

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB121-DCCED-DBS-03-29-13
Title: COMMERCIAL FISHING & AGRICULTURE BANK
Sponsor: FEIGE
Requester: House Labor and Commerce

Department: Department of Commerce, Community and
Economic Development
Appropriation: Banking and Securities
Allocation: Banking and Securities
OMB Component Number: 2808

Expenditures/Revenues

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

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES							
Personal Services							
Travel			5.7			5.7	
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	5.7	0.0	0.0	5.7	0.0

Fund Source (Operating Only)

1005 GF/Prgm			5.7			5.7	
Total	0.0	0.0	5.7	0.0	0.0	5.7	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues			22.9			22.9	
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version.

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Division: <u>Banking and Securities</u>	Date: <u>03/29/2013 06:30 PM</u>
Approved By: <u>JoEllen Hanrahan, Director</u>	Date: <u>03/29/13</u>
<u>Administrative Services Division</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HB 121

Analysis

HB 121 makes changes to statutory provisions involving the Alaska Commercial Fishing and Agriculture Bank (CFAB) board, loans, records, and lobbying contracts. It also provides for the Division of Banking and Securities to conduct periodic examinations of CFAB.

Division examination staff will examine CFAB, located in Anchorage, approximately 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.

CFAB reimburses the state for actual examination expenditures. The fiscal note estimates 5.7 for examination travel every three years, beginning FY 2015. The bill provides that exams can begin no sooner than one year after the effective date of the law.

Revenue will increase every 3 years by approximately 22.9, which is the estimated CFAB reimbursement of examination costs. The Division will use existing staff to conduct these exams. The bill allows the Division to collect all actual costs necessarily incurred to conduct the examination. Costs include the proportionate part of the salaries and benefits of the examiners (17.2) while conducting the examination and preparing the report, as well as travel costs.