



Notice of Proposed Changes to Occupational Licensing Fees for Professions Regulated by the Department of Commerce, Community, and Economic Development

Proposed Regulations - FAQ

December 2019

1. Why are new fees being proposed?

By law, fees must be analyzed annually and set to approximately recover the cost of program operations. Alaska's professional licensing statutes (AS 08.01.065) require the Division of Corporations, Business and Professional Licensing (CBPL) to "annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation." Alaska's licensing fee statutes go on to say, "If the review indicates that an occupation's fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments and adopt regulations ... to implement the adjustments."

The division conducted a thorough fee analysis and proposes a decrease in the licensing fee amount for collection agencies, collection agency operators, and branch offices, to reduce the program's surplus and more closely align with AS 08.01.065.

2. What are the proposed fees?

The fees proposed will be a decrease in the initial biennial license and the renewal of the biennial license. Current fees are \$125 for the resident collection agency and operator license and license renewal fees, the new proposed fee is \$50, a reduction of \$75. Current fees are \$250 for nonresident collection agencies and nonresident operator initial license and license renewal fees, the new proposed fee is \$100, a reduction of \$150. Current fees for all branch offices initial and biennial license fees is \$125, the new proposed fee is \$50, a reduction of \$75.

By statute, nonresident collection agencies and nonresident collection agency operators pay twice the resident fees. Branch offices are not required to pay a higher fee if they are a nonresident branch.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

12 AAC 02.160. Collection agencies. (a) The following fees are established for collection agencies:

- (1) application fee for initial license, \$50;
- (2) operator license fee for all or part of the initial biennial license period, **\$50** [\$125];
- (3) biennial operator license renewal fee, **\$50** [\$125];
- (4) agency license fee for all or part of the initial biennial license period, **\$50** [\$125];
- (5) biennial agency license renewal fee, **\$50** [\$125];
- (6) branch office license fee, for all or part of the initial biennial license period, **\$50** [\$125];
- (7) biennial branch office license renewal fee, **\$50** [\$125];
- (8) delayed renewal penalty, \$50.

3. How are the estimated costs determined?

AS 08.01.065 requires *all costs* of regulating the profession to be borne by its licensees. The proposed fees are based on known and anticipated costs.

4. What do licensing fees pay for?

The agency must create, publish, and manage licensing application forms and fees, which entail adherence to the state's recordkeeping, security, payment, and refund policies and procedures.

- Requirement of licensees to meet professional fitness standards, which are evaluated by the license examiner and referred to the agency's investigative unit if necessary for further review.
- Enforcement of disciplinary sanctions available to the agency if a licensee violates the state licensing statutes or regulations or an individual practices the profession without a license. Because state law requires all costs of a licensing program to be borne by the licensees of that program (AS 08.01.065), any investigative, attorney, or appeal expenses of the state will be recovered in the licensing fee.

5. When will the new fees be effective?

After the public comment deadline, comments received are compiled and given to the Division Director for consideration. The Division Director may adopt the regulation as written/publicly noticed, may amend and adopt them, or choose to take no action, or may withdraw the proposed regulations in part or in its whole. After Department action, the adopted regulations goes to Department of Law (DOL) for final review/approval. DOL either approves or disapproves regulations. Once approved by DOL, it goes to the Lt. Governor for filing. Regulation takes effect on the 30th day after they have been filed by the Lt. Governor.

Do you have a question that is not answered here? Please email RegulationsAndPublicComment@alaska.gov so it can be added.