

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: SB 193  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB193-DCCED-CBPL-04-16-14  
Title: CONTRACTORS: BONDS; LICENSING  
Sponsor: MICCICHE  
Requester: House Labor and 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<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2015<br>Request | Out-Year Cost Estimates |            |            |            |            |
|------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|
| OPERATING EXPENDITURES | FY 2015                              | FY 2015  | FY 2016                 | FY 2017    | FY 2018    | FY 2019    | FY 2020    |
| 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 |  |  |  |  |  |  |  |

|                           |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|
| <b>Change in Revenues</b> |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|

**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:

updated after further review and discussion with the sponsor to reflect no fiscal impact.

|              |   |        |                     |
|--------------|---|--------|---------------------|
| Prepared By: | Sara Chambers, Director                           | Phone: | (907)465-2536       |
| Division:    | Corporations, Business and Professional Licensing | Date:  | 04/16/2014 06:00 PM |
| Approved By: | Jeanne Mungle, Director                           | Date:  | 04/16/14            |
| Agency:      | Administrative Services                           |        |                     |

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. SB193

### Analysis

SB 193 would require all construction contractors to obtain a license through the elimination of the "handyman" exemption. SB 193 also increases the amount of the bond for general, specialty, and mechanical contractors, creates a new category of bonding for residential contractors at \$20,000, requires "handymen" who do work valued under \$10,000 to post a \$5,000 bond, and amends insurance requirements so that any contractor who does work valued at \$2,500 or less is not required to obtain liability and property insurance.

The division does not anticipate any fiscal impact from this legislation. It will likely increase the number of licensees, but any additional workload would be absorbed by existing staff.

While regulations are required to comply with this bill, the impacted regulations are currently being updated so there would be no additional cost.