

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 304 - SB 384

April 3, 2019

SUMMARY OF ORIGINAL BILL: Authorizes a member of the armed forces or their spouse, while stationed in Tennessee, to practice an occupation regulated by the Department of Commerce and Insurance (DCI) or Department of Health (DOH) regulatory boards without a license, if they hold a current license in another state recognized by the Department as having equivalent licensure requirements to Tennessee.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – Exceeds \$1,000/Health Regulatory Boards
Exceeds \$1,000/Commerce Regulatory Boards

IMPACT TO COMMERCE OF ORIGINAL BILL:

Decrease Business Expenditures – Exceeds \$2,000

SUMMARY OF AMENDMENTS (005769, 006630): Amendment 005769 deletes and rewrites all language after the enacting clause such that the substantive changes are as follows: (1) a qualifying person must register with the state agency administering the profession and subject themselves in writing to the jurisdiction of such agency in respect to harms or violations of statutes and rules; (2) a qualifying individual must apply for licensure if such license expires in the state of issuance, or within one year of practicing in Tennessee, whichever comes first; (3) regulatory boards under the Department of Health (DOH) are not required to provide license exemption under this legislation; and (4) deletes prerequisite that a person must have left employment to accompany a spouse to this state in order to qualify for an expedited full license under a DOH regulatory board.

Amendment 006630 deletes and rewrites language of 005769 such that the substantive change is to establish that an eligible person's existing license from another state must have reasonably similar standards for licensure to Tennessee, instead of equivalent requirements, as determined by the Department.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

NOT SIGNIFICANT

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Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 4-3-1304(d), DCI has an established procedure to expedite the issuance of a full license for a member of the armed forces or their spouse who is subjected to a military transfer to this state and is certified in another state to perform the service; if the state from where the license has been issued has significantly inequivalent prerequisites, the procedure includes requiring the applicant to meet all education or training requirements, then expediting the full license request.
- The proposed legislation is unclear as to the process a person would undergo if their existing license, regulated by DCI, was found to have inequivalent prerequisites compared to this state.
- Establishing that an eligible person's existing license must be reasonably similar to Tennessee, instead of equivalent, is not estimated to impact DCI's prerequisite review process of such persons.
- For those persons with an existing license regulated by DCI that is reasonably similar to Tennessee, an initial license application or payment of any fees will not be required.
- Requiring a qualified person to provide notice of working unlicensed in Tennessee by registering with the agency under which their profession is regulated will not cause a significant increase in administrative expenditures for DCI.
- The proposed legislation would require the application and payment of existing fees for licensure if such license expires in the other state, or within one year of practicing in Tennessee, whichever comes first.
- As the current procedure for qualified persons in this category is to be issued a full license with such persons paying applicable initial licensure fees and renewal fees, delaying the receipt of such fees from qualified persons for a maximum timeframe of one year is not estimated to significantly decrease revenue for the DCI regulatory boards.
- Pursuant to Tenn. Code Ann. § 4-29-121, all commerce regulatory boards are required to be self-supporting over any two-year period. The DCI Division of Regulatory Boards experienced a surplus of \$2,735,422 in FY16-17, a surplus of \$2,394,375 in FY17-18, and a cumulative reserve balance of \$27,499,691 on June 30, 2018.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumption for the bill as amended:

- A qualified person under the proposed legislation will be required to pay full existing occupational licensure fees in Tennessee within a maximum timeframe of one year. Any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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