

# FISCAL NOTE

## STATE OF ALASKA 2011 LEGISLATIVE SESSION

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SB 68

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Title Commercial Fishing & Agriculture Bank Appropriation Banking and Securities

Allocation Banking and Securities

Sponsor Senator Coghill

Requester Senate Labor and Commerce OMB Component Number 2808

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### Analysis

The Division of Banking and Securities examination staff will examine the Alaska Commercial Fishing and Agriculture Bank (CFAB) located in Anchorage once every three years. The one week examination will include the evaluation of the bank's loan portfolio quality and the appropriateness and effectiveness of the bank's policies, practices, and management to carry out the bank's statutory purposes. Examiners prepare a written Report of Examination and distribute it to the bank and the legislative auditor.

The division will use existing examination staff to conduct these exams, so no additional cost is needed for personal services.

Actual examination expenses (examiner hours and travel) are reimbursed by CFAB, and go to the general fund. The division up-fronts travel costs and must include travel expenditures for CFAB exams in its travel budget. Therefore, this fiscal note for travel every three years, beginning in FY 2012, is requested in the amount of \$ 5,800.

Revenue will increase every 3 years by \$22,238, which is the reimbursement of examination costs as detailed below:

Estimated Examiner Hours	\$16,438
Estimated Travel Costs	<u>\$ 5,800</u>
Total Estimated Cost to Conduct Examination	\$22,238