



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 504 of the 132nd G.A.
(L_132_1703-3)

Status: In House Economic Development, Commerce and Labor

Sponsor: Rep. Pelanda

Local Impact Statement Procedure Required: No

Subject: Creates an interior designer certification overseen by the Ohio Interior Design Examiners Board

State Fiscal Highlights

- The bill creates the Ohio Interior Design Examiners Board under the administrative umbrella of the Ohio Architects Board. This arrangement requires the new board to bear a proportionate amount of the administrative costs related to certifying interior designers up to the amount of revenue it collects.
- Although there may be additional costs for overseeing the certification of interior designers under the bill, those costs would presumably be covered, or at least partially offset by, application and renewal fees set by the Ohio Interior Design Examiners Board. These fees will be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90).

Detailed Fiscal Analysis

The bill establishes the five-member Ohio Interior Design Examiners Board to oversee the biennial certification of interior designers. The bill requires the new board to operate under the administrative umbrella of the existing Ohio Architects Board. Members would be paid on a per-diem basis for each day they are employed in the discharge of their official board duties. Architects and persons providing plans or specifications and certain others would be exempted from the interior design certification requirements. Interior designers must complete 20 hours of continuing education every two-year renewal cycle. Although the certification would be valid for two years, the bill gives the Ohio Interior Design Examiners Board the flexibility to lengthen or shorten the renewal cycle by up to one year so that renewals are staggered. The number of interior designers that would be subject to certification under the bill is unknown. As of May 2015, the U.S. Bureau of Labor Statistics estimated that there were approximately 2,000 interior designers working for firms in Ohio. Not counted in this number are self-employed interior designers, however, so the number that would require certification under the bill probably exceeds the Bureau of Labor Statistics estimate.

The bill requires the Ohio Interior Design Examiners Board to use the offices and administrative staff of the Ohio Architects Board to oversee the interior design profession in Ohio. However, the bill specifies that the newly created board must bear a proportionate share of the costs of the administrative services provided by the Ohio Architects Board, provided that share of costs does not exceed the revenue generated by the interior design certification activities. Revenue sources would include the biennial certification fee, as well as fines that the Ohio Interior Design Examiners Board is allowed to collect under the bill. All revenues collected under the bill are to be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90), a shared operating pool used by many other of Ohio's occupational licensing boards.

Overall, the bill may result in increased administrative costs to issue and renew interior design certifications. Any of these costs would at least partially be offset by application and renewal fees set by the Ohio Interior Design Examiners Board. The Ohio Architects Board, in conjunction with the Landscape Architects Board, employs a combined full-time staff of four, including an executive director, two administrative staff members, and an investigator. It is not clear whether additional staff would be necessary to cover the operations of the Ohio Interior Design Examiners Board. In FY 2017, the Architects Board oversaw 8,239 certificates for individuals and firms and the Landscape Architects Board oversaw 830 certificates for individuals and firms. During the course of a typical two-year renewal cycle, the revenue of these two boards exceeds expenses by approximately \$400,000.

Synopsis of Fiscal Changes

The primary change made by the substitute bill (L_132_1703-3) is to create an independent Ohio Interior Design Examiners Board instead of placing the responsibility for certifying interior designers with the Board of Building Standards under the Department of Commerce. While the new five-member regulatory board would be independent, it would be required to use the offices and staff of the Ohio Architects Board to perform all the administrative duties in the bill. Application and renewal fees are to be established by the new board. Presumably, these would be set at amounts that cover or at least offset the cost of certifying interior designers. The bill requires the Ohio Interior Design Examiners Board to bear a proportionate amount of the costs of the functions that the existing Ohio Architects Board would incur for handling administrative functions related to overseeing the interior design profession.