

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	CSHB 325(L&C)
Fiscal Note Number:	1
(H) Publish Date:	4/26/2024

Identifier: HB325-DCCED-CBPL-03-29-24
 Title: BUSINESS LICENSE FEES
 Sponsor: MINA
 Requester: (H) 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)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates					
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

1005 GF/Prgm (DGF)	(1,551.8)	(1,930.4)	(2,239.6)	(2,239.6)	(2,239.6)	(2,239.6)	(2,239.6)
Total	(1,551.8)	(1,930.4)	(2,239.6)	(2,239.6)	(2,239.6)	(2,239.6)	(2,239.6)

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By:	Sylvan Robb, Division Director	Phone:	(907)465-2524
Division:	Division of Corporations, Business and Professional Licensing	Date:	03/29/2024
Approved By:	Hannah Lager, Administrative Services Director	Date:	03/29/24
Agency:	Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

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Analysis

This legislation removes the fee for purchasing a new Alaska business license.

The division projects that a new, no-cost business license will be more attractive to many business owners than a license renewal that requires a fee. The division estimates that 25% of businesses will opt to obtain a new business license in FY2025 instead of renewing their existing license. The division projects that it may take several additional years for awareness of this option to saturate the business community. It projects an additional 5% of businesses will opt to obtain a new license instead of renewing in FY2026 and FY2027, at which point it anticipates renewal numbers holding steady.

These projections result in the loss in general fund dollars from business license revenue as reflected in the change in revenue.

Business licensing at CBPL is funded by General Fund/Program Receipts - fund source 1005 GF/Prgm (DGF). Business licensing fees are set per AS 43.70, and revenue in excess of authorized budgeted expenses reverts to the State of Alaska general fund.