

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 90
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB090-DCCED-CBPL-02-10-17
Title: OCC. LICENSING FEES; INVESTIGATION
COSTS
Sponsor: KITO
Requester: (H) LAC

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)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018					
Personal Services							
Travel							
Services	3.4						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	3.4	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1156 Rcpt Svcs (DGF)	3.4						
Total	3.4	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 (FY2017) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) 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If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/18

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>02/10/2017 10:30 AM</u>
Approved By: <u>Catherine Reardon, Director</u>	Date: <u>02/10/17</u>
Agency: <u>Division of Administrative Services, DCCED</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB 90

Analysis

HB 90 provides for an investigative surcharge to be assessed for each professional license holder across the forty-three regulated professions, designed to underwrite the cost of enforcing professional licensing laws, under Title 8 of Alaska Statute.

HB 90 establishes an investigation surcharge so that the surcharge is the same for each licensee and approximately equals the actual investigation costs for all occupations under AS 08. The surcharge would be the funding source for investigative expenses for each professional licensing program. The intent is to reduce the volatile fiscal impact of expensive investigations and appeals of board decisions.

HB 90 removes the definition of regulatory costs and provides definitions for "investigation costs" and "licensing and administrative costs". The funds collected by this surcharge will not be recorded as new revenue. They will be offset by adjusting license fees downward since investigative expenses will no longer factor into a program's general operating expenses. This bill allows only licensing and administrative costs to be used in calculating licensing fees.

Similar to the annual fee analysis for all programs, this legislation will require the agency to annually review the surcharge to determine whether the investigation costs of all occupations are approximately equal to surcharge collections for all licensees.

If the bill passes the division will require \$3.4 to cover legal costs to amend regulations, printing, and postage in the first year.

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.