



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

DEPARTMENT OF COMMERCE, COMMUNITY AND  
ECONOMIC DEVELOPMENT

**Revenues, Fees, and Indirect Expenditures  
presented to  
House Finance Subcommittee**

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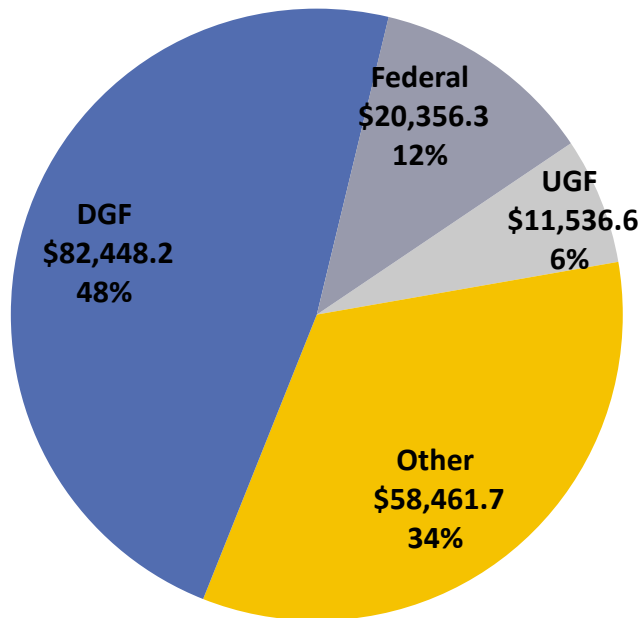
Fee-supported programs and revenue summaries

# REVENUE



# Fund Groups & Self-Supported Agencies

**FY2018 Budget: \$172,802.8**



## Self-Supporting Programs - After Paying for Program Operations

Self-Supported	Self-Supported Program	Net Collection Contributed to the General Fund in FY2016
✓	Banking and Securities	\$12,673.6
✓	Corporations, Business and Professional Licensing	\$7,673.2
✓	Insurance	\$5,696.6
✓	Investments	Revolving Loan Funds
✓	Regulatory Commission of Alaska	Regulatory Cost Charge
✓	Alaska Industrial Development and Export Authority	AIDEA Receipts
Total Contribution to the General Fund		\$26,396.5



# Fees

- Most of the department's fees are set via regulation, and are adjusted as needed through publicly-noticed regulations projects.
- Many programs cover all costs with fees, and contribute excess collections to the General Fund.
- Some programs pay for themselves and "carry forward" collections to support future year operations.
  - Professional licensing must pay for each programs' operation with fees per AS 08.01.065.
  - Regulatory Commission of Alaska receipts collected under the Regulatory Cost Charge, which is set to approximately cover the cost of the RCA and associated Department of Law functions.
  - \$1,000.0 Insurance receipts are carried forward to support program operations in the new year
  - Fees collected for marijuana regulation are carried forward to support program operations in the new year



# Fee and Fine Revenue

## Corporations, Business and Professional Licensing

Funding Source	FY2016 Revenues	FY2016 Expenditures	Lapsed to General Fund
General Fund Program Receipts (GFPR) (Business Licensing & Corporations)	\$8,923.1 <small>(\$3,535.2 Business Licensing, \$5,247.4 Corporations)</small>	\$1,478.6	\$7,444.5
Receipt Supported Services (RSS) (Professional Licensing)	\$9,941.3	\$9,712.0	\$0.0 Professional Licensing programs are self-supporting and receipts carry forward to future years.
Real Estate Recovery Fund (Real estate professionals)	\$127.3	\$123.6	\$0.0 Receipts are retained in the fund to pay future claims.



# Statutory Fees

## Corporations, Business, and Professional Licensing

Program	Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Funding Source
Corporations	Foreign Corporation Tax	AS 10.06.845(a)	\$200	GFPR
Corporations	Domestic Corporation Tax	AS 10.06.845(a)	\$100	GFPR
Corporations	Trademark filings	AS 45.50.040	\$50	GFPR
Business Licensing	Business License annual license	AS 43.70.030(a) 12 AAC 12.010(a)(1)	\$50	GFPR
Business Licensing	Business License biennial license	AS 43.70.030(a) 12 AAC 12.010(a)(2)	\$100	GFPR
Business Licensing	Business License annual license when owner is Sole Proprietor, age 65 or older	AS 43.70.030(a)(1) 12 AAC 12.010(a)(1)	\$25	GFPR
Business Licensing	Business License biennial license when owner is Sole Proprietor, age 65 or older	AS 43.70.030(a)(1) 12 AAC 12.010(a)(2)	\$50	GFPR
Business Licensing	Business License annual license when owner is Sole Proprietor, disabled veteran	AS 43.70.030(a)(2) 12 AAC 12.010(a)(1)	\$25	GFPR
Business Licensing	Business License biennial license when owner is Sole Proprietor, disabled veteran	AS 43.70.030(a)(2) 12 AAC 12.010(a)(2)	\$50	GFPR
Business Licensing	Business License Tobacco Endorsement	AS 43.70.075(b) 12 AAC 12.010(d)	\$100	GFPR



