

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 261
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB261-DCCED-DED-01-20-2012 Dept. Affected DCCED
 Title Commercial Fishing Entry Permit Loans Appropriation Economic Development
 Allocation Economic Development
 Sponsor Representative Edgmon
 Requester House Fisheries OMB Component Number 383

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	(200.0)		(392.4)	(576.3)	(751.0)	(915.7)	(1,069.2)
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial fiscal note

Prepared by Wanetta Ayers, Director
 Division Economic Development
 Approved by Susan K. Bell, Commissioner
Commerce, Community, and Economic Development

Phone 269-4048
 Date/Time 1/25/12 1:00 PM
 Date 1/25/2011

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Analysis

HB 261 will change the terms available under Section B of the Commercial Fishing Revolving Loan Fund (CFRLF) for limited entry permits (LEP). The interest rate for these loans would be set at prime minus two points, or three percent under current terms. Loans limits would be raised to \$200.0 for LEP and \$100.0 for all other eligible purposes.

Based on projected loan demand and existing borrowers under Section B, lowering the interest rate on LEP will cause significant loss in revenue to the CFRLF. DED anticipates these change will decrease revenues to the fund by approximately \$200,000 in FY2013, \$392,364 in FY2014, \$576,319 in FY2015, \$751,043 in FY2016, \$915,656 in FY2017, and \$1,069,215 in FY2018. This would result in total losses to CFRLF in the amount of \$3.9 million over the first six years. This fiscal note reflects estimated interest rate reductions based on current interest rates of 5.5 percent for new loan demand with a volume of \$1.2 million per year, and refinancing of 255 existing accounts with an average interest rate of 6.25 percent.