

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 105
 (H) Publish Date: 3/12/03

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Commercial Fishing Loans BRU Investments (122)
 Component Investments
 Sponsor Representative Stevens
 Requester House Special Committee on Fisheries Component No. 383

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (21608)	(30.2)	(13.4)	(13.4)	(13.4)	(13.4)	(13.4)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Please see analysis continuation.

Prepared by: Greg Winegar, Director Phone 907-465-2625
 Division Investments Date/Time 3/10/03 3:00 PM
 Approved by: Edgar Blatchford, Commissioner Date 3/10/2003
 Agency Department of Community & Economic Development

FISCAL NOTE #1

**STATE OF ALASKA
2003 LEGISLATIVE SESSION**

BILL NO. HB 105

ANALYSIS CONTINUATION

This legislation allows Alaska harvesters to refinance existing Commercial Fishing Revolving Loan Fund (CFRLF) loans. Current law requires the Division to charge a one-half percent fee to refinance.

Section 1 of HB 105 removes the one-half percent refinancing fee and that will result in a reduction of income to the CFRLF. Interest rates are currently at record lows and as a result, the Division anticipates that the majority of borrowers eligible to refinance will do so prior to the effective date of this legislation. We expect approximately 180 refinancing applications in FY 04 and then approximately 80 applications per year thereafter. This will result in a reduction to the fund in FY 04 of \$30,150 and a reduction of \$13,400 each year thereafter through FY 09. These reductions were calculated as follows:

180 loans x \$33,500 (average loan size) = \$6,030,000 x .005 = \$30,150

80 loans x \$33,500 = \$2,680,000 x .005 = \$13,400

These calculations are based on interest rates remaining relatively flat or increasing gradually through FY 09.