# Statutory Fees

## Corporations, Business, and Professional Licensing (continued)

Program	Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Funding Source
Athletic Commission	Examining physicians	AS 05.10.120(b)(1)	\$10	RSS
Athletic Commission	Managers	AS 05.10.120(b)(2)	\$50	RSS
Athletic Commission	Referees	AS 05.10.120(b)(3)	\$10	RSS
Athletic Commission	Seconds	AS 05.10.120(b)(4)	\$10	RSS
Athletic Commission	Trainers	AS 05.10.120(b)(5)	\$10	RSS
Athletic Commission	Boxers	AS 05.10.120(b)(6)	\$10	RSS
Athletic Commission	Wrestlers	AS 05.10.120(b)(7)	\$10	RSS
Board of Marine Pilots	Application for exemption for the mandatory pilotage requirement	AS 08.62.140	\$250 plus \$50/ft in overall length of the vessel that exceeds 65ft	RSS
Pawnbrokers	Delayed renewal penalty	AS 08.76.140(c)	\$100	RSS
Real Estate Commission	Claimant filing fee	AS 08.88.460(d)	\$250	Real Estate Recovery Fund



# Fee and Fine Revenue

## Banking and Securities

Funding Source	FY2016 Revenues	FY2016 Expenditures	Lapsed to General Fund
Program Receipts (GFPR) (Charges for services – licensing fees)	\$15,882.4	\$3,298.4	\$12,451.1
Originator Surety Fund (OSR) (Receipts from mortgage loan originators, used to pay claims to consumers)	\$89.6	\$0.0	\$0.0 Receipts are retained in the fund to pay future claims.





# Statutory Fees

## Banking and Securities

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Commercial Fisheries and Agriculture Bank (CFAB) examination	AS 44.81.275(c)	Examination Cost	GFPR
Non-banks examination	AS 06.01.010(b)	Examination Cost	GFPR
Small loan institution application investigation	AS 06.20.030(a)	\$1,000 partial payment + 100% investigation costs	GFPR
Small loan institution license	AS 06.20.030(b)	\$500-2,000	GFPR
Premium finance company annual license	AS 06.40.040	\$ 200	GFPR
BIDCO license	AS 10.13.550(1)	\$ 2,500	GFPR
BIDCO application to acquire control of a licensee	AS 10.13.550(2)	\$ 1,250	GFPR
BIDCO application for a merger, purchase, or sale	AS 10.13.550(3)	\$ 1,250	GFPR
BIDCO annual license	AS 10.13.550(4)	\$ 2,500	GFPR
BIDCO examination of licensee	AS 10.13.550(5)	salaries, cost of benefits plus travel cost	GFPR
Semi-annual assessments of depository institutions	AS 06.01.010(d) 3 AAC 01.110(a)	\$4,872-21,100 + percentage of assets	GFPR
Trust company certificate of authority application	AS 06.26.090(d)	\$2,000 prepaid for investigation	GFPR
Mortgage Annual report late filing	AS 06.60.100(b)	\$25 / day civil penalty	GFPR
Mortgage civil penalty for violations of the chapter or a regulation	AS 06.60.420(a)	up to \$10,000 per violation	GFPR
Mortgage program administration fee	AS 06.60.800(a)	\$10 per mortgage loan transaction	GFPR
Mortgage surety fund filing (Originator Surety Fund)	AS 06.60.620(a)	\$ 250	OSF



# Fee and Fine Revenue

## Insurance

Funding Source	FY2016 Revenues	FY2016 Expenditures	Lapsed to General Fund
Receipt Supported Services (RSS) (Charges for services – licensing fees)	\$12,410.8	\$6,187.7	\$5,223.1 Wordage in the FY2017 budget allowed \$1,000.0 to be carried forward from FY2016. FY2016 revenues include \$1,000.0 carried forward from FY2015.
Insurance Premium Tax (ACHI) (Tax on each insurance policy written in the state)	\$61,819.9	\$0.0	\$0.0 \$5.0 million of FY2016 collections was transferred to the Department of Labor and Workforce Development for the Workers Compensation Service Fee. The remaining balance of \$56.8 million was transferred to the Alaska Comprehensive Health Insurance fund for the Alaska Reinsurance Program.
Fines/Forfeitures (UGF) (Penalties, fines and forfeitures)	\$431.8	\$0.0	\$431.8



