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4/14/86

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/09/86

REQUEST Page 1 of 2 (1)
 Bill/Resolution No: CSHB 544 (Fin)
 Title: An Act prohibiting the use of certain business names and establishing remedies and penalties for violations
 Sponsor: Phillips
 Requestor: Judiciary
 Date of Request: February 28, 1986

FISCAL DETAIL
 Agency Affected: Revenue
 BRU: Public Services
 Components: Public Services Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	5.3	5.6	5.8	6.1	6.4
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	3.0	0	0	0	0
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	8.3	5.6	5.8	6.1	6.4

CAPITAL	-	-	-	-	-	-
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REVENUE	-	-	-	-	-	-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-	8.3	5.6	5.8	6.1	6.4
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared by: *Sally Smith*
 Division: Public Services

Phone: 465-2392
 Date: April 9, 1986

Approved by: *Shirley G. Stedake*
 Commissioner:
 Agency: Revenue

Date: 4/9/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 544 (21)

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Assumptions:

1. The provisions of CSHB 544 will not be applied retroactively.
2. The implementaion of CSHB 544 will begin with calendar year 1987
3. Available at Service Centers and by mail.
4. All appeal hearings will be held in Juneau.
5. Current staff levels are sufficient to carry out the provisions of CSHB 544.

Program Summary

The Public Services Division of the Department of Revenue currently examines approximately 74,000 Business License applications on an annual basis. Of these 74,000, about 21,000 are new applications. Anniversary date submission of business licenses, coupled with biennial filing requirements, eliminates the requirement for additional staff. However, another computer terminal will help eliminate backlog problems.

Appeal hearings are to be conducted exclusively in Juneau. We estimate approximately 35 hearings per annum at a cost of 150 per hearing.

Note:

No data processing or associated costs are required by the Department of Revenue if the Department of Commerce and Economic Development stores their four occupational licensing files on the Department of Administration's IBM computer. All related files--Department of Revenue's Business License files, Department of Commerce and Economic Development's Corporation and Occupational Licensing files--would be on the IBM computer and directly accessible from Juneau, Anchorage and Fairbanks.

Two possible impacts of passage involve a delay in issuance of business licenses of one to three weeks and the possibility of large numbers of appeals based on firms or individuals who disagree with the Department's findings.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST Page 1 of 2

FISCAL DETAIL

Bill/Resolution No.: CSHB 544 (Fin)
 Title: An Act relating to business licenses and the use of business names:
 Sponsor: Rep. Phillips
 Requester: _____
 Date of Request: _____

Agency Affected: Commerce & Economic Dev.
 BRU: Occupational Licensing
 Components: _____

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		4.1	3.9	3.9	3.9	3.9
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		4.1	3.9	3.9	3.9	3.9

CAPITAL						
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REVENUE		-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of dollars)

GENERAL FUND		4.1	3.9	3.9	3.9	3.9
FEDERAL FUNDS						
OTHER						
TOTAL		4.1	3.9	3.9	3.9	3.9

POSITIONS:

FULLTIME		-0-	-0-	-0-	-0-	-0-
PARTTIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary.

The bill amends Alaska Statutes 08., AS 10., and AS 43., to prohibit businesses from using deceptively similar names once a name is already used by an entity licensed or registered under one of the three statutes mentioned.

Business licensing files as well as the Corporations files are stored on the

Prepared by: Jennifer Strickler, Management Analyst Phone: 465-2144
 Division: Occupational Licensing Date: 4-9-86
 Approved by Commissioner: John H. Lumsden Date: 4-9-86
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

10/25/85

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 544 (Fin)

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IBM Mainframe. The Occupational Licensing files are currently stored on a Wang VS 80 System. Since the bill prohibits use of deceptively similar names, it would be necessary for the Business Licensing Section in the Department of Revenue, the Corporations Section in the Department of Commerce & Economic Development, and the Division of Occupational Licensing in the same agency, to have access to each of the three files in order to carry out the intent of the legislation.

After extensive consideration of all possible networking options, the least expensive method discovered is to place all relevant Occupational Licensing files on the IBM mainframe for access by the Department of Revenue, Business Licensing, and the Corporations Section of the Department of Commerce & Economic Development.

The expenditures listed will allow four IBM lines to be purchased and attached to the department's Wang VS 100. Installment costs in the first year will total \$.2. The remaining \$3.9 consists of monthly charges of \$82.00 per month for each line, to attach and use the IBM system.

Programming would be accomplished in-house by available personnel therefore programming costs would be absorbed in the agency's operating budget. In addition, staff would need to be trained to do the searches for "deceptively similar" names consistent with whatever procedures are developed in common by the three agencies. Hearings may be prompted by divisions against applicants' use of names, especially because rational people may well disagree on what constitutes deceptive similarity. The division currently plans to absorb these costs.

