

## OCCUPATIONAL REGULATION REPEALERS

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### Senate Bill 479

Sponsor: Sen. Mark C. Jansen

### Senate Bill 494

Sponsor: Sen. Bruce Caswell

### Senate Bill 607

Sponsor: Sen. Roger Kahn, M.D.

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 5-13-14

## A SUMMARY OF SENATE BILLS 479, 494, AND 607 AS PASSED BY THE SENATE

Generally speaking, the bills in this package implement some of the recommendations made by the Office of Regulatory Reinvention regarding occupational licensing. Taken together the bills would deregulate the following occupations: professional community planners, interior designers, and ophthalmologists (including ophthalmologist apprentices). The bills are similar to House bills, or parts of House bills, that have already passed the House.

Senate Bill 494 (similar to House Bill 4377) would repeal Section 23 of the State Licensee Fee Act, which establishes a registration fee schedule for professional community planners. House Bill 4377, as reported from Senate Committee, would repeal Article 23 of the Occupational Code, which provides for the registration of community planners.

Senate Bill 479 (Similar to House Bill 4378) would repeal Section 601a of the Occupational Code, which regulates interior designers, and authorizes the collection of fees. Currently, LARA, through an advisory subcommittee on interior design, is required to maintain a list of interior designers and make it available to the state and local units of government. To be included on the list, individuals have to pass the National Council of Interior Design Qualification exam. Once on the list, individuals remain there indefinitely; there is no expiration contained in statute.

Senate Bill 607 (similar to House Bill 4392) would repeal Section 62 of the State License Fee Act (MCL 338.2262), which establishes the registration fee schedule for ophthalmologists and apprentice ophthalmologists. House Bill 4392 would repeal Article 27 of the Occupational Code, which provides for the registration of ophthalmologists and ophthalmologist apprentices. Ophthalmology is (1) the design, fabrication, and fitting of ocular prosthetic appliances (artificial eyes); (2) the fitting of ocular prosthetic appliances; and (3) the performance of necessary procedures to provide an ocular prosthetic service for a patient in an ophthalmologist's

office or laboratory. An individual currently must be registered with LARA in order to use the title of ocularist or advertise as a registered ocularist.

**FISCAL IMPACT:**

***Senate Bill 494***

SB 494 would have a nominal negative fiscal impact on the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) within the Department of Licensing and Regulatory Affairs (LARA) to the extent that fee revenue generated by professional community planners are more than sufficient to cover expenditures for the professional community planner registration program.

As of FY 2013, there were seventy-five (75) individuals registered by the CSCLB as professional community planners. Statutory fees collected from registered professional community planners generated a total of \$7,875 in revenue (fees include \$30 for application and \$100 for registration) over the most recent biennial renewal cycle. Over the most recent renewal cycle, the CSCLB spent \$3,765 in *total* expenditures to administer the registration program.

| Professional Community Planners Registration |                |                |             |              |              |                |                |
|--|----------------|----------------|-------------|--------------|--------------|----------------|----------------|
| Fiscal Year                                  | Revenue        | Expenditures   |             |              |              | TOTAL          | Net Rev-TotExp |
|  |                | Licensing      | Enforcement | Adjudication | Info Tech    |                |                |
| 2012   | \$3,550        | \$1,477        | \$0         | \$0          | \$398        | \$1,875        | \$1,675        |
| 2013   | \$4,325        | \$1,493        | \$0         | \$0          | \$397        | \$1,890        | \$2,435        |
| <b>Total</b>                                 | <b>\$7,875</b> | <b>\$2,970</b> | <b>\$0</b>  | <b>\$0</b>   | <b>\$795</b> | <b>\$3,765</b> | <b>\$4,110</b> |
| <b>Average</b>                               | <b>\$3,938</b> | <b>\$1,485</b> | <b>\$0</b>  | <b>\$0</b>   | <b>\$398</b> | <b>\$1,883</b> | <b>\$2,055</b> |
| <b>Avg per Lic</b>                           | <b>\$52.50</b> | <b>\$20</b>    | <b>\$0</b>  | <b>\$0</b>   | <b>\$5</b>   | <b>\$25</b>    | <b>\$27</b>    |

As evidence by the table above, fee revenue collected from professional community planners exceed total expenditures (by \$4,100 over the most recent renewal cycle). By eliminating the professional community planner registration program, SB 494 would be expected to eliminate future expenditures for the program, engendering an annual revenue loss equivalent to the difference between expenditures and fee revenue.

***Senate Bill 479***

SB 479 would have a positive fiscal impact on the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) within the Department of Licensing and Regulatory Affairs (LARA) to the extent that fee revenue generated by registered interior designers are insufficient to cover expenditures for the interior designer registration program.

