Fiscal Note & Local Impact Statement

123 rd General Assembly of Ohio

BILL: **S.B. 138** DATE: **May 10, 1999**

STATUS: **As Introduced** SPONSOR: **Sen. Cupp**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **Permits the certification of Interior Designers**

State Fiscal Highlights

STATE FUND	FY 2000	FY 2001	FUTURE YEARS
General Revenue Fund			
Revenues	Potential minimal gain	Potential minimal gain	Potential minimal gain
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase
Ohio Interior Designers Certification Fund (created by this bill)			
Revenues	Potential minimal gain	Expected gain a result of certification fee and number certified	Expected gain a result of certification fee and number certified
Expenditures	Potential minimal increase	Expenditures should closely match revenues	Expenditures should closely match revenues

Note: The state fiscal year is July 1 through June 30. For example, FY 2000 is July 1, 1999 – June 30, 2000.

- This bill establishes violations of section 4768.07 (A)(1) as a first-degree misdemeanor and violations of sections 4768.08 (C) or (D) are third-degree misdemeanors. These penalties carry the potential for jail time or a fine. The state would bear part of any indigent expenses but the state would also receive state court revenues. Due to the low number of expected violations, the state fiscal effect should be minimal.

- The bill creates a new fund within the Department of Commerce, the Ohio Interior Designers Certification Fund. This fund will receive all revenues and pay all expenses related to the state regulation of interior designers. Please note the bill does not prescribe a certification fee. Instead, it leaves that duty to the Director of Commerce. It is expected that total revenue collected from the certification fee will closely match the total expenditures incurred as a result of regulating interior designers.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1999	FY 2000	FUTURE YEARS
Political Subdivisions, but primarily municipalities and counties			
Revenues	Potential minimal gain	Potential minimal gain	Potential minimal gain
Expenditures	Likely minimal increase	Likely minimal increase	Likely minimal increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The establishment of a misdemeanor offense creates the opportunity for a gain in revenues and an increase in expenditures. Counties will bear any prosecution and incarceration expenses, while municipalities will share adjudication costs with counties. On the revenue side, counties will receive any fines, and municipalities and counties will receive local court revenue.

- Any public authority planning to contract for professional design services will likely incur an increase in advertising costs due to requirements for publicly announcing available contracts.

Detailed Fiscal Analysis

State Fiscal Effects

Under the bill, the Department of Commerce will oversee the certification and regulation of interior designers. Section 4768.03 of the bill provides the Department with authority to establish an annual certification fee. The fee amount will be established at the discretion of the Director of Commerce and revenues will cover administrative expenses for regulating the interior design industry. Therefore, expenditures should not exceed revenues. Revenue from the interior designer certification fee will be deposited into a new fund within the Department of Commerce named the "Ohio Interior Designers Certification Fund".

Also, a first- and third-degree misdemeanor are established under the bill. For a misdemeanor, the state provides indigent defense and receives state court revenues. Unless a significant number of violators are prosecuted (which is unlikely), the state fiscal effect will be small.

Local Fiscal Effects

Political subdivisions will face higher advertising costs from the establishment of "interior designers" as a professional design service. Professional design services currently refer only to architects, landscape architects, engineers and surveyors. Section 153.67 requires any public authority planning to contract for professional design services to publicly announce all available contracts, so the addition of interior designers will likely raise public authorities' advertising costs. Public notice includes advertising in a public newspaper, mailing requests to prior contract applicants, and publishing in professional circulation, among others. The cost per advertisement is generally small (under $100) but will change depending upon the publication, size of the advertisement, and number of times it will be published.

Because the bill also imposes a misdemeanor offense for certain violations, local revenues and expenditures could also increase. On the revenue side, counties would receive any fines and could receive forfeitures if they were also the law enforcement agency. For expenditures, the counties would incur any prosecution expenses and would share indigent defense expenses. Counties would pay for any incarceration expenses. The entity (either municipalities or counties) would cover adjudication costs. Since the number of offenses prosecuted by this bill is expected to be small, these political subdivisions are not expected to face a significant change in either revenues or expenditures.

National Council for Interior Design Qualifications

The National Council for Interior Design Qualification (NCIDQ) is the national certification body for interior designers. Under this bill, to become certified as an Ohio interior designer, a person will have to pass an examination administered by NCIDQ. Individuals with at least ten years of interior design experience prior to certification established by this bill only have to pass the Building and Barrier Free Code section of the exam, which costs $75. Others will have to pass the entire examination, which consists of six sections and costs $450.

❑ *LBO staff: Brian A. Friedman, Budget/Policy Analyst*

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