

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	HB 304
Fiscal Note Number:	1
(H) Publish Date:	1/24/2018

Identifier: DCCED-INV-01-22-18
Title: MICROLOAN REVOLVING FUND & LOANS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Commerce, Community and
Economic Development
Appropriation: Investments
Allocation: Investments
OMB Component Number: 383

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/19

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Britteny Cioni-Haywood, Director
Division: Division of Economic Development
Approved By: Catherine Reardon, Director
Agency: Division of Administrative Services, DCCED

Phone: (907)465-2625
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Date: 01/22/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

This legislation amends the Microloan Revolving Loan Fund program to increase the maximum loan term from 6 years to 15 years and amends the minimum interest rate from 6.00% to 4.00%.

For loans of more than \$35.0, the applicant must provide documentation that they have been denied a loan from a financial institution within Alaska, or that a loan from a financial institution is contingent on the applicant receiving the a loan from the fund. The bill also requires a reasonable amount of non-state funds be used for the project or enterprise. Collateral must be acceptable to the Commissioner and loans cannot be made to applicants with past-due child support.

The legislation will facilitate the start up and expansion of small and micro businesses to promote Alaska employment. It allows for the adjustment of monthly payments to match small business cash flow needs.

If this legislation were to pass a regulations project would be required; the minimal costs associated can be absorbed by current budgetary authorization. There is no anticipated fiscal impact to the Division of Economic Development from this bill.