

LEG. FINANCE - BILLS 1985 - 1986 2323

HB 78 cont. - HB 79am

2323

Sections 4 - 10 amend the licensing provisions for accountants and certified public accountants to reflect the changes made by the first three sections of the bill. Specific fee amounts are deleted from the chapter and, in section 10, the Department of Commerce and Economic Development is directed to set fees.

Section 11 removes specific licensing fee amounts from the chapter regulating barbers and hairdressers and directs the department to set the fees.

Section 12 removes specific registration and renewal fee amounts for general and specialty contractors from statute and directs the department to set them.

Sections 13 and 14 remove a specific fee amount from statute and direct the department to set fees for the licensing of chiropractors.

Section 15 - 21 remove specific fee amounts from statute and direct the department to set fees for the licensing of collection agencies.

Sections 22 and 23 direct the department to set fees for dental hygienists and dentists under AS 08.01.65, enacted by section 2 of this bill. The department had authority to set fees for dental hygienists and dentists under its general regulation powers.

Sections 24 and 25 delete specific fee amounts and direct the department to set licensing fees for electrical administrators.

Section 26 clarifies language in AS 08.42.100 and deletes the specific expiration date for permits for morticians. The department already has authority to set fees related to the practice of mortuary science under AS 08.42.010.

Sections 27 - 30 remove authority for setting fees from the board, removes specific fee amounts from statute, and directs the department to set fee amounts for the regulation of architects, engineers and land surveyors.

Section 31 deletes a specific fee amount and directs the department to set fees for explosives handlers.

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Section 32 - 34 removes authority for setting fees from the Guide Licensing and Control Board, removes specific fee amounts from statute, and directs the department to set licensing fees.

Section 35 removes specific fee amounts from statute and directs the department to set licensing fees for marine pilots.

Section 36 - 39 removes authority for setting licensing fees from the State Medical Board, removes specific fee amounts from statute, and directs the department to set fees.

Section 40 removes specific fee amounts for licensing registered nurses from statute and directs the department to set those fees.

Section 41 removes specific fee amounts for licensing nursing home administrators from statute and directs the department to set those fees.

Section 42 and 43 remove specific fee and penalty amounts from the chapter regulating dispensing opticians and direct the department to set them.

Section 44 removes specific fee amounts from the chapter regulating optometrists and directs the department to set them.

Section 45 removes specific fee amounts from the chapter regulating pharmacists and directs the department to set them.

Sections 46 - 48 remove specific fee and penalty amounts from the chapter regulating physical therapists and directs the department to set them.

Section 49 removes specific fee amounts from the chapter regulating psychologists and psychological associates and directs the department to set them.

Section 50 removes specific fee amounts from the chapter regulating real estate brokers and salesmen and directs the department to set them.

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Section 51 removes specific fee amounts from the chapter regulating concert promoters and directs the department to set them.

Sections 52 and 53 remove specific fee amounts from the chapter regulating veterinarians and direct the department to set them.

Section 54 repeals five statutes which direct boards to deposit fees into the general fund. Since boards no longer collect fees, these provisions are not necessary. (AS 08.13.200, AS 08.20.190, AS 08.32.050, AS 08.64.320, and AS 08.80.090.) It repeals two subsections that limit the amount of fees a board may set. (AS 08.48.201(b) and 08.48.241(i).) It repeals AS 08.54.170(c) which sets a specific fee amount. The department will set the fee under the bill. And it repeals AS 08.64.290 which sets out when a board will collect or refund an examination fee.

Section 55 makes the sections giving the department authority for setting fees and penalties take effect immediately.

Section 56 makes the sections addressing specific fee amounts take effect after the department has adopted regulations relating to those fees.

If I may be of further assistance, please advise.

TBC:csh
c3/024

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 18, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the Department of Commerce and Economic Development to establish occupational licensing fees by regulation, and that amends accordingly the various statutory provisions in AS 08 that now set those fees. This change will result in greater flexibility and ease of fee adjustment to accommodate inflation and other fluctuations in the costs of implementing the various licensing statutes. Currently, many Alaska licensing fees are low compared to those of other states, and revisions are necessary. This bill will enable the department to make the appropriate adjustments without unduly burdening the legislature with the task. This authority was granted to the department last year by ch. 100 SLA 1984 for fees involved in licensing dental hygienists and dentists.

The second and third sections of the bill authorize the department to set the fees and penalties by regulation to reflect costs, after consulting with the appropriate licensing board. Most of the remaining sections of the bill delete the current statutory fees and make other appropriate changes to statutes in the chapters concerning the various occupations affected.

I request your support for this bill which will greatly increase the efficiency and reduce the net cost of our occupational licensing programs.

Sincerely,


Bill Sheffield
Governor

M E M O R A N D U M

TO: All Members, House Labor and Commerce Committee

FROM: Committee Staff

DATE: January 31, 1985

SUBJ: Overview: HB 78

On Thursday, January 31, 1985, from 1:15 to 2:45, in Room 102 of the Capitol Building, the House Committee on Labor and Commerce will hold hearings on HB 78: "An Act relating to occupational licensing fees; and providing for an effective date," by Rules Committee by Request of the Governor.

There is no companion bill in the Senate on this, but there have been numerous previous attempts to pass similar versions of this bill. Governor Hammond submitted a request in 1979 with SB 94 and in 1982 with HB 662; Governor Sheffield submitted an almost identical version of this bill last year as SB 502, but this bill did not pass out of Senate Labor and Commerce Committee. However, in an interesting quirk, the legislature did pass out HB 611 last year, which gave the power to set fees by regulation to the Dept. of Commerce for Dentists and Dental Hygienists (Chapter 100 of SL 1984); and as your file indicates, the Dept. can also currently engage in some fee setting with the architects, engineers, and land surveyors.

One basic issue here is whether the legislature wishes to continue to have powers through the statutes to establish fees for the various occupational licensing boards, or whether through this bill that activity to set fees can be done through Departmental regulations.

The first two sections of the bill basically give authority to the Department to set fees for all of those boards, in order to make the Boards activities more cost effective and each pay their own way. Currently, the contractors are bringing in fees that are actually helping to pay for the activities of many other boards. There is a clause that requires them to check with the Boards in question while setting fees, so that the process is not unilateral. The rest of the bill, which appears to be long and intimidating with 55 sections, basically goes through the statutes and makes the necessary amendments or repeals regarding each individual occupational board in order to allow fees to be set by regulation.

The legislation affects almost all professional groups, whether they have established boards or not; including groups like contractors, concert promoters, and collection agencies. One interesting exception to this seems to be the lawyers, a professional group covered at present instead through the court system.

Some 18 Boards and Commissions are affected here; occasionally people refer to 19 Boards because they are counting the Athletic Commission which is being requested for transfer from the Governor's Office to the Dept. of Commerce by Executive Order # 60, to be heard next week in Committee. As your file indicates, the chairmen of the Boards involved have already agreed to fee increases, from their meetings of August 15, 1985 with Carol Derfner.

FY 84
BOARDS AND COMMISSIONS

BOARD/TRADE:	# LICENSEES	* AVERAGE ANNUAL REVENUES	EXPENDITURES	+/-
ATHLETIC COMMISSION:	57	1.1	11.3	-[10.2]
A.E.L.S.:	4097	144.2	167.9	-[23.7]
BARBERS & HAIRDRESSERS:	2595	106.2	96.5	9.7
CHIROPRACTORS:	168	2.9	37.2	-[34.3]
COLLECTION AGENCIES:	51	7.9	26.0	-[18.1]
CONTRACTORS:	7495	671.6	137.7	533.9
CONCERT PROMOTERS:	7	1.2	21.0	-[19.8]
DENTAL:	760	18.9	103.1	-[84.2]
DISPENSING OPTICIANS:	67	2.2	33.3	-[31.1]
ELECTRICAL ADMINISTRATORS:	487	71.0	71.7	-[.7]
GEOLOGISTS:	121	-0.0-	21.0	-[21.0]
GUIDES:	1348	46.2	126.4	-[80.2]
MEDICAL:	1393	48.6	92.3	-[43.7]
MARINE PILOTS:	76	1.7	43.8	-[42.1]
MORTUARY SCIENCE:	121	1.2	23.9	-[22.7]
NURSING:	6261	87.2	191.1	-[103.9]
NURSING HOME ADMIN.:	56	1.7	28.1	-[26.4]
OPTOMETRY:	92	2.1	35.8	-[33.7]
PHARMACY:	338	22.5	93.3	-[70.8]
PHYSICAL THERAPY:	149	5.0	34.5	-[29.5]
PSYCHOLOGY:	104	4.0	40.0	-[36.0]
PUBLIC ACCOUNTANCY:	638	41.8	79.5	-[37.7]
VETERINARY:	161	5.0	39.0	-[34.0]
		<u>1,294.2</u>	<u>1,554.4</u>	<u>260.2</u>

* Average Annual Revenues are based on an average of revenues collected within a renewal period. The licensing renewal periods vary among the various occupations some expiring annually, biennial, and others quadrennial.

COMMENTS:

- 1) The expenditures do not include costs of legal services.
- 2) The Division of Occupational Licensing provides support to:

- 17 Professional Boards
 - 1 Commission
 - 5 Trades
 - 1 Committee

24 Licensing Functions

(Within the 24 licensing functions, the division issues licenses in 100 different categories.)

- 3) Expenditures include:

- Board travel & per diem
- National Membership Dues
- Examinations
- Examination Proctors
- Printing and Advertising
- Telephones

Expenditures also include the allocated division personal services costs for the particular board.

FY 84
BOARD ALLOCATIONS vs. ACTUAL EXPENSES
(Travel and Per Diem only)

BOARD:	ALLOCATION	EXPENSE	+/-
ATHLETIC COMMISSION:	(not applicable)		
A.E.L.S.:	18.2	19.8	-[1.6]
BARBERS & HAIRDRESSERS:	10.1	12.6	-[2.5]
CHIROPRACTORS:	5.5	5.7	-[.2]
COLLECTION AGENCIES:	(not applicable)		
CONTRACTORS:	(not applicable)		
CONCERT PROMOTERS:	(not applicable)		
DENTAL:	12.2	10.4	1.8
DISPENSING OPTICIANS:	3.0	3.8	-[.8]
ELECTRICAL ADMINISTRATORS:	8.6	11.2	-[2.6]
GEOLOGISTS:	(not applicable)		
GUIDES:	10.2	8.2	2.0
MEDICAL:	11.1	14.1	-[3.0]
MARINE PILOTS:	6.8	5.9	.9
MORTUARY SCIENCE:	(not applicable)		
NURSING:	15.0	14.6	.4
NURSING HOME ADMIN.:	3.3	2.6	.7
OPTOMETRY:	3.4	4.0	-[.6]
PHARMACY:	10.6	11.6	-[1.0]
PHYSICAL THERAPY:	5.2	5.1	.1
PSYCHOLOGY:	7.8	7.2	.6
PUBLIC ACCOUNTANCY:	12.1	9.8	2.3
VETERINARY:	6.4	5.7	.7
	149.5	152.3	
TOTAL BUDGET ALLOCATION	152.4	152.3	= .1

PROPOSED FEE FORMULA

- 1) Actual Division cost allocated to a particular board for a fiscal year;
..... +
- 2) Cost of Board and License Examiners travel and per diem for a fiscal year;
..... +
- 3) Contractual costs for the Board for a fiscal year;
..... -
- 4) Subtract examination costs from the contractual costs;
..... ÷
- 5) Divide the above total by the number of licensees;
..... =
- 6) Base application fee (i.e. comity, credentialling, endorsement);
Exam application fee = Base fee + cost of examination.

$$\text{(Total Division Cost)} + \text{(Board/Examiner)} + \text{(Contractual)} - \text{(Examination Costs)} =$$

Tvl & Per diem

BASE LICENSE/APPLICATION FEE

EXAMPLES

Based on the proposed fee formula, the following two examples are suggested:

1) MEDICAL LICENSURE: (High)

$$\begin{array}{rccccccccc} 70.8 & + & 14.1 & + & 7.4 & = & 92.3 & - & .8 & = & 91.5 \\ \text{(Div. cost)} & & \text{(Tvl/PD)} & & \text{(Contractual)} & & & & \text{(Exam cost)} & & \text{(Total Bd cost)} \end{array}$$

$$91.5 \div 1393 \text{ (licensees)} = \$ 65.69 \text{ (Base annual license fee)}$$

\$65.69 x 4 = \$262.76 for current 4 year license. A reduction from the current cost of \$600 for four years.

This example is the basic formula that will be used with the additional computations for each category under a particular licensing authority.

2) NURSING LICENSURE: (Low)

$$\begin{array}{rccccccccc} 166.4 & + & 14.6 & + & 10.1 & = & 191.1 \\ \text{(Div. cost)} & & \text{(Tvl/Pd)} & & \text{(Contractual)} & & \text{(Total Bd cost)} \end{array}$$

$$\begin{array}{rccccccccc} 191.1 & - & 3.0 & = & 188.1 & \div & 6261 \text{ (licensees)} & = & \$ 30.04 \\ \text{(Total Bd cost)} & & \text{(Exam cost)} & & & & & & \text{(Base annual fee)} \end{array}$$

Base annual license fee = \$30.04

Examination application/license fee = \$30.04 + 25.00 = \$ 55.04

30.04 x 2 = \$60.08 (Biennial license fee); an increase from the current license fee of \$50 for RN's and \$30 for LPN's.

MANAGEMENT AUDIT OF THE DIVISION OF OCCUPATIONAL LICENSING

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OTHER ISSUES

We also reviewed areas of board interest and their possible impacts on the Division. These were:

- Revenues generated by licensing, and
- Budget constraints.

COST OF SERVICES VERSUS REVENUES

Using available information and estimates from the Division, we prepared the following tables. These tables show the approximate cost to the State for each of the licensing fields and the revenue generated for FY 83 (Table V), and average yearly revenue for a four-year period compared to FY 83 costs (Table VI).

DRAFT

TABLE V
LICENSING COSTS AND REVENUES
FOR FY 83

<u>Licensing Fields</u>	<u>Estimated Total Direct & Allocated State Costs</u>	<u>FY 83 Revenue</u>
Athletic Commission	\$ 2,303	\$ 640
Archit, Eng. & Land Sur.	313,924	85,195
Barbers & Hairdressers	201,192	122,375
Chiropractors	30,013	5,510
Collection Agencies	8,489	4,920
Concert Promoters	669	6,295
Contractors	135,642	361,641
Dental Board	106,554	24,726
Dispensing Opticians	12,548	2,030
Electrical Admin.	48,577	95,886
Geologists	2,084	-0-
Guides	135,030	45,607
Marine Pilots	24,772	20,420
Medical Board	112,231	103,264
Mortuary Science	7,555	5,645
Nursing	277,625	121,042
Nursing Home Admin.	5,333	3,020
Optometry	10,967	1,410
Pharmacy	48,520	8,362
Physical Therapy	16,535	13,195
Psychology	24,126	4,710
Public Accountancy	83,541	25,442
Veterinary	14,816	5,520
Totals	<u>7/ \$ 1,623,046</u>	<u>\$ 1,066,855</u>

7/ Costs included the following: Salaries for administrative licensing, investigative, and Department of Law staff; travel, contractual, and commodities. Does not include overtime.

