

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSSB 272(FIN)
 (H) Publish Date: 5/7/2004

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Deferred Deposit Advances BRU Banking, Securities & Corp.
 Component Banking, Securities & Corp.
 Sponsor Sen. Rules
 Requester House Finance Committee Component No. 1233

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	78.0	78.0	78.0	78.0	78.0	78.0
Travel	12.0	12.0	12.0	12.0	12.0	12.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	1.5	1.5	1.5	1.5	1.5	1.5
Equipment	4.0	4.0	4.0	4.0	4.0	4.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	95.5	95.5	95.5	95.5	95.5	95.5

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	94.5	52.5	119.3	84.0	150.8	115.5
-------------------------------	-------------	-------------	--------------	-------------	--------------	--------------

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)	95.5	95.5	95.5	95.5	95.5	95.5
TOTAL	95.5	95.5	95.5	95.5	95.5	95.5

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						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation requires the Division of Banking, Securities and Corporations to license and supervise Alaska's payday lending establishments. The division anticipates two additional staff will be needed to implement these provisions.

Personal Services: One Financial Institution Examiner I working 3/4 time (\$46.3) and one Administrative Clerk III working 3/4 time (\$31.7) will conduct examinations of the new licensees. Regulation of these new licensees is expected to generate a significant number of consumer complaints and inquiries which will necessitate the need for a new clerk.

Prepared by: _____
 Rep. Williams, Co-Chair

 Rep. Harris, Co-Chair

Phone 465-3424
 Date/Time 5/6/04 11:31 PM
 Date 5/6/2004

FISCAL NOTE #3

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSSB 272(FIN)

ANALYSIS CONTINUATION

STATE OF ALASKA BILL NO. HCS CSSB 272(FIN)
2004 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Travel: In-state and out-of-state travel to verify establishments have licenses and to examine licensed establishments

Contractual: There is no funding for contractual costs.

Supplies: Miscellaneous contractual expenses for two new employees (\$2.5)

Equipment: Computer equipment for new staff (\$4.0)

Change in Revenues: The total revenue for the first year would be an estimated \$94.5.

The division anticipates an increase in revenues (Receipt Supported Services/RSS) as a result of collecting new licensing fees required by this legislation. This estimate is based on the assumption that there are 20 establishments who will each pay \$3.0 for a biennial license which equates to \$60.0 in revenues on an annual basis in FY05. We estimate that the number of establishments would increase by 6 establishments in each of the next five years and then level off at 50 establishments.

The division also estimates there will be additional revenues collected to recover the cost of examining establishments for compliance with the provisions of this legislation. We estimate that we would recoup approximately \$1 .125 per examination. This is based on the assumption that each examination would require an average of 15 examination hours at a cost of \$75 per hour. The division estimates that the cost of travel to be reimbursed will be \$12.0.