

Fiscal Note

BILL # HB 2128

TITLE: state licensing; fee waiver

SPONSOR: Osborne

STATUS: As Introduced

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Description

HB 2128 would waive state licensing fees for any active duty military service member, active duty member's spouse, or veteran applying for that specific license for the first time in Arizona. The fee waiver would not apply to abortion clinics or marijuana dispensaries.

Estimated Impact

HB 2128 would reduce licensing revenue and General Fund revenue. However, due to a lack of distributional data on Arizona veterans' occupations, we are unable to estimate the magnitude of this impact.

Analysis

Active Duty Members

Because active duty service members have full-time employment within the military, we assume that the number of active duty individuals who will apply for an occupational license is negligible.

Active Duty Members' Spouses

The U.S. Department of Defense (DOD) estimates that there are 11,500 active duty military spouses in Arizona. Out of these 11,500 spouses, DOD estimates that 7,000 are currently in the workforce, of which 2,400 are in licensed occupations.

Veterans

The U.S. Department of Veterans Affairs reports that there were 526,900 veterans in Arizona in fiscal year 2018. We do not have any data on veterans' occupational distribution and are unable to estimate how many veterans would apply for a fee waiver.

The cost of HB 2128 will depend on the types of licensing fees that are waived. Many licensing boards operate under a "90/10" arrangement. Of the revenues generated by these boards' fees, 90% are retained by the board for operations and 10% are remitted to the General Fund. To the extent that HB 2128 reduces revenues from licensing fees administered by 90/10 boards, the General Fund impact will be 10% of the decrease in revenues.

However, HB 2128 also applies to non-90/10 agencies that administer licenses. For example, revenues generated by the Arizona Department of Real Estate are deposited into the General Fund. Licensing fee waivers for these departments will have a direct negative impact on the General Fund.

Because we do not have data on the distribution of licensing fees that would be waived, we are unable to estimate the magnitude of the impact of HB 2128.

Local Government Impact

None

2/2/21