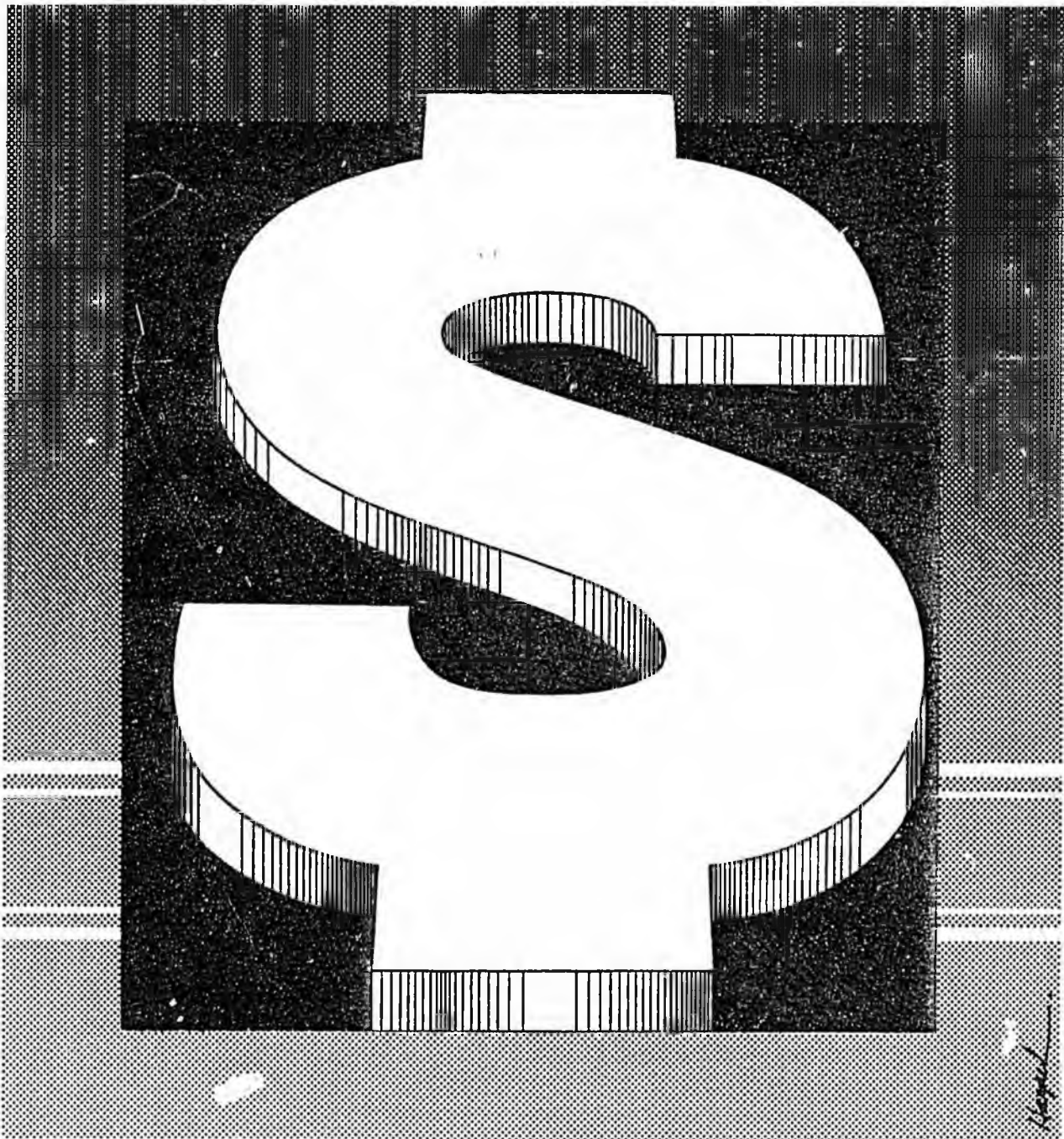
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TABLE VI
LICENSING COSTS AND AVERAGE
YEARLY REVENUE

<u>Licensing Fields</u>	<u>FY 83 Total Direct and Allocated State Costs</u>	<u>FY 81 - 84 Average Yearly Revenue</u>
Athletic Commission	\$ 2,303	645
Archit, Eng. & Land Sur.	313,924	144,464
Barbers & Hairdressers	201,192	80,512
Chiropractors	30,013	3,681
Collection Agencies	8,489	7,353
Concert Promoters	669	1,574
Contractors	135,642	413,030
Dental Board	106,554	20,129
Dispensing Opticians	12,548	2,935
Electrical Admin.	48,577	42,843
Geologists	2,084	-0-
Guides	135,030	45,313
Marine Pilots	24,772	6,805
Medical Board	112,231	48,923
Mortuary Science	7,555	2,593
Nursing	277,625	74,315
Nursing Home Admin.	5,333	1,790
Optometry	10,967	1,522
Pharmacy	48,520	20,467
Physical Therapy	16,535	7,829
Psychology	24,126	4,815
Public Accountancy	83,541	45,570
Veterinary	14,816	3,903
Totals	<u>7/ \$ 1,623,046</u>	<u>\$ 981,011</u>

7/ Costs included the following: Salaries for administrative licensing, investigative, and Department of Law staff; travel, contractual, and commodities. Does not include overtime.

FINANCING PATTERNS OF HEALTH LICENSURE BOARDS



The National
Clearinghouse on Licensure,
Enforcement and Regulation
A Cooperating Organization of The Council of State Governments

The Council
of State
Governments



Financing Patterns of Health Licensure Boards is being distributed by the National Clearinghouse on Licensure, Enforcement and Regulation (CLEAR). CLEAR was organized in the fall of 1980 to respond to the information needs of state licensing officials. CLEAR's Steering Committee represents central licensure agency officials, licensure board members, legislators and staff, sunset agencies, attorneys' general staff, consumer agencies, and data systems staff. The Council of State Governments provides staff support for CLEAR.

This report was prepared by Frances Berry, Program Manager, Licensure and Regulation, and Diana Jones, Research Assistant, with typing assistance from Kim Duhart. The report's preparation was made possible, in part, because of financial support from the Bureau of Health Professions, Health Services and Resources Administration, U. S. Department of Health and Human Services, under contract no. HRA 232-79-0112. Under this contract, from 1979-1982, the Council of State Governments administered the Licensure Information System, a computerized data base containing the full texts of state law and professional licensure board regulations for some 44 health-related professions and occupations in the fifty states, D.C., Puerto Rico, Guam, and the Virgin Islands.

For more information on the National Clearinghouse on Licensure, Enforcement and Regulation, contact Fran Berry, Council of State Governments, Iron Works Pike, P. O. Box 11910, Lexington, KY 40578, (606) 252-2291.

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STATE OF ARIZONA

FINANCING PATTERNS OF HEALTH LICENSURE BOARDS

Introduction

Occupational licensing boards perform a wide variety of functions. They may be responsible for preparing and conducting licensure examinations, issuing licenses to qualified applicants, enforcing licensing laws, accrediting schools on the basis of a professional program, and initiating and carrying out disciplinary actions. In this report, The Council of State Governments examines the methods by which these and other board activities are financed.

Traditionally, the most common means of financing such boards was directly through the fees collected by the boards, with these fees being deposited in a special board account or fund. A 1952 Council of State Governments' publication, Occupational Licensing Legislation in the States, reported that two-thirds of all occupational licensing boards were financed entirely by fees. The other major financing method involved depositing the fees collected by the boards into the general fund and then financing board operations with general revenue funds appropriated by the legislature. Passage of an appropriations act may also have been required where fees were deposited in a special fund, but in such cases the legislature would often automatically appropriate sums equal to the amounts deposited in the fund.

A review of financing patterns in 1980 revealed that 55 percent of the states and territories generally finance their health licensure boards through the use of fees collected by those boards. There has been heated debate for many years over the appropriate method for financing board operations. The financing of boards from their own special accounts or funds has long been advocated by those who believe that fees collected from the licensed members of an occupation should only be used in the regulation of that occupation. Others, however, feel that this method discriminates against boards with small numbers of licensees, and also prohibits the legislature and various government agencies from exercising effective control, particularly financial control, over the boards. Proponents of general revenue funding may also argue that the licensing board's primary responsibility is protecting the public against incompetent practitioners, and that the general public (through tax revenues) should pay for this public function, not the professions under regulation.

Report Purposes and Methodology

Looking at the financing patterns of health licensure boards in the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, an overall pattern is given for each state, with any known exceptions to this pattern or further explanation given in the footnotes. The financing pattern for each state encompasses three areas: (1) whether or not fees are deposited in a special account or fund; (2) whether or not the boards have their budgets reviewed and appropriations made by the legislature; and (3) whether or not the operating funds for the boards come from general revenue.

The appropriations question is the most difficult to pinpoint, because in many cases boards automatically receive an appropriation which is equal

to a set percentage of the fees they have collected. By expanding this area to include the question of budget review, the intention is to distinguish between those states in which the fees collected by a board are automatically appropriated to that board and those states in which appropriations (whether from special funds or general revenue) are made as a result of the budgetary review process.

The information in this report was compiled by utilizing the Licensure Information System (LIS), an information service which was operated by the Council of State Governments through December 1982 under contract with the Bureau of Health Professions, Health Services and Resources Administration, U.S. Dept. of Health and Human Services. The LIS data base of state statutes and board regulations used in this compilation was current through 1980. Also, several states were contacted directly concerning areas where information was unavailable or ambiguous.

Analysis of the Findings

A review of the information presented in column 1 of the following table indicates that 55 percent (29 of 53) of the states and territories listed generally deposit the fees collected by their boards into a special account or fund. In the vast majority of these 29 states the fees are deposited into a special board fund within the state treasury, but in a few states the fees are deposited directly into a bank or savings and loan chosen by the board.

A review of the information presented in column 2 of the table indicates that in 62 percent (33 of 53) of the states and territories listed, a board (or the central licensure agency which has authority in this area) must undergo a budgetary review process which will determine the amount of the legislative appropriation.

Consideration of the overall financing patterns indicates that in 38 percent (20 of 53) of the states and territories, the use of special accounts or funds is coupled with an automatic appropriations process which does not depend on budget review. In 17 percent (9 of 53) of the states and territories listed, the use of special accounts or funds is coupled with the need for a budgetary review process which will determine the amount of the appropriation. In this departure from the traditional pattern, special funds are retained, but not at the expense of legislative oversight and financial control. In the remaining 45 percent (24 of 53) of the states and territories listed, fees are deposited into the general fund and board operations are financed with general revenue funds appropriated by the legislature.

A comparison of the information in columns 1 and 3 of the table indicates that, in every state which utilizes special accounts or funds, operating funds for the boards come from those special accounts rather than from the general revenue.

Type of Financing Pattern and Level of Centralization

Occupational and professional licensure functions are carried out through widely differing types of structural and organizational arrangements

in the states. Sometimes the terms "autonomous boards" and "umbrella or centralized agency" are used to describe two different types of structures. A 1980 CSG publication, Occupational Licensing: Centralizing State Licensure Functions, used a series of five models to describe the varying levels of centralization of licensure functions among the states. The relationship between financing pattern and administrative structure is of interest for several reasons. Traditionally autonomous licensing boards have used special accounts and have had minimal legislative oversight on how those funds would be spent. As states have created agencies with staff who carryout specialized functions for multiple licensing boards, some states are financing these agencies from general revenue. Thus the question is: Are all autonomous boards financed by special accounts, and are all centralized agencies financed by general revenue?

In order to determine the relationship between the type of financing pattern and the type of organizational structure, we examined how many of the states in each of the five models used special accounts or general revenue funding. Our findings are as follows:

(1) Model A describes a state in which boards are fully autonomous and no central licensure agency exists. Eighteen states fit a Model A description. In 83 percent (15 of 18) of these states, the boards deposit fees into special accounts or funds and undergo an automatic appropriations process which does not depend on budget review. Three Model A states, however, finance the boards from general revenue funds.

(2) Model B describes a state in which autonomous boards are located within a central agency which provides mainly housekeeping services. Seven states fit a Model B description. In 57 percent (4 of 7) of these states, the boards deposit fees into special accounts or funds and undergo an automatic appropriations process which does not depend on budget review. A slim minority of Model B states (3 of 7) use general revenue funding to finance the health boards and agencies.

(3) In a Model C state, the central agency exerts influence on the board through control of budgets, personnel and records, but the board retains decisionmaking authority in many areas. Twenty-one states fit a Model C description. In 43 percent (9 of 21) of these states, the boards deposit fees into special accounts or funds. However, 8 of the 9 states couple the use of special funds with an appropriations process that includes budget review. The majority of Model C states (12 of 21) fund health licensure regulation through general revenue funds.

(4) Model D describes a state in which boards do not have final decision-making authority on all substantive matters. Five states fit a Model D description. Certain decisions by the boards are subject to review by the central agency. In 20 percent (1 of 5) of these states, the boards deposit fees into special funds, but in this state the boards must also undergo a budget review. Four of the five Model D states use general revenue funds to finance health licensure operations.

(5) Finally, in a Model E state, boards serve in an advisory capacity only and have no final decision-making power. Two states fit this model, and boards in both states have their fees deposited into the general fund.

The results of our analysis show there is no simple dichotomous pattern. That is, all autonomous boards are not funded by special accounts and all central agencies are not general revenue funded. However, there is a consistent correlation between the type of board structure and the financing pattern. Autonomous boards (Model A of the 5 Models) are the most likely to be funded through special accounts which are not actively reviewed and controlled through a legislative budget review. A slim majority of states with centralized agencies responsible for administrative functions (Model C) are funded through general revenue. But as important, in the Model C states with special accounts, the boards nearly always must participate in a legislative budget review process. In the most centralized Model E states, both states' licensure functions are general revenue funded.

Conclusions

The following financing patterns of health licensure boards have been determined:

- 55 percent of the states and territories use special accounts for licensure fees.
- 45 percent of the states and territories use general revenue funds to finance board operations.
- 62 percent of the states and territories utilize a legislative budgetary review process to determine the amount of appropriations to their boards.

Based on these overall percentages, a slim majority of the states (i.e. 55 percent) fund their licensure functions through special accounts for licensure fees. However, a more complex picture emerges as the state licensure administrative structure is correlated with the type of state financing pattern. And, a consistent positive correlation is found. As licensure functions become more centralized, the likelihood that these functions will be general-revenue funded increases, while the likelihood that fees will be deposited into a special account decreases. In those cases in which a special fund is retained in the states with centralized agencies (i.e. Model C), financial control over the boards is maintained through the budget review and appropriations process.

