

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSSB 160(L&C(
Fiscal Note Number:	4
(S) Publish Date:	4/19/2022

Identifier: SB160-DOLWD-WC-03-25-22
 Title: FLOOD INSURANCE
 Sponsor: STEDMAN
 Requester: (S) L&C

Department: Department of Labor and Workforce Development
 Appropriation: Workers' Compensation
 Allocation: Workers' Compensation
 OMB Component Number: 344

Expenditures/Revenues

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

	FY2023	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2023 Request	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1004 Gen Fund (UGF)	4,900.0		4,900.0	4,900.0	4,900.0	4,900.0	4,900.0
1157 Wrkrs Safe (DGF)	(4,900.0)		(4,900.0)	(4,900.0)	(4,900.0)	(4,900.0)	(4,900.0)
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2023) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? yes
(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? 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 If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

Not applicable - initial version.

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Division:	Workers' Compensation	Date:	03/25/2022
Approved By:	Dan DeBartolo, Director	Date:	03/25/22
Agency:	DOL&WD Administrative Services Director		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION**Analysis**

The legislation requires all insurance companies that are licensed to write property and casualty insurance to be members of a new agency. All premiums written by these companies, regardless of the line of business, would be subject to a 6% assessment, workers' compensation premiums included. The companies are tracked in the Division of Insurance database. A premium tax credit is claimed on the annual premium tax report that companies file with the Division of Insurance.

The funding source would be a 6% assessment under 21.60.200 on direct written premiums and would provide for a premium tax credit of 50% of the assessment under 21.60.200(e) or 3% of written premiums. Currently the division collects a 2.7% premium tax on the written policies. This legislation provides for a 50% credit of the assessment which would reduce the service fee collected to zero. This would result in loss of revenue to the Division of Workers' Compensation under, AS 23.05.067(a)(2) of 4.9 million dollars. The Division would need to supplant this loss of revenue with general funds in order to maintain current operations.