



Ohio Legislative Service Commission

Revised

Tom Middleton

Fiscal Note & Local Impact Statement

Bill: H.B. 202 of the 130th G.A.

Date: October 18, 2013

Status: As Introduced

Sponsor: Rep. Blessing

Local Impact Statement Procedure Required: No

Contents: Modifies licensing laws applying to professional engineers and surveyors

State Fiscal Highlights

- The bill eliminates fees charged by the State Board of Registration for Professional Engineers and Surveyors for examinations required by persons wanting to register as professional engineers or professional surveyors. Elimination of these fees will reduce the Board's revenues by approximately \$83,000 per year. The Board uses the Occupational Licensing and Regulatory Fund (Fund 4K90) to receive revenues and pay expenses.
- The bill extends the duration of the certificate of authorization for engineering and surveying businesses issued by the Board from one to two years. At the current renewal fee of \$25, the Board's revenues from this fee will decrease by approximately \$30,000 per year. This loss in revenue will be partially offset by a reduction in postage and supply expenses of approximately \$1,500 annually since there will be fewer certificates to process.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Overview of Board

The State Board of Registration for Professional Engineers and Surveyors regulates the professions of engineering and surveying by ensuring that only properly qualified individuals and businesses become registered, and that the registrants follow the established standards and codes of ethics. Approximately 25,400 professional engineers and 1,300 professional surveyors are licensed in the state. The Board receives no GRF funding; rather, it is entirely supported by fees that are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). Over the last five complete fiscal years, the Board has spent approximately \$766,000 to \$908,000 per fiscal year. Revenue to the Board over this time has ranged from around \$600,000 to \$1.7 million. The appropriation for Board operations in FY 2014 is \$996,938.

Elimination of examination fees

Currently, applicants for Professional Engineer (P.E.) or Professional Surveyor (P.S.) licenses must pass two examinations administered by the Board. The bill eliminates the requirement that the Board establish fees to cover the Board's expenses related to these examinations. Currently, the Board charges fees of \$25 for the fundamentals examination and \$75 for the principles and practice examination. According to the Board's FY 2012 Annual Report, 1,221 people took the fundamentals examination and 697 people took the principles and practice examination. Assuming the number of people taking the examinations in future years remains at the FY 2012 level, elimination of the fees will reduce the Board's revenue by \$82,800 per year ($1,221 \times \$25 + 697 \times \75).

Biennial renewal of businesses receiving new certificates of authorization

The Board registers engineering and surveying businesses operating in Ohio with a credential referred to as a Certificate of Authorization. The bill extends the duration of the certificate from one to two years. Continuing law requires the Board to establish a fee for a certificate not to exceed \$50 and a fee for "annual renewal" of a certificate not to exceed \$25. Currently, there are around 2,400 businesses with certificates, and the Board charges the maximum \$25 fee for annual renewal. It is not clear whether the Board will be able to charge a renewal fee that exceeds \$25 since renewal will be biennial instead of annual under the bill. If the renewal fee remains at \$25, the Board's revenues from this fee will decrease by an average of \$30,000 per year.¹ However, reviewing fewer renewals of Certificates of Authorization will also reduce postage and supply costs by approximately \$1,500 per year, according to an estimate by the Board.

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¹ Currently, the Board raises about \$60,000 per year ($2,400 \times \25) for the annual renewal. Under the bill, if the fee remains at \$25, the Board will raise that \$60,000 every two years.