

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2569 - SB 2534

February 23, 2016

**SUMMARY OF ORIGINAL BILL:** Authorizes the Tennessee Board of Architectural and Engineering Examiners to issue a certificate of registration as an architect to any individual whose qualifications do not meet the current requirements found in Tenn. Code Ann. Title 62, Chapter 2 and rules promulgated by the Board if such individual: holds a similar unexpired certificate of qualification or registration issued by any state, territory, or possession of the United States or by an country; holds an unexpired national certificate issued by the National Council of Architectural Registration Boards; and presents proof of the certificates upon application to the Board. Makes non-substantive changes to statute regarding the role of managers in barber and cosmetology shops.

Authorizes a cemetery owner to charge customers a processing fee in addition to the cost of merchandise or services. Currently a cemetery owner may charge an administrative or documentation fee in addition to the cost of merchandise or services. Authorizes any applicant who has received an associate's degree from a college accredited by the American Board of Funeral Service Education to forego one of the full two-years of funeral director apprenticeship. Deletes the current requirement that any licensed real estate broker must complete all educational requirements specified in Tenn. Code Ann. § 62-13-318 prior to being permitted to temporarily retire a license. Requires any licensed real estate broker whose license is temporarily retired to complete sixteen classroom hours in real estate courses prior to reactivation of such license. Establishes that any real estate broker's license which is in inactive status as of July 1, 2016 to be transferred to retirement status on that date. Any effective date of July 1, 2016.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

\$200/FY16-17/Board of Architectural and Engineering Examiners  
\$400/FY16-17/General Fund

\$200/FY17-18/Board of Architectural and Engineering Examiners  
\$800/FY17-18/General Fund

\$300/FY18-19 and Subsequent Years/  
Board of Architectural and Engineering Examiners  
Exceeds \$1,200/FY18-19 and Subsequent Years/General Fund

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IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (012809):** Adds language to the original bill that (1) increases the price per square foot by \$0.03, from \$0.23 to \$0.26, that a cemetery owner may charge a lot owner in a cemetery for installation of a commodity; (2) prohibits the installation of the commodity by noncemetery personnel; and (3) states that if the price exceeds \$0.26 per square foot, the lot owner may utilize noncemetery personnel for installation of the commodity.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- This legislation may result in one additional individual applying and receiving a comity certification as an architect from the Board of Architectural and Engineering Examiners per year.
- Pursuant to rule 0120-01-.07(2) of the Board of Architectural and Engineering Examiners, an application for registration as an architect by comity must be accompanied by a nonrefundable registration fee of \$55 and a biennial registration fee of \$140.
- In FY16-17, increase in revenue to the Board of Architectural and Engineering Examiners of \$199 (\$140 + \$55).
- In FY17-18, an increase in revenue to the Board of \$199 (\$140 + \$55).
- In FY18-19 and subsequent years, an increase in revenue to the Board of \$335 [(\$140 + \$55) + \$140].
- Pursuant to Tenn. Code Ann. § 62-5-305(b)(7), a funeral director apprenticeship is comprised of 2 years in the presence of and under the direction and supervision of a licensed funeral director.
- Pursuant to rule 0660-03-.01 of the Board of Funeral Directors and Embalmers, the fee for registration as a funeral director student or apprentice is \$70; therefore, allowing an applicant to utilize an associate's degree and forego one year of a funeral director apprenticeship will result in no loss of fee revenue to the Board.
- Requiring any real estate broker to complete educational requirement prior to reactivation rather than prior to inactivation will have no significant impact on the Real Estate Commission.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period.

- The Board of Architectural and Engineering Examiners had surpluses of \$110,379 in FY13-14, \$300,561 in FY14-15, and a cumulative reserve balance of \$1,513,561 on June 30, 2015.
- The Board of Funeral Directors and Embalmers had a surplus of \$373,246 in FY13-14, a deficit of \$83,161 in FY14-15, and a cumulative reserve balance of \$983,166 on June 30, 2015.
- Pursuant to Tenn. Code Ann. §§ 67-4-1702(a)(3) and 67-4-1703(a), architects are subject to an annual occupational privilege tax of \$400, proceeds of which are deposited to the General Fund.
- The increase in state revenue to the General Fund is estimated to be \$400 in FY16-17, \$800 in FY17-18, and to exceed \$1,200 in FY18-19 and subsequent years.

**IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

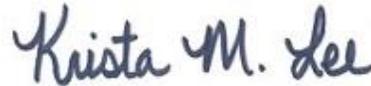
**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- This legislation will have no significant impact on commerce in Tennessee.
- Any increase in business revenue for cemetery owners from any additional processing fees will be not significant.
- Barbers and cosmetology shops will not incur significant expenses to ensure compliance with the provisions of the proposed legislation.
- Raising the maximum amount that a cemetery owner may charge a lot owner per square foot from \$0.23 to \$0.26 for the installation of a commodity and still prohibit the use of noncemetery personnel will allow lot owners more flexibility to buy a commodity (i.e. gravestone) from a vendor other than the cemetery and install it on the purchased lot. This will have no significant impact on businesses in this state.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb