

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 424(L&C)
 (H) Publish Date: 3/8/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Mortgage Lending RDU Banking & Securities (536)
 Component Banking & Securities
 Sponsor Labor & Commerce
 Requester Labor & Commerce Component No. 2808

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	121.1	121.1	121.1	121.1	121.1	121.1
Travel	15.0	15.0	15.0	15.0	15.0	15.0
Contractual	58.0	58.0	58.0	58.0	58.0	58.0
Supplies	1.5	1.5	1.5	1.5	1.5	1.5
Equipment	4.8	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	200.4	195.6	195.6	195.6	195.6	195.6
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1156)	259.2	228.4	348.5	348.5	348.5	348.5

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Receipt Supported Services (1156)	200.4	195.6	195.6	195.6	195.6	195.6
TOTAL	200.4	195.6	195.6	195.6	195.6	195.6

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would require the licensing and regulation of people making and brokering mortgage loans to borrowers. The division estimates there are about 22,000 mortgage documents filed each year in Alaska. The division anticipates needing two additional staff to implement the provisions of this legislation: one Financial Institution Examiner I, and one Business Registration Examiner position. Travel funds would cover the cost of 20 trips to conduct examinations of licensees. Contractual expenses include \$25.0 for the Department of Law to draft and enforce orders resulting from investigations, and \$33.0 to contract for the collection of the documentation filing fees.

Prepared by: Mark Davis, Director Phone 907.269.8144
 Division Banking & Securities Date/Time 3/6/06 2:52 PM
 Approved by: William C. Noll, Commissioner Date 3/6/2006
 Agency Commerce, Community, and Economic Development

FISCAL NOTE #1

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BILL NO. CSHB 424(L&C)

ANALYSIS CONTINUATION

Revenue: The division estimates this legislation would generate \$259.2 in the first year due to the initial licensing of an estimated 112 establishments (\$39.2 resulting from \$250 per license and \$100 investigation fee per establishment, and the collection of \$220.0 in document filing fees (22,000 documents at \$10 per document.)) In the second year, the division anticipates licensing 24 additional establishments for a total revenue amount of \$228.4 which results from \$220.0 in document filing fees and \$8.4 in license fees.) In year 3 the division anticipates generating \$348.5 (\$126.0 results from the examination of 56 establishments at a cost of \$2.25 per examination; \$220.0 document filing fees; and \$8.4 in new licensing fees for 7 new establishments.) Years 4 and 5 are expected to generate a similar amount of revenue.