



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

DIVISION OF ADMINISTRATIVE SERVICES

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February 9, 2018

Representative Paul Seaton, Co-Chair
Representative Steve Thompson, Co-Chair
House Finance Committee
Alaska State House
Juneau, Alaska 99801

Dear Co-Chairmen Seaton and Foster:

During the department's Wednesday, January 31, 2018, presentation to the House Finance Committee the department was asked to provide a status update on Chapter 110, SLA 2014, Lines of Business on a Business License (HB32).

HB32 allowed registration of more than one line of business on a single business license. At the time the bill was passed, the Division of Corporations, Business, and Professional Licensing identified approximately 750 business licenses with the same business name that could potentially consolidate from multiple business licenses down to one. Business licenses cost \$50 annually, so the original estimate in the fiscal note included a \$37,500 reduction in business license revenue. The legislation became effective on July 1, 2014.

As of February 6, 2018, 3,730 business licenses are registered with at least two different lines of business. However, it is unknown how many of the secondary lines of business would have been registered if the provisions from HB32 had not been in place; it is possible that many businesses have selected a second line of business because the option is available to them at no charge.

The Business Licensing and Corporations section of the Division of Corporations, Business, and Professional Licensing pays for annual operating expenses using business and corporation license fees collected through the year. In FY2017, \$7.75 million of unspent business and corporation licensing fee collections lapsed into the General Fund.

Sincerely,

Catherine Reardon
Administrative Services Director

CC:

House Finance Committee Members
Mike Navarre, Commissioner
Fred Parady, Deputy Commissioner
Janey McCullough, Director, Division of Corporations, Business, and Professional Licensing