

OFFICE OF FISCAL ANALYSIS

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sHB-5586

AN ACT WAIVING CERTAIN INITIAL OCCUPATIONAL LICENSING FEES FOR CERTAIN INDIVIDUALS AND REQUIRING A STUDY OF OCCUPATIONAL LICENSING FEES CHARGED BY SURROUNDING STATES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Resources of the General Fund	GF - Potential Revenue Loss	less than 285,000	less than 285,000
Consumer Protection, Dept.	GF - Cost	58,640	58,640
Public Health, Dept.	GF - Cost	58,640	58,640
State Comptroller - Fringe Benefits ¹	GF - Cost	42,608	42,608

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill, which requires that the Department of Consumer Protection (DCP) waive interior designer² and pharmacy technician³ initial certificate registration fees, and the Department of Public Health (DPH) waive barber⁴ and hairdresser/cosmetician⁵ initial licensure fees, for certain individuals, results in a potential General Fund revenue loss of less than to \$285,000 annually, and a state cost of approximately \$160,000 annually.

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 36.33% of payroll in FY 19 and FY 20.

²There is a \$190 DCP initial certificate registration fee for interior designers.

³There is a \$100 DCP initial certificate registration fee for pharmacy technicians.

⁴There is a \$100 DPH initial licensure fee for barbers.

⁵There is a \$100 DPH initial licensure fee for hairdresser/cosmeticians.

Primary Analyst: RDP
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As the bill may affect less than 1,650 initial certificate registrations issued by DCP, and less than 1,200 initial licenses issued by DPH, a General Fund revenue loss of less than \$285,000 per year is possible. In order to process and verify eligible: (1) low-income individuals, (2) veterans, armed forces members, and their spouses, and (3) young workers ages 18 through 24, it is anticipated that both DCP and DPH will need to hire additional staff. DCP will require a License and Application Analyst and DPH will require a Processing Technician. Both positions cost approximately \$58,640 for wages and \$21,304 for associated fringe benefits, under the State Comptroller, annually.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of registration/licensure waivers issued by DCP and DPH.