

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 78** HLS 19RS 608
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 12, 2019 9:59 AM	Author: CARMODY
Dept./Agy.: Contractors Licensing Board	Analyst: David Neef
Subject: License fees	

CONTRACTORS OR +\$925,000 SG RV See Note Page 1 of 1
 Provides for the remission of a contractor's license renewal fee for the benefit of public construction education programs

Present law requires the board to assess on each license renewal issued to a contractor an additional fee of \$100 per year to be dedicated and allocated to any public university in this state or any community college school of construction management or construction technology in this state that is accredited by either the American Council for Construction Education or the Accreditation Board for Engineering and Technology.

Present law requires the board to include on each license renewal form issued to a contractor an optional election whereby the contractor may choose to not participate in the remission of the additional \$100.

Proposed law removes the provision that would allow a contractor to opt-out of paying an additional fee, which would allow the board to assess on each license renewal to a contractor an additional fee of \$100 per year.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$925,000	\$925,000	\$925,000	\$925,000	\$925,000	\$4,625,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$925,000	\$925,000	\$925,000	\$925,000	\$925,000	\$4,625,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There will be an increase in revenues of approximately \$925,000 to the State Licensing Board for Contractors due to an annual fee of \$100 for each contractor license renewal in FY 20 and beyond. Additionally, there will be an increase in revenues for certain public institutions of higher education which offer eligible construction management programs.

The Board currently has 22,230 commercial, residential, and mold licensees. These companies may renew via 1, 2, or 3-year option. Current law allows for licensees to make an optional payment of \$100 for each renewal to be donated to certain educational programs. Proposed law mandates the payment of the \$100 fee. Based on a six-year average, there are an estimated 12,772 renewals annually. Currently, approximately 3,522 of these opt to contribute the \$100. Per the proposed changes, an additional 9,250 licensees will now be required to pay the \$100 renewal fee for additional collections of \$925,000.

These revenues are transferred the following fiscal year to any public university or any community college school of construction management or construction technology in this state that is accredited by either the American Council for Construction Education or the Accreditation Board for Engineering and Technology. The funding is split evenly (50/50) into two pools of funding. One half of the funds are distributed prorata, (with four year institutions receiving twice the allocation of a two year institution). The other half is based on the number of graduates from the previous calendar year. The number of graduates and distribution is subject to change each year.

In FY 19, the Board collected a total of \$840,274 which was distributed as follows: Louisiana State University A&M (\$423,628), University of Louisiana Monroe (\$154,815), Louisiana Tech (\$171,733), and Baton Rouge Community College (\$90,096).

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director