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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/12

SPONSOR Herrell LAST UPDATED 02/11/12 HB 203

SHORT TITLE Electronic Professional Licenses SB \_\_\_\_\_

ANALYST Daly

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	Minimal*	Minimal*	Minimal*	Recurring	Public Water Supply System Operator and Water Facility Operator Fund; Radiologic Technology Fund; Underground Storage Tank Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

\*See Fiscal Implications

Duplicates Senate Bill 146

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Regulation and Licensing Department (RLD)  
 Public Regulation Commission (PRC)  
 Commission of Public Records (CPR)  
 New Mexico Environment Department (NMED)  
 State Racing Commission (SRC)

### SUMMARY

#### Synopsis of Bill

House Bill 203 amends the Uniform Licensing Act (the "ULA"), the Horse Racing Act, the Athletic Competition Act, the Fireworks Licensing and Safety Act, the Bicycle Racing Act, the Gaming Control Act, the Bingo and Raffle Act, the Liquor Control Act, the Construction Industries Act, the Employee Leasing Act, the Manufactured Housing Act and the Hoisting Operators Safety Act to include a directive designed to steer licensing processes as much as possible to all-electronic submissions and processing.

The specific amendments to each section contained in SB 203 require every board, commission, division and department that regulates professional or occupational licenses under the listed acts to “to the extent possible, provide by rule the manner” by which applicants and license holders conduct their business with these regulators.

## **FISCAL IMPLICATIONS**

Responding agencies evaluate the fiscal implications of this bill differently. For example, the PRC notes that payments that must accompany applications would still have to be mailed, unless the PRC is able to implement a system allowing for electronic payments. Similarly, the SRC reports that currently it has no capability or technology to provide electronic filing or payment receipts, and that a significant budget increase would be necessary to make the necessary upgrades to equipment and technology. The NMED reports that HB 203 will have minimal fiscal impact on that department: apart from the cost of rulemakings in front of the Water Quality Control Commission (for utility operator certification) and the Environmental Improvement Board (for medical imaging and tank installers), there might be some nominal costs for setting up information technology infrastructure.

Additionally, the CPR notes that the fiscal implications for the State Records Center and Archives (SRCA) would be dependent upon the number of boards, commissions and agencies that would need to adopt new rules to define the application and renewal process for each specific license.

However, the bill does not mandate all electronic filing and processing: instead, the bill’s directive is qualified by the phrase “to the extent possible”. Thus, even the minimal fiscal impact included in the table above may not occur if there is insufficient funding to implement the directive. Similarly, the impact on SRCA may be minimal if the change to electronic processing occurs over time.

Further, over time, the fiscal impact may be positive: RLD and even NMED contend that significant (but currently unquantified) savings would be recognized by the efficiencies in administrative functions gained by implementation of the directive.

## **SIGNIFICANT ISSUES**

According to the RLD, allowing applicants and licensees to apply for and renew licenses electronically will save time for both the applicant/licensee and the regulating agency and provide efficient processing of all documents. It will also provide a reliable tracking mechanism for all involved. As explained by the NMED:

HB 203 would create efficiencies in state government, including NMED, that do not currently exist. Moreover, those seeking licensure or certification will experience a more streamlined process that would not require a visit to a state office building. Paperless transactions have inherent efficiencies over the current cumbersome process which requires a paper application, review, and payment. A move to online renewals and applications will, therefore, save time and money in the long term.

While recognizing the benefits of electronic processing generally, the NMED provides additional explanation of the nature and extent of its current programs:

NMED's Utility Operator Certification Program certifies approximately 3,000 persons to operate drinking water systems and wastewater treatment plants. The program administers training for individuals seeking certification and seeking to maintain certification, exams for prospective operators, renewals every three years, and reciprocity with analogous programs in other states. Currently, the program maintains a website through which operators or prospective operators can obtain information and download applications for certification, renewal, or reciprocity. However, online services are limited and NMED does not currently have the capability to administer online applications and renewals.

NMED's Medical Imaging and Radiation Therapy Program provides licensure to persons operating medical equipment emitting ionizing and non-ionizing radiation. Currently, the program has approximately 2,105 active licensees. The Program's enabling legislation also requires licensing of ultrasound technologists and magnetic resonance imaging (MRI) technologists. However, currently there are no regulations in place for ultrasound and MRI. Once in place, those regulations will add an additional (approx.) 2000 licensees to the program. NMED does not currently have the capability to administer online applications or renewals for this program.

The Tank Installer Program provides certification for persons who install tanks that store petroleum products, and who train installers for possible certification. The current number of certified installers is 45. The current number of certified operator trainers is 8. Applicants for installer certification submit renewal applications on a four year cycle. Application materials are available for download on the program website, but applications must be notarized and hard copies submitted. Payments are not collected electronically and NMED does not currently have the capability to administer online applications or renewals.

Similarly, the SRC notes that applicants would not be able to submit fingerprints electronically, and the PRC questions whether notarization requirements would pose a problem.

However, as noted above, the directive contained in HB 203 does not require or mandate implementation; it simply provides "to the extent possible" the use of electronic submissions and processing.

## **PERFORMANCE IMPLICATIONS**

The RLD believes these changes would significantly improve their scores on certain efficiency performance measures for customer service. Currently the licensing staff spends a significant amount of time processing mail and deposits. By allowing electronic documents they expect to save time and allow staff to focus resources where necessary.

**ADMINISTRATIVE IMPLICATIONS**

The NMED states that electronic licensing will require additional administrative support to develop online forms and provide ongoing license and certification review and issuance in a timely manner. It also notes the many clients, particularly those in rural New Mexico, will still prefer or require paper applications, so dual processes will have to be maintained.

**DUPLICATION**

Senate Bill 146 is a duplicate of this bill.

**TECHNICAL ISSUES**

The CPR calls attention to the Animal Sheltering Board, which is responsible for enforcing the Animal Sheltering Act [Section 77-1B-1 et seq. NMSA 1978], including licensing for euthanasia professionals. This board is not included in this amendment. (The changes to the ULA do not cover this board's licensing processes; the ULA is only applicable to that board's disciplinary action).

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