



Senate

General Assembly

File No. 199

January Session, 2003

Senate Bill No. 1113

Senate, April 7, 2003

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT EXEMPTING CERTAIN STATE EMPLOYEES FROM THE PAYMENT OF OCCUPATIONAL LICENSING FEES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective October 1, 2003*) Notwithstanding the
2 provisions of title 20 of the general statutes, a person employed by this
3 state who is required to hold a professional or occupational license
4 pursuant to title 20 of the general statutes as a condition of such state
5 employment, but who does not engage in the private practice of such
6 profession or occupation, shall be exempt from the payment of
7 professional occupational licensing and registration fees required
8 under title 20 of the general statutes.

This act shall take effect as follows:

Section 1	<i>October 1, 2003</i>
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GL *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Public Health, Dept.	GF - Cost	16,865	16,865
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	6,125	6,125
Various State Agencies	GF - Revenue Loss	See Below	See Below
Various State Agencies	GF - Savings	See Below	See Below
Transportation, Dept.	TF - Savings	5,335	5,335

Note: GF=General Fund; TF=Transportation Fund

Municipal Impact: None

Explanation

Exempting state employees under Title 20 of the general statutes from paying professional and occupational licensing and registration fees if such is a prerequisite for employment will result in a revenue loss to the General Fund which is at present indeterminate. (The identifiable revenue loss from the 5 agencies listed below is \$233,195 in FY 04 and \$303,195 in FY 05). However, it should be noted that most state agencies employing these individuals will experience a cost savings since members of certain collective bargaining units are entitled to reimbursement for these expenses. Thus, it is anticipated that the cost savings to state agencies, which at present cannot be determined in the aggregate, will be a significant portion of the estimated revenue loss to the General Fund.

Moreover, starting in FY 04 the Department of Public Health is anticipated to incur an annual cost of \$16,865 plus an associated fringe benefit cost of \$6,125 for the services of a part-time Clerk Typist. (See below for further explanation).

Further Explanations on Certain State Agencies**Department of Consumer Protection**

The Department of Consumer Protection employs 13 Drug Control Agents who are required to hold Pharmacists licenses. The revenue loss and cost savings from the \$30 license fee is \$390. The revenue loss from the \$75 license fee for the 4 Consumer Protection Professional Trades Inspectors is \$300. Thus, the total revenue loss and corresponding cost savings \$690.

Department of Public Health

The Department of Consumer Protection employs 13 Drug Control Agents who are required to hold Pharmacists licenses. The revenue loss and cost savings from the \$30 license fee is \$390. The revenue loss from the \$75 license fee for the 4 Consumer Protection Professional Trades Inspectors is \$300. Thus, the total revenue loss and corresponding cost savings \$690.

Commencing in FY 04 and each year thereafter, the Department of Public Health (DPH) will incur an annual cost of \$16,865 to support the salary of one half-time Clerk Typist position as well as associated other expenses. These costs would be supplemented by an additional \$6,125 in fringe benefit expenses, which are budgeted centrally in miscellaneous accounts administered by the Comptroller. (The total fringe benefit reimbursement rate as a percentage of payroll is 40.21%, effective July 1, 2002). This position would be needed to verify the employment status of licensed health professionals who are employed by the state and to carry out other administrative duties associated with the newly-proposed licensure process.

An estimated 3,500 state employees work in positions requiring licensure by DPH. Exempting these individuals from payment of initial and renewal licensure fees (which vary from \$10 to \$450) will result in an estimated revenue loss to the General Fund of approximately \$210,000 in FY 04 and \$280,000 commencing in FY 05. Various state agencies employing health professionals will experience

savings since member of certain bargaining units are entitled to reimbursement of licensure fees.

Department of Public Works

The Department of Public Works employs 4 Architects who are eligible for reimbursement. However, only 1 has been reimbursed for the \$150 license fee. It also employs 2 Engineers who are also reimbursed for their \$225 license fee. Thus, the revenue loss to the General Fund would be \$1,050; the cost savings would be \$600.

Secretary of the State – State Board of Accountancy

The State Board of Accountancy is responsible for licensing and regulating the public accounting profession. In FY 02, 3,513 individuals paid \$450 to renew their CPA licenses with the state. It is estimated that 1% or 35 of the 3,513 licensed accountants are state employees. Thus, the revenue loss to the General Fund is estimated to be \$15,750. If these employees are members of covered by collective bargaining units, a similar cost savings would be experienced by the state.

Department of Transportation

The Department of Transportation employs 23 Engineers and 2 Land Surveyors. Thus, the revenue loss to the General Fund from the \$225 engineers license fee and from the \$80 fee for Land Surveyors would total \$5,335. The Transportation Fund would experience a similar cost savings.

OLR Bill Analysis

SB 1113

***AN ACT EXEMPTING CERTAIN STATE EMPLOYEES FROM THE
PAYMENT OF OCCUPATIONAL LICENSING FEES*****SUMMARY:**

This bill exempts from paying professional and occupational license and registration fees those state employees who are required to hold professional or occupational licenses as a condition of employment, but who do not engage in private practice. The bill covers health professionals, the building trades, architects, real estate professionals, engineers and surveyors, accountants, interior designers, safety inspectors, and others.

EFFECTIVE DATE: October 1, 2003

COMMITTEE ACTION

General Law Committee

Joint Favorable Report

Yea 17 Nay 0