



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **18 VAC 100-20 – Board for Opticians Regulations Department of Professional and Occupational Regulations April 2, 2004**

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

The Board of Opticians (board) proposes to raise fees and reduce the timeframe within which a licensee can pay a late renewal fee, versus a reinstatement fee.

### **Estimated Economic Impact**

#### **Fees**

The Department of Professional and Occupational Regulation (DPOR) expects that the board's revenues for the 2002-2004 biennium will finish at 30.7 percent less than expenses. Additionally, DPOR anticipates that the board's ending cash balance for 2002-2004 will be negative \$4,905.<sup>1</sup> The board attempts to set each fee to approximately match the cost of regulating each respective function.<sup>2</sup> The board proposes to raise fees by the following amounts:

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<sup>1</sup> The anticipated -\$4,905 cash balance represents -2.6 percent of the expected \$185,399 board expenditures in the 2002-2004 biennium (source: DPOR).

<sup>2</sup> Source: DPOR

Spectacle examination administrative charge: increase from \$10 to \$25

Total examination fee ceiling: increase from \$300 to \$1,000

License application: increase from \$55 to \$100

Contact lens certification application: increase from \$70 to \$100

License renewal: increase from \$60 to \$100

Late license renewal: increase from \$25 to \$125

License reinstatement: increase from \$100 to \$125

The increase in expenses relative to fees collected can be partially attributed to the following: 1) examination costs, which are dependent on both vendor charges and the volume of candidates taking the exam, are estimated to increase by almost \$8,000 from the 2000-02 biennium to the 2002-04 biennium, 2) charges from the Attorney General's Office to the department (for all work across boards) are increasing from \$405,000 for the 2000-02 biennium to \$507,000 for the 2002-04 biennium, and 3) the department is spending \$1.2 million to \$2.0 million on a new computer system for licensing and enforcement.<sup>3</sup>

The current regulations list a "Duplicate wall certificate" fee" of \$25. The board proposes to remove the duplicate wall certificate fee language from the regulations. Since wall certificates are no longer issued, the current language on duplicate wall certificates serves no purpose.

### **Reinstatement**

Under the current regulations, licensees who fail to renew their license within 30 days of its expiration can renew their license by paying a late fee up until 12 months after expiration. If the license has been expired for more than 12 months, the licensee must apply for reinstatement. If the license has been expired for 24 months or less, the licensee only has to pay the reinstatement fee. (If the license has been expired for more than 24 months, other requirements must be met.) The board proposes to permit late renewal only for licenses that are 31 to 60 days

late. Thus, the effective change is that licensees whose license has been expired between 61 days and 12 months must now pay the reinstatement fee rather than the late fee. As noted above, under the proposed regulations the reinstatement fee is \$225 and the late renewal fee is \$125. The proposal to shorten the time limit for late license renewal from 12 months to 60 days may encourage some licensees whose license has been expired between 31 and 60 days to renew their license sooner. This does not produce a significant economic impact.

### **Businesses and Entities Affected**

The proposed amendments will affect the 1,800 opticians in Virginia.

### **Localities Particularly Affected**

The proposed regulations affect opticians throughout the Commonwealth.

### **Projected Impact on Employment**

The proposed amendments will not significantly affect employment levels. A small number of mostly inactive opticians may choose not to remain licensed due to the higher fees.

### **Effects on the Use and Value of Private Property**

The proposed amendments will decrease the value of opticians' practices by the amount of the fee increases that apply to them.

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<sup>3</sup> Ibid.