



# Ohio Legislative Service Commission

Tom Wert

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## Fiscal Note & Local Impact Statement

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**Bill:** Am. Sub. H.B. 98 of the 130th G.A.

**Date:** November 6, 2013

**Status:** As Enacted

**Sponsor:** Reps. Gonzales and Retherford

**Local Impact Statement Procedure Required:** No

**Contents:** Revises licensing procedures for military service members and veterans, and declares an emergency

### State Fiscal Highlights

- Licensing boards and commissions might incur some additional costs for processing applications from current and former members of the military that meet licensure criteria under the bill, but these costs would be offset by application and license fees.
- Many of the boards and commissions that regulate occupations and professions deposit license fees and related receipts into the Occupational Licensing and Regulatory Fund (Fund 4K90). In other cases, particularly for licensing boards housed within state agencies, license fees and various related receipts are deposited into other designated state funds.
- The bill extends the conditions under which the Bureau of Motor Vehicles must waive the current skills test waiver for a commercial driver's license (CDL) applicant who has military commercial motor vehicle experience. Fees for skills testing are deposited into the State Highway Safety Fund (Fund 7036). Extending the waiver could result in a minimal loss of revenue for Fund 7036.
- The bill declares an emergency.

### Local Fiscal Highlights

- Because some local government entities provide the skills testing for CDL applicants, these jurisdictions could incur a minimal loss of revenue since applicants with prior military motor vehicle experience would not be required to pay the testing fees.

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## Detailed Fiscal Analysis

### Overview

The bill requires occupational licensing agencies to consider a license applicant to have met educational and experience requirements if the applicant received occupational training and experience through military service, provided that military training and experience is substantially equivalent to the licensing agencies' educational and experience standards. Under the bill, licensing agencies retain the authority to determine what constitutes substantially equivalent training and experience, but must adopt rules in this regard by June 30, 2014. The bill makes no changes to license fees or other licensing costs paid by a license applicant with military experience. Additionally, the bill modifies the existing waiver of skills testing afforded to applicants for a commercial driver's license (CDL) with military commercial motor vehicle experience. Under current law, this testing requirement is waived if such an applicant has separated from military service within the preceding 90 days. Under the bill, this waiver would be in perpetuity. Finally, the bill declares an emergency. The potential fiscal effects of the bill are discussed in more detail below.

### Substantially equivalent occupational training and experience from military service

Eleven occupational licensing boards and commissions responded to LSC's questions concerning the potential fiscal effects of the bill, particularly the provision requiring them to consider the military experience, education, and training of a license applicant. None of them expects that the bill would result in more than minimal fiscal effects.<sup>1</sup> All of the boards and commissions that responded indicated that there could be some small cost increases for rulemaking and processing additional license applications for current and former military members, although the costs from processing additional license applications would be offset by application and licensing fees. License fees for many occupational licensing boards and commissions are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). However, some professions and trades are regulated by boards housed within larger state agencies such as the Department of Commerce. License fees and other revenues for these professions and trades are collected by various other state funds. Indeed, according to information compiled for LSC's Occupational Licensing and Regulatory Board Report for FY 2012, 40 different boards and commissions regulated and licensed various occupations and

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<sup>1</sup> Boards and Commissions that responded include the: (1) Ohio Board of Dietetics, (2) Board of Nursing, (3) Architects Board and Board of Landscape Architects Examiners, (4) Ohio Optical Dispensers Board, (5) Ohio State Dental Board, (6) State Board of Psychology, (7) State Board of Cosmetology, (8) State Board of Embalmers and Funeral Directors, (9) State Board of Registration for Professional Engineers and Surveyors, (10) State Board of Sanitarian Registration, and (11) State Board of Optometry.

professions in the state of Ohio. Their operations were supported by license fees, fines, penalties, and other assessments deposited into 23 different non-GRF funds.

### **Skills test waiver for military commercial motor vehicle experience**

Under current law, an applicant for a CDL who at the time of applying is a member or uniformed employee of the armed forces of the United States, their reserve components or the Ohio National Guard, or who has been separated from such service within the preceding 90 days and who was regularly employed in a military position requiring the operation of commercial motor vehicles, may qualify for a waiver of skills testing ordinarily required for a CDL. Under the bill, the waiver is extended to an applicant with military commercial motor vehicle experience without regard to the recency of the applicant's military service. Additionally, to qualify for the waiver, the applicant must meet other requirements under continuing law including the absence of convictions for serious traffic violations and license suspensions and revocations.

The fee for an applicant taking the CDL skills test depends on which testing location is used. There are five state-operated testing locations, where it costs an applicant \$50 to take the skills test, and ten public or third-party testing locations, where it costs an applicant \$85 to take the skills test. By extending the waiver to an applicant with military commercial motor vehicle experience without regard to the recency of that military service, there is a possibility that the State Highway Safety Fund (Fund 7036) or the local entities that offer testing could lose revenue from applicants who would otherwise have to pay the testing fee. Any loss in revenue will be at least partially offset by a savings of the costs of providing the testing. However, given the small number of applicants affected by this provision, it is unlikely that the fiscal impact would be significant.