# Statutory Fees

## Insurance

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Domestic and foreign insurers and risk retention groups; except hospital and medical service corporation tax	AS 21.09.210(b)(1)	2.7% of Net premiums (gross less return premiums)	ACHI
Hospital and medical service corporation tax	AS 21.09.210(b)(2)	6% of gross premiums less claims paid	ACHI
Wet marine and transportation premium tax for admitted insurers	AS 21.09.210(d)	0.75% of gross underwriting profit	ACHI
Individual life insurance policy premium tax	AS 21.09.210(m)(1)	2.7% on first \$100,000 of Net premiums (gross less return premiums) ; 0.125% of over \$100,000 additional premium	ACHI
Unauthorized Insurers premium tax other than wet marine and transportation insurance	AS 21.33.055(a)	3.7% of gross premiums	ACHI
Unauthorized Insurers premium tax; wet marine and transportation insurance	AS 21.33.055(a)	0.75% of gross premiums	ACHI
Independently procured insurance; premium tax other than wet marine and transportation insurance	AS 21.33.061(c)	3.7% of Net premiums (gross less return premiums)	ACHI
Independently procured insurance; premium tax wet marine and transportation insurance	AS 21.33.061(c)	0.75% of gross premiums	ACHI
Surplus lines tax	AS 21.34.180(a)	2.7% of Net premiums (gross less return premiums)	ACHI
Annual tax on title insurance premiums	AS 21.66.110(a)	1% of the amount of gross title insurance premiums received	ACHI



# Statutory Fees

## Insurance (continued)

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Late payment fee on premium tax (penalty)	AS 21.09.210 AS 21.34.180 AS 21.66.110	5% per month plus \$50 up to 25% and \$250; plus 1% per month of interest	ACHI
Multiple Employer Welfare Arrangement premium tax	AS 21.85.100 AS 21.09.210	2.7% of contributions less stop loss less pass thru	ACHI
Review of risk based capital plan	AS 21.14.030	fees, reasonable costs, and expenses of consultant	RSS
Participation in supervisory college	AS 21.22.115	reasonable expenses including travel for director	RSS
Background Check (fingerprint processing)	AS 21.27.040	\$47.00	RSS
Filing Fee	AS 21.34.190(a)	1% on Net premiums (gross less return premiums)	RSS
Reimbursement of Exam Expenses	AS 21.06.160	actual cost	UGF
Reimbursement of Third Party Expenses	AS 21.06.160(b)	actual cost	UGF
General penalty	AS 21.97.020	\$25,000	UGF
Late filing annual/quarterly statement or financial report	AS 21.09.200 AS 21.09.205	\$100/day	UGF
Failure by insurer to provide information	AS 21.09.320	\$1,000/violation plus civil penalty up to \$50/day	UGF
Daily penalty for late report filing	AS 21.14.100(a)	\$100	UGF
Daily penalty for failing to file a plan or revised plan	AS 21.14.100(a)	\$1,000	UGF



# Statutory Fees

## Insurance (continued)

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Violation of change of control cease and desist order	AS 21.22.065(h)	\$10,000/day of violation	UGF
Failure to make a preacquisition filing	AS 21.22.065(i)	not more than \$50,000	UGF
Detailed Explanation without merit	AS 21.22.110(b)	\$250/day delay	UGF
Civil penalties for violation on insurer	AS 21.22.170(a)	\$200/day up to \$50,000	UGF
Civil penalties for violation on director or officer of insurance holding company system	AS 21.22.170(b)	up to \$50,000	UGF
Failure to file risk and solvency assessment summary report	AS 21.23.070	\$1,000/day up to \$365,000	UGF
Violation penalty and determined by amount and intent	AS 21.27.440(a)(2)	\$10,000/violation \$25,000/willful violation	UGF
Penalty for violation AS 21.33.037	AS 21.33.065(a)	Civil penalty up to \$50,000 in addition to criminal penalties	UGF
Penalty for violation AS 21.33	AS 21.33.065(b)	Civil penalty up to \$10,000 for first offense then up to \$100,000 for each succeeding violation	UGF
Late payment fee on filing fee	AS 21.34.190	2% per month plus \$250	UGF
Violation penalty and determined by amount and intent	AS 21.34.230	\$10,000/violation \$25,000/willful violation	UGF
Motor vehicle service contract civil penalty	AS 21.59.200	\$2,500/violation \$5,000/knowingly violated \$50,000 aggregate violations of similar nature	UGF



