

# FISCAL NOTE

No. 6  
 Bill Version: SB 24  
 (S) Publish Date: 2/23/99

**STATE OF ALASKA**  
**1999 LEGISLATIVE SESSION**

**BILL**

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected Revenue  
 Title Regulations: Adoptions & Judicial Review BRU Revenue Operations  
 Component \_\_\_\_\_  
 Sponsor Sen. Donley  
 Requester Sen. JUD Component Serial No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual	76.3	76.3	76.3	76.3	76.3	76.3
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>76.3</b>	<b>76.3</b>	<b>76.3</b>	<b>76.3</b>	<b>76.3</b>	<b>76.3</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	76.3	76.3	76.3	76.3	76.3	76.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>76.3</b>	<b>76.3</b>	<b>76.3</b>	<b>76.3</b>	<b>76.3</b>	<b>76.3</b>

Estimate of current year (FY99) cost: 0.0

**POSITIONS**

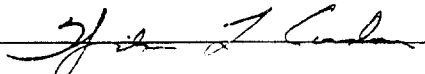
Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

We estimate 5-10 regulation projects a year. Some would involve only technical changes, requiring minimal cost-benefit analysis. However, more complex regulatory changes will involve from 100-300 hours for each analysis, for an estimated total of 900 hours. At \$81 an hour, the cost would be \$72,900.

The cost of publishing regulation changes in the newspaper would run \$3,400 per year due to the added expense of publishing a summary of the cost-benefit analysis of each regulation project.

See attached page.

Prepared by Deborah Vogt Phone 465-2300  
 Division Commissioner's Office Date/Time 25-Jan-99  
 Approved by Wilson L. Condon Date 25-Jan-99  
 Commissioner   
 Agency Department of Revenue

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**Alaska Department of Revenue**

SB 24

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**Regulations: Adoptions & Judicial Review**

25-Jan-99

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Comments:

SB 24 increases the regulatory burden upon agencies and the liability to the state. Section 8 (public notice requirements) and Section 13 (least intrusive of all regulatory changes) would increase the expense of routine regulatory changes. Section 5 (cost-benefit requirements) would have the greatest fiscal impact. Conducting an accurate analysis would require identifying gainers and losers and quantifying the gains and losses. Many of these gains and losses involve intangibles that are difficult to value. For example, weighing the value of information lost due to regulatory streamlining against the time savings of applicants. Or, quantifying benefits such as reduced uncertainty and risk. In the Department of Revenue, the costs of performing the analysis would outweigh the benefits obtained from doing the analysis.

In our fiscal note, we do not address the potential costs of increased liability to civil claims by individuals or corporations. Even if we ignore potential legal challenges to the methods used to quantify the benefits and costs of intangibles, it will be difficult and expensive to demonstrate that a particular regulatory change is the least intrusive of all possible regulatory changes (see Section 3). Because of the risk of legal challenges and the expense of conducting benefit cost analysis, many regulatory changes that would benefit the public might not be considered.