

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1148-01
Bill No.: HB 657
Subject: Economic Development Dept.; Health Care; Licenses - Professional
Type: Original
Date: March 14, 2007

Bill Summary: Requires audiologists and individuals who dispense hearing instruments to provide the purchaser with a completed purchase agreement containing specific material relating to the sale.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Hearing Instrument Specialist	(\$57,500)	\$0	\$0
Board of Registration for the Healing Arts	(\$2,700)	(\$2,700)	(\$2,700)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$60,200)	(\$2,700)	(\$2,700)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** state based on FY 07 board projections, the division estimates 18 endorsement applications (\$150 each) will no longer be received by the Board of Hearing Instrument Specialists, thereby, decreasing their funds by \$2,700 annually. Based on the language as written, the Board of Healing Arts would be required to supplement the Hearing Instrument Specialist Fund by this amount. The Board of Healing Arts may need to increase their fees to cover the cost of this annualized amount.

The Board estimates 230 audiologists will not be required to renew their hearing instrument specialist license (\$250 each), thereby, decreasing revenue into the Hearing Instrument Specialist Fund by \$57,500. The DIFP anticipates the Board of Hearing Instrument Specialists will implement a fee increase to cover the loss of revenue.

Oversight assumes that by the time it is necessary to renew biennial licenses in FY 2010, the Board of Hearing Instrument Specialists will have increased licensing fees to cover the loss of revenue.

Oversight assumes the Board of Registration for the Healing Arts will evaluate the need to increase fees but may not implement a fee increase within the period of this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
HEARING INSTRUMENT SPECIALIST FUND			
<u>Loss - DIFP</u>			
Reduction in license application fees	<u>(\$57,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HEARING INSTRUMENT SPECIALIST FUND	<u>(\$57,500)</u>	<u>\$0</u>	<u>\$0</u>
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND			
<u>Loss - DIFP</u>			
Reduction in license application fees	<u>(\$2,700)</u>	<u>(\$2,700)</u>	<u>(\$2,700)</u>
ESTIMATED NET EFFECT ON BOARD OF REGISTRATION FOR THE HEALING ARTS FUND	<u>(\$2,700)</u>	<u>(\$2,700)</u>	<u>(\$2,700)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will impact small audiology businesses if license fees are increased and will also have an administrative impact by requiring businesses to provide a purchase agreement to buyers.

FISCAL DESCRIPTION

This proposal expands the practice of audiology by adding the fitting, programming, and dispensing of assistive listening devices. Licensees who sell these devices are required to provide a purchase agreement to the buyer containing product information including the terms of sale, name of manufacturer, make, model, and current condition of the product.

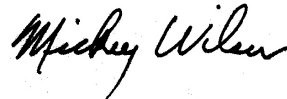
FISCAL DESCRIPTION (continued)

The proposal also phases in educational requirements for applicants for instrument specialist licenses or specialist-in-training permits.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial and Professional Regulation
Department of Revenue
Office of Secretary of State



Mickey Wilson, CPA
Director
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