

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7344**

**BILL NUMBER:** SB 335

**NOTE PREPARED:** Jan 26, 2007

**BILL AMENDED:** Jan 23, 2007

**SUBJECT:** Professions and Occupations.

**FIRST AUTHOR:** Sen. Riegsecker

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following professional licensing provisions:

*Continuing Education Civil Penalties-* A holder of a license, registration, or certificate may be subject to civil penalties if the holder does not comply with continuing education requirements for reinstatement of a license;

*Investigation of Application-* The Professional Licensing Agency may delay reinstating a license, certificate, or registration for 90 days to investigate an applicant;

*Disciplinary Sanctions-* A holder of a license, registration, or certificate is subject to disciplinary sanctions if a board finds the holder engages in abusive or fraudulent billing practices or is convicted of a crime that is harmful to the public;

*Beauty Culture Instructor License-* An individual may obtain a beauty culture instructor license and instruct in areas of beauty culture in which the individual holds a license;

*Physician Assistants-* A physician assistant's certificate is placed on inactive status if the physician assistant does not practice under a supervising physician.

*Registrations to Manufacture or Distribute Controlled Substances-* a registration by the State Board of Pharmacy to manufacture or distribute controlled substances is automatically invalidated if the Drug Enforcement Administration terminates, denies, suspends, or revokes the corresponding federal registration.

*Tanning Facilities-* The bill provides for reinstatement of a tanning facility license.

*Semiprofessional Elimination Contests-* The bill removes semiprofessional elimination contests from the boxing and sparring laws.

*Continuing Education of Land Surveyors-* The bill removes a provision that requires certain organizations to supply information concerning continuing education of land surveyors.

*CPA's-* The bill allows an individual who holds a valid CPA certificate from any state to perform quality reviews;

*Mobile Salons-* The bill allows the State Board of Cosmetology Examiners to establish standards for mobile salons.

*Speech-Language Pathology-* The bill allows individuals who meet certain requirements to obtain a license in speech-language pathology.

*Duplicate Fees-* The bill changes the fee for issuance of a duplicate license, registration, or certificate from \$10 to \$25.

*Limit of Course Work Hours-* The bill changes the limitation on hours of course work for students in barber school or cosmetology school from eight to ten

*Marriage and Family Therapists Clinical Experience-* The bill changes the clinical experience required for marriage and family therapist from three to two years.

*Controlled Substance Lists-* The bill makes changes to the controlled substance lists. Makes conforming changes.

*Repealers-* The bill repeals provisions concerning: (1) requiring a person to complete a cosmetology school program again if the person fails the examination by the State Board of Cosmetology Examiners; (2) esthetics and electrology instructors licenses, which are replaced with the beauty culture instructor license; and (3) inactive cosmetology professional's licenses.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** *Summary-* The bill would not affect Professional Licensing Agency (PLA) staffing levels. The professional licensing provisions would be able to be carried out within the PLA's existing level of resources. The following paragraphs provide more detailed explanation of certain provisions within the bill.

*Beauty Culture Instructor License-* This provision would combine all current instructor licenses into one instructor license. This provision could save the PLA administrative time by reducing the types of instructor licenses processed to one. As of December 2006, there were 960 cosmetology, 68 esthetics, and 3 electrology active instructors licenses.

*Mobile Salons-* The bill would require the Board of Cosmetology Examiners to adopt rules for the regulation of mobile salons. There would be administrative costs to process additional licenses for mobile salons. The number of mobile salons that may apply for licensure under this provision is unknown.

*Controlled Substance Lists*- The bill makes additions to the controlled substance lists:

**Table A. Controlled Substance Lists**

<b>Substance List</b>	<b>Categories Effected Under Bill</b>
Schedule I	Opiates, Hallucinogenic Substances, Stimulants
Schedule II	Opium & Opiates, Depressants, Immediate Precursors
Schedule III	Depressants, Narcotics
Schedule IV	Depressants, Stimulants
Schedule V	Adds Pyrovalerone (Stimulant) and Pregabalin (Depressant)

The bill would introduce into the Schedule V list stimulants and depressants.

