

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4993-02
Bill No.: Truly Agreed To and Finally Passed SB 1190
Subject: Licenses - Professional
Type: Original
Date: June 2, 2008

Bill Summary: Authorizes the division of professional registration to reduce licensure fees by emergency rule under certain circumstances.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), they are of the opinion this proposal, in its present form, has no fiscal impact on their organization.

Officials from the DIFP provided **Oversight** with additional information. Professional Registration funds can vary from year to year due to the complexity and number of disciplinary cases, changes in the number of complaints, increases in licenses issued, variances in investigative legal expenses, Office of Attorney General costs or unexpected increases in outside or contracted legal services, and differences in when expenses are incurred versus when paid. Reductions in a board's reserve due to a sweep could result in continuous fee increases for licensees to cover costs and provide operating revenue for the board, cause delays in investigations and litigation, and result in complaints not being resolved within the statute of limitations due to insufficient funds.

In addition, most boards within the DIFP renew licenses every two years and renew at different times throughout the two-year period. It is critical that monies collected be maintained in the fund throughout the two-year period to cover operational expenses since renewal fees are the primary source of revenue for the boards. Boards review annual projections, financial reports and cost allocation plans, as well as five-year projections, to determine the financial position of the board.

Based on this additional information, **Oversight** assumes monies transferred to the General Revenue Fund through fund sweeps to be uncertain. In addition, the amount swept can vary significantly between one fund sweep and the next. Therefore, for fiscal note purposes, **Oversight** assumes the proposal to have no fiscal impact due to the uncertainty of whether any funds would actually be swept.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules 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.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

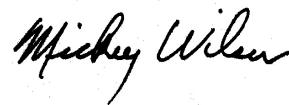
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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 Institutions and Professional Registration
Office of Secretary of State



Mickey Wilson, CPA

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