

**STATE
FISCAL IMPACT**

Drafting Number: LLS 11-0544
Prime Sponsor(s): Sen. Jahn
 Rep. Massey

Date: January 25, 2011
Bill Status: Senate Business, Labor, & Technology
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TITLE: CONCERNING REGISTERED INTERIOR DESIGNERS.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
General Fund - Fines	\$0	< \$5,000
Cash Funds		
Division of Registrations Cash Fund*	115,000	92,875
State Expenditures		
Cash Funds		
Division of Registrations Cash Fund	\$90,427	\$74,490
FTE Position Change	1.3 FTE	1.4 FTE
Effective Date: July 1, 2011		
Appropriation Summary for FY 2011-2012: See State Appropriations Section.		
Local Government Impact: None.		

* Fee revenue exceeds state expenditures in order to pay for costs noted in the Expenditures Not Included section of this fiscal note.

Summary of Legislation

This bill creates a registration program for interior designers in the Division of Registrations in the Department of Regulatory Agencies (DORA). An interior designer prepares design documents and specifications for non-structural elements of interior spaces in buildings and files the documents necessary to obtain building permits. Persons applying to the DORA for a certificate of registration must document that they have:

- ▶ a baccalaureate degree in interior design and 2 years professional experience; or
- ▶ an associate's degree in interior design and 4 years of professional experience; and
- ▶ passed the qualification test used by the National Council for Interior Design Qualifications.

Only persons who meet the requirements and obtain a certificate of registration from the division are permitted to use the title "Registered Interior Designer." In addition, the bill:

- ▶ defines the scope of practice for a registered interior designer;
- ▶ provides the division with the ability to set fees and schedule renewals of registrations;
- ▶ establishes the grounds for disciplinary proceedings and authorizes disciplinary actions, including fines up to \$5,000.

The registration program is subject to a sunset review prior to its repeal, effective July 1, 2021.

State Revenue

In FY 2011-12, this bill will increase revenue from fees by an estimated \$115,000. In FY 2012-13, increased fee revenue is estimated at \$92,875. Fees are credited to the Division of Registrations Cash Fund at the DORA.

Fee Impact on Registered Interior Designers. Section 2-2-322, C.R.S., requires legislative service agency review of measures that create or increase any fee collected by a state agency. Fee calculations are based on the estimated costs of the program distributed across the estimated number of registrations. This fiscal analysis is based on annual registrations; however, the actual renewal schedule is left to the discretion of the division. During annual fee setting for the program, the division will determine if renewals can be competed every 2 years based on the fund balance and fee amounts.

Table 1. Fee Impact on Registered Interior Designers			
Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2011-12 Initial Registration	\$115	1,000	\$115,000
FY 2012-13 Initial Registration	\$115	25	2,875
FY 2012-13 Renewal	\$90	1,000	90,000
FY 2011-12			115,000
FY 2012-13			92,875
TOTAL			\$207,875

Fines. The bill may increase revenue from fines; however, any increase is estimated to be less than \$5,000 per year. Fines collected by the division pursuant to the bill are credited to the General Fund.

State Expenditures

In FY 2011-12, this bill will result in total costs of \$90,427 and 1.3 FTE from the Division of Registrations Cash Fund in the DORA. In FY 2012-13, total costs are \$74,490 and 1.4 FTE. Major cost components are discussed below and summarized in Table 2.

This analysis assumes that the division will set up the program beginning July 1, 2011, and begin issuing certificates of registration no later than July 1, 2012. The DORA requires permanent staff plus contract personnel beginning in FY 2011-12 to implement the program, research rules, provide general direction and oversight, manage registration and renewal data, provide outreach to professionals in the community, issue certificates of registration, and investigate and settle complaints. The Department of Law will provide legal assistance to the division to interpret the act, promulgate rules, and assist in the resolution of disciplinary issues.

Table 2. Total Expenditures Under SB 11-067		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	\$63,121	\$69,460
FTE	1.3	1.4
Operating Expenses and Capital Outlay	7,349	1,330
Temporary Contract Labor	9,324	-
Travel, Outreach, & Printing	3,283	25
Legal Services	7,350	3,675
TOTAL	\$90,427	\$74,490

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 3.

Table 3. Expenditures Not Included Under SB 11-067*		
Cost Components	FY 2011-12	FY 2012-13
Short Term Disability	\$98	\$108
Employee Insurance (Health, Life, Dental)	9,919	10,682
Supplemental Employee Retirement Payments	536	536
Indirect Costs	8,837	9,517
Workers Comp	135	94
Risk Management	50	50
TOTAL	\$19,575	\$20,986

*More information is available at: <http://colorado.gov/fiscalnotes>

State Appropriations

In FY 2011-12, the bill requires an appropriation of \$90,427 from the Division of Registrations Cash fund and 1.3 FTE to the Department of Regulatory Agencies. Of this amount, the Department of Law requires \$7,350 in reappropriated funds.

Departments Contacted

Law Regulatory Agencies