

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 861 (First Edition)

**SHORT TITLE:** Dispensing Opticians

**SPONSOR(S):** Senator Lee

**FISCAL IMPACT**

**Yes (X)      No ( )      No Estimate Available ( )**

**FY 1997-98   FY 1998-99   FY 1999-00   FY 2000-01   FY 2001-02**

**REVENUES**

Special Revenue Fund                      \$61,740              \$61,740              \$61,740              \$61,740              \$61,740

**EXPENDITURES**

Special Revenue Fund                      see **ASSUMPTIONS AND METHODOLOGY**

**PRINCIPAL DEPARTMENT(S) &**

**PROGRAM(S) AFFECTED:** North Carolina State Board of Opticians

**EFFECTIVE DATE:** The act is effective when it becomes law.

**BILL SUMMARY:** The bill increases license and exam fees that have not been changed since 1989. The bill deletes a temporary license that the Board has not used. A late penalty for renewing licenses is changed from \$5 per month (up to the amount of the fee) to a \$50 lump sum payment. Disciplinary action for a licensee is revised to allow the payment of a civil penalty of \$1,000 for violation of Board rules. The bill makes other technical changes.

**ASSUMPTIONS AND METHODOLOGY:** Section four of the bill sets new limits on the amounts that can be charged for licenses and exams. As shown in the chart on page two, the proposed fee changes will raise a maximum of \$61,740 for the Board of Opticians. The Board has not voted on how it will implement the new fee schedule if the bill passes.

Number    Current    Current    Proposed    Proposed

	<u>Affected</u>	<u>Fee</u>	<u>Revenue</u>	<u>Fee</u>	<u>Revenue</u>
Exams	100	\$ 125	\$ 12,500	\$ 200	\$ 20,000
Initial License	60	\$ 25	\$ 1,500	\$ 50	\$ 3,000
Renewal of License	900	\$ 60	\$ 54,000	\$ 100	\$ 90,000
Out-of-State Licenses	15	\$ 100	\$ 1,500	\$ 200	\$ 3,000
Business Registrations	350	\$ 25	\$ 8,750	\$ 50	\$ 17,500
Training Establishments Registrations	250			\$ 25	\$ 6,250
License Verification	24			\$ 10	\$ 240
			\$ 78,250		\$ 139,990
<b>Maximum Revenue Gain =</b>					<b>\$61,740</b>

The Board plans to use the additional funds to increase its inspections and investigations. There are 488 optician sites in North Carolina, but the Board of Opticians staff visited only 180 of these sites in FY 1995-96. The Board believes each site should be visited twice a year. With the fee increase, the Board will spend \$26,650 for mileage, per diem, and subsistence for two part-time inspectors.

Another \$7,000 of the fee increase will be used to improve test administration. The Board would like to hire a test consultant to advise the Board on how to rework the license examination. Part of the funds will go toward reprinting the new exam.

Based on the Financial Statement for the Board of Opticians for the fiscal year ending June 30, 1996, the Board had a fund balance of \$198,909. Annual revenues exceeded expenses by \$5,386 for the FY 1995-96 fiscal year. If the Board were to use fund balance to undertake the initiatives mentioned above, the fund would be depleted in 6 years.

**FISCAL RESEARCH DIVISION  
733-4910**

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**APPROVED BY:** Tom Covington **TomC**

**DATE:** May 8, 1997



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