

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 794 (Senate Finance Committee Substitute)

SHORT TITLE: Engineering and Land Surveying Changes

SPONSOR(S): Rep. Ives

FISCAL IMPACT

	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
Special Revenue Fund					
Photogrammetrists	\$7,500	\$3,000	\$3,000	\$3,000	\$3,000
Corporate Rates	\$95,000	\$100,000	\$105,000	\$110,000	\$120,000
Individual	<u>\$602,000</u>	<u>\$602,000</u>	<u>\$602,000</u>	<u>\$602,000</u>	<u>\$602,000</u>
Total	\$704,500	\$705,000	\$710,000	\$715,000	\$725,000

EXPENDITURES					
Special Revenue Fund	NA	NA	NA	NA	NA

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: N. C. State Board of Registration for Professional Engineers and Land Surveyors

EFFECTIVE DATE: The act is effective when it becomes law.

BILL SUMMARY: The bill make substantive changes to the North Carolina Engineering and Land Surveying Act (GS Chapter 89C).

ASSUMPTIONS AND METHODOLOGY: The following sections of the bill have fee changes or new fees imposed:

Section 8 - A \$250 license fee is charged to sponsors of continuing professional competency activities such as courses or extension courses. The Board currently has agreements with 150 groups offering this service and will not impose this license fee on them. The Board does not

anticipate any new entrants into this field in the near future. Since there is no charge in the bill for annual renewal of the license, no revenue is anticipated from this section.

Section 11 - This section will allow Photogrammetrists to be licensed for the first time by the Board. The Board estimates that the 75 persons that currently qualify for this license in North Carolina will pay a \$100 application fee in FY 1998-99 and a \$40 annual renewal fee thereafter.

Section 12 - Part (b) of this section says that the “Board may charge any fee necessary to defray the cost of any required examinations”. The Board has been doing this, but had no statutory authority. Part (c) of this section sets the certification fee for a corporation at a rate not to exceed \$100. The fee is currently \$50 and the Board will raise the fee to \$100 upon passage of the bill. This section also raises the renewal fee for corporations to a rate not to exceed \$75. The rate is now \$25 and the Board plans to raise it to \$50.

There are currently 1700 firms registered with the Board. The Executive Secretary of the Board estimates that 200 firms will apply for a license each year, while 100 firms will choose not to renew their license. This fluctuation in licenses is due mainly to out of state companies working in the state.

	<u>FY 97-98</u>	<u>FY 98-99</u>	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>	<u>FY 02-03</u>
Renewal	1,700	1,800	1,900	2,000	2,100	2,200
Lapse	100	100	100	100	100	100
New	200	200	200	200	200	200

The chart below shows the additional revenue generated if the Board increases the rates to \$100 initial and \$75 renewal for corporations - the maximum allowed in the bill.

	<u>FY 97-98</u>	<u>FY 98-99</u>	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>	<u>FY 02-03</u>
Renewal	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000	\$110,000
New	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
	\$90,000	\$95,000	\$100,000	\$105,000	\$110,000	\$120,000

Section 15 - The renewal of an individual license is increased from an amount not to exceed \$50 to an amount not to exceed \$75. The 17,200 individuals now registered with the Board pay \$40 a year. The Board does not plan to raise this fee in the near future. However, if the Board reconsidered and voted to increase their fee from \$40 to the maximum \$75, it would increase revenue \$602,000 each year.

This section also increases the late fee from 10% a month to a flat rate of \$100. There is no estimate of the impact of this fee, but is hoped that it will discourage late filers.

NOTE: The Board’s Financial Statement for the year ending November 30, 1997 shows a fund balance of \$426,696. The Board tries to keep a reserve equal to one half of their annual budget (\$1,060,000 in 1998) for emergencies.

FISCAL RESEARCH DIVISION 733-4910

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