

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version SB 68  
 Fiscal Note Number 2  
 (S) Publish Date 2/24/12

Identifier (file name) SB068-DCCED-DBS-02-08-12 Dept. Affected DCCED  
 Title COMMERCIAL FISHING & AGRICULTURE BANK Appropriation Banking and Securities  
 Allocation Banking and Securities  
 Sponsor Senator Coghill  
 Requester Senate Finance OMB Component Number 2808

**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
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services							
Travel	0.0	0.0	5.8	0.0	0.0	5.8	0.0
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	<b>5.8</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)		5.8			5.8	
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	<b>5.8</b>

POSITIONS							
Full-time							
Part-time							
Temporary							

<b>CHANGE IN REVENUES</b>			<b>22.2</b>			<b>22.2</b>	
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**Estimated SUPPLEMENTAL (FY12) operating costs** 0.0 (separate supplemental appropriation required,  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY13) costs** 0.0 (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 was readjusted to accurately reflect the one-time nature of the costs in FY14 and FY17.

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Commerce, Community, and Economic Development

Phone 907-269-6586  
 Date/Time 2/8/12 1:45 PM  
 Date 2/8/2012

FISCAL NOTE #2

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. SB 68

**Analysis**

Senate Bill 68 allows the Alaska Commercial Fishing and Agriculture Bank (CFAB) to make loans for capital investment of operating capital to a shore-based fish processor, a timber processor, or an agricultural processor or harvester with facilities located in Alaska. This bill amends sections of AS 44.81 related to board composition, loans, records, and lobbying contracts of CFAB. It also adds a new section, AS 44.81.275, which stipulates that the Department of Commerce, Community, and Economic Development conduct regular banking evaluations.

The Division of Banking and Securities examination staff will examine CFAB once every three years. The one week examination will include the evaluation of the bank's loan portfolio quality and the appropriateness and effectiveness of policies, practices, and management ability to carry out the bank's statutory purpose. Examiners will prepare a written Report of Examination and distribute it to CFAB and the legislative auditor.

The division will use existing examination staff to conduct the examination, so no additional costs are anticipated for personal services.

Actual examination expenses (examiner hours and travel) are reimbursed by CFAB, and go into the general fund. The division up-fronts travel costs and must include travel expenditures for CFAB examinations in its travel budget. Therefore, this fiscal note for travel every three years, beginning in FY 2014, is requested in the amount of \$5.8.

Revenue will increase every three years by approximately \$22.0, which is the estimated reimbursement of examination costs as detailed below.

Estimated Examiner Hours	\$16.0
Estimated Travel Costs	<u>\$5.8</u>
Total Estimated Cost to Conduct Examination	\$22.0