Additional Comments

Even if the bill is funded, carrying out the intent of the legislation in preventing deceptively similar names from being used will be an exceptionally slow process, and will result in delays in our licensing process. Each inquiry must be made to three different files, and because of the concern for deceptive similarity, each inquiry would need to be made as many times as there would be potentially similar names. For example, a proposed business name such as Southeast Alaska Trucking would have to be checked by making multiple inquiries to each of the three files under names such as those below:

- South East Trucking
- Southeast Trucking
- S E Trucking
- S E Alaska Trucking
- S E AK Trucking
- S E Alaskan Trucking

and so on. This amounts to an extensive manual search of each file as no software exists which can do the search for deceptive similarity. We estimate between 10 - 30 minutes for each review of the files, if the review is to be effective, especially since there has been no uniformity of data entry amongst the three agencies, resulting in a variety of abbreviations and other spellings.

It is important to note that this proposed networking plan is not foolproof. There will be delays between the time the public makes phone inquiries and are actually issued licenses, and business license and occupational licensing files will be updated on approximately a weekly basis. Thus, licenses under deceptively similar names may be mistakenly issued. To ensure that this cannot occur, a joint interactive data base would have to be developed for use by the three agencies at considerable expense.

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FISCAL NOTE

Revision Date: _____

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FISCAL DETAIL

Bill/Resolution No.: CSHB 544 (Fin) Agency Affected: Commerce & Economic Development
 Title: An Act prohibiting the use of certain business names and establishing remedies and penalties for violations. BRU: Banking, Securities and Corporations
 Sponsor: Phillips Components: _____
 Requester: _____
 Date of Request: _____

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULLTIME	-0-	-0-	-0-	-0-	-0-	-0-
PARTTIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary.

See attached analysis.

Prepared by: JoAnn Schultz *JoAnn Schultz* Phone: 465-2570
 Division: Banking, Securities and Corporations Date: April 9, 1986
 Approved by Commissioner: Lowell S. Lowmeyer Date: April 9, 1986
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
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CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 544 (Jud)

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The initial fiscal note submitted March 3, 1986 provided for Wang terminals to allow the Corporations Section to access the business license files of the Department of Revenue and the licensing files of the Division of Occupational Licensing. The information accessed would have been on-line and current.

The attached fiscal note is based on the assumption that the Division of Occupational Licensing will put its files on the IBM mainframe once a week. The Department of Revenue also puts its business license file on the IBM mainframe on a weekly basis. With all the files residing on the IBM mainframe, the Corporations Section will be able to access the information utilizing its existing IBM terminals.

The cost to accomplish the purpose of HB 544 has been decreased. However, the timeliness of reply and accuracy of information has been sacrificed. The information which will be accessed will be at least a week old, other than the Corporations Section files, which are on-line. The amount of time involved in searching three files for the same or deceptively similar names will also be increased. It is estimated a single search could take a minimum of ten to fifteen minutes. The time involved would make it impractical to continue allowing name availability searches by telephone. An increase in error rate is also predictable for the same reasons.

The fiscal note does not reflect any cost for an appeal process provided for in Section 10.50.030(b). The assumption has been made that the Director of the Division of Banking, Securities, and Corporations will conduct an informal review of the denial and issue a decision.

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Original sponsor: Phillips

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 544 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to business licenses and the use of
7 business names."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43.05.230 is amended by adding a new subsection to
10 read:

11 (h) The department may release information received or collected
12 by the department under AS 43.70 that is related to the legal or
13 business names of licensees to the Department of Commerce and Economic
14 Development for use in carrying out its statutory responsibilities.

15 * Sec. 2. AS 43.70.020(a) is amended to read:

16 (a) For the privilege of engaging in a business in the state, a
17 person shall first apply, on [UPON] forms prescribed by the commis-
18 sioner of revenue, and obtain a license, and pay the license fee
19 provided for in AS 43.70.030. A license issued to a firm for a par-
20 ticular line of business covers all its operations in the state in the
21 line of business regardless of the number of its establishments. A
22 license issued under this subsection must [SHALL] include

- 23 (1) the name and address of the licensee;
24 (2) the line of business to be conducted; [AND]
25 (3) the year for which the license is issued; and
26 (4) the business name to be used by the licensee.

27 * Sec. 3. AS 43.70.020(b) is repealed and reenacted to read:

28 (b) A license issued under this section is valid for two years
29 after the date of issuance, unless the licensee also holds a license

1 issued by the Department of Commerce and Economic Development under
2 AS 08.01.010 or by a board listed in AS 08.01.010, in which case the
3 license issued under this section is valid for the same length of time
4 as the other license. A licensee under this section shall apply for
5 renewal of the license and pay the renewal fee before the date the
6 license expires.

7 * Sec. 4. AS 43.70.030(a) is amended to read:

8 (a) The license fee for each business is \$25 for each year of
9 the period for which the license is issued or portion of a year. The
10 renewal fee is the same amount as the license fee.

11 * Sec. 5. AS 43.70.020(c) and 43.70.030(d) are repealed.

12 * Sec. 6. The Department of Revenue shall establish procedures for the
13 transition from the issuance of business licenses under AS 43.70 on an
14 annual, calendar-year basis to the basis established by AS 43.70.020(b), as
15 amended by sec. 3 of this Act.
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