

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version: HB 385
Fiscal Note Number:
() Publish Date:

Identifier: HB385-DCCED-CBPL-02-23-24
Title: OCCUPATIONAL LICENSING FEES
Sponsor: EASTMAN
Requester: (H) 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)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
			FY 2025	FY 2025	FY 2026	FY 2027	FY 2028
OPERATING EXPENDITURES			FY 2025	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***	***	***	***	***	***	***
Total	***	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/26

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)465-2524
Date: 02/23/2024
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

BILL NO. HB 385

Analysis

HB 385 allows fees for professional licensing to be reduced for individual licensees if 20% of the licensee's gross income is less than the renewal fee for their licensing fee.

Under this legislation, professional licensees could submit to the department proof of the gross income they earned as a result of their Alaska professional license in the previous calendar year, and if 20% of that gross income is less than the set renewal fee for their license type, the licensee pays an amount equal to 20% of their gross income they earned as a result of their Alaska professional licenses from the previous calendar year as their renewal fee.

This legislation would require an individual fee calculation for each qualified applicant. Professional licensing renewals are conducted on a rolling biennial basis, which would also require this individual calculation to include a determination made for the year of renewal in relation to the previous tax year. The division had 109,176 professional licenses in FY2023. Due to the unknown volume of licensees requesting reduced fees, the division cannot determine the impact to each licensing program, or the associated costs required to complete the individual fee calculations and support the new variation to each licensing program.

If this legislation were adopted, the division would also be required to reexamine the fee setting methodology for each licensing program. According to AS 08.01.065, licensing fees are set so that the amount of revenue collected approximately equates to each occupation's actual regulatory costs. If this individual discounted fee is instituted, it is anticipated to increase variability in the revenues collected by each licensing program, and it is possible that licensing fees would need to increase overall to continue to support the costs of regulating the program. However, as the volume and financial impact of this fee structure cannot be estimated, the division cannot determine the impact to revenues collected at this time.

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. The total amount of revenue collected approximately equals each occupation's actual regulatory costs.