FINANCING PATTERNS OF HEALTH LICENSURE BOARDS

STATE	Fees, etc. deposited in a special account or fund	Budgets reviewed and appropriations made by the Legislature	Operating funds come from general revenue
ALABAMA	Y	N 1.	N
ALASKA	N	Y	Y
ARIZONA	Y 2.	N	N
ARKANSAS	Y	N	N
CALIFORNIA	Y 3.	Y	N
COLORADO	Y 4.	Y	N
CONNECTICUT	N	Y 5.	Y
DELAWARE	N	Y	Y
FLORIDA	Y 6.	Y	N
GEORGIA	N 7.	Y	Y
HAWAII	N	Y	Y
IDAHO	Y 8.	Y	N
ILLINOIS	N 9.	Y	Y
INDIANA 10.	N	Y	Y
IOWA	N	Y	Y
KANSAS	Y 11.	N	N
KENTUCKY	Y	N	N
LOUISIANA	Y	N	N
MAINE	Y	N	N
MARYLAND	N	Y	Y
MASSACHUSETTS	N	Y 12.	Y
MICHIGAN	N	Y	Y
MINNESOTA	N	Y	Y
MISSISSIPPI	Y	N	N
MISSOURI	Y 13.	Y	N
MONTANA	Y	N	N
NEBRASKA	Y 14.	N	N
NEVADA	Y	N	N
NEW HAMPSHIRE	N	Y	Y
NEW JERSEY	N	Y	Y
NEW MEXICO	Y	N	N
NEW YORK	N	Y	Y
NORTH CAROLINA	Y	N	N
NORTH DAKOTA	Y 15.	N	N
OHIO	N	Y	Y
OKLAHOMA	Y	N 16.	N
OREGON	Y 17.	Y	N
PENNSYLVANIA	Y 18.	Y	N
RHODE ISLAND	N 19.	Y	Y
SOUTH CAROLINA	Y	N	N
SOUTH DAKOTA	Y	N	N
TENNESSEE	N	Y	Y
TEXAS	Y	N 20.	N
UTAH	N	Y	Y
VERMONT	N 21.	Y	Y
VIRGINIA	Y	Y	N
WASHINGTON	N 22.	Y	Y
WEST VIRGINIA	Y	N	N
WISCONSIN	Y 23.	Y	N
WYOMING	Y 24.	N	N
D. OF COLUMBIA	N	Y 25.	Y
PUERTO RICO	N	Y	Y
VIRGIN ISLANDS	N	Y	Y

FOOTNOTES

1. ALABAMA- The statutes for several boards, e.g. the Board of Social Work Examiners, the Board of Veterinary Medical Examiners and the Board of Audiology and Speech Pathology stipulate that no funds may be expended except as budgeted and allotted, and only in amounts as stipulated in the general appropriations bill.
2. ARIZONA- Ninety percent of the fees collected by each board are deposited in that board's special fund, while the remaining ten percent are deposited in the general fund. Exceptions to the overall pattern include the Board of Optometry and the Board of Hearing Aid Fitters which deposit the fees they collect into the general fund and are financed by appropriations from general revenue.
3. CALIFORNIA- Expenditure of funds from the special accounts is subject to approval via a budgetary review process. Exceptions to the general pattern include the Committee of Sanitarian Registration, the Radiologic Technologist Committee and the Medical Laboratory Committee. These committees, which are contained within the Department of Health, have their fees deposited into the general fund.
4. COLORADO- All fees collected by the boards are credited to the Division of Registrations Cash Fund, Department of Regulatory Agencies.
5. CONNECTICUT- The Department of Health Services controls the allocation, disbursement and budgeting of funds appropriated to the Department for the operation of the boards and commissions.
6. FLORIDA- All monies collected from fees are paid into the Professional Regulation Trust Fund. The legislature appropriates funds from this trust fund sufficient to carry out the provisions of law with respect to professions. The Department of Professional Regulation maintains separate revenue accounts in the trust fund for every profession within the Department.
7. GEORGIA- However, accounts are kept to reflect the amount collected for each board. State law requires that fee collections for each board must match expenses for that board, although there is no direct flow of funds from fee collections to expenses.
8. IDAHO- The majority of the health boards deposit their fees into the Occupational License Account, and then the legislature appropriates money from this account for the operation of the various boards. Boards such as the Board of Medicine, the Board of Dentistry and the Board of Nursing have their own special funds, but must still go through a budget review and legislative appropriations process.
9. ILLINOIS- Exceptions to this pattern include the Medical Disciplinary Board which maintains a special earmarked fund.
10. INDIANA- This pattern reflects 1982 data.
11. KANSAS- Eighty percent of the fees collected by a particular board are deposited in that board's fund, while the remaining twenty percent are deposited in the general fund.

FOOTNOTES (continued):

12. MASSACHUSETTS- The boards do not receive separate appropriations from the Legislature. The Secretariat of the Division of Registration, Office of Consumer Affairs, is responsible for budgeting and allocation of the funds appropriated to the Division for the operation of the boards.
13. MISSOURI- One exception to this pattern is the Board of Hearing Aid Dealers and Fitters which deposits its fees in the general fund. A bill is currently being debated in the Missouri Legislature which would abolish the special funds.
14. NEBRASKA- Fifteen percent of all fees remitted to the state treasury by a board may be credited to the general fund, if appropriated by the legislature. The remaining eighty-five percent are credited to the specific fund account of the board.
15. NORTH DAKOTA- Each board deposits all fees and other monies received in any bank selected by the majority vote of its governing body.
16. OKLAHOMA- In the case of the Board of Optometric Examiners, ninety percent of all monies accruing to the fund are automatically appropriated to the board.
17. OREGON- All fees collected by an occupational licensing board are deposited in a separate account for that board within the general fund. Although the boards maintain control of their funds, they go through the normal budget review and appropriations process and must remain within the established expenditure limitations on their fees.
18. PENNSYLVANIA- All monies collected are paid into the Professional Licensure Augmentation Account, which is a special restricted receipts account within the general fund. The general assembly annually appropriates monies available from the Professional Augmentation Account for the operation of the various boards.
19. RHODE ISLAND- Exceptions to this pattern include the Board of Medical Review and the Board of Hearing Aid Dealers and Fitters which retain special accounts for the fees they collect and are financed by those fees.
20. TEXAS- However, statutes concerning boards such as the Board of Optometry, the Board of Professional Nurse Registration, the Board of Practical Nurse Registration and the Board of Medical Examiners further state that money is to be expended by boards as specified by itemized appropriation in the general appropriations act.
21. VERMONT- One exception to this pattern is the Board of Medical Practice which deposits the fees it collects (excluding examination fees) into a special fund and is financed by those fees. Examination fees collected by all the boards are deposited into a special examination fund.
22. WASHINGTON- There are several exceptions to this general pattern. Fees for architects, engineers, optometrists and psychologists are deposited in special accounts, and operating funds for these boards come from those accounts.

FOOTNOTES (continued):

23. WISCONSIN- Fees collected by the boards are deposited into the general fund, but are credited to the board. Appropriations made to a board will come from the funds it deposited, with each board being eligible for up to ninety percent of the money deposited.
24. WYOMING- A few boards, such as the Board of Chiropractic Examiners and the Board of Examiners in Podiatry, have ten percent of their collected fees deposited in the general fund and the remaining ninety percent deposited in a special board account.
25. DISTRICT OF COLUMBIA- The occupational and professional licensure boards and commissions administered by the Department of Licenses, Investigations and Inspections do not have separate budget reviews or separate appropriations from the legislative body of the District of Columbia. The administrative costs associated with these boards and commissions are a part of the Department's total budget funding request.

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PUBLICATIONS FROM THE NATIONAL CLEARINGHOUSE ON LICENSURE, ENFORCEMENT AND
REGULATION, AND THE COUNCIL OF STATE GOVERNMENTS

Financing Patterns of Health Licensure Boards. 1983; C-13; \$3.50

Health Licensure Fees. 1983; C-4; \$3.50

Occupational Licensure and Regulation: A Bibliography. 1983; C-12; \$5.00

Sunset: A Schedule of State Sunset Reviews. 1983; RM-715; \$15 (free to state
officials)

Occupational Licensing and Enforcement: Guidelines for the Investigator. 1982; C-1;
\$10.00

Licensing Professional Peace Officers: Minnesota's Peace Officer Standards and
Training Board. 1982; RM713; \$5.00

Health Licensure Boards: Public Membership. 1981; RM698; \$3.00

Occupational Licensing: Centralizing State Licensure Functions. 1980; RM683; \$3.50

Sunset: Expectation and Experience. 1981; RM699; \$15.00

Occupational Licensing: Questions a Legislator Should Ask. 1978; RM635; \$3.50

State Regulatory Policies: Dentistry and the Health Professions. 1979; RM660; \$4.50

Offered: 2/25/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 78 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to occupational licensing fees; and
providing for an effective date."

7

8

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

9

Section 1. AS 08.01.010 is amended to read:

10

Sec. 08.01.010. APPLICABILITY OF CHAPTER. This chapter applies

11

to the

12

(1) Board of Public Accountancy (AS 08.04.010);

13

(2) [REPEALED

14

(3) REPEALED

15

(4)] Board of Chiropractic Examiners (AS 08.20.010);

16

[(5) REPEALED]

17

(3) [(6)] Board of Dental Examiners (AS 08.36.010);

18

(4) [(7)] Board of Electrical Examiners (AS 08.40.010);

19

(5) [(8)] State Board of Registration for Architects,

20

Engineers and Land Surveyors (AS 08.48.011);

21

(6) [(9)] State Medical Board (AS 08.64.010);

22

(7) [(10)] Board of Nursing (AS 08.68.010);

23

(8) [(11)] Board of Examiners in Optometry (AS 08.72.010);

24

(9) [(12)] Board of Pharmacy (AS 08.80.010);

25

[(13) REPEALED]

26

(10) [(14)] Board of Veterinary Examiners (AS 08.98.010);

27

(11) [(15)] Board of Psychologist and Psychological Asso-

28

ciate Examiners (AS 08.86.010);

29

[(16) REPEALED

- 1 (17) REPEALED]
- 2 (12) [(18)] Board of Marine Pilots (AS 08.62.010);
- 3 (13) [(19)] Board of Dispensing Opticians (AS 08.71.010);
- 4 (14) [(20)] Guide Licensing and Control Board (AS 08.54-
- 5 .010);
- 6 (15) [(21)] State Physical Therapy Board (AS 08.84.010);
- 7 (16) [(22)] Board of Nursing Home Administrators (AS 08.-
- 8 70.010);
- 9 (17) [(23)] regulation of professional geologists under
- 10 AS 08.02.011;
- 11 (18) [(24)] Board of Barbers and Hairdressers (AS 08.13-
- 12 .010);
- 13 (19) regulation of construction contractors under AS 08.18;
- 14 (20) regulation of collection agencies under AS 08.24;
- 15 (21) regulation of morticians under AS 08.42;
- 16 (22) regulation of concert promoters under AS 08.92.

17 * Sec. 2. AS 08.01 is amended by adding a new section to read:

18 Sec. 08.01.065. FEES ESTABLISHED BY REGULATION. (a) The de-

19 partment shall adopt regulations that establish the amount and manner

20 of payment of application fees, examination fees, license fees, regis-

21 tration fees, permit fees, investigation fees, and all other fees as

22 appropriate for the occupations covered by this chapter and for real

23 estate brokers and salesmen under AS 08.88.

24 (b) The department may not adopt a regulation under (a) of this

25 section unless the board responsible for regulating the affected

26 occupation concurs.

27 (c) A fee established under this section must reflect, to the

28 extent possible, the actual costs to the department of the activity

29 for which the fee is charged.

1 * Sec. 3. AS 08.01.100(b) is amended to read:

2 (b) A registration, license, permit, or certificate [CERTIFI-
3 CATES] requiring renewal to continue to be effective must be renewed
4 on or before the date set by the department or it will lapse. With
5 the concurrence of the appropriate board the department may establish
6 by regulation a [A] penalty [OF \$10 SHALL BE CHARGED IN ADDITION TO
7 ALL DELINQUENT RENEWAL FEES] for reinstatement of a registration,
8 license, permit, or certificate that [WHICH] remains lapsed for more
9 than 60 days. The penalty is in addition to delinquent renewal fees.

10 * Sec. 4. AS 08.04.190 is amended to read:

11 Sec. 08.04.190. EXAMINATION FEE. An [THE BOARD SHALL CHARGE
12 EACH APPLICANT A FEE OF \$50 FOR THE INITIAL EXAMINATION AND FOR EACH
13 REEXAMINATION. THE] applicant shall pay the appropriate fee at the
14 time of application for examination or reexamination.

15 * Sec. 5. AS 08.04.390 is amended to read:

16 Sec. 08.04.390. PERMIT FOR INDIVIDUAL PRACTICE AS A PUBLIC
17 ACCOUNTANT. The board shall issue a permit to engage in the practice
18 of public accounting to a holder of a certificate or license if all
19 offices of the certificate holder or licensee are maintained and
20 registered as required by AS 08.04.350 - 08.04.380. The permit is
21 valid for two years [THE BIENNIAL PERMIT FEE IS \$60].

22 * Sec. 6. AS 08.04.400 is amended to read:

23 Sec. 08.04.400. PERMIT FOR PARTNERSHIP OR CORPORATE PRACTICE AS
24 A PUBLIC ACCOUNTANT. The board shall issue a permit to engage in the
25 practice of public accounting as a partnership or as a corporation to
26 a partnership or corporation registered under AS 08.04.240. The
27 permit is valid for two years [THE BIENNIAL PERMIT FEE IS \$60]. A
28 permit is valid only for practice under the registered name of the
29 partnership or corporation. A partnership registered under

1 AS 08.04.330 - 08.04.340 on June 29, 1980, qualifies for a permit
2 under this section as long as each partner personally engaged in the
3 practice of public accounting in this state holds a license or permit
4 under AS 08.04.661.

5 * Sec. 7. AS 08.04.410 is amended to read:

6 Sec. 08.04.410. PERMIT FOR PERSON NOT ENGAGED IN PRACTICE. A
7 person holding a certificate or license who is not engaged in the
8 practice of public accounting may maintain the certificate or license
9 in good standing by registering with the board and paying an annual
10 registration fee [OF \$10].

11 * Sec. 8. AS 08.04.420 is amended to read:

12 Sec. 08.04.420. PERMIT FOR GENERAL PRACTICE AS A CERTIFIED
13 PUBLIC ACCOUNTANT. A certified public accountant, or a partnership or
14 corporation of certified public accountants in good standing in a
15 state, not holding a permit under AS 08.04.390 or 08.04.400 nor main-
16 taining an office in this state but engaging in the practice of public
17 accounting in this state, shall apply to the board for a permit to
18 practice. The board shall determine whether the applicant is eligible
19 for the permit. [THE ANNUAL FEE FOR THE ISSUANCE OF A PERMIT IS
20 \$100.]

21 * Sec. 9. AS 08.04.430 is amended to read:

22 Sec. 08.04.430. EXPIRATION AND RENEWAL. A permit or registra-
23 tion under this chapter, unless revoked or suspended, must [SHALL] be
24 renewed biennially upon payment of a renewal fee [IN THE SAME AMOUNT
25 AS THE INITIAL BIENNIAL FEE].

26 * Sec. 10. AS 08.04 is amended by adding a new section to article 4 to
27 read:

28 Sec. 08.04.495. FEES. The Department of Commerce and Economic
29 Development shall set fees under AS 08.01.065 for examinations,

1 reexaminations, permits, licenses, certificates and registrations.

2 * Sec. 11. AS 08.13.185 is repealed and reenacted to read:

3 Sec. 08.13.185. FEES. The Department of Commerce and Economic
4 Development shall set fees under AS 08.01.065 for initial licenses and
5 renewals for the following:

- 6 (1) schools;
- 7 (2) school owners;
- 8 (3) instructor;
- 9 (4) shop owner;
- 10 (5) practitioner of barbering;
- 11 (6) practitioner of hairdressing;
- 12 (7) practitioner of cosmetology;
- 13 (8) temporary permit;
- 14 (9) student permit.

15 (b) The Department shall set fees under AS 08.01.065 for exami-
16 nation and investigation.

17 * Sec. 12. AS 08.18.041 is repealed and reenacted to read:

18 Sec. 08.18.041. FEES. The Department of Commerce and Economic
19 Development shall set registration and renewal fees under AS 08.01.065
20 for the following:

- 21 (1) general contractor;
- 22 (2) specialty contractor.

23 * Sec. 13. AS 08.20.130(d) is amended to read:

24 (d) An applicant may take a reexamination within one year after
25 failing the examination [UPON PAYMENT OF A FEE OF \$10].

26 * Sec. 14. AS 08.20.180 is repealed and reenacted to read:

27 Sec. 08.20.180. FEES. (a) An applicant for an examination,
28 reexamination, issuance of a temporary permit, or initial issuance or
29 renewal of a license shall pay a fee established under AS 08.01.065.

1 (b) License renewal fees are due every four years.

2 * Sec. 15. AS 08.24.100(b) is amended to read:

3 (b) The [ANNUAL] operator's license is [SHALL BE] renewable on
4 or before July 1 of each second year [BEGINNING ON JULY 1, 1968, AND
5 THE BIENNIAL FEE IS \$100].

6 * Sec. 16. AS 08.24.110(a) is amended to read:

7 (a) To qualify for an operator's license, the applicant shall:

8 (1) [REPEALED,

9 (2)] be a high school graduate, or have the equivalent
10 education of a high school graduate;

11 (2) [(3)] be of good moral character;

12 (3) [(4)] not have been convicted of violating this chap-
13 ter, nor have any unsettled complaints under this chapter against the
14 applicant;

15 (4) [(5)] not have been convicted of a felony or a crime of
16 larceny or embezzlement or a crime involving moral turpitude;

17 (5) [(6)] be 19 years of age or older at the time of appli-
18 cation;

19 (6) [(7)] not be a disbarred attorney or have filed bank-
20 ruptcy;

21 (7) [(8)] pay the biennial license fee [WHICH IS FIXED AT
22 \$100].

