

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version SCS CSHB 121(FIN)
 Fiscal Note Number 13
 (S) Publish Date 4/15/12

Identifier (file name) HB 121-Fund Transfers CQERLF/DCCED Dept. Affected Fund Transfers
 Title LOAN FUNDS: Appropriation OpSys DGF Transfers (non-add)
CHARTERS/MARICULTURE/MICROLOAN/CQERLF Allocation Community Quota Entity RLF
 Sponsor Rules by Request of the Governor
 Requester Senate Finance OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous	10,000.0						
TOTAL OPERATING	10,000.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF	10,000.0					
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		10,000.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This fiscal note capitalizes the Community Quota Entity Revolving Loan Fund which is to be managed by the Department of Commerce, Community and Economic Development. All earnings and loan payments would be retained by the fund for future loans. All operating expenses would be paid from earnings of the fund. Separate fiscal notes are attached to this bill to capitalize the Alaska Microloan Revolving Loan Fund, the Mariculture Revolving Loan Fund, and the Commercial Charter Fisheries Revolving Loan Fund.

Prepared by Darwin Peterson
 Division Senate Finance Committee
 Approved by Senator Hoffman, Co-Chair
Senator Stedman, Co-Chair

Phone 907-465-3873
 Date/Time 4/10/12 8:00 AM
 Date 4/10/2012

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Analysis

The Community Quota Entity RLF will be set up as a revolving loan fund with all principal and interest loan repayments, fees, and investment earnings returned and retained by the fund to ensure growth that would provide for future lending and administrative expenses. Based on capitalization, CQE Revolving Loan Fund (RLF) is anticipated to be the third largest fund in the DED portfolio. Initial capitalization will be \$45 million.

The fund will serve a borrower population of 42 eligible CQE organizations. CQE RLF will most closely parallel the Fisheries Enhancement fund. Based on many years of experience in this lending area, the Division bases its projections on each loan taking a full month to process. A substantial level of advance work and due diligence will be required for each loan, and the ongoing servicing, given the specialized features of the fund.

These loans will be to newly formed non profits rather than to individuals. In addition, the halibut and sablefish fisheries are federal fisheries managed through an international treaty. And, although the Division finances quota for the open access fishery under the Commercial Fisheries program, the CQE program is managed under the Restricted Access Management program and this structure is likely to introduce additional complexity to the lending and servicing process.