

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: HB 116
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB116-DCCED-DOI-03-03-25
Title: COMMERCIAL FISHING INSURANCE CO-OP
Sponsor: FSH BY REQUEST OF TASK FORCE EVAL
ALASKA SEAFOOD INDUSTRY
Requester: House Fisheries

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

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

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates					
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
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							

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

1004 Gen Fund (UGF)	(18.4)		(18.4)	(18.4)	(18.4)	(18.4)	(18.4)	(18.4)
Total	(18.4)	0.0	(18.4)	(18.4)	(18.4)	(18.4)	(18.4)	(18.4)

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) 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If yes, by what date are the regulations to be adopted, amended or repealed?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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Agency: Commerce, Community, and Economic Development

Phone: (907)269-7896
Date: 03/03/2025
Date: 03/03/25

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2025 LEGISLATIVE SESSION**

BILL NO. HB116

Analysis

HB 116 provides an exemption from Title 21, Insurance, to allow the commercial fishing industry to establish an insurance pool, similar to the Purse Seine Vessel Owners' Association, that is operating in Washington State.

Under this proposal, the Division of Insurance would see a reduction in premium tax revenue due to a loss of taxes collected from policies that enter into the commercial fishing insurance co-op and are therefore no longer subject to taxes under Title 21. Surplus lines companies write wet marine transportation policies and pay taxes under AS 21.33.055. Admitted companies write wet marine transportation policies, but the division does not have an accurate estimate of how many vessels are written because policies on vessels do not have to submit rate or form filings to the division. The division collects 0.75% ocean marine tax per AS 21.09.210(d) on all policies.

For calendar years 2021 - 2024, the Division of Insurance collected the following taxes on policies:

Calendar Year	Surplus Lines	Admitted Market
2021	\$16,258	\$182,752
2022	\$21,104	\$201,708
2023	\$34,656	\$248,723
2024	\$36,856	\$176,445

The impact of this change to annual premium tax revenue collections cannot be accurately estimated at this time. For purposes of this fiscal note, the revenue decrease is projected at one half of the FY2024 Surplus Lines collections.