23 * Sec. 17. AS 08.24.120(a) is amended to read:

24 (a) An application for an operator's license must [SHALL] be
25 made on forms furnished by the department and must [SHALL] contain the
26 information required in AS 08.24.110 and[, IN ADDITION,] the follow-
27 ing:

28 (1) a complete set of fingerprints;

29 (2) a 2" x 3" photograph showing a front view of head and

1 shoulders;

2 (3) if it is an original application, the [AN] application
3 fee [OF \$40];

4 (4) the biennial license fee [REQUIRED BY AS 08.24.100].

5 * Sec. 18. AS 08.24 is amended by adding a new section to read:

6 Sec. 08.24.135. FEES. The department shall set fees for
7 licenses and applications under AS 08.01.065 and shall set fines under
8 AS 08.01.100.

9 * Sec. 19. AS 08.24.140(a) is amended to read:

10 (a) The application must [SHALL] be accompanied by:

11 (1) if it is an original application, the [AN] application
12 fee [OF \$100];

13 (2) the biennial license fee for a collection agency [WHICH
14 IS FIXED AT \$200] for the principal place of business and the same
15 amount [\$200] for each branch office;

16 (3) a bond running to the state with a surety or sureties
17 to the satisfaction of the department, and conditioned that the li-
18 censee shall, within 30 days after the close of each calendar or
19 fiscal month, report and pay to the licensee's customers the net
20 proceeds due and payable of all collections made during the calendar
21 or fiscal month that exceed [WHICH EXCEEDS] \$20.

22 * Sec. 20. AS 08.24.200(b) is amended to read:

23 (b) If a licensee under this chapter is delinquent for a period
24 of 15 days in applying for the renewal of a license, the department
25 shall suspend the license and notify the licensee by certified mail or
26 by personal service. The notice must [SHALL] state that the license
27 will be revoked if application for renewal is not made within 15 days
28 after [FROM] the date on which the notice was mailed or personally
29 served. When a licensee has been delinquent more than 60 days in

1 renewing a license or certificate, the department shall charge an
2 additional penalty established under AS 08.01.100(b) before [FEE OF
3 \$50 FOR THE] renewal of the license.

4 * Sec. 21. AS 08.24.370 is amended to read:

5 Sec. 08.24.370. NONRESIDENTS. A nonresident may apply for and
6 receive a collection agency license or an operator license or both on
7 the same basis as a resident. The application fee and the biennial
8 license fee for nonresident operator and nonresident agency licenses
9 are double the same fees for a resident operator and agency estab-
10 lished by regulations under AS 08.01.065 [THE APPLICATION FEE FOR A
11 NONRESIDENT OPERATOR LICENSE IS \$100, AND THE BIENNIAL LICENSE FEE IS
12 \$200. THE APPLICATION FEE FOR A NONRESIDENT AGENCY LICENSE IS \$200,
13 AND THE BIENNIAL LICENSE FEE IS \$400 FOR THE PRINCIPAL PLACE OF BUSI-
14 NESS AND \$400 FOR EACH BRANCH OFFICE].

15 * Sec. 22. AS 08.32.097 is amended to read:

16 Sec. 08.32.097. FEES. The Department of Commerce and Economic
17 Development [DEPARTMENT] shall, by regulations adopted under AS 08.01-
18 .065 [AS 08.01.080], establish fees for dental hygienists for the
19 following:

- 20 (1) filing an examination and licensing application;
- 21 (2) examination fee;
- 22 (3) credential fee;
- 23 (4) initial license;
- 24 (5) registration fee;
- 25 (6) filing a reexamination application;
- 26 (7) duplicate license;
- 27 (8) delinquent registration.

28 * Sec. 23. AS 08.36.290 is amended to read:

29 Sec. 08.36.290. FEES. The department shall, by regulations

1 adopted under AS 08.01.065 [AS 08.01.080], establish fees for dentists
2 for the following:

- 3 (1) filing an examination and licensing application;
- 4 (2) examination fee;
- 5 (3) credential review;
- 6 (4) initial license;
- 7 (5) registration fee;
- 8 (6) filing a reexamination application;
- 9 (7) specialty license;
- 10 (8) branch office registration;
- 11 (9) duplicate license;
- 12 (10) delinquent registration.

13 * Sec. 24. AS 08.40.135(b) is amended to read:

14 (b) A lapsed license may be reinstated upon proof of continued
15 competency by payment of all unpaid renewal fees and any [A] penalty
16 fee established under AS 08.01.100(b), [OF \$25 FOR EACH YEAR THE
17 LICENSE HAS BEEN LAPSED] unless the license has been lapsed for more
18 than two years. If a person's license has been lapsed for more than
19 two years, the person is required to take an examination under AS 08.-
20 40.120.

21 * Sec. 25. AS 08.40.150 is repealed and reenacted to read:

22 Sec. 08.40.150. FEES. Each applicant and each licensee shall
23 pay application and renewal fees established by regulations adopted
24 under AS 08.01.065.

25 * Sec. 26. AS 08.42.100 is amended to read:

26 Sec. 08.42.100. FUNERAL ESTABLISHMENT PERMIT. After January 1,
27 1977, a person may not conduct, maintain, manage, or operate a funeral
28 establishment unless a permit for each establishment has been issued
29 by the department and is conspicuously displayed in the funeral

1 establishment. Each permit is [SHALL BE] valid only for one specific
2 location, and each firm [SEPARATE PERMITS SHALL BE REQUIRED OF TWO OR
3 MORE FIRMS] operating from the same funeral establishment shall obtain
4 a separate permit. The department shall issue a [A] permit to operate
5 a funeral establishment [SHALL BE ISSUED BY THE DEPARTMENT] upon
6 application for the permit on a form provided by the department. All
7 permits [SHALL] expire at the time established under AS 08.01.100 [ON
8 DECEMBER 31 OF EACH YEAR] and may be renewed for successive [ONE-YEAR]
9 terms. Violation of a provision of AS 08.42.090 by a person operating
10 a funeral establishment or, with that person's knowledge or consent,
11 by an employee is [SHALL BE] considered sufficient cause for sus-
12 pension or revocation of the funeral establishment permit.

13 * Sec. 27. AS 08.48.091 is amended to read:

14 Sec. 08.48.091. WRITTEN EXAMINATIONS AND EXAMINATION FEES.
15 Written examinations must [SHALL] be held at least twice each year at
16 places determined by the board unless the examination administered by
17 the board is a national examination prepared only once each year, in
18 which case the examination must [SHALL] be held at least once each
19 year. A candidate failing an examination may apply for reexamination.
20 [THE EXAMINATION FEE FOR APPLICANTS SHALL BE ESTABLISHED BY THE BOARD
21 AND SHALL ACCOMPANY THE APPLICATION.]

22 * Sec. 28. AS 08.48.231(b) is amended to read:

23 (b) The renewal of a certificate does not require reapplication
24 if the certificate has not expired or has not been suspended or re-
25 voked. [THE RENEWAL FEE FOR A CERTIFICATE MAY NOT EXCEED \$100.]

26 * Sec. 29. AS 08.48.231(c) is amended to read:

27 (c) An [RENEWAL OF AN] expired certificate may be renewed [EF-
28 FECTED] under regulations adopted [PROMULGATED] by the board estab-
29 lishing [REGARDING] requirements for [OF] reexamination [AND PENALTY

1 FEES].

2 * Sec. 30. AS 08.48 is amended by adding a new section to article 2 to
3 read:

4 Sec. 08.48.265. FEES. The Department of Commerce and Economic
5 Development shall set fees under AS 08.01.065 for examinations, regis-
6 trations, certificates of authorization, and renewals of a certifi-
7 cate.

8 * Sec. 31. AS 08.52.050 is amended to read:

9 Sec. 08.52.050. FEE [FEES]. An applicant for a certificate of
10 fitness shall pay a fee [OF \$75] at the time of application in the
11 amount established by regulations adopted by the department.

12 * Sec. 32. AS 08.54.160 is amended to read:

13 Sec. 08.54.160. LICENSING OF MARINE MAMMAL GUIDES. The board
14 may establish qualifications [, SET LICENSE FEES,] and issue licenses
15 for marine mammal guides.

16 * Sec. 33. AS 08.54.170(a) is repealed and reenacted to read:

17 (a) The Department of Commerce and Economic Development shall
18 set license fees under AS 08.01.065 for each of the following:

- 19 (1) master guide;
- 20 (2) registered guide;
- 21 (3) class A assistant guide;
- 22 (4) assistant guide;
- 23 (5) transporter.

24 * Sec. 34. AS 08.54.180 is amended to read:

25 Sec. 08.54.180. EXAMINATION FEE. An applicant for a guide
26 examination shall pay a fee established by regulations adopted under
27 AS 08.01.065 [OF \$25].

28 * Sec. 35. AS 08.62.140 is repealed and reenacted to read:

29 Sec. 08.62.140. FEES. The department shall set fees under

1 AS 08.01.065 for applications, licenses, and agent registrations.

2 * Sec. 36. AS 08.64.260(c) is amended to read:

3 (c) Applicants failing portions of part I or part II of the
4 examination may retake the portions failed at a prorated fee [PRE-
5 SCRIBED IN THE REGULATIONS BY THE BOARD].

6 * Sec. 37. AS 08.64.260(d) is amended to read:

7 (d) Applicants failing part III of the examination shall retake
8 the entire part at a prorated fee [PRESCRIBED IN THE REGULATIONS BY
9 THE BOARD].

10 * Sec. 38. AS 08.64.275(d) is amended to read:

11 (d) Within 10 days after [FROM] the permit has been granted
12 [GRANTING OF THE PERMIT], the board member shall forward [THE FEE] to
13 the department [WITH] a report of the issuance of the permit.

14 * Sec. 39. AS 08.64.315 is repealed and reenacted to read:

15 Sec. 08.64.315. FEES. The department shall set fees under
16 AS 08.01.065 for each of the following:

- 17 (1) application;
- 18 (2) license by examination;
- 19 (3) license by endorsement or waiver of examination;
- 20 (4) temporary permit;
- 21 (5) locum tenens permit;
- 22 (6) license renewal, active;
- 23 (7) license renewal, inactive;
- 24 (8) license by reexamination.

25 * Sec. 40. AS 08.68.220 is repealed and reenacted to read:

26 Sec. 08.68.220. FEES. The Department of Commerce and Economic
27 Development shall set fees under AS 08.01.065 for each of the fol-
28 lowing:

- 29 (1) registered nursing:

- 1 (A) application;
2 (B) license by examination;
3 (C) licens~~e~~ by endorsement;
4 (D) license renewal;
5 (E) temporary permit;
6 (2) practical or vocational nursing:
7 (A) application;
8 (B) license by examination;
9 (C) license by endorsement;
10 (D) license renewal;
11 (E) temporary permit.

12 * Sec. 41. AS 08.70.150 is repealed and reenacted to read:

13 Sec. 08.70.150. FEES. The department shall set fees under
14 AS 08.01.065 for examination and investigation of persons applying for
15 a license, initial license, and license renewal.

16 * Sec. 42. AS 08.71.120 is repealed and reenacted to read:

17 Sec. 08.71.120. FEES. The department shall set fees under
18 AS 08.01.065 for examination, initial license, and license renewal.

19 * Sec. 43. AS 08.71.130(b) is amended to read:

20 (b) If the license is not renewed on or before the [THAT] date
21 set by the department under (a) of this section, the license lapses.
22 Before [, IT SHALL LAPSE. A PENALTY OF \$10 SHALL BE CHARGED, IN
23 ADDITION TO ALL DELINQUENT FEES, FOR THE] reinstatement of a license
24 that has remained [WHICH REMAINS] lapsed for more than 60 days, the
25 applicant must pay all delinquent renewal fees and any penalty estab-
26 lished under AS 08.01.100(b).

27 * Sec. 44. AS 08.72.191 is repealed and reenacted to read:

28 Sec. 08.72.191. FEES. The department shall set fees under
29 AS 08.01.065 for the following:

- 1 (1) examination;
- 2 (2) reexamination for the written portion;
- 3 (3) waiver of examination;
- 4 (4) certificates;
- 5 (5) renewal;
- 6 (6) branch office registration and renewal.

7 * Sec. 45. AS 08.80.160 is repealed and reenacted to read:

8 Sec. 08.80.160. FEES. The Department of Commerce and Economic
9 Development shall set fees under AS 08.01.065 for the following:

- 10 (1) examination;
- 11 (2) reexamination;
- 12 (3) investigation for licensing by credentials;
- 13 (4) pharmacist license;
- 14 (5) temporary license;
- 15 (6) wholesale drug dealer license;
- 16 (7) retail pharmacy license;
- 17 (8) pharmacy intern registration;
- 18 (9) emergency permit;
- 19 (10) hospital pharmacy license (inpatient and outpatient);
- 20 (11) hospital drug room license (inpatient);
- 21 (12) nursing home and related facilities license for in-
22 patient dispensing;
- 23 (13) license amendment or replacement.

24 * Sec. 46. AS 08.84.032 is amended to read:

25 Sec. 08.84.032. FOREIGN-TRAINED PHYSICAL THERAPY OR PHYSICAL
26 THERAPY ASSISTANT APPLICANTS. To be eligible for licensure by the
27 board as a physical therapist or physical therapy assistant, an appli-
28 cant who is a graduate of a school of physical therapy that [WHICH] is
29 located outside of the United States shall

1 (1) have completed, to the satisfaction of the board, a
2 resident course of study and professional instruction equivalent to
3 that provided by a school approved by the Council on Medical Education
4 and Hospitals of the American Medical Association or the American
5 Physical Therapy Association, and furnish documentary evidence of
6 compliance with this paragraph, translated, if necessary, into the
7 English language by a person verifying the accuracy of the transla-
8 tions;

9 (2) have completed, to the satisfaction of the board, an
10 internship under the continuous direction and immediate supervision of
11 a physical therapist in an institution that [WHICH] ordinarily pro-
12 vides physical therapy and is approved by the board, for that period
13 of time specified by the board, and furnish documentary evidence of
14 compliance with this paragraph;

15 (3) pass an oral examination administered by a member of
16 the board;

17 (4) have met applicable requirements under the federal
18 Immigration and Nationality Act (8 U.S.C. 1101 et seq.), unless a
19 United States citizen;

20 (5) pass the examination administered by the board under
21 AS 08.84.030(3); and

22 (6) pay the fee required [PRESCRIBED] under AS 08.84.050
23 [AS 08.84.050(2) AND (3)].

24 * Sec. 47. AS 08.84.050 is repealed and reenacted to read:

25 Sec. 08.84.050. FEES. The Department of Commerce and Economic
26 Development shall set fees under AS 08.01.065 for the following:

- 27 (1) application;
28 (2) license by examination;
29 (3) license by acceptance of credentials;

- 1 (4) renewal;
2 (5) temporary permit.

3 * Sec. 48. AS 08.84.100(b) is amended to read:

4 (b) Before [A PENALTY OF \$10 SHALL BE CHARGED IN ADDITION TO ALL
5 DELINQUENT RENEWAL FEES FOR] reinstatement of a license that [WHICH]
6 remains lapsed for more than 60 days, the applicant must pay all
7 delinquent renewal fees and any penalty established under AS 08.01.-
8 100(b). If a [THE] license remains lapsed for more than three years,
9 the board may require the applicant to take and pass the examination
10 given under AS 08.84.030(3).

11 * Sec. 49. AS 08.86.140 is repealed and reenacted to read:

12 Sec. 08.86.140. FEES. (a) The department shall set fees under
13 AS 08.01.065 for the following:

- 14 (1) application;
15 (2) examination;
16 (3) credential review;
17 (4) initial license;
18 (5) license renewal.