# Fee and Fine Revenue

## Alcohol and Marijuana Control Office

Funding Source	FY2016 Revenues	FY2016 Expenditures	Lapsed to General Fund
General Fund Program Receipts – Alcohol (ALC) (License and permit receipts collected for alcohol regulation)	\$1,662.9	\$1,651.3	\$11.6
General Fund Program Receipts – Marijuana (MAR) (License and permit receipts collected for marijuana regulation)	\$341.5	\$0.0	\$0.0 Wordage in the FY2017 budget allowed receipts collected for marijuana regulation in FY2016 to be carried forward to FY2017. No program receipts were budgeted or expended for marijuana regulation in FY2016. FY2016-FY2017: \$341.5 carryforward



# Statutory Fees

## Alcohol and Marijuana Control Office

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Alcoholic Beverage Dispensary License	AS 04.11.090(b)	\$2,500/ biennial	GFPR
Restaurant or Eating Place License with Beer and Wine Sales	AS 04.11.100(d)	\$600/ biennial	GFPR
Club or Organization License to Sell Alcohol	AS 04.11.110	\$1,200/ biennial	GFPR
Golf Course License with Alcohol Sales	AS 04.11.115(c)	\$400/ biennial	GFPR
Bottling Works License (Beer and Wine)	AS 04.11.120 (c)	\$500/ biennial	GFPR
Brewery License (Beer)	AS 04.11.130(d)	\$1,000/ biennial	GFPR
Brewpub License (Beer)	AS 04.11.135 (c)	\$500/ biennial	GFPR
Winery License (Wine)	AS 04.11.140(d)	\$500/ biennial	GFPR
Package Store License	AS 04.11.150(b)	\$1,500/ biennial	GFPR
General Alcoholic Beverage Wholesalers License	AS 04.11.160(a)	\$2,000/ biennial	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales less than or = \$100,000	AS 04.11.160(a)	\$0	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$100,000 - \$150,000	AS 04.11.160(a)	\$500	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$150,000 - \$200,000	AS 04.11.160(a)	\$1,000	GFPR
Wholesalers Sales of Alcoholic Beverages = Sales of \$200,000 - \$250,000	AS 04.11.160(a)	\$1,500	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$250,000 - \$300,000	AS 04.11.160(a)	\$2,000	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$300,000 - \$350,000	AS 04.11.160(a)	\$2,500	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$350,000 - \$400,000	AS 04.11.160(a)	\$3,000	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$400,000 - \$500,000	AS 04.11.160(a)	\$4,000	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$500,000 - \$600,000	AS 04.11.160(a)	\$5,000	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$600,000 - \$700,000	AS 04.11.160(a)	\$6,000	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$700,000 - \$800,000	AS 04.11.160(a)	\$7,000	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of \$800,000 - \$1,000,000	AS 04.11.160(a)	\$9,000	GFPR
Wholesalers Sales of Alcoholic Beverages - Sales of over \$1,000,000	AS 04.11.160(a)	\$10,000	GFPR



# Statutory Fees

## Alcohol and Marijuana Control Office (continued)

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Malt Beverage and Wine Wholesalers License	AS 04.11.160(b)	\$400/ biennial	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales of less than or = \$20,000	AS 04.11.160(b)	\$0	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales of \$20,000 - \$50,000	AS 04.11.160(b)	\$300	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales of \$50,000 - \$100,000	AS 04.11.160(b)	\$1,000	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales of \$100,000 - \$150,000	AS 04.11.160(b)	\$1,500	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales of \$150,000 - \$200,000	AS 04.11.160(b)	\$2,000	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales of \$200,000 - \$400,000	AS 04.11.160(b)	\$4,000	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales of \$400,000 - \$600,000	AS 04.11.160(b)	\$6,000	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales of \$600,000 - \$800,000	AS 04.11.160(b)	\$8,000	GFPR
Wholesalers Sales of Malt Beverages and Wine - Sales over \$800,000	AS 04.11.160(b)	\$10,000	GFPR
Alcoholic Beverages Suppliers Filing Fee (1-25 Suppliers)	AS 04.11.160(e)	\$500/biennial	GFPR
Alcoholic Beverages Suppliers Filing Fee (26-50 Suppliers)	AS 04.11.160(e)	\$1,000/ biennial	GFPR
Alcoholic Beverages Suppliers Filing Fee (51-75 Suppliers)	AS 04.11.160(e)	\$1,500/ biennial	GFPR
Alcoholic Beverages Suppliers Filing Fee (Over 75 Suppliers)	AS 04.11.160(e)	\$2,000/ biennial	GFPR
Distillery License	AS 04.11.170(c)	\$1,000/ biennial	GFPR
Common Carrier Alcoholic Beverage Dispensary License	AS 04.11.180(c)	\$1,000/ biennial/ vehicle for first 10 vehicles. \$100/ additional vehicles. Airlines use same formula or may pay \$2,000/ community served.	GFPR
Retail Stock Sale License for Alcoholic Beverages	AS 04.11.200(e)	\$100/ license	GFPR





