

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: 3  
 Bill Version: CSHB 111(L&C)  
 (H) Publish Date: 2/14/07

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Business License Fee Decrease RDU Corp, Bus & Prof Licensing (117)  
 Component Corp, Bus & Prof Licensing  
 Sponsor Rules Committee  
 Requester Governor Component No. 2360

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( 1175 )</b>	<b>0.0</b>	<b>(2,228.0)</b>	<b>(4,455.0)</b>	<b>(4,455.0)</b>	<b>(4,455.0)</b>	<b>(4,455.0)</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						
Business License & Corp (1175)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation reduces the Business License fees back to FY03 cost of \$25 per year with an effective date of 1 October 2008.

**Revenue Impact:** The department estimates a loss of revenue of \$2,228.0 in FY2009 and a loss of revenue of \$4,455.0 in the remaining fiscal years. The estimated loss of revenue in FY2009 reflects the decrease in the present \$100 fee to \$25 in the last half of the year. The estimated revenue loss in subsequent years is calculated by averaging (to account for biennial license renewal) the FY 2006 revenue of \$6,085.0 and the estimated FY 2007 revenue of \$5,795.0, less the amount of business license fee revenues \$1,485.0 (based on a 75% reduction in the annual average amount of revenue estimated to be generated.)

Prepared by: Chris Wyatt, Administrative Manager Phone (907) 465-2538  
 Division Corporations and Licensing Date/Time 1/30/07 4:26 PM  
 Approved by: Emil Notti, Commissioner Date 1/30/07 4:26 PM  
 Agency Commerce, Community, and Economic Development

**ANALYSIS CONTINUATION**

Fund Source Impact: The Division of Corporations, Business and Professional Licensing funds business license operating expenses of \$716.3 with business license fees. Revenue collected is expected to cover Business License operating expenses.