

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSHB 346(L&C)
Fiscal Note Number: 1
(H) Publish Date: 4/13/14

Identifier: HB346-DCCED-CBPL-04-10-14
Title: PUBLIC BENEFIT CORPORATION
Sponsor: SEATON
Requester: House Labor & Commerce

Department: Department of Commerce, Community and
Economic Development
Appropriation: Corporations, Business and Professional
Licensing
Allocation: Corporations, Business and Professional
Licensing
OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	51.7							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	51.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1156 Rcpt Svcs	51.7							
Total	51.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	51.7							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

Why this fiscal note differs from previous version:

Not applicable, initial version.

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Division: <u>Corporations, Business and Professional Licensing</u>	Date: <u>04/10/2014 04:10 PM</u>
Approved By: <u>Jeanne Mungle, Director</u>	Date: <u>04/10/14</u>
Agency: <u>Administrative Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 346(L&C)

Analysis

HB346 will allow a new or existing corporation organized under AS 10.06 to become a public benefit corporation and shall create a general public benefit purpose from the business and operations of the public benefit corporations. A general public benefit means a material positive effect on society or the environment, which is assessed against a third-party standard. A public benefit corporation may also identify one or more specific public benefit purposes which serves a public welfare, religious, charitable, scientific, literary, or educational purpose, or another purpose beyond the strict interest of the shareholders of the public benefit corporations.

This bill will create new public benefit criteria under AS 10.06 which may be established at creation or by amending an existing corporation. The Corporations Section database will need modification to allow for the adding and removing of a public benefit corporation status and the associated reports and officials requirements of a public benefit corporation.

Costs for establishing and maintaining the new status are one-time services costs. These include: \$49.3 for information technology support to incorporate the new entity status into the corporations database; \$2.1 legal support costs for regulations; and \$0.3 for public notice of regulations.

Regulations to set corporation filing fees and carry out this legislation are required. Filing fees are set for corporations per AS 10.06.843, and the proposed legislation states the department shall charge a fee established by the department for filing of a benefit report.

In addition to the above costs, the program would incur direct expenses for a regulations specialist and supervisory management through positive timekeeping. The program would also incur indirect expenses for administrative support, such as accounting, payroll, risk management, ADA chargeback, and building leases. Although increased authorization is not needed for these costs, this program's share of the division's total indirect costs will be considered as part of the program's total costs during a periodic review of licensing fees.