19 (b) A license must be renewed every four years.

20 * Sec. 50. AS 08.88.221 is repealed and reenacted to read:

21 Sec. 08.88.221. FEES. The Department of Commerce and Economic
22 Development shall set fees under AS 08.01.065 for a real estate
23 broker, associate broker, or salesman licensee or applicant for the
24 following:

- 25 (1) examination;
26 (2) reciprocity;
27 (3) initial license;
28 (4) renewal of an active license;
29 (5) renewal of an inactive license;

1 (6) amending or transferring a license.

2 * Sec. 51. AS 08.92.020 is amended to read:

3 Sec. 08.92.020. FEES. (a) An applicant for a promoter's cer-
4 tificate of registration shall pay an original registration fee estab-
5 lished by regulations adopted under AS 08.01.065 [OF \$75].

6 (b) The biennial fee for the renewal of a registration certifi-
7 cate is also established by regulations adopted under AS 08.01.065
8 [\$40].

9 * Sec. 52. AS 08.98.180 is amended to read:

10 Sec. 08.98.180. TEMPORARY LICENSE. A person who meets the
11 requirements of AS 08.98.165(a)(1) and (5) is entitled to be tempo-
12 rarily licensed after applying for examination, if the person works
13 under the supervision of a licensed veterinarian. A license issued
14 under this section is valid until the results of the examinations are
15 published. A person may not receive more than one temporary license.
16 An application for a temporary license must be signed by the supervis-
17 ing veterinarian and accompanied by the temporary license fee required
18 [AS PRESCRIBED] under AS 08.98.190.

19 * Sec. 53. AS 08.98.190 is repealed and reenacted to read:

20 Sec. 08.98.190. FEES. The department shall set fees under
21 AS 08.01.065 for the following:

- 22 (1) application;
- 23 (2) examination;
- 24 (3) investigation of credentials;
- 25 (4) license;
- 26 (5) license renewal;
- 27 (6) temporary license;
- 28 (7) temporary permit.

29 * Sec. 54. The following are repealed AS 08.13.200; AS 08.20.190;

1 AS 08.32.050; AS 08.48.201(b), 08.48.241(i); AS 08.54.170(c); AS 08.64.290,
2 08.64.320; AS 08.80.090.

3 * Sec. 55. Sections 1 - 3 of this Act take effect immediately in accor-
4 dance with AS 01.10.070(c).

5 * Sec. 56. Sections 4 - 54 of this Act take effect on the effective
6 date of regulations adopted under AS 08.01.065, enacted in sec. 2 of this
7 Act.

Introduced: 1/18/85
Referred: Labor & Commerce
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 78

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to occupational licensing fees; and

7

providing for an effective date."

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

9

Section 1. AS 08.01.010 is amended to read:

10

Sec. 08.01.010. APPLICABILITY OF CHAPTER. This chapter applies

11

to the

12

(1) Board of Public Accountancy (AS 08.04.010);

13

(2) Repealed by sec. 9, ch. 6, SLA 1984;

14

(3) Repealed by sec. 6, ch. 32, SLA 1971;

15

(4) Board of Chiropractic Examiners (AS 08.20.010);

16

(5) Repealed by sec. 9, ch. 6, SLA 1984;

17

(6) Board of Dental Examiners (AS 08.36.010);

18

(7) Board of Electrical Examiners (AS 08.40.010);

19

(8) State Board of Registration for Architects, Engineers

20

and Land Surveyors (AS 08.48.011);

21

(9) State Medical Board (AS 08.64.010);

22

(10) Board of Nursing (AS 08.68.010);

23

(11) Board of Examiners in Optometry (AS 08.72.010);

24

(12) Board of Pharmacy (AS 08.80.010);

25

(13) Repealed by sec. 42, ch. 167, SLA 1980;

26

(14) Board of Veterinary Examiners (AS 08.98.010);

27

(15) Board of Psychologist and Psychological Associate

28

Examiners (AS 08.86.010);

29

(16) Repealed by sec. 9, ch. 6, SLA 1984;

- 1 (17) Repealed by sec. 9, ch. 6, SLA 1984;
2 (18) Board of Marine Pilots (AS 08.62.010);
3 (19) Board of Dispensing Opticians (AS 08.71.010);
4 (20) Guide Licensing and Control Board (AS 08.54.010);
5 (21) State Physical Therapy Board (AS 08.84.010);
6 (22) Board of Nursing Home Administrators (AS 08.70.010);
7 (23) regulation of professional geologists under AS 08.-
8 02.011;
9 (24) Board of Barbers and Hairdressers (AS 08.13.010);
10 (25) regulation of construction contractors under AS 08.18;
11 (26) regulation of collection agencies under AS 08.24;
12 (27) regulation of morticians under AS 08.42;
13 (28) regulation of concert promoters under AS 08.92.

14 * Sec. 2. AS 08.01 is amended by adding a new section to read:

15 Sec. 08.01.065. FEES ESTABLISHED BY REGULATION. (a) The de-
16 partment shall adopt regulations that establish the amount and manner
17 of payment of application fees, examination fees, license fees, regis-
18 tration fees, permit fees, investigation fees, and all other fees as
19 appropriate for the occupations covered by this chapter and for real
20 estate brokers and salesmen under AS 08.88.

21 (b) Before adopting a regulation under (a) of this section, the
22 department shall consult with the board responsible for regulating the
23 affected occupation.

24 (c) A fee established under this section must reflect, to the
25 extent possible, the actual costs to the department of the activity
26 for which the fee is charged.

27 * Sec. 3. AS 08.01.100(b) is amended to read:

28 (b) A registration, license, permit, or certificate [CERTIFI-
29 CATES] requiring renewal to continue to be effective must be renewed

1 on or before the date set by the department or it will lapse. The
2 department may establish a [A] penalty that must be paid [OF \$10 SHALL
3 BE CHARGED] in addition to all delinquent renewal fees for reinstatement
4 of a registration, license, permit, or certificate which remains
5 lapsed for more than 60 days. The department may establish a penalty
6 under this subsection only by regulation and only after consulting
7 with the appropriate board.

8 * Sec. 4. AS 08.04.190 is amended to read:

9 Sec. 08.04.190. EXAMINATION FEE. An [THE BOARD SHALL CHARGE
10 EACH APPLICANT A FEE OF \$50 FOR THE INITIAL EXAMINATION AND FOR EACH
11 REEXAMINATION. THE] applicant shall pay the appropriate fee estab-
12 lished by regulations adopted under AS 08.01.065 at the time of appli-
13 cation for examination or reexamination.

14 * Sec. 5. AS 08.04.390 is amended to read:

15 Sec. 08.04.390. PERMIT FOR INDIVIDUAL PRACTICE AS A PUBLIC
16 ACCOUNTANT. The board shall issue a permit to engage in the practice
17 of public accounting to a holder of a certificate or license if all
18 offices of the certificate holder or licensee are maintained and
19 registered as required by AS 08.04.350 -- 08.04.380. The biennial
20 permit fee is established by regulations adopted under AS 08.01.065
21 [\$60].

22 * Sec. 6. AS 08.04.400 is amended to read:

23 Sec. 08.04.400. PERMIT FOR PARTNERSHIP OR CORPORATE PRACTICE AS
24 A PUBLIC ACCOUNTANT. The board shall issue a permit to engage in the
25 practice of public accounting as a partnership or as a corporation to
26 a partnership or corporation registered under AS 08.04.240. The
27 biennial permit fee is established by regulations adopted under
28 AS 08.01.065 [\$60]. A permit is valid only for practice under the
29 registered name of the partnership or corporation. A partnership

1 registered under AS 08.04.330 -- 08.04.340 on June 29, 1980, qualifies
2 for a permit under this section as long as each partner personally
3 engaged in the practice of public accounting in this state holds a
4 license or permit under AS 08.04.661.

5 * Sec. 7. AS 08.04.410 is amended to read:

6 Sec. 08.04.410. PERMIT FOR PERSON NOT ENGAGED IN PRACTICE. A
7 person holding a certificate or license who is not engaged in the
8 practice of public accounting may maintain the certificate or license
9 in good standing by registering with the board and paying an annual
10 registration fee established by regulations adopted under AS 08.01.065
11 [OF \$10].

12 * Sec. 8. AS 08.04.420 is amended to read:

13 Sec. 08.04.420. PERMIT FOR GENERAL PRACTICE AS A CERTIFIED
14 PUBLIC ACCOUNTANT. A certified public accountant, or a partnership or
15 corporation of certified public accountants in good standing in a
16 state, not holding a permit under AS 08.04.390 or 08.40.400 nor main-
17 taining an office in this state but engaging in the practice of public
18 accounting in this state, shall apply to the board for a permit to
19 practice. The board shall determine whether the applicant is eligible
20 for the permit. The [ANNUAL] fee for the issuance of a permit is
21 established by regulations adopted under AS 08.01.065 [\$100].

22 * Sec. 9. AS 08.04.430 is amended to read:

23 Sec. 08.04.430. EXPIRATION AND RENEWAL. A permit or registra-
24 tion under this chapter, unless revoked or suspended, must [SHALL] be
25 renewed biennially upon payment of a renewal fee established by regu-
26 lations adopted under AS 08.01.065 [IN THE SAME AMOUNT AS THE INITIAL
27 BIENNIAL FEE].

28 * Sec. 10. AS 08.13.185 is repealed and reenacted to read:

29 Sec. 08.13.185. FEES. Fees for registration, initial license,

1 and renewal are established by regulations adopted under AS 08.01.065
2 for the following categories:

- 3 (1) schools;
- 4 (2) school owners;
- 5 (3) instructor;
- 6 (4) shop owner;
- 7 (5) practitioner of barbering;
- 8 (6) practitioner of hairdressing;
- 9 (7) practitioner of cosmetology;
- 10 (8) temporary permit;
- 11 (9) student permit.

12 (b) Fees for examination and investigation are established by
13 regulations adopted under AS 08.01.065.

14 * Sec. 11. AS 08.18.041 is repealed and reenacted to read:

15 Sec. 08.18.041. FEES. Registration and renewal fees are estab-
16 lished by regulations adopted under AS 08.01.065 for the following
17 categories:

- 18 (1) general contractor;
- 19 (2) specialty contractor.

20 * Sec. 12. AS 08.20.130(d) is amended to read:

21 (d) An applicant may take a re-examination within one year after
22 failing the examination [UPON PAYMENT OF A FEE OF \$10].

23 * Sec. 13. AS 08.20.180 is repealed and reenacted to read:

24 Sec. 08.20.180. FEES. (a) An applicant for an examination, a
25 re-examination, the issuance of a temporary permit, or the initial
26 issuance or renewal of a license shall pay a fee established by regu-
27 lations adopted under AS 08.01.065.

28 (b) License renewal fees are due every four years.

29 * Sec. 14. AS 08.24.100(b) is amended to read:

1 (b) The annual operator's license is [SHALL BE] renewable on or
2 before July 1 of each second year beginning on July 1, 1968, and the
3 biennial fee is established by regulations adopted under AS 08.01.065
4 [\$100].

5 * Sec. 15. AS 08.24.110(a) is amended to read:

6 (a) To qualify for an operator's license, the applicant shall:

7 (1) Repealed, sec. 19, ch. 67, SLA 1983.

8 (2) be a high school graduate, or have the equivalent
9 education of a high school graduate;

10 (3) be of good moral character;

11 (4) not have been convicted of violating this chapter, nor
12 have any unsettled complaints under this chapter against the appli-
13 cant;

14 (5) not have been convicted of a felony or a crime of
15 larceny or embezzlement or a crime involving moral turpitude;

16 (6) be 19 years of age or older at the time of application;

17 (7) not be a disbarred attorney or have filed bankruptcy;

18 (8) pay the biennial license fee which is established by
19 regulations adopted under AS 08.01.065 [FIXED AT \$100].

20 * Sec. 16. AS 08.24.120(a) is amended to read:

21 (a) An application for an operator's license must [SHALL] be
22 made on forms furnished by the department and must [SHALL] contain the
23 information required in AS 08.24.110 and, in addition, the following:

24 (1) a complete set of fingerprints;

25 (2) a 2" x 3" photograph showing a front view of head and
26 shoulders;

27 (3) if an original application, an application fee estab-
28 lished by regulations adopted under AS 08.01.065 [OF \$40];

29 (4) the biennial license fee established by regulations

1 adopted under AS 08.01.065 [REQUIRED BY AS 08.24.100].

2 * Sec. 17. AS 08.24.140(a) is amended to read:

3 (a) The application must [SHALL] be accompanied by:

4 (1) if an original application, an application fee estab-
5 lished by regulations adopted under AS 08.01.065 [OF \$100];

6 (2) the biennial license fee for a collection agency which
7 is established by regulations adopted under AS 08.01.065 [FIXED AT
8 \$200] for the principal place of business and the same amount [\$200]
9 for each branch office;

10 (3) a bond running to the state with a surety or sureties
11 to the satisfaction of the department, and conditioned that the li-
12 censee shall, within 30 days after the close of each calendar or
13 fiscal month, report and pay to the licensee's customers the net
14 proceeds due and payable of all collections made during the calendar
15 or fiscal month which exceed [EXCEEDS] \$20.

16 * Sec. 18. AS 08.24.200(b) is amended to read:

17 (b) If a licensee under this chapter is delinquent for a period
18 of 15 days in applying for the renewal of a license, the department
19 shall suspend the license and notify the licensee by certified mail or
20 by personal service. The notice must [SHALL] state that the license
21 will be revoked if application for renewal is not made within 15 days
22 after [FROM] the date on which the notice was mailed or personally
23 served. When a licensee has been delinquent more than 60 days in
24 renewing a license or certificate, the department shall charge an
25 additional penalty established under AS 08.01.100(b) before [FEE OF
26 \$50 FOR THE] renewal of the license.

27 * Sec. 19. AS 08.24.370 is amended to read:

28 Sec. 08.24.370. NONRESIDENTS. A nonresident may apply for and
29 receive a collection agency license or an operator license or both on

1 the same basis as a resident. The application fee and the biennial
2 license fee for nonresident operator and nonresident agency licenses
3 are double the same fees for a resident operator and agency estab-
4 lished by regulations under AS 08.01.065. [THE APPLICATION FEE FOR A
5 NONRESIDENT OPERATOR LICENSE IS \$100, AND THE BIENNIAL LICENSE FEE IS
6 \$200. THE APPLICATION FEE FOR A NONRESIDENT AGENCY LICENSE IS \$200,
7 AND THE BIENNIAL LICENSE FEE IS \$400 FOR THE PRINCIPAL PLACE OF BUSI-
8 NESS AND \$400 FOR EACH BRANCH OFFICE.]

9 * Sec. 20. AS 08.40.135(b) is amended to read:

10 (b) A lapsed license may be reinstated upon proof of continued
11 competency by payment of all unpaid renewal fees and any [A] penalty
12 fee established under AS 08.01.100(b), [OF \$25 FOR EACH YEAR THE
13 LICENSE HAS BEEN LAPSED] unless the license has been lapsed for more
14 than two years. If a person's license has been lapsed for more than
15 two years, the person is required to take an examination under AS 08.-
16 40.120.

17 * Sec. 21. AS 08.40.150 is repealed and reenacted to read:

18 Sec. 08.40.150. FEES. Each applicant and each licensee shall
19 pay application and renewal fees as established by regulations adopted
20 under AS 08.01.065.

