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**FISCAL IMPACT STATEMENT**

**LS 7627**

**BILL NUMBER:** SB 490

**NOTE PREPARED:** Apr 17, 2007

**BILL AMENDED:** Apr 5, 2007

**SUBJECT:** Registering Interior Designers.

**FIRST AUTHOR:** Sen. Kruse

**FIRST SPONSOR:** Rep. Micon

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

*Adding Member To & Powers/Responsibilities of Board-* The bill changes the Board of Registration for Architects and Landscape Architects to the Board of Registration for Architects, Landscape Architects, and Interior Designers (the Board). The bill adds an interior designer to the Board. The bill updates language concerning the Board's operation. The bill specifies the Board's powers.

*Registration of Interior Designers-* The bill requires the Board to register interior designers.

*Registration Fees-* The bill establishes the requirements for registration and fees. The bill requires the Board to deposit the fees into the Registered Architects, Registered Landscape Architects, and Registered Interior Designers Investigative Fund (the Fund).

*Use of Title and Exclusions to Registration-* The bill provides that a person who recklessly, knowingly, or intentionally: (1) uses the title "registered interior designer" or any title designation sign, card, or device indicating the person is a registered interior designer if the person does not hold a certificate of registration; or (2) is ineligible for continued registration because there is a civil judgment entered against the person for certain breaches of the standard of care in the practice of interior design; commits Class B misdemeanor.

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

**Explanation of State Expenditures:** *Adding Member To & Powers/Responsibilities of Board-* This provision of the bill would add an additional member to the Board, for a total nine members. The new

member would be entitled to salary per diem, travel, and other necessary expense for carrying out the duties of a member of the Board.

The Board would have the following powers and responsibilities:

- 1) Administer and enforce the provisions of architects, landscape architects, and interior designers registration,
- 2) Adopt rules for enforcement, establish standards for competent practice, and continuing education,
- 3) Prescribe requirements for certificates, applications, and other documents,
- 4) Issue, deny, suspend, and revoke certificates,
- 5) Investigate complaints,
- 6) Bring actions in the name of the state,
- 7) Inspect registrant records,
- 8) Conduct public hearings,
- 9) Adopt a seal,
- 10) Use counsel, consultants, enter into contracts, and authorize reasonable expenditures to administer and enforce law and rules concerning architects, landscape architects, and interior designers registration,
- 11) Maintain the Board's office, files, records, and property in Indianapolis,
- 12) Administer the architects, landscape architects, and interior designers investigative funds, and
- 13) Exercise all other powers and perform all other duties allowed by law.

The Board would require expenditures for stationary and other items exhibiting the Board's revised letterhead and seal.

*Registration of Interior Designers-* The responsibility of processing registrations would be placed on the Professional Licensing Agency (PLA). The PLA has a work group assigned to the Board as it currently exists. This particular work group also staffs three other professional boards and commissions and manages approximately 26,700 active licenses and registrations. This work group has six employees. Assuming that 1/4th of this work group's time is devoted to the existing Board, their staff time equates to approximately \$46,400 in current salary.

The Bureau of Labor Statistics indicates that there are about 1,080 interior designers employed in the state. The PLA reports there were 2,941 architect and 331 landscape architect active registrations as of December 2006. The bill would not prevent a person from practicing "interior design" as long as the person did not use the title or designation "registered interior designer". As a result, persons practicing interior design may choose not to apply for registration. Based on the above information, the PLA would be able to carry out the registration of interior designers within existing resources.

The PLA would pay for expenditures to administer the registration of interior designers from state General Fund appropriation. (*See Explanation of State Revenues: Registration Fees.*)

*Background: PLA-* As of October 2006, the PLA had 92 full-time employees. The PLA reverted \$63,329 to the state General Fund at the close of FY 2006. The January 1, 2007, vacancy report indicates the PLA has 16 vacancies worth \$342,000.

**Explanation of State Revenues:** (Revised) *Registration Fees-* The bill would require an initial registration fee of \$100, a biennial renewal fee of \$100, and a restoration fee of \$300. These fees would be deposited into the Registered Architects, Registered Landscape Architects, and Registered Interior Designers Investigative

Fund, already established under current law. The bill would allow a person that practiced interior design *before* January 1, 2007, to elect to be subject to the registration requirements of the bill, including payment of registration fees. Therefore, the amount of revenue that would be generated by this proposal is indeterminable and would depend on the number of persons that register.

*Penalty Provision:* A person that intentionally, knowingly, or recklessly uses the title "registered interior designer" without being registered would commit a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** Board of Registration for Architects and Landscape Architects; Professional Licensing Agency.

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

**Information Sources:** January 1, 2007, vacancy report; State Budget Agency: FY 2006 closeout documentation; Indiana Professional Licensing Agency; U.S. Bureau of Labor Statistics.

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