# Statutory Fees

## Alcohol and Marijuana Control Office (continued)

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Recreational Site License for Alcoholic Beverages	AS 04.11.210(b)	\$800/biennial	GFPR
Pub License for Beer and Wine Sales	AS 04.11.220(d)	\$800/biennial	GFPR
Outdoor Recreational Lodge License	AS 04.11.225(b)	\$1,250/ biennial	GFPR
Caterer's Permit for Sales of Alcoholic Beverages	AS 04.11.230(e)	\$50/event	GFPR
Special Events Permit for Sales of Beer and Wine	AS 04.11.240(e)	\$50/day	GFPR
Conditional Contractor's Permit for Sales of Beer and Wine	AS 04.11.250(d)	\$1,200/ biennial	GFPR
Destination Resort License	AS 04.11.255(b)	\$1,250/ biennial	GFPR



# Proposed Statutory Fees

## Alcohol and Marijuana Control Office (continued)

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Theatre Site Alcoholic Beverage License	3 AAC 304.695	\$600/biennial	GFPR
	AS 04.09.210(b) [proposed]		
Brewery retail license	AS 04.09.270(b) [proposed]	N/A	GFPR
Winery retail license	AS 04.09.280(b) [proposed]	N/A	GFPR
Distillery retail license	AS 04.09.290(b) [proposed]	N/A	GFPR
Beverage Dispensary Tourism License	AS 04.09.300(b) [proposed]	N/A	GFPR
Seasonal restaurant or eating place tourism license	AS 04.09.310(b) [proposed]	N/A	GFPR
Manufacturer sampling endorsement	AS 04.09.370(b) [proposed]	N/A	GFPR
Multiple fixed counter endorsement	AS 04.09.380(b) [proposed]	N/A	GFPR
Hotel or Motel endorsement	AS 04.09.390(b) [proposed]	N/A	GFPR
Large Resort endorsement	AS 04.09.400(b) [proposed]	N/A	GFPR
Restaurant endorsement	AS 04.09.410(b) [proposed]	N/A	GFPR
Package store shipping endorsement	AS 04.09.420(b) [proposed]	N/A	GFPR
Package store delivery endorsement	AS 04.09.430(b) [proposed]	N/A	GFPR
Package store repackaging endorsement	AS 04.09.440(b) [proposed]	N/A	GFPR
Package store sampling endorsement	AS 04.09.450(b) [proposed]	N/A	GFPR
Bowling Alley endorsement	AS 04.09.460(b) [proposed]	N/A	GFPR
Golf course endorsement	AS 04.09.470(b) [proposed]	N/A	GFPR



# Fee and Fine Revenue

## Regulatory Commission of Alaska

Funding Source	FY2016 Revenues	FY2016 Expenditures	Lapsed to General Fund
RCA Receipts (Collections under the Regulatory Cost Charge)	\$8,972.8	\$7,854.2	\$0.0 RCA Receipts are carried forward each year. FY2016 revenues include FY2015 to FY2016 carryforward. FY2015-FY2016: \$1,623.0 carryforward FY2016-FY2017: \$1,118.6 carryforward



# Statutory Fees

## Regulatory Commission of Alaska

Purpose of Fee	Authorizing Statute or Regulation	FY2017 Fee	Revenue Type
Public utility regulatory cost charge	AS 42.05.254*	Regulatory Cost Charges expressed as a percent (%) of gross revenue derived from operations in the state	RCA
Regulated pipeline carriers	AS 42.06.286	0.636%	RCA

\*AS 42.05.254 requires the Regulatory Commission to adjust the Regulatory Cost Charge via regulation to approximately equal the budget of the Commission and the Department of Law's public advocacy function.



Pages 3 to 44 of the 2015 Legislative Finance Indirect Expenditures Book  
<http://www.legfin.state.ak.us/IEBooks/2015IndirectExpenditureReport.pdf>

Page 123 of the 2017 Legislative Finance Indirect Expenditures Book  
<http://www.legfin.state.ak.us/IEBooks/2017IndirectExpenditureReport.pdf>

# INDIRECT EXPENDITURES



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