

# Fiscal Note

State of Alaska  
2025 Legislative Session

Bill Version:	SB 11
Fiscal Note Number:	1
(S) Publish Date:	4/7/2025

Identifier: SB011-DCCED-AFIF-02-07-25  
 Title: FLOOD INSURANCE  
 Sponsor: STEDMAN  
 Requester: (S) Labor & Commerce

Department: Department of Commerce, Community and  
 Economic Development  
 Appropriation: Executive Administration  
 Allocation: Commissioner's Office  
 OMB Component Number: 1027

**Expenditures/Revenues**

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

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>OPERATING EXPENDITURES</b>	<b>FY 2026</b>	<b>FY 2026</b>					
Personal Services			***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	***	***	***	***	***

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	***	***	***	***	***

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None			***	***	***	***	***
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	***	***	***	***	***

**Estimated SUPPLEMENTAL (FY2025) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2026) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** Yes  
*(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 If yes, by what date are the regulations to be adopted, amended or repealed?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: Lori Wing-Heier, Division Director  
 Division: Division of Insurance  
 Approved By: Hannah Lager, Administrative Services Director  
 Agency: Commerce, Community, and Economic Development

Phone: (907)269-7896  
 Date: 02/07/2025  
 Date: 02/07/25

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2025 LEGISLATIVE SESSION**Analysis**

SB 11 creates the Alaska Flood Insurance Fund, a separate fund in the State treasury. Investment earnings are retained in the fund. The fund does not lapse, earns interest, and can be appropriated to the Department of Commerce, Community, and Economic Development for operating the flood insurance program.

Revenue to the fund will come from participants in the flood insurance program as well as dues and assessments from insurance companies operating in the state who are members of the Alaska Flood Authority. Premiums from individuals and dues and assessments made by the authority will be received as a new designated general fund code under AS 37.05.146(c). Revenues are indeterminate at this time as the amount of rates, the number of participants, and the amount of losses are not known.

This legislation also allows up to \$5 million to be appropriated from the Alaska Housing Finance Corporation to fund the flood insurance program if the balance of the Alaska Flood Insurance Fund is not sufficient to cover required outlays. That amount is also indeterminate because it is not known when or if that appropriation would be needed in any year.

Expenditures from the fund will be made from a new designated general fund code number. Expenditures from the fund for ongoing operating costs are included in other fiscal notes related to this legislation. Expenditures from the fund for covered losses under the flood insurance program are shown in this note as indeterminate as the timing of losses, amount of losses, and number of participants in the program is not known.