

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: CSHB 367(FIN)  
 (H) Publish Date: 4/19/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Licensing Sex-Oriented Businesses RDU Occupational Licensing (117)  
 Component Occupational Licensing  
 Sponsor Representatives McGuire & Gara, et al  
 Requester House Judiciary Component No. 2360

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

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

<b>OPERATING EXPENDITURES</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Personal Services	4.0	4.0	2.0	2.0	2.0	2.0
Travel	4.2	4.2	1.8	1.8	1.8	1.8
Contractual	13.0	13.0	3.0	3.0	3.0	3.0
Supplies	5.0	5.0	5.0	5.0	5.0	5.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>26.2</b>	<b>26.2</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( 1156 )</b>	<b>26.2</b>	<b>26.2</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</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						
1156 Receipt Supported Services	26.2	26.2	11.8	11.8	11.8	11.8
<b>TOTAL</b>	<b>26.2</b>	<b>26.2</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

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

CSHB 367 (JUD) creates new licensing and regulation for adult-oriented businesses. The bill also requires the department to establish by regulations licensure procedures, inspection procedures, physical characteristics of licensed premises, and other requirements on applying for and renewing licenses.

A detailed explanation of the above costs is attached.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
 Division: Occupational Licensing Date/Time 3/10/04 2:55 PM  
 Approved by: Edgar Blatchford, Commissioner Date 3/10/2004  
 Agency: Department of Community and Economic Development

**ANALYSIS CONTINUATION**

**PERSONAL SERVICES: \$4.0**

This funding will provide staff support to establish the licensing program for adult-oriented businesses. Supporters of the bill indicate approximately 20 business owners may be subject to licensure. The funding amount is based on a program in existence with similar numbers of licensees. It is doubled in the first two years during start up of the licensing program.

**TRAVEL: \$4.2**

Travel funding is anticipated for the following -

- Regulation Hearings (travel for the Regulations Specialist), at least 4 trips @ \$600/per trip = \$2.4
- Travel for Enforcement to areas outside of Anchorage, 3 trips @ \$600/per trip = \$1.8

2nd Year: Regulations and Enforcement costs are also anticipated to repeat in the second year = \$4.2

3rd Year: By the third year of operation, the regulations hearings should be completed and only Enforcement travel is expected = \$1.8

**CONTRACTUAL: \$13.0**

- Regulation costs (notices, hearings, etc.), \$10.0
- Communications expenses (phones, postage, etc.) = \$3.0

2nd Year: Regulations and communication costs are anticipated to repeat in the second year = \$13.0

3rd Year: By the third year of operation, only communication costs are anticipated - \$3.0

Section 08.90.200(b) requires the department to develop and provide businesses with written material regarding certain subjects specified in the bill. However, the department is of the understanding that material already exists and that the department's responsibility will be to identify the material and secure copies for distribution.

**SUPPLIES: \$5.0**

This funding provides basic operating supplies for the program (paper, etc.) This funding remains the same in the event the department is required to purchase written material for distribution.

**TOTAL: \$26.2**

Funding Source: Receipt Supported Services

This program is anticipated to be funded by licensing fees. Under AS 08.01.065(c) licensure programs are expected to pay their actual costs through licensing fees.