

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 532** HLS 16RS 1240
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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|--|----------------------------|
| Date: April 21, 2016 2:20 PM | Author: FALCONER |
| Dept./Agy.: Louisiana State Board of Architectural Examiners | Analyst: Mason Hess |
| Subject: Relative to La. State Board of Architectural Examiners | |

ARCHITECTS RE INCREASE SG RV See Note Page 1 of 1
 Provides relative to the powers and authority of the Louisiana State Board of Architectural Examiners

Present law authorizes the LA State Board of Architectural Examiners (Board) to collect certain fees. Proposed law authorizes the Board to issue certificates of authority (COAs); to charge a fee to any corporation, professional architectural corporation any architectural-engineering corporation, or any partnership, limited liability partnership, limited liability company, association, sole proprietorship, or other entity seeking to obtain a COA to practice in Louisiana, unless exempted by the Board; limits the COA fee to no more than \$300; retains present law to the extent that it stipulates that the Board may not increase the fee for issuing a license by more than \$30 during a 3-year period and limits fee increases by the same stipulation relative to COA; requires the annual renewal of COA and limits said renewal fee to no more than \$300; requires the Board to issue a renewal certificate upon payment of said renewal fee; regulates delinquency payments regarding license renewals and COAs; permits assessing a delinquency fee when the annual renewal fee is not paid after June of the fee year; limits the delinquency fee to no more than \$300 and clarifies that the fee shall be paid in addition to the annual renewal fee.

| EXPENDITURES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|---------------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$75,025 | \$75,025 | \$76,550 | \$78,075 | \$304,675 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$75,025 | \$75,025 | \$76,550 | \$78,075 | \$304,675 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law provides relative to certain fees established by the Board.

REVENUE EXPLANATION

Proposed law is projected to increase SGR revenues in the LA State Board of Architectural Examiners. According to the Board, the intent is to increase the current fee by \$25 in state FY 18, which would result in a total revenue increase of approximately \$75,000.

In FY 15, the Board collected \$56,350 in initial registration, renewals, and delinquencies from 417 in-state and 631 out-of-state architectural firms practicing in Louisiana. The current fee for registration, renewal, and delinquency is \$50. Proposed law authorizes the Board to charge all architectural firms a fee of no more than \$300 for issuing certificates of authority, for renewals, and for delinquency fees. The Board states that it intends to increase the fee from \$50 to \$75 dollars for in-state firms and from \$50 to \$150 for out-of-state firms, and it projects revenues of \$10,425 for in-state firms and \$64,600 for out-of-state firms for a total of \$75,025 in FY 18. The FY 18 estimate includes assumptions made by the Board regarding revenue gained by collecting fees from 20 in-state and 10 out-of-state firms that had previously been unregistered yet that were assumed to be practicing in Louisiana. The Board expects the number of architectural firms practicing in Louisiana to increase at 2% annually after FY 18.

NOTE: For illustrative purposes, if the board raised the fee to the maximum of \$300 allowed under proposed law for all firms rather than from \$50 to \$75 as suggested for in-state firms and \$50 to \$150 as suggested for out-of-state firms, the SGR increase would total \$271,000 in FY 18, and SGR is assumed to increase as per a 2% increase in the number of boards licensed annually.

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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