



# House of Representatives

General Assembly

**File No. 234**

February Session, 2004

Substitute House Bill No. 5454

*House of Representatives, March 24, 2004*

The Committee on General Law reported through REP. FOX of the 144th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

**AN ACT EXEMPTING CERTAIN STATE EMPLOYEES FROM  
PAYMENT OF OCCUPATIONAL LICENSING AND REGISTRATION  
FEES.**

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

1 Section 1. (NEW) (*Effective October 1, 2004*) 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 or  
4 registration pursuant to title 20 of the general statutes as a condition of  
5 such state employment, but who does not engage in the private  
6 practice of such profession or occupation, shall be exempt from the  
7 payment of professional occupational licensing and registration fees  
8 required under title 20 of the general statutes.

This act shall take effect as follows:

Section 1	<i>October 1, 2004</i>
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**Statement of Legislative Commissioners:**

The words "or registration" were added after "occupational license" for consistency within the bill. The title was changed to reflect this change.

**GL**      *Joint Favorable Subst.-LCO*

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:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 05\$</b>	<b>FY 06\$</b>
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
Public Health, Dept.	GF - Cost	43,940	17,440
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	3,530	7,990

Note: GF=General Fund; TF=Transportation Fund

**Municipal Impact:** None

The bill exempts 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. This will result in an indeterminate revenue loss to the General Fund.

However, it should be noted that most state agencies employing these individuals would 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.

**Further Explanations on Certain State Agencies<sup>1</sup>**

**Department of Consumer Protection**

The Department of Consumer Protection employs 13 Drug Control

<sup>1</sup> The fiscal note sites specific examples of agencies that will be impacted by the bill, however the extent of the fiscal impact is indeterminate.

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 Occupational License Inspectors is \$300. The department employs one Architect who is required to hold an architect license (\$150) and 2 Real Estate Examiners (\$300 for each license) and one Real Estate Appraiser (\$300). Thus, the total revenue loss and corresponding cost savings is \$1,740.

### ***Department of Public Health***

The DPH will incur FY 05 costs of \$43,940 to implement the provisions of this bill. Included in this sum is the salary of one half-time Office Assistant (at \$17,440) 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 new licensure process, one-time costs for equipment (\$1,000), data processing services (\$24,000) needed to revise the agency's licensure database, and costs of updating license renewal cards (\$1,500). In FY 06, the DPH cost will fall to \$17,440, as the consultant services and other one-time expenses will no longer be required. DPH expenditures will be supplemented by fringe benefit costs of \$3,530 in FY 05 and \$7,990 in FY 06.<sup>2</sup>

An estimated 2,475 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 \$170,000 in FY 05 and \$225,000 annually commencing in FY 06. Various state agencies employing health professionals will

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<sup>2</sup> The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The total fringe benefit reimbursement rate as a percentage of payroll is 45.82%, effective July 1, 2003. However, first year fringe benefit costs for new positions do not include pension costs - lowering the rate to 20.23% in FY 05. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System.

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

***Department of Public Works***

The Department of Public Works (DPW) employs 5 Architects and 3 Engineers who are required to maintain a license as a condition of employment. All of these employees are being reimbursed for the license fee cost. The bill will result in a General Fund revenue loss for license fees/cost saving to DPW of \$1,425 per fiscal year (\$150 license fee for 5 architects and \$225 license fee for 3 Engineers.)

***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 04 4,056 individuals paid \$450 to renew their CPA licenses with the state. It is estimated that 1% or 41 of the 4,056 licensed accountants are state employees. Thus, the revenue loss to the General Fund is estimated to be \$18,450. 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**

HB 5454

***AN ACT EXEMPTING CERTAIN STATE EMPLOYEES FROM PAYMENT OF OCCUPATIONAL LICENSING AND REGISTRATION FEES***

**SUMMARY:**

This bill exempts state employees who must hold a professional or occupational license or registration issued under Title 20 of the Connecticut General Statutes as a condition of employment from paying the license or registration fees if they do not engage in private practice.

EFFECTIVE DATE: October 1, 2004

**BACKGROUND**

***Professions and Trades Licensed or Registered under Title 20***

The following individuals must obtain a license or certificate under the authority of Title 20:

Acupuncturist  
Alcohol and drug counselors  
Architects  
Athletic trainer  
Automotive glass work contractor and journey person  
Barber  
Certified public accountant  
Chiropractor  
Clinical social worker  
Dental hygienist  
Dentist  
Dietician-nutritionist  
Electrical contractor and journey person  
Electrologist  
Elevator craftsmen  
Embalmer and funeral director  
Fire protection sprinkler craftsmen

Hairdresser and cosmetician  
Heating, piping, and cooling contractor and journeyperson  
Irrigation contractor and journeyperson  
Land surveyor  
Marital and family therapist  
Massage therapist  
Midwife  
Natureopath  
Nurse  
Nurse's aide  
Occupational therapist  
Optician  
Optometrist  
Paramedic  
Physical therapist  
Physician  
Physician assistant  
Plumbing contractor and journeyperson  
Podiatrist  
Professional counselor  
Professional engineer  
Psychologist  
Radiographer and radiologic technologist  
Real estate broker and salesperson  
Respiratory care practitioner  
Sheet metal contractor and journeyperson  
Solar contractor and journeyperson  
Veterinarian

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Report  
Yea 11    Nay 8