21 * Sec. 22. AS 08.42.100 is amended to read:

22 Sec. 08.42.100. FUNERAL ESTABLISHMENT PERMIT. After January 1,
23 1977, a person may not conduct, maintain, manage, or operate a funeral
24 establishment unless a permit for each establishment has been issued
25 by the department and is conspicuously displayed in the funeral estab-
26 lishment. Each permit is [SHALL BE] valid only for one specific
27 location, and a separate permit is [PERMITS SHALL BE] required of two
28 or more firms operating from the same funeral establishment. A permit
29 to operate a funeral establishment must [SHALL] be issued by the

1 department upon application for the permit on a form provided by the
2 department. All permits [SHALL] expire at the time established under
3 AS 08.01.100 [ON DECEMBER 31 OF EACH YEAR] and may be renewed for
4 successive [ONE-YEAR] terms. Violation of a provision of AS 08.42.090
5 by a person operating a funeral establishment or, with that person's
6 knowledge or consent, by an employee is [SHALL BE] considered suffi-
7 cient cause for suspension or revocation of the funeral establishment
8 permit.

9 * Sec. 23. AS 08.48.091 is amended to read:

10 Sec. 08.48.091. WRITTEN EXAMINATIONS AND EXAMINATION FEES.
11 Written examinations must [SHALL] be held at least twice each year at
12 places determined by the board unless the examination administered by
13 the board is a national examination prepared only once each year, in
14 which case the examination must [SHALL] be held at least once each
15 year. A candidate failing an examination may apply for reexamination.
16 The examination fee for applicants is [SHALL BE] established by regu-
17 lations adopted under AS 08.01.065 [THE BOARD AND SHALL ACCOMPANY THE
18 APPLICATION].

19 * Sec. 24. AS 08.48.201(b) is amended to read:

20 (b) The registration fee for professional architects, profes-
21 sional engineers and professional land surveyors is [SHALL BE] estab-
22 lished by regulations adopted under AS 08.01.065 [THE BOARD IN AN
23 AMOUNT NOT TO EXCEED \$100 AND SHALL ACCOMPANY THE APPLICATION FOR
24 REGISTRATION].

25 * Sec. 25. AS 08.48.231(b) is amended to read:

26 (b) The renewal of a certificate does not require reapplication
27 if the certificate has not expired or has not been suspended or re-
28 voked. The renewal fee for a certificate is established by regula-
29 tions adopted under AS 08.01.065 [MAY NOT EXCEED \$100].

1 * Sec. 26. AS 08.48.231(c) is amended to read:

2 (c) An [RENEWAL OF AN] expired certificate may be renewed [EF-
3 FECTED] under regulations adopted [PROMULGATED] by the board estab-
4 lishing [REGARDING] requirements for [OF] reexamination [AND PENALTY
5 FEES].

6 * Sec. 27. AS 08.48.241(i) is amended to read:

7 (i) For each certificate of authorization issued to a corpor-
8 ation under the provisions of this chapter, the corporation shall pay
9 [THERE SHALL BE PAID] an initial fee established by regulations adopt-
10 ed under AS 08.01.065 [NOT TO EXCEED \$300].

11 * Sec. 28. AS 08.52.050 is amended to read:

12 Sec. 08.52.050. FEE. An applicant for a certificate of fitness
13 shall pay a fee [OF \$75] at the time of application in the amount
14 established by regulations adopted by the department.

15 * Sec. 29. AS 08.54.160 is amended to read:

16 Sec. 08.54.160. LICENSING OF MARINE MAMMAL GUIDES. The board
17 may establish qualifications [, SET LICENSE FEES,] and issue licenses
18 for marine mammal guides.

19 * Sec. 30. AS 08.54.170(a) is repealed and reenacted to read:

20 (a) A license fee for each of the following license categories
21 is established by regulations adopted under AS 08.01.065:

- 22 (1) master guide;
23 (2) registered guide;
24 (3) class A assistant guide;
25 (4) assistant guide.

26 * Sec. 31. AS 08.54.170(c) is amended to read:

27 (c) The license fee for a transporter is established by regula-
28 tions adopted under AS 08.01.065 [\$10].

29 * Sec. 32. AS 08.54.180 is amended to read:

1 Sec. 08.54.180. EXAMINATION FEE. An applicant for a guide
2 examination shall pay a fee established by regulations adopted under
3 AS 08.01.065 [OF \$25].

4 * Sec. 33. AS 08.54.185 is amended to read:

5 Sec. 08.54.185. ADDITIONAL FEES. In addition to the license and
6 examination fees established by regulations adopted under AS 08.01.065
7 [PROVIDED FOR UNDER THIS CHAPTER], master guides and registered guides
8 are subject to fees imposed under AS 16.05.340(e).

9 * Sec. 34. AS 08.62.140 is repealed and reenacted to read:

10 Sec. 08.62.140. FEES. An application fee, license fee, and
11 agent registration fee are established by regulations adopted under
12 AS 08.01.065.

13 * Sec. 35. AS 08.64.260(c) is amended to read:

14 (c) Applicants failing portions of part I or part II of the
15 examination may retake the portions failed at a prorated fee estab-
16 lished by regulations adopted under AS 08.01.065 [PRESCRIBED IN THE
17 REGULATIONS BY THE BOARD].

18 * Sec. 36. AS 08.64.260(d) is amended to read:

19 (d) Applicants failing part III of the examination shall retake
20 the entire part at a prorated fee established by regulations adopted
21 under AS 08.01.065 [PRESCRIBED IN THE REGULATIONS BY THE BOARD].

22 * Sec. 37. AS 08.64.275(d) is amended to read:

23 (d) Within 10 days after [FROM] the permit has been granted
24 [GRANTING OF THE PERMIT], the board member shall forward [THE FEE] to
25 the department [WITH] a report of the issuance of the permit.

26 * Sec. 38. AS 08.64.315 is repealed and reenacted to read:

27 Sec. 08.64.315. FEES. A fee for each of the following categor-
28 ies is established by regulations adopted under AS 08.01.065:

29 (1) application;

- 1 (2) license by examination;
- 2 (3) license by endorsement or waiver of examination;
- 3 (4) temporary permit;
- 4 (5) locum tenens permit;
- 5 (6) license renewal, active;
- 6 (7) license renewal, inactive;
- 7 (8) license by reexamination.

8 * Sec. 39. AS 08.68.220 is repealed and reenacted to read:

9 Sec. 08.68.220. FEES. A fee for each of the following categor-
10 ies is established by regulations adopted under AS 08.01.065:

11 (1) professional or registered nursing:

- 12 (A) application;
- 13 (B) license by examination;
- 14 (C) license by endorsement;
- 15 (D) license renewal;
- 16 (E) temporary permit;

17 (2) practical or vocational nursing:

- 18 (A) application;
- 19 (B) license by examination;
- 20 (C) license by endorsement;
- 21 (D) license renewal;
- 22 (E) temporary permit.

23 * Sec. 40. AS 08.70.150 is repealed and reenacted to read:

24 Sec. 08.70.150. FEES. Fees for examination and investigation of
25 persons applying for a license, initial license, and license renewal
26 are established by regulations adopted under AS 08.01.065.

27 * Sec. 41. AS 08.71.120 is repealed and reenacted to read:

28 Sec. 08.71.120. FEES. Fees for examination, initial license,
29 and license renewal are established by regulations adopted under

1 AS 08.01.065.

2 * Sec. 42. AS 08.71.130(b) is amended to read:

3 (b) If the license is not renewed on or before the [THAT] date
4 set by the department under (a) of this section, the license lapses.
5 Before [, IT SHALL LAPSE. A PENALTY OF \$10 SHALL BE CHARGED, IN
6 ADDITION TO ALL DELINQUENT FEES, FOR THE] reinstatement of a license
7 that has remained [WHICH REMAINS] lapsed for more than 60 days, all
8 delinquent renewal fees, and any penalty established under AS 08.01.-
9 100(b), must be paid.

10 * Sec. 43. AS 08.72.191 is repealed and reenacted to read:

11 Sec. 08.72.191. FEES. Fees for the following categories are
12 established by regulations adopted under AS 08.01.065:

- 13 (1) examination;
- 14 (2) reexamination for the written portion;
- 15 (3) waiver of examination;
- 16 (4) certificates;
- 17 (5) renewal;
- 18 (6) branch office registration and renewal.

19 * Sec. 44. AS 08.80.160 is repealed and reenacted to read:

20 Sec. 08.80.160. FEES. Fees for the following categories are
21 established by regulations adopted under AS 08.01.065:

- 22 (1) examination;
- 23 (2) reexamination;
- 24 (3) investigation for licensing by credentials;
- 25 (4) pharmacist license;
- 26 (5) temporary license;
- 27 (6) wholesale drug dealer license;
- 28 (7) retail pharmacy license;
- 29 (8) pharmacy intern registration;

- 1 (9) emergency permit;
- 2 (10) hospital pharmacy license (in- and outpatient);
- 3 (11) hospital drug room license (inpatient);
- 4 (12) nursing home and related facilities license for in-
- 5 patient dispensing;
- 6 (13) license amendment or replacement.

7 * Sec. 45. AS 08.84.032 is amended to read:

8 Sec. 08.84.032. FOREIGN-TRAINED PHYSICAL THERAPY OR PHYSICAL
9 THERAPY ASSISTANT APPLICANTS. To be eligible for licensure by the
10 board as a physical therapist or physical therapy assistant, an appli-
11 cant who is a graduate of a school of physical therapy which is
12 located outside of the United States shall

13 (1) have completed, to the satisfaction of the board, a
14 resident course of study and professional instruction equivalent to
15 that provided by a school approved by the Council on Medical Education
16 and Hospitals of the American Medical Association or the American
17 Physical Therapy Association, and furnish documentary evidence of
18 compliance with this paragraph, translated, if necessary, into the
19 English language by a person verifying the accuracy of the transla-
20 tions;

21 (2) have completed, to the satisfaction of the board, an
22 internship under the continuous direction and immediate supervision of
23 a physical therapist in an institution which ordinarily provides
24 physical therapy and is approved by the board, for that period of time
25 specified by the board, and furnish documentary evidence of compliance
26 with this paragraph;

27 (3) pass an oral examination administered by a member of
28 the board;

29 (4) have met applicable requirements under the federal

1 Immigration and Nationality Act (8 U.S.C. 1101 et seq.), unless a
2 United States citizen;

3 (5) pass the examination administered by the board under
4 AS 08.84.030(3); and

5 (6) pay the fee required [PRESCRIBED] under AS 08.84.050
6 [AS 08.84.050(2) AND (3)].

7 * Sec. 46. AS 08.84.050 is repealed and reenacted to read:

8 Sec. 08.84.050. FEES. Fees for the following categories are
9 established by regulations adopted under AS 08.01.065:

- 10 (1) application;
- 11 (2) license by examination;
- 12 (3) license by acceptance of credentials;
- 13 (4) renewal;
- 14 (5) temporary permit.

15 * Sec. 47. AS 08.84.100(b) is amended to read:

16 (b) Before [A PENALTY OF \$10 SHALL BE CHARGED IN ADDITION TO ALL
17 DELINQUENT RENEWAL FEES FOR] reinstatement of a license that [WHICH]
18 remains lapsed for more than 60 days, all delinquent renewal fees and
19 any penalty established under AS 08.01.100(b) must be paid. If a [THE]
20 license remains lapsed for more than three years, the board may re-
21 quire the applicant to take and pass the examination given under
22 AS 08.84.030(3).

23 * Sec. 48. AS 08.86.140 is repealed and reenacted to read:

24 Sec. 08.86.140. FEES. (a) Fees under this chapter for the
25 following categories are established by regulations adopted under
26 AS 08.01.065:

- 27 (1) application;
- 28 (2) examination;
- 29 (3) credential review;

1 (4) initial license;

2 (5) license renewal.

3 (b) A license must be renewed every four years.

4 * Sec. 49. AS 08.88.221 is repealed and reenacted to read:

5 Sec. 08.88.221. FEES. Fees for the following categories for a
6 real estate broker, associate broker, or salesman licensee or appli-
7 cant are established by regulations adopted under AS 08.01.065:

8 (1) examination;

9 (2) reciprocity;

10 (3) initial license;

11 (4) renewal of an active license;

12 (5) renewal of an inactive license;

13 (6) amending or transferring a license.

14 * Sec. 50. AS 08.92.020 is amended to read:

15 Sec. 08.92.020. FEES. (a) An applicant for a promoter's cer-
16 tificate of registration shall pay an original registration fee estab-
17 lished by regulations adopted under AS 08.01.065 [OF \$75].

18 (b) The biennial fee for the renewal of a registration certifi-
19 cate is also established by regulations adopted under AS 08.01.065
20 [\$40].

21 * Sec. 51. AS 08.98.180 is amended to read:

22 Sec. 08.98.180. TEMPORARY LICENSE. A person who meets the
23 requirements of AS 08.98.165(a)(1) and (5) is entitled to be tempo-
24 rarily licensed after applying for examination, if the person works
25 under the supervision of a licensed veterinarian. A license issued
26 under this section is valid until the results of the examinations are
27 published. A person may not receive more than one temporary license.
28 An application for a temporary license must be signed by the supervis-
29 ing veterinarian and accompanied by the temporary license fee required

1 [AS PRESCRIBED] under AS 08.98.190.

2 * Sec. 52. AS 08.98.190 is repealed and reenacted to read:

3 Sec. 08.98.190. FEES. Fees for the following categories are
4 established by regulations adopted under AS 08.01.065:

- 5 (1) application;
6 (2) examination;
7 (3) investigation of credentials;
8 (4) license;
9 (5) license renewal;
10 (6) temporary license;
11 (7) temporary permit.

12 * Sec. 53. AS 08.13.200; AS 08.20.190; AS 08.32.050; AS 08.64.290,
13 08.64.320; and AS 08.80.090; are repealed.

14 * Sec. 54. Sections 1 -- 3 of this Act take effect immediately in
15 accordance with AS 01.10.070(c).

16 * Sec. 55. Sections 4 -- 53 of this Act take effect on the effective
17 date of regulations adopted under AS 08.01.065, enacted in sec. 2 of this
18 Act.

COMMITTEE REPORT

SENATE

FURTHER:

4/24/86

Date 5/7/86

Mr. President

The Committee on FINANCE considered HB 79 am
relating to financial institution examinations; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt 3 CS for HB 79 (FINANCE)
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
SFC-8
SDC Rev.
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
Rick Halford
[Signature]
[Signature]

[Signature]
Co - Chairman
[Signature]
Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No.: SCS HB 79 (Fin)
 Title: Act relating to financial examinations
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
 BRU: Consumer Protection
 Components: Banking, Securities and Corporations

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	50.0	50.0	50.0	50.0	50.0
----------------	---	------	------	------	------	------

FUNDING : (Thousands of Dollars)

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

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: _____
 Division: Senator Jan Faiks, Co-chairman
Senate Finance Committee

Phone: 465-4523
 Date: 5/07/86

Approved by Commissioner: _____
 Agency: _____

Date: _____

Distribution (by Agency preparing fiscal note):

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

Bannister
5/6/86

Original sponsor: Rules Committee
by request

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 79 (Finance)

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 financial institution examina-
7 tions; and providing for an effective date."

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

9 * Section 1. AS 06.01.010(b) is amended to read:

10 (b) The commissioner shall assess every financial institution,
11 and every applicant to establish a financial institution, a fee for
12 the actual expenses incurred by the department in connection with an
13 [ANY] examination or investigation, whether regular or special. The
14 fee must [SHALL] include the proportionate part of the salaries and
15 cost of employee benefits of the examiners while conducting examina-
16 tions or investigations and while preparing reports of them, and
17 transportation costs and per diem of each examiner while away from the
18 examiner's [HIS] duty station. However, the cost to the financial
19 institution in connection with an examination may not exceed ~~\$12,000~~ ^{20,000}.
20 for each [\$7,500 PER] examination. The assessment shall be made by
21 the commissioner as soon as feasible after the examination or inves-
22 tigation has been completed. All assessments shall be paid to and
23 must be received by the department [BY EACH INSTITUTION] within 30
24 days after the financial institution receives [RECEIPT OF] notice of
25 the assessment.

26 * Sec. 2. AS 06.05.025(c) is amended to read:

27 (c) Banks regulated under this chapter are subject to examina-
28 tion [AT LEAST ONE EXAMINATION A YEAR. ADDITIONAL EXAMINATIONS MAY BE
29 CONDUCTED] at the discretion of the commissioner.

