

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 388
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB388-DCCED-DCRA-05-02-26
Title: BULK FUEL LOAN CAP
Sponsor: FINANCE
Requester: (H) FINANCE

Department: Department of Commerce, Community and
Economic Development
Appropriation: Community and Regional Affairs
Allocation: Community and Regional Affairs
OMB Component Number: 2879

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	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	0.0

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division: <u>Community and Regional Affairs</u>	Date: <u>05/02/2026</u>
Approved By: <u>Hannah Lager, Administrative Services Director</u>	Date: <u>05/02/26</u>
Agency: <u>Department of Commerce, Community, and Economic Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 388

Analysis

HB 388 proposed to double the loan cap for Bulk Fuel and Bulk Fuel Bridge Loans, allowing cooperatives, especially those serving multiple communities, to access significantly more financing for bulk fuel purchases.

This legislation would increase the maximum loan amounts available from the bulk fuel loan account by raising the dollar cap on loans for cooperative corporations from \$750.0 to \$1,500.0. The bill also establishes a limit of \$1,500.0 per community for electric cooperatives purchasing fuel on behalf of multiple communities and eliminates the current \$1,800.0 cap related to purchases on behalf of multiple communities. The bill raises the maximum amount that may be loaned from the bulk bridge loan account to a single borrower within a fiscal year from \$750.0 to \$1,500.0. The revised loan caps apply to both existing loans and those entered into on or after the effective date, and the Act takes effect immediately upon enactment.

Adoption of this legislation may increase the dollar value of loans issued, and the volume of loans may increase however, the Division of Community and Regional Affairs (DCRA) does not have fiscal impact to the operating budget from this legislation.

The increased loan limits may result in increased usage of the fund. Depending on the volume and amount of loan applications, additional capitalization of the funds may be required to meet loan demand. The highest number of loans seen from the fund is 78 in 2025. The current average loan amount is \$358.4. Information on potential capitalizations are included below but are not included as fiscal impacts in this note.

Scenario A

All current borrowers need the maximum loan and the cap is increased to \$1,500.0.

Scenario B

All current borrowers want to increase their average loan amount, and the cap is increased to \$1,500.0.

Potential Capitalization Table

	<u>Current</u>	<u>Scenario A Maximum Loan</u>	<u>Scenario B Average Loan</u>
Individual Loan Cap	\$750.0	\$1,500.0	\$1,500.0
Cash Available for Loans as of 03/31/2026	\$22,000.0	\$22,000.0	\$22,000.0
Potential Capitalization	\$0.0	\$90,000.0	\$25,000.0
Available for Loans post-Capitalization	\$22,000.0	\$112,000.0	\$47,000.0