

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER **1115**

SENATE BILL NUMBER **93**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to licensing fees and making an appropriation therefor.**

SPONSOR **Senator Hornback**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Department of Housing, Buildings and Construction**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES				
NET EFFECT				

() indicates a decrease/negative

MEASURE’S PURPOSE: The purpose of this measure is to define excess funds in the following three funds in the Department of Housing, Buildings and Construction; Division of Heating, Ventilation and Air Conditioning (HVAC), Electrical Division and Division of Plumbing. The measure also limits the amount of funds eligible to be transferred to the general fund to the excess funds and reduces licensing fees by the amount of the excess funds not transferred to the general fund.

PROVISIONS/MECHANICS: Section 1 amends KRS 198B.6674 to create a calculation to determine excess funds in HVAC. The calculation is, “At the close of each fiscal year, moneys remaining in the account that exceed 20% of the annual budget of the Division of Heating, Ventilation and Air Conditioning for that closed fiscal year shall be considered to be excess funds.” It limits the amount of funds eligible to be transferred to the general fund to only excess funds. Excess funds remaining in the account not transferred to the general fund shall be credited to the division’s licensing fees for the next year and fees shall be reduced in an amount equal to the total amount of excess funds divided by the number of projected licensees.

Section 2 amends KRS 227A.050 the same as discussed above only for the Electrical Division.

Section 3 amends KRS 318.136 the same as discussed above only for the Division of Plumbing

FISCAL EXPLANATION: There would be no fiscal impact to the Department of Housing, Buildings and Construction in the 2016-2018 biennium. Based on the 20% calculation, HVAC and the Division of Plumbing would not generate excess funds. The Electrical Division could generate excess funds that would have to be credited to the license fees of electricians licensed by the Department if the excess funds are not transferred to the general fund. However, the credit to license fees would not impact the division's current spending levels.

The measure would reduce the amount of funds eligible to be transferred to the general fund. In Fiscal Year 2010, \$600,000 was transferred from HVAC and \$735,300 was transferred from the Electrical Division to the general fund. In Fiscal Year 2014 \$500,000 was transferred from the Electrical Division to the general fund.

DATA SOURCE(S): Housing, Buildings and Construction

PREPARER: Greg Troutman NOTE NUMBER: 41 REVIEW: JRS DATE: 1/21/2016