and safe delivery of fuel to communities in rural Alaska.