

FISCAL NOTE

No. 39
 Bill Version: CSSB 24 (JUD)
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STATE OF ALASKA
1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Revenue
 Title Regulations: Adoptions & Judicial Review BRU Revenue Operations
 Component _____
 Sponsor Sen. Donley
 Requester S. Finance 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	124.0	124.0	124.0	124.0	124.0	124.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	124.0	124.0	124.0	124.0	124.0	124.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	124.0	124.0	124.0	124.0	124.0	124.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	124.0	124.0	124.0	124.0	124.0	124.0

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 an additional \$3,400 per year due to the added expense of publishing a summary of the cost-benefit analysis of each regulation project.
- The Department of Law estimates the additional work required would add \$47,700 a year to our RSA for regulation projects. (See attached page.)

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 Division Commissioner's Office Date/Time 3-Mar-99
 Approved by Wilson L. Condon Date 3-Mar-99
 Commissioner Wilson L. Condon
 Agency Department of Revenue

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Comments:

CS for SB 24 (Judiciary) would increase 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 would be difficult and expensive to demonstrate that a particular regulatory change is the least intrusive of all possible regulatory changes (see Section 13). 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.