

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1150-03
Bill No.: Perfected SCS for SB 308
Subject: Economic Development Dept.; Health Care; Licenses - Professional
Type: Original
Date: March 7, 2007

Bill Summary: Requires audiologists and individuals who dispense hearing instruments to provide the purchaser with a completed purchase agreement containing specific material relating to the sale.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Hearing Instrument Specialist	0*	0*	0*
Board of Registration for the Healing Arts	0*	0*	0*
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Transfers between funds and increase in fees nets to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** state based on FY 07 board projections, the division estimates 18 endorsement applications (\$150 each) will no longer be received by the Board of Hearing Instrument Specialists, thereby, decreasing their funds by \$2,700 annually. The Board estimates 230 audiologists will not be required to renew their hearing instrument specialist license (\$250 each), thereby, decreasing revenue into the Hearing Instrument Specialist Fund by \$57,500. Based on the language of the proposal as written, the Board of Registration for the Healing Arts would be required to supplement the Hearing Instrument Specialist fund by these amounts, up to \$61,000. The Board of Registration for the Healing Arts will increase audiology licensing fees to recoup the cost of the supplement required by this legislation. This will result in a zero net affect on the funds involved.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
HEARING INSTRUMENT SPECIALIST FUND			
<u>Transfer-In - Board of Registration for the Healing Arts Fund</u>			
Transfer-in for reduction in application and renewal fees	\$0	\$60,200	\$0
<u>Loss - DIFP</u>			
Reduction in application and renewal fees	<u>\$0</u>	<u>(\$60,200)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HEARING INSTRUMENT SPECIALIST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND			
<u>Income - DIFP</u>			
Increase in licensing fees	\$0	\$60,200	\$0
<u>Transfer-Out - Hearing Instrument Specialist Fund</u>			
Transfer-out for reduction in application and renewal fees	<u>\$0</u>	<u>(\$60,200)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON BOARD OF REGISTRATION FOR THE HEALING ARTS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will have an administrative impact on small audiology related businesses as purchase agreements will have to be supplied to consumers. The proposal may also impact small businesses that pay for hearing instrument specialist licenses.

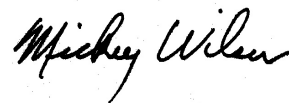
FISCAL DESCRIPTION

Effective July 1, 2008, in odd-numbered years, the Board of Registration for the Healing Arts Fund is to transfer to the Hearing Instrument Specialist fund an amount not to exceed \$61,000 to replace the decreased renewal fees received by the Board of Examiners for Hearing Instrument Specialists. The initial transfer amount is to be equal to the license renewal fees paid during fiscal years 2006 and 2007. The amount of subsequent transfers may decrease, but by no more than 25% of the initial transfer amount. The transfer amount is to be requested through the legislative budget process.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial and Professional Regulation
Department of Revenue
Office of Secretary of State



Mickey Wilson, CPA
Director

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