



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [S.B. 154 of the 130th G.A.](#)

Date: October 16, 2013

Status: As Introduced

Sponsor: Sen. Burke

Local Impact Statement Procedure Required: No

Contents: Modifies licensing laws applying to professional engineers and surveyors

State Fiscal Highlights

- The bill eliminates fees charged by the State Board of Registration for Professional Engineers and Surveyors for examinations required by persons wanting to register as professional engineers or professional surveyors. Elimination of these fees will reduce the Board's revenues by approximately \$83,000 per year. The Board uses the Occupational Licensing and Regulatory Fund (Fund 4K90) to receive revenues and pay expenses.
- The bill extends the duration of the certificate of authorization for engineering and surveying businesses issued by the Board from one to two years. At the current renewal fee of \$25, the Board's revenues from this fee will decrease by approximately \$30,000 per year. This loss in revenue will be partially offset by a reduction in expenses due to processing fewer certificates of approximately \$1,500 per year.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Elimination of examination fees

The State Board of Registration for Professional Engineers and Surveyors is responsible for registering professional engineers and surveyors in the state of Ohio. Under continuing law, to register as a professional engineer or professional surveyor, a person must pass both a fundamentals examination and a principles and practice examination. The bill eliminates the requirement that the Board establish fees to cover the Board's expenses related to these examinations. Currently, the Board charges fees of \$25 for the fundamentals examination and \$75 for the principles and practice examination. According to the Board's annual report, in FY 2012, 1,221 people took the fundamentals examination and 697 people took the principles and practice examination. Assuming the number of people taking the examinations in future years remains at the FY 2012 level, elimination of the fees will reduce the Board's revenue by \$82,800 per year ($1,221 \times \$25 + 697 \times \75). The Board uses the Occupational Licensing and Regulatory Fund (Fund 4K90) to receive revenues and pay expenses.

Biennial renewal of businesses receiving new certificates of authorization

The Board also issues certificates of authorization to businesses wanting to provide professional engineering or professional surveying services. The bill extends the duration of the certificate from one to two years. Continuing law requires the Board to establish a fee for a certificate not to exceed \$50 and a fee for "annual renewal" of a certificate not to exceed \$25. Currently, there are around 2,400 businesses with certificates and the Board charges the maximum \$25 fee for annual renewal. It is not clear whether the Board will be able to charge a renewal fee that exceeds \$25 since renewal will be biennial instead of annual under the bill. If the renewal fee remains at \$25, the Board's revenues from this fee will decrease by an average of \$30,000 per year.¹ However, reviewing fewer renewals will reduce administrative costs such as postage and supply costs by approximately \$1,500 per year, according to an estimate by the Board. This reduction in expenses will partially offset the reduction in revenues, which may be further offset if the Board is able to charge a higher renewal fee.

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¹ Currently, the Board raises about \$60,000 per year ($2,400 \times \25) for the annual renewal. Under the bill, if the fee remains at \$25, the Board will raise that \$60,000 every two years.