

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 1916 – HB 1420

May 11, 2010

SUMMARY OF AMENDMENTS (016535, 016544): Amendment 016535 deletes the definition of “board” from the original bill and replaces each occurrence with “commissioner” wherever it appears. Changes the effective date of the bill from January 1, 2010, to January 1, 2011. Requires the Commissioner of Commerce and Insurance to consider all operating cost reductions that are suggested by the advisory committee in establishing recurring or nonrecurring fees. Authorizes the Commissioner to appoint a five-member advisory committee to be administratively attached to the Division of Regulatory Boards. The members of this committee will not receive payment or reimbursement of travel expenses. Amendment 016544 deletes “professional soil scientist prior to January 1, 2010,” from Section 9(b) of the original bill and replaces it with “professional soil scientist prior to January 1, 2011.”

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$81,800/One-Time/Board of Examiners of Land Surveyors
\$144,000/Biennially/Beginning FY11-12/Board of Examiners
of Land Surveyors
Increase State Expenditures - \$9,800/One-Time/Board of Examiners of Land Surveyors
\$72,000/Recurring/Board of Examiners of Land
Surveyors
Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

On April 6, 2010, we issued a fiscal memorandum reflecting an *increase in state revenue of \$117,300 for FY10-11 and an increase of \$137,800 biennially beginning FY12-13 for the Board of Examiners of Land Surveyors, an increase in state expenditures of \$48,400 for FY10-11 and an increase of \$68,900 beginning FY11-12 for the Board of Examiners of Land Surveyors, a not significant increase in local revenue and a not significant increase in local expenditures.* Upon further review of the amendment it was determined that a new Commission Regulatory Program would be established and these monies would be funds dedicated to the Tennessee Soil Scientist Licensing Program. Therefore, the fiscal impact of the bill is as follows:

(CORRECTED)

Increase State Revenue - \$117,300/FY10-11/Tennessee Soil Scientist Licensing Program

\$137,800/Biennially/Beginning FY12-13/Tennessee Soil Scientist Licensing Program

Increase State Expenditures - \$48,400/ FY10-11/Tennessee Soil Scientist Licensing Program

\$68,900/ FY11-12 and Subsequent Years/Tennessee Soil Scientist Licensing Program

Increase Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

Assumptions applied to amendments:

- According to the Department of Commerce and Insurance, the Tennessee Soil Scientist Licensing Program (Program) will require one position for the processing of applications, issuance of licenses, confirmation of initial and continuing education requirements, and compliance inspections. The one-time increase in expenditures is estimated to be \$14,000 (\$1,000 computer costs + \$2,000 office landscaping + \$5,000 computer programming modifications + \$1,000 for modifications + \$5,000 rule making hearing).
- The recurring increase in state expenditures is estimated to be \$68,882 (\$37,300 salary + \$12,682 benefits + \$14,200 administration + \$1,700 office lease + \$1,000 communication and supplies + \$2,000 network and computer replacement fees). Given the January 1, 2011, start date of the bill, the increase in expenditures for FY10-11 is estimated at 50 percent or \$34,441.
- Total increase in state expenditures for FY10-11 is \$48,441 (\$34,441 personnel costs + \$14,000 one-time costs). Total recurring increase in state expenditures for FY11-12 and subsequent years is \$68,882 for personnel and supply costs.
- Fees will be established by the Program to cover all expenditures. In order to cover all expenditures for FY10-11, fees will need to be established at an amount sufficient to cover expenditures for FY10-11 and FY11-12 as the fees are payable every two years. Total revenue necessary for FY10-11 and FY11-12 equals \$117,323 (\$14,000 one-time costs + \$34,441 FY10-11 personnel costs + \$68,882 FY11-12 personnel costs). Total revenue necessary for FY12-13 and biennially thereafter is \$137,764 (\$68,882 x 2 years).

- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

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