

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: CSHB 162(RLS)  
 (H) Publish Date: 5/13/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Increase Business License Fee BRU Occupational Licensing (117)  
 Component Occupational Licensing  
 Sponsor Rules by Request of the Governor  
 Requester House Rules Component No. 2360

**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	146.4	146.4	146.4	146.4	146.4	146.4
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	30.0	30.0	30.0	30.0	30.0	30.0
Supplies	5.0	5.0	5.0	5.0	5.0	5.0
Equipment	12.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>193.4</b>	<b>181.4</b>	<b>181.4</b>	<b>181.4</b>	<b>181.4</b>	<b>181.4</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( 1175 )</b>	<b>4,167.3</b>	<b>4,167.3</b>	<b>4,167.3</b>	<b>4,167.3</b>	<b>4,167.3</b>	<b>4,167.3</b>
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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 1175 - BusLic Receipts	193.4	181.4	181.4	181.4	181.4	181.4
<b>TOTAL</b>	<b>193.4</b>	<b>181.4</b>	<b>181.4</b>	<b>181.4</b>	<b>181.4</b>	<b>181.4</b>

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	2	2	2	2	2	2
Part-time						
Temporary						

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

CSHB 162(RLS) establishes a \$100 annual fee for all Business License categories: Sole Proprietors, Partnerships, and Corporations; and establishes a \$50 annual fee for a Sole Proprietor who is age 65 or will be 65 within the year.

Detailed explanation of the costs shown above are attached.

Prepared by: Jennifer Strickler, Administrative Manager Phone 907-465-2144  
 Division: Occupational Licensing Date/Time 5/12/03 12:19 PM  
 Approved by: Edgar Blatchford, Commissioner Date 5/12/2003  
 Agency: Department of Community & Economic Development

**FISCAL NOTE #4**

**STATE OF ALASKA  
2003 LEGISLATIVE SESSION**

**BILL NO. CSHB 162(RLS)**

**ANALYSIS CONTINUATION**

CSHB162 (RLS): An Act relating to fees charged by certain state agencies;...

**PERSONAL SERVICES: \$146.4**

1 - Administrative Clerk III position, Range 10, PFT, located in Anchorage, \$40.3  
Currently, the business licensing program is supported by one dedicated position in Anchorage. By switching from a biennial to annual cycle, this position is needed to support the increased workload of the program.

1 - Analyst Programmer III position, Range 18, PFT, located in Juneau, \$65.8  
The change in licensing biennial to annual will require reprogramming of all business licensing programs including databases and the online licensing programs.

Funding for an additional Administrative Clerk III position, Range 10, PFT, located in Juneau, \$40.3.  
Currently, the position is funded by RSA from the Department of Health & Social Services for tobacco enforcement related purposes; however, RSA funds are likely to be reduced. Maintaining this position is essential to operating the business licensing program on an annual cycle.

**TRAVEL: \$0.0**

No travel is required.

**CONTRACTUAL SERVICES: \$30.0**

Funding needed to reprint basic forms, public notices, and revise regulations, \$10.0  
Funding needed to revise and mail renewal packets, \$20.0

**SUPPLIES: \$5.0**

Basic operating supplies to change licensing cycles.

**EQUIPMENT: \$12.0 (one-time costs)**

Basic office equipment and work station configuration for the new positions.

**REVENUE:**

The revenue is based on the calculations shown on page 3.

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**REVENUE**

Based on the total of 69,315 business licenses on 4/17/03 and an estimated dropout of 25% of 41,253 Sole Proprietors = 10,313.

	Annual Revenue	Current Revenue	NEW REVENUE	
Sole Proprietors 30,940 x \$100.	\$3,094,000.	\$1,031,325.	\$2,062,675.	
All Others	<u>28,062 x \$100.</u>	<u>2,806,200.</u>	<u>701,550.</u>	<u>2,104,650.</u>
	59,002 x \$100.	\$5,900,200.	\$1,732,875.	\$4,167,325.
<b>TOTAL NEW ANNUALREVENUE:</b>			<b>\$4,167,325.</b>	

**TOTAL BUSINESS LICENSES ON 4/17/03**

Sole Proprietor	41,253
Corporation or Limited Liability	19,663
Partnership, Limited Liability Partnership, or Limited Partnership	8,399
<b>TOTAL LICENSES:</b>	<b>69,315</b>