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**FISCAL IMPACT STATEMENT**

**LS 7012**

**BILL NUMBER:** HB 1006

**NOTE PREPARED:** Jan 6, 2012

**BILL AMENDED:**

**SUBJECT:** Regulated Occupations.

**FIRST AUTHOR:** Rep. Wolkins

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** *Optometrists & Controlled Substances*- The bill provides that optometrists may prescribe, dispense, and administer controlled substances.

*Elimination of Professional Boards/Licenses*- The bill repeals the law governing the following professions, including their professional licensing boards and licenses: (1) Beauty culture (cosmetologists and barbers). (2) Commission on dietetic registration and licensure of dietitians. (3) Hearing aid dealers. (4) Private investigator firms. (5) Security guards.

The bill makes conforming and technical changes.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** *Elimination of Professional Boards/Licenses*- The elimination of three professional boards (dietitians, private investigator/security, cosmetology) and one committee (hearing aid dealers) would free up the personnel and resources administering the licensing of those professions to be reassigned to the administration of licenses for other professional boards. Currently the Professional Licensing Agency (PLA) reassigns the personnel assigned to the professions proposed to be eliminated to other areas so the amount of net savings from the elimination would be subject to administrative action.

There would be some minimal savings from the elimination of board member per diem and travel expenditures for three of the boards. (The Dietitians Board has not met for at least the last six months.) Additionally, the PLA may save a small amount of expenditures on printing and postage expenditures for these boards.

*Background Information-* There are approximately 66,850 active licenses administered by the three professional boards and one committee proposed to be eliminated. The vast majority of these licenses are barber and cosmetology board licenses. There are four PLA workgroups currently assigned to administer the licensing of these professions. These groups are also assigned to other licensing boards. The following table shows a breakdown of salaries devoted to the licensing administration for the proposed boards to be eliminated.

<b>Board/Committee</b>	<b>Estimated Salary Expenditures to Administer Licenses (Biannual)</b>
Dietitian	\$2,292
Cosmetology/Barbers	\$203,044
Hearing Aid	\$3,136
Private Detective/Security Guard	\$7,904
<b>TOTAL</b>	<b>\$216,376</b>

The total number of PLA employees assigned to the above boards and committee is approximately 23 not including four compliance inspectors. These inspectors would no longer have to inspect salons and barber shops and would be able to devote additional time to the inspection of other licensed entities including: auction houses, cemeteries, and funeral homes.

**Explanation of State Revenues:** *Optometrists & Controlled Substances-* Under current law, a person that violates the optometrist legend drug statute, commits a Class A misdemeanor. Adding this provision could increase the potential number of persons violating the statute by recklessly, knowingly, or intentionally prescribing, dispensing, or administering controlled substances.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

*Elimination of Professional Boards/Licenses-* The elimination of the regulation of these professions would reduce state revenues as license fees would no longer be collected. The following table provides the fees collected by these professions during FY 2011.

<b>Board/Committee</b>	<b>FY 2011 Revenue</b>
Dietitians	\$25,930
Cosmetology/Barbers	\$983,646
Hearing Aid	\$6,515
Private Detective/Security Guard	\$21,750
<b>TOTAL</b>	<b>\$1,037,841</b>

**Explanation of Local Expenditures:** *Optometrists & Controlled Substances-* A Class A misdemeanor is punishable by up to one year in jail.

**Explanation of Local Revenues:** *Optometrists & Controlled Substances-* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** PLA, boards/committees proposed to be eliminated under the bill.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Professional Licensing Agency; ROEC Report December 16, 2011; *Indiana Handbook of Taxes, Revenues, and Appropriations FY 2011 Edition.*

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