



NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

Legislative Fiscal Note

Short Title: Bd. of Architects/Interior Designers.
Bill Number: Senate Bill 188 (Second Edition)
Sponsor(s):

SUMMARY TABLE

FISCAL IMPACT OF S.B. 188, V.2 (\$ in thousands)

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Board Impact					
Board Revenue	871.0	963.0	977.0	990.0	1,003.0
Less Board Expenditures	-	-	-	-	-
NET BOARD IMPACT	\$871.0	\$963.0	\$977.0	\$990.0	\$1,003.0

FISCAL IMPACT SUMMARY

This bill amends G.S. Chapter 83A to include the registration and regulation of interior designers and to rename and expand the duties of the Board of Architecture (Board) to implement the act.

The bill also increases the current fee schedule set out for **architects** as follows:

- Initial application fee for architects: \$100 for individuals (was \$50) and \$150 for firms (was \$75)
- Renewal fees: \$150 for individuals (was \$75) and \$200 for firms (was \$100)

The bill also establishes a fee schedule for registration to **practice interior design** as follows:

- Initial application for registration: \$100 individual and \$150 firm
- Annual registration renewal: \$150 individual and \$200 firm

The bill sets an identical fee schedule for architects and interior designers' late penalties, reciprocal licenses, and registration (\$300), and reinstatement on an individual and firm basis.

FISCAL ANALYSIS

Licensure Fees

Senate Bill 188 (Second Edition) sets forth the following fee changes that the newly constituted North Carolina Board of Architecture and Registered Interior Designers (Board) may implement.

Fees	Current Fee	SB 188 Fee
Architect Firms - Application	\$75.00	\$150.00
Architect Firms - Renewal	\$100.00	\$200.00
Architect Individuals - Application	\$50.00	\$100.00
Architect Individuals - Renewal	\$75.00	\$150.00
Interior Design Firms - Application	\$0.00	\$150.00
Interior Design Firms - Renewal	\$0.00	\$200.00
Interior Design Individuals - Application	\$0.00	\$100.00
Interior Design Individuals - Renewal	\$0.00	\$150.00
Reciprocal License	\$150.00	\$300.00
Reexamination	\$25.00	\$0.00
Late Renewal Penalty (1 - 30 days)	\$50.00	\$100.00
Late Renewal Penalty (30 days - 1 year)	\$50.00	\$100.00
Reinstatement of Expired License - Individual	\$0.00	\$500.00
Reinstatement of Expired Registration - Firm	\$0.00	\$500.00

The Board reports that there are currently 1,766 firms and 6,647 individuals licensed by the Board. If the Board were to increase fees to the limit provided in Senate Bill 188 (Second Edition), the Board would collect approximately \$676,000 from the fee increases on architect firms and individuals in FY 2021-22.

In addition, the North Carolina Department of Commerce identifies approximately 650 businesses as Interior Decorator Design & Consultants. The Council for Interior Design Qualification reports 969 individual certificate holders in North Carolina. Of those, 413 individuals are active certificate holders. Assuming all firms and individuals applied for licensure, and the Board implemented the new fee ceiling, Board revenues would increase by about \$195,000 in FY 2021-22 due to the addition of interior design licensure.

The table below shows the possible revenue impact assuming the Board increases all fees to the new fee ceilings.

REVENUE IMPACT ASSUMING ALL FEES INCREASE TO NEW FEE CEILINGS

REVENUE SOURCE	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Architect Firms	\$177,000	\$179,000	\$182,000	\$185,000	\$187,000
Architect Individuals	\$499,000	\$505,000	\$512,000	\$518,000	\$525,000
Interior Design Firms	\$98,000	\$132,000	\$134,000	\$136,000	\$138,000
Interior Design Individuals	\$97,000	\$147,000	\$149,000	\$151,000	\$153,000
POSSIBLE REVENUE IMPACT	\$871,000	\$963,000	\$977,000	\$990,000	\$1,003,000

Department of Insurance

The bill requires the Department of Insurance (DOI) to review and update all relevant documents, material, and applications and to promulgate necessary rules to implement the act. However, the DOI does not anticipate any additional costs associated with implementation of this act.

State Budget

This note assumes the Board will operate in a manner similar to the majority of other State licensing boards, whose budgets and spending occur outside the State treasury and budget. Thus, the collection of fees authorized in the bill and the administrative costs associated with the Board would not impact the State's budget

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

COUNCIL FOR INTERIOR DESIGN QUALIFICATION, MOODY'S ANALYTICS, NORTH CAROLINA BOARD OF ARCHITECTURE, NORTH CAROLINA DEPARTMENT OF COMMERCE

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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