Adding new drugs to the controlled substance schedules could increase the number of arrests and charges filed in court for either possession, manufacture, or delivery of controlled substances. The following table shows the existing penalties for violations of the controlled substance schedules. If additional convictions occur, the Department of Corrections (DOC) would have increased expenditures to incarcerate convicted persons within a DOC facility. The average expenditure to house an adult offender was \$22,734 in FY 2006.

**Table B. Scheduled Controlled Substance Violations and Penalties**

<b>Violation</b>	<b>Penalty Under Current Law</b>
Possession of Schedule I - IV controlled substance	Class D Felony (Class C under aggravating circumstances)
Possession of Schedule V controlled substance	Class D Felony
Dealing in Schedule I - III controlled substance	Class B Felony (Class A under aggravating circumstances)
Dealing in Schedule IV controlled substance	Class C Felony (Class B under aggravating circumstances)
Dealing in Schedule V controlled substance	Class D Felony (Class B under aggravating circumstances)

The following table shows prison terms for felonies under current law.

**Table C. Felony Prison Sentences**

<b>Felony Conviction</b>	<b>Prison Sentence</b>
Class A	20 to 50 years
Class B	6 to 20 years
Class C	2 to 8 years
Class D*	6 months to 3 years*

\*charge may be reduced to Class A misdemeanor

**Explanation of State Revenues: Duplicate Fees-** A fee increase for duplicate wall licenses, certifications, and registrations to \$25 would present a minimal increase in revenue to the PLA. Duplicate wall license fees for certain professions are already at \$25.

*Mobile Salons-* Licensing of mobile salons would increase fee revenue by an indeterminable amount. The additional revenue would depend on the fees set by the State Board of Cosmetology Examiners. As of December 2006, there were 8,378 cosmetology, 914 manicuring, and 14 electrology salons licensed. The current fee to license a salon with the Board of Cosmetology Examiners is \$40.

*Tanning Facilities-* The number of licensees that may be eligible for reinstatement is unknown. There were 1,333 tanning facilities with active licenses as of December 2006. The current reinstatement fee for cosmetologists is \$50.

*Speech-Language Pathology-* This bill would allow persons applying for licensure that hold a license in speech and hearing therapy issued by the Division of Professional Standards (DPS) within the Department of Education, have a masters degree in speech-language pathology, and have been employed as a speech-language pathologist for at least nine months in the last five years to be issued a speech-language pathology license by the PLA. Additionally, persons holding a life license with the DPS, has been employed as a speech-language pathologist for at least nine months in the last five years, and takes 36 hours of approved continuing education would also be issued a license.

The potential number of persons that could be eligible for licensure under this provision is unknown. However, the DPS reports there were 17 speech and hearing therapy, 65 communication disorder, and 118 speech language hearing clinician licenses issued by the DPS during CY 2006. It is unknown how many of these persons are licensed by the PLA.

Current fees for an initial speech-language pathology license via the PLA is \$150. As of December 2006, there were 1,826 active licensed speech-language pathologists with the PLA.

*Semiprofessional Elimination Contests-* Under current law, persons conducting semiprofessional elimination contests without a license commit a Class B misdemeanor. The elimination of this provision could reduce revenues from fines and fees to the Common School Fund and the state General Fund. However, the reduction would likely be small. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

*Controlled Substance Lists*- If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. If the case is filed in a circuit, superior, or county court, 70% of the \$120 criminal costs fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), the judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:** *Controlled Substance Lists*- If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

**Explanation of Local Revenues:** *Semiprofessional Elimination Contests*- Local authorities could receive less revenue from court filing fees if fewer persons are charged with Class B misdemeanors. Any revenue loss would be minimal.

*Controlled Substance Lists*- If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 criminal costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of the criminal costs fee. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

**State Agencies Affected:** Professional Licensing Agency, Attorney General, Department of Correction.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Wade Lowhorn, Professional Licensing Agency; Dr. Robert Dalton, Department of Education; Indiana Sheriffs' Association, Department of Correction.

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