

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 304 - SB 384

February 28, 2019

SUMMARY OF 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.

ESTIMATED FISCAL IMPACT:

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

Assumptions:

- 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.
- DOH has the same established procedures as DCI for the aforementioned expedited licensure issuance under Tenn. Code. Ann. § 68-1-101(b).
- The proposed legislation is unclear as to the process a person would undergo if their existing license was found to have inequivalent prerequisites compared to this state. It is assumed these individuals would not be allowed to engage in their respective occupations until they have met the equivalent prerequisites.
- For those persons with an existing license that is equivalent to Tennessee, a license application or payment of any fees will not be required.
- As the current procedure for qualified persons in this category is to be issued a full license with such persons paying applicable licensure fees; the timing and extent of any decrease in state revenue as a result of this legislation cannot be precisely determined; however, the recurring decreases in fee revenue for the DOH regulatory boards and the DCI regulatory boards are estimated to exceed \$1,000 each.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The DCI Division of Regulatory Boards

HB 304 - SB 384

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.

- The DOH Division of Regulatory Boards experienced a surplus of \$3,609,723 in FY16-17, a surplus of \$3,621,024 in FY17-18, and a cumulative reserve balance of \$34,646,763 on June 30, 2018.

IMPACT TO COMMERCE:

Decrease Business Expenditures – Exceeds \$2,000

Assumption:

- The recurring decrease in business expenditures is estimated to exceed \$2,000 per 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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