

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 425 (House Finance Committee Substitute)

SHORT TITLE: Refrigeration Contractors

SPONSOR(S):

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
Board of Refrigeration Examiners					
Operating Fund	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Board of Refrigeration Examiners; Board of Certified Public Accountant Examiners					
EFFECTIVE DATE: The act is effective when it becomes law.					

BILL SUMMARY: For the Board of Refrigeration Examiners, the bill increases the fee for reinstating a lapsed license from \$45 to \$75 and makes other minor changes to the law on refrigeration contractors. For the Board of Certified Public Accountant Examiners, the bill grants the authority to acquire property subject to the approval of the Governor and the Council of State.

ASSUMPTIONS AND METHODOLOGY:

Board of Refrigeration Examiners

In 1995, 14.3% (310 out of 2,163) of the refrigeration contractors did not pay their \$40 license renewal fee on time and allowed their licenses to lapse. In 1996, 13.3% (294 out of 2,206) of the contractors allowed their licenses to lapse. To regain their licenses, these contractors paid a \$45 reinstatement fee. The Executive Director of the State Board of Refrigeration Examiners believes an increase in the reinstatement fee is needed to reduce the number of lapsed licenses. The Executive Director believes that the increase from \$45 to \$75 will cut the number of lapsed licenses in half. The revenue gained from this change is calculated as follows:

Average number of lapsed licenses each year = 300

Current law	300 X \$45 = \$13,500	Proposed law	150 X \$40 = \$6,000
			150 X \$75 = <u>\$11,250</u>
Net Gain	\$3,750		\$17,250

Board of Certified Public Accountant Examiners

This provision gives the Board of Certified Public Accountant Examiners the same right to control its property transactions as the NC Medical Board (GS 90-2(e)) and the NC State Bar (GS 84-17). The Board will spend \$59,510 in 1998 to lease 4,531 square feet of office space. With the passage of this act, the Board could buy an office condo or other suitable space and use its lease funds as annual payments on the property. The purchase of property will have a long term positive impact on the Board's finances.

FISCAL RESEARCH DIVISION 733-4910

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DATE: August 24, 1998



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