

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: HB 122
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB122-DCCED-CBPL-03-27-15
Title: CORPORATION/LLC/PARTNERSHIP REPORTS
Sponsor: COLVER
Requester: (H) 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)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES	FY 2016	FY 2016					
Personal Services							
Travel							
Services	72.8						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	72.8	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1005 GF/Prgm	72.8						
Total	72.8	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	(3,145.6)		(2,617.6)	2,395.6	1,867.6	(3,143.2)	(2,615.2)
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) 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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/16

Why this fiscal note differs from previous version:

Not applicable, initial version.

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Division: <u>Corporations, Business and Professional Licensing</u>	Date: <u>03/27/2015 04:55 PM</u>
Approved By: <u>Catherine Reardon, Director</u>	Date: <u>03/27/15</u>
Agency: <u>Division of Administrative Services, DCCED</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. HB 122

Analysis

HB122 will change the required biennial report and fees from a two-year reporting period to a four-year status reporting period, for cooperative corporations, non-profit corporations, religious corporations, limited liability companies, limited liability partnerships, business and professional corporations.

In addition, HB122 will change the report fees for domestic business and professional corporations, foreign business corporations, and increase the cost of creating an entity. A regulation change will be required to change the reporting fees for the following entity types: cooperative corporations; non-profit corporations; religious corporations; limited liability companies; and limited liability partnerships.

If the bill passes the following expenses will be incurred:

- Services: \$2.5 (one-time legal cost to amend regulations)
- \$2.4 (one-time advertising regulations)
- \$8.1 (one-time supplies)
- \$29.9 (one-time regulations mailing to 61,000 licensees)
- \$29.9 (one-time educational mailing to 61,000 licensees)

Corporation licensing fees at CBPL are funded by General Fund/Program Receipts fund source 1005 GF/Prgm (DGF). Corporation fees are set per Title 10; revenue in excess of authorized budgeted expenses revert to the State of Alaska general fund.

Changing the reporting period from a two-year reporting cycle to a four-year reporting cycle and fees will create a fluctuating filing cycle of years with a high number of filings and years with a low number of filings. This results in zero revenue in the first two years, and thereafter creates an inconsistent revenue cycle. After accounting for program expenses, required reporting funds are deposited in the state general fund (AS 10.06.858).

<u>Reporting Year</u>	<u>Current Est. Revenue @ 2-Year</u>	<u>Est. Revenue @ 4-Year</u>	<u>Change in Revenue</u>
2016	\$ 3,145.6	\$ -	\$ (3,145.6)
2017	\$ 2,617.6	\$ -	\$ (2,617.6)
2018	\$ 3,895.6	\$ 6,291.2	\$ 2,395.6
2019	\$ 3,367.6	\$ 5,235.2	\$ 1,867.6
2020	\$ 4,645.6	\$ 1,502.4	\$ (3,143.2)
2021	\$ 4,117.6	\$ 1,502.4	\$ (2,615.2)