Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 202 of the 130th G.A. **Date**: February 6, 2014

Status: As Passed by the Senate **Sponsor**: Rep. Blessing

Local Impact Statement Procedure Required: No

Contents: Modifies licensing laws applying to professional engineers and surveyors

State Fiscal Highlights

- The bill extends the duration of the certificate of authorization for engineering and surveying businesses issued by the State Board of Registration for Professional Engineers and Surveyors from one to two years and increases the maximum fee the Board may charge for renewal from $25 to $50. At the current renewal fee of $25, the Board's revenues from this fee will decrease by approximately $30,000 per year. If the fee is increased to $50, there will be no reduction in revenue. There will also likely be a reduction in expenses of approximately $1,500 per year due to processing fewer certificates.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Biennial renewal of businesses receiving new certificates of authorization

The State Board of Registration for Professional Engineers and Surveyors issues certificates of authorization to businesses wanting to provide professional engineering or professional surveying services. The bill extends the duration of the certificate from one to two years. The bill also modifies the fee permitted to be charged for certificate renewals from an "annual renewal" fee not to exceed $25 to a "biennial renewal" fee not to exceed $50. Currently, there are around 2,400 businesses with certificates and the Board charges the maximum $25 fee for annual renewal. 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] If the Board increases the fee to $50, revenues will not decrease.[2] In addition, reviewing fewer renewals will reduce administrative costs such as postage and supply costs by approximately $1,500 per year, according to an estimate by the Board. The Board uses the Occupational Licensing and Regulatory Fund (Fund 4K90) to receive revenues and pay expenses.

Changes to professional engineers and surveyors registration process

The Board is responsible for registering professional engineers and surveyors in the state of Ohio. Under continuing law, to register as a professional engineer or professional surveyor, a person must pass both a fundamentals examination and a principles and practice examination. Under current law, when an applicant passes the fundamentals examination, the Board must give the applicant a certificate showing the applicant's status as an engineer or surveyor intern. The bill modifies the requirements for interns and explicitly requires each applicant to be certified as an intern before applying for registration as a professional. The bill also modifies the current requirement that the Board establish examination fees by removing the explicit reference to both examinations. These changes do not have a direct fiscal effect on the Board. However, according to the Board, the National Council of Examiners for Engineering and Surveying will start directly administering the fundamentals examination effective January 1, 2014. As the Board will no longer administer this examination, the Board plans on replacing the $25 examination fee it currently charges with a $25 fee for interns who have passed the examination. This will likely result in a decrease in revenues as the fee will only be collected from applicants who pass the examination, not from all applicants who take the examination. The Board's expenses will also likely decrease as it will no longer administer the examination.

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

[2] There may initially be a temporary reduction in revenue under this scenario depending on when the fee increase is effective.