

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 319  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB319-DCCED-CBPL-03-14-2014  
Title: DRUG/DEVICE DISTRIBUTORS; COMPOUNDED  
RX  
Sponsor: T.WILSON  
Requester: House Labor & Commerce

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Corporations, Business and Professional  
Licensing  
Allocation: Corporations, Business and Professional  
Licensing  
OMB Component Number: 2360

## Expenditures/Revenues

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

(Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	36.1		36.1	36.1	36.1	36.1	36.1
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>36.1</b>	<b>0.0</b>	<b>36.1</b>	<b>36.1</b>	<b>36.1</b>	<b>36.1</b>	<b>36.1</b>

## Fund Source (Operating Only)

1156 Rcpt Svcs	36.1		36.1	36.1	36.1	36.1	36.1
<b>Total</b>	<b>36.1</b>	<b>0.0</b>	<b>36.1</b>	<b>36.1</b>	<b>36.1</b>	<b>36.1</b>	<b>36.1</b>

## Positions

Full-time							
Part-time	1.0		1.0	1.0	1.0	1.0	1.0
Temporary							

<b>Change in Revenues</b>	36.1		36.1	36.1	36.1	36.1	36.1
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2015) 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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

## Why this fiscal note differs from previous version:

Not applicable; initial version.

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Division:	Corporations, Business and Professional Licensing	Date:	03/14/2014 08:00 PM
Approved By:	Jeanne Mungle, Director	Date:	03/15/14
Agency:	Division of Administrative Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB319

### Analysis

HB 319 requires Board of Pharmacy registration for out of state wholesale drug or device distributors that would regularly ship, mail, or deliver drugs or devices to vendors in the state and lists criteria that needs to be met to gain licensure.

The addition of this licensure requires startup expenses to develop and implement regulations and establish program procedures. This fiscal note requests one part time Occupational Licensing Examiner (OLE), range 13, to service the anticipated licensing needs. Licensing fees for each program are set per AS 08.01.065 so the revenue collected equals the occupation's regulatory costs.

Costs for establishing and maintaining the new license type is based on existing programs of similar size and consists of the following:

Personal Services: \$36.1 for one part time Occupational Licensing Examiner (OLE), range 13 will be needed to service the anticipated licensing needs.

The bill requires the Board of Pharmacy to promulgate regulations that define shipping, mailing, and delivery frequency of wholesale drugs or devices and when registration by a distributor is required. The Board of Pharmacy meets quarterly and a July 1, 2015 completion date is recommended by the division to ensure the board has sufficient time to complete the regulation task.

In addition to the above costs the program would incur direct expenses for investigators, regulations specialist, and supervisory management through positive timekeeping. They would also incur indirect expenses for administrative support, such as accounting, payroll, risk management, ADA chargeback, and building leases. Although increased authorization is not needed for these costs, this program's share of the division's total indirect costs will be considered as part of the program's total costs during the biennial review of licensing fees.