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FISCAL NOTE (Form 3)  
 (Office of Fiscal Analysis) ANALYST: *J 5592*  
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 Version: 14

BILL NUMBER: SSB 36  
 FILE NUMBER:  
 AMENDMENTS: Senate "F", "G",  
 "H", "I", "J", and "K"

TITLE: "AN ACT CONCERNING FEES"

FAVORABLY REPORTED BY Finance, Revenue and Bonding

EFFECTIVE DATE: 7/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER SSB 36

STATE IMPACT                    See below

MUNICIPAL IMPACT            None

STATE AGENCY(S)            Various Agencies

	Current FY	1992-93	1993-94
State Cost (savings)	:	: 315,300	:
St Revenue (loss)	:	: 10,061,818	:
Net St Revenue (savings)	:	: 9,746,518	:
Municipal Impact	:	:	:

EXPLANATION OF ESTIMATES:

The bill as amended will result in a net revenue gain of \$9.7 million from increases in various licenses, permits and fees (\$9,813,818) and miscellaneous revenue enhancements (\$248,000) minus costs associated with implementation (\$315,300).

To the extent that budgeted reductions in agency personnel due to early retirement, layoffs and attrition have decreased licensing and regulatory staffs in the Departments affected by this act, there could be a negative impact on the revenue generated.

It should be noted that collection of revenues reflected in this fiscal note from fees attributable to the Department of Health Services (DOHS) will be contingent upon the the agency being able to dedicate sufficient staff resources to licensure and collection activities in FY 1992-93. The extent to which this can be accomplished is uncertain as the DOHS has experienced a significant reduction in its workforce in

recent months due to budgeted personnel reductions and early retirements. (Twenty four (24) out of the fifty nine (59) individuals taking early retirement worked in the DOHS's primary licensure divisions.) It is uncertain at this time whether the agency will lose more positions due to layoffs.

It is anticipated that the agency would require a total of \$255,300 which includes one (1) Administrative Fiscal Officer (at approximately \$32,000) to monitor fee collection. Achieving revenues related to asbestos activities would require 4 staff; achieving revenues associated with licensure of youth camps would require 4.3 full-time equivalent positions. The total cost associated with these staff, including related other expenses, is \$223,300. It should be noted that no funding has been included within sHB 5100 (the Appropriations Act, as passed by the House and Senate) for these additional positions.

Based upon a review of the Department of Consumer Protection actual budget for FY 1991-92 and the proposed budget outlined in sHB 5100 (the Appropriations Act, as passed by the House and Senate) for FY 92-93, three positions and \$60,000 will be needed to register weighing devices.

The 1991-92 budget for the Department of Consumer Protection included three positions and \$60,000 to cover the administrative costs to collect the registration fees for weighing devices. Since the legislation to implement the registration program was not approved by the General Assembly the appropriated funds were anticipated to lapse and the positions not established.

sHB 5100 requires DCP to eliminate a total of 29 positions to effect a savings of \$963,606 in Personal Services for FY 92-93. Consequently, it is anticipated that the responsibilities associated with this registration program cannot be handled within DCP's normal budgetary resources.

It should be noted that the agency budgets do not include fringe benefit costs as they are provided in separate accounts administered by the Comptroller. As the fringe benefit costs associated with this bill represent a very small amount relative to the total appropriated to the Comptroller for fringe benefits for all state employees, they have not been reflected in this estimate.

Senate "F" will effect a revenue loss which cannot be quantified. The amendment reduces certain license fees under the Department of Health Services for select professionals who are also certified to be employed in public schools. The number of such individuals cannot be determined at this time because no data base exists which contains records of those individuals holding

both professional licenses and certificates issued by the State Board of Education.

Senate "G" results in a revenue loss of \$210,000 from the reduction in fees for the subsurface sewage disposal system installers and \$13,500 from the decrease in fees for the subsurface sewage disposal system cleaners.

Senate "H" effects a minimal revenue gain as the amendment requires full-time teachers of adult education programs to pay the \$50 fee, however most of those who teach do so on a part-time basis.

Senate "I" will effect a minimal revenue loss as the number of firms with only one licensed accountant is estimated to be small.

Senate "J" results in the clarification and classification of various professional services fees and the fiscal impact is uncertain. Recent federal legislation regarding health care provider taxes imposes a State cap on such taxes at 25% of the State share of the Medicaid program. Items which fall under this cap would be the Uncompensated Care Pool assessments, the proposed nursing home assessment, and health care licensing fees. The State is penalized for any such taxes which exceed the cap as the amount in excess of the cap is reduced from total Medicaid expenditures for the purpose of determining federal financial participation. By classifying health care professionals in a class with other professionals, those licensing fees may not be counted in the determination of allowable taxes. It should be noted that such determinations, however, would be subject to final review and approval by the federal Health Care Financing Administration (HCFA). If not approved the State may be subject to this penalty to the extent which would have occurred under current law.

Senate "K" results in a revenue loss totalling \$5,441,000 from removing various judicial fees for certifying and copying legal documents (\$680,000), court filing fees (\$1,761,000) and the pre-trial alcohol education fee (\$3,000,000).

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