

SB

39

SFIN

FILE

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/16/07

FURTHER: Finance

Date of 5-Day Notice: 1/18/07
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2/1/07

Labor and Commerce Committee considered SENATE BILL NO. 39

SB 39 BUSINESS LICENSE FEE

"An Act relating to the amount of the state's business license fee."

and recommends:

- be replaced with SCS or CS FOR SENATE BILL 39 (L+C)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

	Department	Date	Fiscal	Indet.	Zero	FN#
License	COMMERCE	1/29/07	✓			1
E. Dev	COMMERCE	1/29/07	✓			2
Advoc.	COMMERCE	1/29/07	✓			3
	GOVERNOR COMMERCE	1/29/07	✓			4

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Bunde		✓		
	DAVIS	✓			
	STEVENS	✓			
	Hoffman	✓			
	ELLIS	✓			
CHAIR					

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSSB 39(L&C)
 (S) Publish Date: 2/2/07

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
 Title "An Act relating to the amount of the state's RDU Executive Operations
business license fee." Component Executive Office
 Sponsor Senator Wielechowski
 Requester Senate Labor and Commerce Committee Component No. 6

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	644.7	644.7	644.7	644.7	644.7	644.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (1175-Business License Receipts)	(644.7)	(644.7)	(644.7)	(644.7)	(644.7)	(644.7)
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

For FY2008, this fiscal note assumes the loss of Business License Receipts funding for International Trade operations. This note assumes that the loss of Business License Receipts will be replaced by General Funds to support personal services, foreign office contracts and travel relating to International Trade activities.

Prepared by: Gail Fonomiai, Asst. Admin. Director
 Division: Division of Administrative Services
 Approved by: Linda J. Perez, Administrative Director
 Agency: Office of the Governor

Phone 465-3885
 Date/Time 1/30/2007, 10:45am
 Date 1/30/2007

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 39(L&C)
(S) Publish Date: 2/2/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title Business License Fee Decrease RDU Comm Assist & Ec Dev (405)
Component Community Advocacy
Sponsor Senators WIELECHOWSKI, Wilken
Requester Senate Labor & Commerce Component No. 2703

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1175)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		1,822.2	3,089.7	3,089.7	3,089.7	3,089.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Business License & Corp (1175)		(1,822.2)	(3,089.7)	(3,089.7)	(3,089.7)	(3,089.7)
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces the Business License fees back to FY 2003 cost of \$25 per year with an effective date of 1 October 2008.

The Division of Community Advocacy operating expenses are partially funded with business license fees of \$3,089.7. After funding the Division of Corporations, Business and Professional Licensing and the Office of Economic Development in FY 2009, revenues are not sufficient to fully fund the division's operating expenses. It is assumed \$1822.2 will be funded by general funds. Starting in FY 2010, the department estimates a loss of business licenses revenue of \$4,455.0 which results in the need for funding the division with \$3,089.7 of general funds.

Prepared by: Mike Black, Director
Division: Community Advocacy
Approved by: Emil Notti, Commissioner
Agency: Commerce, Community, and Economic Development

Phone: (907) 269-4578
Date/Time: 1/29/07 5:32 PM
Date: 1/29/07 5:32 PM

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSB 39(L&C)
 (S) Publish Date: 2/2/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Business License Fee Decrease RUDY Comm Assist & Ec Dev (405)
 Component Office of Economic Development
 Sponsor Senators WIELECHOWSKI, Wilken
 Requester Senate Labor & Commerce Component No. 2743

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1175)						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	404.8	404.8	404.8	404.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Business License & Corp (1175)			(404.8)	(404.8)	(404.8)	(404.8)
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces the Business License fees back to FY03 cost of \$25 per year with an effective date of 1 October 2008.

The Office of Economic Development operating expenses are partially funded with business license fees of \$1,173.8. No fund source change is anticipated in FY 2009 since business license fees will continue to cover operating expenditures to manage this function. Starting in FY 2010, the department estimates a loss of business licenses revenue of \$4,455.0. As a result of this legislation, revenues are not sufficient to fully fund the Office of Economic Development's operating expenses. The additional \$404.80 needed for operating costs are assumed to be funded with general funds.

Prepared by: Bill Allen, Development Manager
 Division: Office of Economic Development
 Approved by: Emil Notti, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone: (907) 269-8112
 Date/Time: 1/29/07 5:30 PM
 Date: 1/29/07 5:30 PM

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 39(L&C)
(S) Publish Date: 2/2/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title Business License Fee Decrease RDU Corp, Bus & Prof Licensing (117)
Component Corp, Bus & Prof Licensing
Sponsor Senators WIELECHOWSKI, Wilken
Requester Senate Labor & Commerce Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1175)	0.0	(2,228.0)	(4,455.0)	(4,455.0)	(4,455.0)	(4,455.0)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Business License & Corp (: 75)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces the Business License fees back to FY03 cost of \$25 per year with an effective date of 1 October 2008.

Revenue Impact: The department estimates a loss of revenue of \$2,228.0 in FY2009 and a loss of revenue of \$4,455.0 in the remaining fiscal years. The estimated loss of revenue in FY2009 reflects the decrease in the present \$100 fee to \$25 in the last half of the year. The estimated revenue loss in subsequent years is calculated by averaging (to account for biennial license renewal) the FY 2006 revenue of \$6,085.0 and the estimated FY 2007 revenue of \$5,795.0, less the amount of business license fee revenues \$1,485.0 (based on a 75% reduction in the annual average amount of revenue estimated to be generated.)

Prepared by: Chris Wyatt, Administrative Manager Phone (907) 465-2572
Division Corporations and Licensing Date/Time 1/29/07 5:26 PM
Approved by: Enil Notti, Commissioner Date 1/29/07 5:26 PM
Agency Commerce, Community, and Economic Development

ANALYSIS CONTINUATION

Fund Source Impact: The Division of Corporations, Business and Professional Licensing funds business license operating expenses of \$716.3 with business license fees. Revenue collected is expected to cover Business License operating expenses.