

# Fiscal Note

State of Alaska

**2014 Legislative Session**

Bill Version: HB 253  
 Fiscal Note Number: \_\_\_\_\_  
 () Publish Date: \_\_\_\_\_

**Identifier:** **HB253-DCCED-CBPL-03-21-2014**  
**Title:** PRIVATE INVESTIGATORS/AGENCIES  
**Sponsor:** HUGHES, GRUENBERG  
**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					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>								
Personal Services	11.5		11.5	11.5	11.5	11.5	11.5	11.5
Travel								
Services	48.6		4.1	4.1	4.1	4.1	4.1	4.1
Commodities	0.1		0.1	0.1	0.1	0.1	0.1	0.1
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>60.2</b>	<b>0.0</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>

**Fund Source (Operating Only)**

1156 Rcpt Svcs	60.2		15.7	15.7	15.7	15.7	15.7	15.7
<b>Total</b>	<b>60.2</b>	<b>0.0</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>	<b>60.2</b>		<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>
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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 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/14

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

Not applicable, initial version.

Prepared By: Don Habeger, Director Phone: (907)465-2536  
 Division: Corporations, Business and Professional Licensing Date: 03/24/2014 04:30 PM  
 Approved By: Jeanne Mungle, Director Date: 03/21/14  
 Agency: Administrative Services

**Analysis**

HB253 establishes required licensure for individuals and agencies engaging in the practice of private investigation. This will add a new professional licensing program within the Department of Commerce, Community and Economic Development for the professional licensing of Private Investigators and Agencies.

The addition of this program requires startup expenses to configure the professional licensing database, develop and implement regulations, purchase supplies, and establish program procedures. This fiscal note requests one temporary (STNP) Occupational Licensing Examiner to assist in developing and maintaining regulations, procedures, administer examinations, and to examine license applications. 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 program are based on existing programs of similar size and consist of the following:

Personal Services: \$11.5 for non-permanent support during the program's peak seasons for license review and processing.

Services: \$35.2 one-time information technology costs to incorporate the new licensing program into the professional licensing database; \$11.0 for legal support services related to new program implementation in the first year, reduced to \$1.7 in future years; \$0.9 for fingerprinting; \$0.3 for hearing and mediation services beginning in year two; \$0.3 for advertising public notices of regulations; and \$0.9 for on-going printing, postage and mailing costs.

Commodities: \$0.1 business supplies.

Regulations are required so that the department may set fees under AS 08.01.065.

In addition to the above costs the program would incur direct expenses for licensing examiners, 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.