



HOUSE COMMITTEE ON APPROPRIATIONS  
2009-10 Legislative Session

**FISCAL NOTE**

SENATE BILL: 142

PRINTER'S NO: 997

PRIME SPONSOR: Tomlinson

FISCAL IMPACT SUMMARY	FY 2009/10	FY 2010/11
<b>Expenditure Increase/(Decrease):</b>		
General Fund	\$0	\$0
Professional Licensure Augmentation Account	\$4,400,000	\$4,400,000

**OVERVIEW:**

Senate Bill 142 authorizes the licensing boards and commissions within the Bureau of Professional and Occupational Affairs to:

- Increase the maximum civil penalty that a licensing board or commission can impose from \$1,000 to \$10,000.
- Impose costs of investigations on a licensee who has been determined to be in violation of a licensing act or regulation.

In addition, the bill makes confidential all records relating to a noncriminal investigation undertaken by the Bureau of Enforcement and Investigation and the Prosecution Division of the Department of State on behalf of the licensing boards.

The act shall take effect in 60 days.

**ANALYSIS:**

According to the Department of State (Department), it received 1,992 complaints related to violations in 2007 which resulted in \$2.4 million in fines collected. The Department anticipates that less than one percent of complaints will result in the maximum of a \$10,000 fine that this bill authorizes. The majority of the complaints the Department receives will warrant an average fine of \$5,000. Using the 1,992 complaints from 2007 and assuming half of the complaints resulted in \$5,000 fines, the Department would have received an additional \$4 million.

Where investigations are concerned, the Department indicates that it takes an average of 15.9 hours to process an investigation (cost of the investigator, supervisory review, clerical support, salaries, and benefits). The final cost per investigation averages approximately \$710. With 1,992 investigations in 2007, the Department could have recouped about \$1.4 million in investigative costs.

Any revenue generated by fines/penalties and investigative costs would be deposited directly into the respective board's revenue account as each board is fiscally self-reliant. Therefore, the enactment of Senate Bill 142 would not have a fiscal impact on the Commonwealth's general fund.

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**DATE:** July 1, 2009

**General Note and Disclaimer:** *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*