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20,000

* Sec. 3. The ~~\$12,000~~ maximum assessment for examinations of financial institutions enacted in sec. 1 of this Act applies to examinations or investigations commenced on or after the effective date of this Act.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.-10.070(c).

SECTIONAL ANALYSIS FOR SCS HB 79 (Finance)

An Act relating to financial institution examinations and providing for an effective date

Section 1

Raises the maximum bank examination fee from the current \$7,500 to \$12,000. This new fee would more accurately reflect the costs incurred by the Division of Banking in examining bank records.

Section 2

Eliminates the requirement that a bank must be examined annually. As passed by the House, a requirement was inserted that a bank must be examined at least once every two years. The Senate Labor and Commerce Committee offered an amendment deleting that requirement. That amendment has been incorporated into this proposed Finance CS.

Section 3

The new maximum rate would only apply to examinations begun after the effective date of this bill.

Section 4

Immediate effective date.

11/13

Sup # 45

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 3

Revision Date: _____

REQUEST
Bill/Resolution No.: HB 79
Title: An Act relating to
financial institution examinations
Sponsor: _____
Requestor: Governor
Date of Request: _____

FISCAL DETAIL
Agency Affected: Commerce & Econ. Dev.
Program Category Affected: _____
Consumer Protection
BRU, Program or Subprogram(s) Affected:
Banking, Securities and Corporations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	24.6	24.6	24.6	24.6	24.6
---------	-----	------	------	------	------	------

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: ~~Attach a separate page if necessary~~

Please see attached fiscal note analysis.

Prepared By: Willis F. Kirkpatrick Phone: 465-2521
 Division: Banking, Securities and Corporations Date: 12/21/84
 Approved by Commissioner: Richard A. Lyon Date: 12.5.84
 Agency: Commerce & Economic Development

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Almost all (82%) of the financial entities regulated and examined by the Division of Banking, Securities and Corporations pay for most if not all of the cost of their examinations. With the exception of credit unions and one small savings and loan association, the \$7,500 maximum allowable charge rarely covers the cost of an examination of those financial entities that are classified "depository financial institutions," i.e. banks (see Exhibit A).

The increase of the limit from \$7,500 to \$12,000 would not only cover the increased costs of doing examinations since the \$7,500 was set back in 1977, but this increase would also provide a more equitable sharing of the examination costs by the larger financial institutions.

It is urged that the assumption of increased revenues not be classified program receipts. To tie examinations of financial institutions to a program receipt requirement has the effect of assuming that all examinations can be scheduled alike and are predictable as to length of time and expense. In order to be effective in the determination in safety and soundness, the agency must have the latitude to concentrate in those areas of concern. To meet program receipt requirements would choke the very purpose for the examinations.

Cost of Examination
FY '84 Cycle

HR 79 - Page 3 of 3

Financial Institution	Asset Size (in Millions)	Type of Exam	Cost of Exam	Amount Paid by Instit.	% of Cost Recov.	Propos. Limit 12,000	% Paid Based on 12,000
Bank	582.8	Joint	12,542	7,500	60	12,000	95
Bank	425.5	Joint	13,230	7,500	56	12,000	91
Bank	342.1	Joint	7,812	7,500	96	7,812	100
Bank	236.0		20,554	7,500	36	12,000	58
Bank	178.0		25,848	7,500	29	12,000	46
Bank	102.8	Joint	12,478	7,500	60	12,000	96
Mutual Savings Bank	81.5		5,083	5,083	100	5,083	100
Bank	69.0		11,283	7,500	66	11,283	100
Bank	44.8	Joint	4,311	4,311	100	4,311	100
Savings & Loan	40.0	Visit.	525	525	100	525	100
Savings & Loan	25.2		6,132	6,132	100	6,132	100
Savings & Loan	7.7		1,601	1,601	100	1,601	100
Bank (New)		New					
Credit Union			5,721	5,721	100	5,721	100
Credit Union		Joint	1,603	1,603	100	1,603	100
BHC (1-a)			253	253	100	253	100
BHC (1-b)			182	182	100	182	100
BHC (2)			1,309	1,309	100	1,309	100
BHC (3)			612	612	100	612	100
BHC (4)		New					
BHC (5)		New					
Trust			895	895	100	895	100
Trust		New					
Finance Company			264	264	100	264	100
Finance Company			290	290	100	290	100
Finance Company			392	392	100	392	100
Finance Company		New					
Finance Company		New					
Finance Company		New					
Premium Finance Co.			384	384	100	384	100
Premium Finance Co.			684	684	100	684	100
Premium Finance Co.			407	407	100	407	100
Premium Finance Co.			407	407	100	407	100
Premium Finance Co.			676	676	100	676	100
Premium Finance Co.			392	392	100	392	100
Premium Finance Co.			712	712	100	172	100
Premium Finance Co.			229	229	100	229	100
Premium Finance Co.			241	241	100	241	100
Premium Finance Co.			615	615	100	615	100
Premium Finance Co.			679	679	100	679	100
Premium Finance Co.			598	598	100	598	100
			138,944	87,697	63%	114,292	82%

Joint = Joint examination with appropriate federal insuring agency

Visitation = Short examination for a specific area of concern

New = Fees received under Investigations - Examinations due next cycle

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

BILL SHEFFIELD, GOVERNOR

POUCH D
JUNEAU, ALASKA 99811

Banking & Securities 465-2521
Corporations Section 465-2530

ANCHORAGE

January 31, 1985

Corporation Information 563-2163

Honorable Mike Navarre, Chairman
House Labor and Commerce Committee
Alaska State House
Pouch V
Juneau, Alaska 99811

Attention Roger Poppie

Dear Representative Navarre:

RE: House Bill 79
Fees on Examination

I've enclosed the information you requested on HB 79. Please note that this information relates only to the examination and regulation of commercial banks. There is a large portion of the examiners' time spent on other than banking examinations, i.e., investigations of applications, complaints, interpretation of banking laws, and research on current events in deregulation.

Exhibit A is a breakdown by states of Annual Assessment/Examination Fees of commercial banks. The average assessment for a bank of \$50,000,000 is \$6,360; banks of \$100,000,000 in size is \$11,590; and over \$500,000,000 is \$50,765. These amounts are only ranges and do not take into consideration the additional fees noted in the exhibit.

Exhibit B is a publication just received on the new charges that Comptroller of Currency levies on nationally-chartered commercial banks. Table 1 on page 2 sets out the semiannual assessment. Banks with \$50,000,000 in assets would be charged \$13,726 annually. Those of \$100,000,000 would be charged \$22,676, and \$500,000,000 would have a \$67,976 annual assessment. See page 5, Exhibit B. These assessments are paid whether they are examined or not. Number 1 and 2 rated banks are examined only every 36 months.

Honorable Mike Navarre

-2-

January 31, 1985

Exhibit C is a table on the frequency of examination by various states. Exhibit D shows the disposition of funds received by the states.

I hope this covers the areas of your request. If I can be of any other assistance, please let me know.

Sincerely,



Willis F. Kirkpatrick
Director

WFK/me1935M
13185B
Enclosures

cc: Commissioner's Office, DCED

**ANNUAL COMMERCIAL BANK ASSESSMENT/EXAMINATION FEE,
BY SIZE OF BANK, SEPTEMBER 30, 1983**

State	Asset size of bank					
	10M	25M	50M	100M	500M	1 B
Alabama	3,240	5,100	8,200	14,400	53,800	98,800
Alaska ¹⁰	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
Arizona ²	700	1,750	3,500	7,000	35,000	70,000
Kansas	2,025	3,563	5,188	7,188	23,188	43,188
California ⁶	n/a	n/a	n/a	n/a	n/a	n/a
Colorado ³	n/a	n/a	n/a	n/a	n/a	n/a
Connecticut ³	n/a	n/a	n/a	n/a	n/a	n/a
Delaware ^{5, 10}	n/a	n/a	n/a	n/a	n/a	n/a
Florida	2,300	4,100	7,600	14,600	70,600	140,600
Georgia ^{4, 10}	4,750	6,700	10,000	15,000	39,000	69,000
Hawaii	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
Idaho ^{7, 10}	4,350	7,200	11,950	17,950	57,950	102,950
Illinois ¹⁰	1,770	3,570	6,320	10,820	38,820	63,820
Indiana	2,120	3,270	4,270	6,270	22,270	62,270
Iowa ¹⁰	500 ¹⁵	1,100 ¹⁵	1,600 ¹⁵	2,500 ¹⁵	3,300 ¹⁵	3,300 ¹⁵
Kansas ⁶	n/a	n/a	n/a	n/a	n/a	n/a
Kentucky ¹⁵	500	1,250	2,500	5,000	25,000	50,000
Louisiana ¹	650	1,325	2,450	4,700	22,700	45,200
Maine ^{5, 10}	n/a	n/a	n/a	n/a	n/a	n/a
Maryland	1,720	2,920	4,920	8,920	40,920	80,920
Massachusetts ¹⁰	710	1,775	3,550	7,100	35,500	71,000
Michigan	1,050 ¹⁵	2,625 ¹⁵	5,250 ¹⁵	10,500 ¹⁵	52,500 ¹⁵	105,000 ¹⁵
Minnesota	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Mississippi	1,560	3,810	7,560	15,060	75,060	150,060
Missouri	1,304	3,261	6,522	13,045	65,224	130,448
Montana	1,600	3,400	6,400	12,400	60,400	120,400
Nebraska	500 ¹⁵	1,250 ¹⁵	2,500 ¹⁵	5,000 ¹⁵	25,000 ¹⁵	50,000 ¹⁵
Nevada ^{1, 10}	2,200	5,200	10,200	20,200	100,200	140,200
New Hampshire	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
New Jersey	300 ¹⁵	750 ¹⁵	1,500 ¹⁵	3,000 ¹⁵	15,000 ¹⁵	30,000 ¹⁵
New Mexico ¹	950	2,075	3,950	7,700	37,700	75,200
New York ^{5, 10}	n/a	n/a	n/a	n/a	n/a	n/a
North Carolina	1,273	3,073	6,073	12,073	60,073	120,073
North Dakota	1,250	3,125	6,250	12,500	62,500	125,000
Ohio	1,700	4,250	8,000	15,000	60,000	100,000

Continued from preceding page.

State	Asset size of bank					
	10M	25M	50M	100M	500M	1 B
Oklahoma	1,450	3,250	6,650	13,150	65,150	130,150
Oregon ¹⁰	2,500 ¹⁵	6,250 ¹⁵	12,500 ¹⁵	25,000 ¹⁵	125,000 ¹⁵	250,000 ¹⁵
Pennsylvania ¹⁰	815 ¹⁵	1,490 ¹⁵	2,615 ¹⁵	4,865 ¹⁵	22,865 ¹⁵	45,365 ¹⁵
Puerto Rico	2,000	5,000	10,000	20,000	100,000	200,000
Rhode Island ^{6, 10}	n/a	n/a	n/a	n/a	n/a	n/a
South Carolina	1,559	3,896	7,793	15,586	77,929	155,858
South Dakota ⁹	1,800	3,900	7,400	14,400	70,400	140,400
Tennessee ⁶	n/a	n/a	n/a	n/a	n/a	n/a
Texas ⁶	n/a	n/a	n/a	n/a	n/a	n/a
Utah ^{10, 11}	3,300	5,590	7,340	10,840	30,840	45,840
Vermont ^{3, 5}	n/a	n/a	n/a	n/a	n/a	n/a
Virginia ^{8, 12}	3,275	5,900	10,275	15,275	51,525	90,275
Washington ^{10, 13}	3,530 ¹⁵	5,840 ¹⁵	9,840 ¹⁵	17,840 ¹⁵	59,385 ¹⁵	101,900 ¹⁵
West Virginia ^{6, 10}	n/a	n/a	n/a	n/a	n/a	n/a
Wisconsin	580 ¹⁵	1,450 ¹⁵	2,900 ¹⁵	5,800 ¹⁵	29,000 ¹⁵	58,000 ¹⁵
Wyoming ¹⁰	3,400	5,800	9,000	15,000	63,000	123,000 ¹⁵

¹Plus \$50 per branch.

²Special examinations: \$100/day/examiner.

³Assessment based on asset size, to balance banking dept. budget.

⁴Plus \$300 per branch.

⁵Based on asset size, plus hourly fee.

⁶Based on assets; information not available.

⁷Plus \$100 per branch.

⁸Hourly fee on trust exams.

⁹Plus \$200 per branch.

¹⁰There is an assessment/examination fee for bank holding companies also.

¹¹Plus \$150 per branch.

¹²Plus \$250 per branch.

¹³Plus \$75 per branch.

¹⁴Hourly fee.

¹⁵Plus hourly fee.

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New Matters
Increased Semiannual Assessment Schedule for National Banks

90,433

National Banks—Assessment Fees—Semiannual Schedule—Examination Costs—Increase—OCC Amendment.—The Comptroller of the Currency increased the rates in its semiannual assessment schedule for national banks to reflect the costs of examination attributable to a particular bank. As in the old schedule, the marginal assessment rate of an individual bank in the new schedule will decrease as its asset size increases. In addition, the Comptroller of the Currency will offset declines in the overall average assessment rate due solely to inflationary growth in bank assets by indexing the schedule annually to changes in the general price level.

Back reference: ¶ 60,542.

[OCC Notice]

DEPARTMENT OF THE TREASURY

Comptroller of the Currency

12 CFR Part 8

[Docket No. 84-37]

Assessment of Fees; National Banks; District of Columbia Banks

AGENCY: Comptroller of the Currency, Treasury.

ACTION: Final rule.

SUMMARY: The Office of the Comptroller of the Currency ("Office") is increasing the rates in its semiannual assessment schedule for national banks, District of Columbia banks, and federally licensed branches and agencies. Unchanged for eight years, the old schedule failed to produce revenue sufficient to cover operating costs, which were boosted by inflation, an increase in responsibilities, and a modernization of bank examination techniques. The new schedule, like the old one, conforms to this Office's philosophy that the assessments paid by a bank should reflect, to the extent possible under existing statutory provisions, the costs of supervising it. On a per-dollar-of-assets basis, those costs decline as bank size increases. Therefore, in the new schedule, like the old one, the marginal assessment rate of an individual bank decreases as its asset size increases. In addition, the Office will offset declines in the overall average assessment rate due solely to inflationary growth in bank assets by indexing the schedule annually to changes in the general price level. The new schedule replaces the current assessment schedule and its temporary 12-percent surcharge for assessment fees due on January 31, 1985, and following payment dates.

EFFECTIVE DATE: January 31, 1985.

FOR FURTHER INFORMATION CONTACT: Roger Tufts, Financial Economist, Economic and Policy Analysis Division (202) 447-1924 or Jonathan Rushdoony, Attorney, Legal Advisory Services Division (202) 447-1880, Office of the Comptroller of the Currency, 490 L'Enfant Plaza East, SW., Washington, DC 20219.

SUPPLEMENTARY INFORMATION: The Office was created by Congress for the purpose of regulating the national banking sys-

tem. Under the National Bank Act, 12 U.S.C. 1 *et seq.*, the Office is responsible for ensuring the national banks comply with all applicable laws and operate in a safe and sound manner.

The Office's responsibilities are accomplished through the examination of supervised institutions and affiliated entities. Under 12 U.S.C. 482 and 3102, this Office is directed to recover the costs of its operations by assessing fees on all national banks, District of Columbia banks, and federal branches and agencies of foreign banks. On November 14, 1984, the Office accordingly published a notice of proposed rulemaking (Docket No. 84-36) in the Federal Register, 49 FR 45102, that would revise the assessment schedule in order to yield sufficient revenue to meet the Office's future costs of operation, as currently projected in its budget.

