

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 592 (First Edition)

SHORT TITLE: Engineers/Acquire Property/Raise Civil Penalty

SPONSOR(S): Senator Jenkins

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
Board Operating Account					
Section 1 (Property)		No fiscal impact			
Section 3 (Fee)		No fiscal impact			
Civil Penalty and Forfeiture Fund					
Section 2 (Civil Penalty)		No estimate available			
EXPENDITURES					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: N. C. State Board of Examiners for Engineers and Surveyors					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY: Allows the North Carolina State Board of Examiners for Engineers and Surveyors to (1) purchase its own building, (2) raise the civil penalty from \$2,000 to \$5,000; and (3) change the name of the fee for a delinquent license renewal from penalty to reinstatement fee.

ASSUMPTIONS AND METHODOLOGY: Section 1 of the bill allows the North Carolina State Board of Examiners for Engineers and Surveyors (Board) to purchase or lease real property, subject to the approval of the Governor and the Council of State. In recent years, this authority to acquire property has been given to other professional boards such as the Licensing Board for General Contractors (1999) and the Board of Examiners of Plumbing, Heating and Fire Sprinkler Contractors (2001). The Board has one and a half years left on its office lease and wants flexibility in obtaining new office space. While this provision will have no fiscal impact on Board revenues, it could allow the Board to reduce its future costs for office space.

Section 2 increases the maximum civil penalty that the Board may impose from \$2,000 to \$5,000. This penalty was last increased in 1989 (from \$500 to \$2,000). Civil Penalty proceeds do not benefit the Board, but are deposited into the Civil Penalty and Forfeiture Fund for use by North Carolina public schools. In 2002, the Board deposited \$17,000 into the Fund as a result of 14 disciplinary actions. The Board's executive director described 2002 as a typical year for infractions. In any given year, 100 to 125 cases are filed against licensees, 20 to 30 of these cases result in disciplinary actions and approximately 14 of those cases are assessed a civil penalty. No estimate of additional penalty revenue is possible since section 2 only increases the maximum penalty to \$5,000 but does not require the Board to assess the higher penalty.

Section 3 renames the \$100 fee for delinquent license renewal. Instead of a \$100 late penalty, licensees will pay a \$100 reinstatement fee. This section has no fiscal impact.

TECHNICAL CONSIDERATIONS:

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DATE: April 7, 2003



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