As of FY 2013, there were 1,295 individuals registered by the CSCLB as interior designers. Regulatory fees collected from registered interior designers generated a total of \$80 in revenue (the fee is \$20 for registration) over the past three fiscal years. Over the past three fiscal years, the CSCLB spent \$95,497 in *total* expenditures to administer the registration program.

| Interior Designers Registration |             |                 |             |              |                 |                 |                   |
|---------------------------------|-------------|-----------------|-------------|--------------|-----------------|-----------------|-------------------|
| Fiscal Year                     | Revenue     | Expenditures    |             |              |                 |                 | Net Rev-TotExp    |
|                                 |             | Licensing       | Enforcement | Adjudication | Info Tech       | TOTAL           |                   |
| 2011                            | \$20        | \$23,840        | \$0         | \$0          | \$6,859         | \$30,699        | (\$30,679)        |
| 2012                            | \$40        | \$25,321        | \$0         | \$0          | \$6,832         | \$32,153        | (\$32,113)        |
| 2013                            | \$20        | \$25,787        | \$0         | \$0          | \$6,858         | \$32,645        | (\$32,625)        |
| <b>Total</b>                    | <b>\$80</b> | <b>\$74,948</b> | <b>\$0</b>  | <b>\$0</b>   | <b>\$20,549</b> | <b>\$95,497</b> | <b>(\$95,417)</b> |
| <b>Average</b>                  | <b>\$27</b> | <b>\$24,983</b> | <b>\$0</b>  | <b>\$0</b>   | <b>\$6,850</b>  | <b>\$31,832</b> | <b>(\$31,806)</b> |
| <b>Avg per Lic</b>              | <b>\$0</b>  | <b>\$454</b>    | <b>\$0</b>  | <b>\$0</b>   | <b>\$125</b>    | <b>\$579</b>    | <b>(\$578)</b>    |

As evidence by the table above, total expenditures exceed the fee revenue collected from registered interior designers (by \$95,417 over the past three fiscal years). By eliminating the interior designer registration program, SB 479 would be expected to eliminate future expenditures for the program, engendering an annual savings equivalent to the difference between expenditures and fee revenue.

#### *Senate Bill 607*

SB 607 would have a nominal negative fiscal impact on the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) within the Department of Licensing and Regulatory Affairs (LARA) to the extent that fee revenue generated by ocularists are more than sufficient to cover expenditures for the ocularist registration program.

As of FY 2013, there were fourteen (14) individuals registered by the CSCLB as ocularists. Statutory fees collected from registered ocularists generated a total of \$1,795 in revenue (fees include \$35 for application and \$40 for registration) over the past three fiscal years. Over the past three fiscal years, the CSCLB spent \$1,039 in *total* expenditures to administer the registration program.

| Ocularists Registration |                |              |             |              |              |                |                |
|-------------------------|----------------|--------------|-------------|--------------|--------------|----------------|----------------|
| Fiscal Year             | Revenue        | Expenditures |             |              |              |                | Net Rev-TotExp |
|                         |                | Licensing    | Enforcement | Adjudication | Info Tech    | TOTAL          |                |
| 2011                    | \$675          | \$258        | \$0         | \$0          | \$74         | \$332          | \$343          |
| 2012                    | \$560          | \$279        | \$0         | \$0          | \$75         | \$354          | \$206          |
| 2013                    | \$560          | \$279        | \$0         | \$0          | \$74         | \$353          | \$207          |
| <b>Total</b>            | <b>\$1,795</b> | <b>\$816</b> | <b>\$0</b>  | <b>\$0</b>   | <b>\$223</b> | <b>\$1,039</b> | <b>\$756</b>   |
| <b>Average</b>          | <b>\$598</b>   | <b>\$272</b> | <b>\$0</b>  | <b>\$0</b>   | <b>\$74</b>  | <b>\$346</b>   | <b>\$252</b>   |
| <b>Avg per Lic</b>      | <b>\$11</b>    | <b>\$5</b>   | <b>\$0</b>  | <b>\$0</b>   | <b>\$1</b>   | <b>\$6</b>     | <b>\$5</b>     |

As evidence by the table above, fee revenue collected from ocularists exceed total expenditures (by \$756 over the past three fiscal years). By eliminating the ocularist registration program, SB 607 would be expected to eliminate future expenditures for the program, engendering an annual revenue loss equivalent to the difference between expenditures and fee revenue.

It is important to note that an indeterminate proportion of the expenditures exhibited in the above three tables consist of departmental administrative, property management, rent, and informational technology expenses, which are relatively fixed and thus would not entirely be eliminated through the deregulation of the associated occupational licensing program, but rather reallocated amongst other occupational licensing programs within the CSCLB. However, if the Legislature eliminates multiple occupation regulatory programs under the CSCLB which do not generate adequate fee revenues and/or those programs with few licensees, overhead costs would be expected to decrease by an indeterminate amount once a sufficient number are eliminated thereby reducing total expenditures.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.