Section 482 requires that those assessments be made in proportion to a bank's assets or resources and that the rate of assessments be the same for all banks of the same asset size. The current and new assessment schedules fulfill that statutory requirement. *First National Bank of Milaca v. Heimann*, 572 F.2d 1244 (8th Cir. 1978).

Following publication of the notice of proposed rulemaking in the Federal Register, the Office sent a Banking Bulletin containing the proposal to the chief executive officer of each national bank. The purpose of that Banking Bulletin, dated November 20, 1984, was to ensure that each national bank received direct and timely notice of the proposed changes and to explain the reasons for them.

As stated in that proposal, the revisions change none of the current schedule's basic characteristics, *i.e.*, the use of asset size to determine the amount assessed and the use of marginal assessment rates that decrease as the asset size of a bank increases. The revision more closely implements the Office's relative cost coverage philosophy and addresses the problems caused by the combination of a declining marginal rate schedule and inflation of the type and extent experienced since 1976.

Comments

Comments on the proposal were solicited both by the Federal Register notice of proposed rulemaking and by the issuance of the Banking Bulletin to each national bank. The Office requested that comments be received no later

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Increased Semiannual Assessment Schedule for National Banks

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than December 14, 1984. In response, 19 comments were received. Most came from small national banks (those under \$500 million in assets) which were opposed to the proposal as drafted. Several specific concerns were raised. All but three commenters espoused the belief that the additional costs incurred by the Office to examine banks requiring special supervisory attention should not be paid by clean, well-run banks.

To better align Office supervisory costs and assessments, a large majority of all commenters suggested that the assessment schedule should be based on the direct costs attributed to examining a particular bank, not its asset size. This Office is aware of the inequities identified by those commenters. As the statute currently reads, however, the Officer is not authorized to charge a higher assessment to banks that are experiencing difficulties.¹ Revising the assessment schedule to a direct-cost basis would require an amendment to 12 U.S.C. 482, a change explicitly suggested by six commenters. Although a statutory change is not a feasible alternative to the current revision, the Office intends to review its long-term revenue needs and consider requesting Congress for a statutory change as part of that review.

Six commenters questioned Office diligence in controlling costs. As explained in the proposal, the Office has sought to offset the effects of inflation and increased responsibility by restructuring and modernizing its operation, employing resources more effectively and providing better service. In fact, the Office has estimated that, without the restructuring and modernization efforts, it would have needed a much larger staff to carry out its responsibilities.

In the same vein, three commenters thought Office expenses should be lower because their

institutions are receiving full-scale, comprehensive examinations less frequently. These comments refer to the Office's revised examination priority schedule that calls for on-site examinations less frequently at smaller, well-run banks and more frequently at large and/or special supervision banks. In conjunction with changes in the examination priority schedule, however, came a commitment to move toward more off-site monitoring of bank performance. This required a large initial investment in systems and computer hardware that will produce cost savings in the years ahead.

After consideration of the issues raised by the commenters, it is clear that implementation of the suggestions of most commenters requires changes in the law. While a change in the law along the lines suggested by the commenters may permit adoption of a revenue system that is perceived to be more equitable, a statutory change would take considerable time and the current financial position of the Office requires prompt action. The Office is, therefore, implementing the assessment schedule as proposed in the Federal Register on November 14, 1984 (See table 1). It will be used in determining the assessment fees to be paid by national banks on January 31, 1985, and July 31, 1985. Thereafter, the schedule will be revised annually in accordance with the indexing procedure described below. The indexing procedure will insulate the assessment schedule from distortions caused by any future inflation. Such distortions would result in deficits that could impair the Office's ability to meet its responsibility of maintaining the safety and soundness of the national banking system.

TABLE 1.—PROPOSAL FOR SEMI-ANNUAL ASSESSMENT SCHEDULE FOR JANUARY AND JUNE 1985

If the bank's total assets (consolidated domestic and foreign subsidiaries) are—			The semi-annual Assessment is—		
Over—	But not over—	This amount—	Plus	Of excess over—	
Million	Million			Million	
0	\$1.7	0	0.001000		0
\$1.7	15	\$1,700	.000125		\$1.7
15	85	3,363	.000100		15
85	165	10,363	.000065		85
165	835	15,563	.000055		165
835	1,670	52,413	.000045		835
1,670	5,010	89,988	.000040		1,670
5,010	16,695	223,598	.000034		5,010
16,695	33,390	620,878	.000032		16,695
33,390		1,155,118	.000021		33,390

¹ The Office is authorized to conduct and charge separately for each examination after the second one conducted

in a single calendar year. For those examinations, an hourly fee is imposed.

¶ 86,145

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Special Studies

Executive Order 12291

The aggregate effect of the rule on the economy is estimated to be \$15 million in 1985. This amount represents the difference in expected assessment revenues between the current and new schedules. The aggregate amount will be spread among all national banks and federal branches and agencies, some 4,900 institutions. Institutions of similar size will face the same impact. Thus, the effect of the revision is unlikely to put competing institutions at a disadvantage with one another or with other competing suppliers of financial services. Finally, the rule is not envisioned as having significant adverse impacts on the ability of U.S.-domiciled national banks to compete with foreign competitors. This is due to the fact that, generally, only the largest institutions in the national banking system compete directly with foreign banks, and the effect of the rule on their earnings is slight.

Accordingly, this Office has concluded that the rule does not meet any of the conditions set forth in Executive Order 12291 for designation as a major rule. Consequently, a regulatory impact statement has not been prepared.

Regulatory Flexibility Act

This Office is sensitive to the impact of the rule on small entities; therefore, pursuant to the Regulatory Flexibility Act, Pub. L. No. 96-354, 94 Stat. 1164, 5 U.S.C. 601-612, a preliminary regulatory flexibility analysis was prepared. No information received by the Office altered the conclusions of that analysis. Consequently, the final regulatory flexibility analysis is not appreciably different from the preliminary one. Copies of the final analysis may be obtained by writing to: Communications Division, Office of the Comptroller of the Currency, 490 L'Enfant Plaza East, SW., 3rd Floor, Washington, D.C. 20219. Telephone (202) 447-1800.

To summarize that analysis, this Office has endorsed the principle of relative cost coverage whereby a bank will be assessed in relation to

the costs of examination attributable to that bank. As a group, banks with under \$500 million in assets are currently not assessed an amount sufficient to recover the cost of their examination, regulation, and supervision. Assessments on banks with over \$500 million in assets have, in effect, been providing a cost subsidy for the examination of those smaller banks. In order to reduce this subsidy and to implement further the Office's relative-cost-coverage principle, the new schedule moves smaller-sized banks toward 100 percent relative cost coverage (see Table 2).

TABLE 2. RELATIVE COST COVERAGE

[Current versus revised assessment schedule]

Bank size (millions)	Index* current	Index* revised	Number of banks
\$0 to \$10.....	.33	.38	348
\$10 to \$50.....	.41	.43	2,284
\$50 to \$100.....	.63	.67	1,082
\$100 to \$500.....	.95	1.01	935
\$500 to \$1,000.....	1.21	1.23	101
\$1,000 to \$3,000.....	1.23	1.20	106
\$3,000 to \$10,000.....	2.11	1.98	54
\$10,000 to \$20,000.....	1.83	1.66	6
Over \$20,000.....	3.63	3.44	10

* This indices represent the 1984 relative cost coverage under alternative assessment schedules. The index is defined as the proportion of total revenue the Office receives from banks in a size category divided by the proportion of examination costs attributable to those banks. An index value of less than one indicates that banks are paying less than their proportional share of Office costs.

The revised schedule is not designed to achieve 100 percent relative cost coverage because of the greater impact that would have on banks with less than \$100 million in assets. In addition, although the impact of the revised schedule on bank earnings is larger for small banks, the reduction in earnings, in absolute terms, is minimal (see Table 3).

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New Matters
Increased Semiannual Assessment Schedule for National Banks

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TABLE 3.—ASSESSMENT INCREASES FOR SELECTED BANK SIZES

	Bank size (millions)										
	\$2	\$10	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	\$20,000	\$100,000	
Sum annual assessment Imposed	\$1,726	\$2,736	\$9,863	\$11,376	\$73,868	\$59,858	\$223,180	\$393,748	\$726,638	\$2,553,928	
Current	1,125	2,125	5,025	6,925	28,825	61,425	199,425	369,425	699,425	2,369,425	
Change	619	613	4,838	4,451	45,043	-2,567	23,755	23,323	27,213	184,503	
Increase (percent)	64	29	16	27	16	12	12	6	5	8	
Annualized impact on ROA (basis points)	-3.065	-0.13	-1.188	-2.41	-1.01	-0.84	-0.48	-0.24	-0.19	-0.18	

Annualized Impact on Return on Assets (ROA) = Change in Semi Annual Assessment/Total Assets, assumes a 50 percent tax rate

¶ 86,145

National Bank's - Assessment Example
1985

\$50,000,000 in Assets

15 MM	=	3,363	
35 MM x .000100	=	<u>3,500</u>	
semi-annual	=	6,863	x 2 = 13,726
annual	=	\$13,726	

\$100,000,000 in Assets

85 MM	=	10,363	
15 MM x .000065	=	<u>975</u>	
semi-annual	=	11,338	x 2 = 22,676
annual	=	\$22,676	

\$500,000,000 in Assets

165 MM	=	15,563	
335 MM x .000055	=	<u>18,425</u>	
semi-annual	=	33,988	x 2 = 67,976
annual	=	\$67,976	

REQUIRED FREQUENCY OF BANK EXAMINATIONS,
SEPTEMBER 30, 1983

11² Joint²
DIC w/FRS

8 16
3 5
0 0
11 0
0 0
0 0
1 0
0 0
0 0
8 19
16 0
0 4
0 0
45 27
0 0
0 0

city in which each
both prepare and

State	Every 12 mo.	Every 18 mo.	Other	FDIC and/or FRS exam. acceptable in lieu of State exam. by Statute
Alabama	X			Yes
Alaska	X			Yes
Arizona			Once every 2 years	Yes
Arkansas			Once every 2 years	No
California			Once every 2 years	No
Colorado	X ¹			No
Connecticut			As often as deemed necessary ²	No
Delaware	X			No
Florida		X		Yes
Georgia	X			Yes
Guam	X			Yes
Hawaii		X		No
Idaho		X ³		Yes
Illinois	X			No
Indiana			As often as deemed necessary	Yes
Iowa		X		No
Kansas	X			Yes
Kentucky			Once every 2 years	Yes
Louisiana	X			Yes
Maine		X		Yes
Maryland	X			Yes
Massachusetts			Once every 2 years	No
Michigan	X			Yes
Minnesota	X			Yes
Mississippi	X			Yes
Missouri	X			Yes
Montana	X ⁴			Yes
Nebraska			No time requirement ⁵	Yes
Nevada		X		Yes
New Hampshire		X		No
New Jersey			At discretion of Commissioner ⁵	No
New Mexico	X			Yes
New York	X			Yes
North Carolina	X			Yes
North Dakota		X ²		Yes
Ohio	X			No

Exhibit C

Continued from preceding page.

State	Every 12 mo.	Every 18 mo.	Other	FDIC and/or FRS exam. acceptable in lieu of State exam. by Statute
Oklahoma		X ⁶		Yes
Oregon	X			Yes
Pennsylvania	X			Yes
Puerto Rico	X			Yes
Rhode Island	X			Yes
South Carolina		X ²		Yes
South Dakota			Once every two years	Yes
Tennessee	X			Yes
Texas	X			Yes
Utah			As Commissioner considers necessary ⁷	Yes
Vermont			Once every three years ³	No
Virginia		X		No
Washington	X			Yes
West Virginia		X		Yes
Wisconsin	X			Yes
Wyoming	X			Yes

¹In practice, banks are examined every 18-20 months.

²In practice, banks are examined every 12 months.

³In practice, banks are examined every 12-15 months.

⁴In practice, banks are examined every 18 months.

⁵In practice, banks are examined every 2 years.

⁶In practice, banks are examined every 6 months.

⁷In practice, banks are examined every 18 months.

⁸In practice, banks are examined every 15 to 18 months.

**DISPOSITION OF RECEIPTS FROM FEES AND ASSESSMENTS,
SEPTEMBER 30, 1983**

In the following states, all revenues are deposited into the State's general fund and the annual budget for the banking department is appropriated by the legislature:

Alaska	Louisiana	New Mexico
Arizona	Maryland	New York ⁵
Arkansas ⁵	Massachusetts	North Dakota
Colorado	Minnesota	Oklahoma
Georgia	Missouri	Puerto Rico ⁷
Guam	Montana	Rhode Island
Hawaii	Nevada	South Carolina
Idaho	New Hampshire	Vermont
Iowa	New Jersey	Wyoming

In the following states, all revenues collected are deposited into a special fund to be used only for the expenses of the banking department, but the annual budget of the department is subject to approval by the legislature:

Alabama	Kentucky	Oregon
California	Maine	Pennsylvania ⁴
Connecticut	Michigan	South Dakota
Delaware ¹	Mississippi	Utah
Florida	Nebraska	Virginia
Illinois	North Carolina	West Virginia
Indiana	Ohio	Wisconsin ²
Kansas		

In the following states, all revenues collected are deposited with and controlled by the banking department:

Tennessee²
Texas⁶
Washington

¹Except for bank charters, license fees, and franchise tax collections.

²Fiscal operations of banking department are reviewed annually by the legislature.

³90% of revenue is deposited into a special fund; 10% goes into general fund.

⁴Subject to approval by the governor's office.

⁵Funds can only be used by banking department, but are deposited in general fund.

⁶Annual budget approved by Finance Commission.

⁷First \$1,100,000 deposited into general fund, remainder in special fund.

BILL SHEFFIELD
GOVERNOR

14B 79



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 18, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which increases the fee that the commissioner of commerce and economic development may assess a financial institution for investigation and examination costs. It raises the existing maximum of \$7,500 to a maximum of \$12,000 per examination. The fee increase is necessary because costs associated with these examinations have risen more than 50 percent since 1978 when the \$7,500 maximum fee was first established.

The bill also eliminates the requirement in current law that state banks be examined by the department annually. Examination of a bank under the bill is left to the discretion of the commissioner. This will allow the department to focus on problem banks and will free banks that are in stable condition from unnecessary paperwork and examination costs.

An additional, technical amendment is included in sec. 1 of the bill, rewriting but not changing the substance of the last sentence of AS 06.01.010(b).

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

SENATE AMENDMENT #1

By Senate Labor and Commerce Committee

To: _____ SENATE BILL No. _____

To: _____ HOUSE BILL No. HB 79am

PAGE: 1 LINE: 28

After the word commissioner add a "," and delete: "but not less than once every 24 months."

Introduced: 1/18/85
Referred: Labor & Commerce
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 79 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial institution examina-
7 tions; and providing for an effective date."

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

9 * Section 1. AS 06.01.010(b) is amended to read:

10 (b) The commissioner shall assess every financial institution,
11 and every applicant to establish a financial institution, a fee for
12 the actual expenses incurred by the department in connection with any
13 examination or investigation, whether regular or special. The fee
14 shall include the proportionate part of the salaries and cost of em-
15 ployee benefits of the examiners while conducting examinations or in-
16 vestigations and while preparing reports of them, and transportation
17 costs and per diem of each examiner while away from his duty station.
18 However, the cost to the financial institution in connection with an
19 examination may not exceed \$12,000 [\$7,500] per examination. The as-
20 sessment shall be made by the commissioner as soon as feasible after
21 the examination or investigation has been completed. All assessments
22 shall be paid to and must be received by the department [BY EACH IN-
23 STITUTION] within 30 days after the financial institution receives
24 [RECEIPT OF] notice of the assessment.

25 * Sec. 2. AS 06.05.025(c) is amended to read:

26 (c) Banks regulated under this chapter are subject to examina-
27 tion [AT LEAST ONE EXAMINATION A YEAR. ADDITIONAL EXAMINATIONS MAY BE
28 CONDUCTED] at the discretion of the commissioner but not less than
29 once every 24 months.