

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1509 - SB 2216

February 7, 2018

SUMMARY OF BILL: Repeals requirements that authorization to engage in regulated professions and occupations be revoked for persons who default on student loans. This legislation applies specifically to lobbyists, attorneys, athlete agents, teachers, and any licensee under any division, board, commission, committee, agency, or other governmental entity under the Department of Commerce and Insurance (DCI) or the Department of Health (DOH).

Removes the authority of the Tennessee Student Assistance Corporation (TSAC) to make determinations of delinquency or default on student loans and to report to the Supreme Court or appropriate licensing authority, for lawyers licensed by the Supreme Court, or any person licensed by any other profession, trade, occupation or business licensed by an agency in Tennessee. Furthermore, removes TSAC's authority to hold hearings on such delinquencies or defaults.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This legislation will eliminate instances in which the license of an attorney, teacher, athlete agent, or person licensed under a division, board, commission, committee, agency, or other governmental entity under the DCI or the DOH, is suspended, denied, or revoked for delinquency or default on a student loan.
- According to the DCI, there were approximately 283 instances in 2017 in which a person licensed under a DCI program was suspended, denied, or revoked due to delinquency or default on a student loan.
- According to the DCI, a majority of the 283 individuals reinstate their license, and although the DCI does have the authority to charge a \$10 reinstatement fee, it is not currently levied; therefore, this legislation is estimated to have no significant impact on the DCI or any of its programs.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two- year period. The Division of Regulatory Boards experienced a surplus of \$5,725 in FY15-16, a surplus of \$2,735,422 in FY16-17, and a cumulative reserve balance of \$26,350,035 on June 30, 2017.

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- Based on information provided by the DOH, it is unknown how many instances per year a person licensed under a DOH program was suspended, denied, or revoked due to delinquency or default on a student loan
- Based on information provided by the DOH, no reinstatement fee is collected from persons who seek reinstatement after having a license suspended, denied, or revoked due to delinquency or default on a student loan; therefore, this legislation is estimated to have no significant impact on DOH or any of its programs.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over any two-year period. The Division of Health Related Boards experienced a surplus of \$4,526,956 in FY15-16, a surplus of \$3,551,254 in FY16-17, and a cumulative reserve balance of \$32,645,083 on June 30, 2017.
- According to the TSAC, since the inception of the program, no hearings on delinquency or default have been held; therefore, removing the authority to hold any such hearing will have no significant fiscal impact on the TSAC.
- Based on information provided by the Administrative Office of the Courts (AOC), no reinstatement fees are collected by licensed attorneys who seek reinstatement after having a license suspended, denied, or revoked due to delinquency or default on a student loan; therefore, this legislation is estimated to have no significant impact on the AOC or the Board of Law Examiners.
- According to information provided by the Tennessee Bureau of Ethics and Campaign Finance (BECF), it has never received any notification detailing any registered lobbyist who has become delinquent or defaulted on a student loan.
- The Secretary of State's Office licenses athlete agents. It is assumed that any number of delinquencies or defaults experienced by athlete agents has had no significant impact on such licensing program.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- This legislation is estimated to have no significant impact on any attorney, teacher, athlete agent, or person licensed under a division, board, commission, committee, agency, or other governmental entity under the DCI or the DOH; therefore, no significant impact on commerce or jobs in Tennessee.
- It is assumed that any such professional whose license has been suspended, denied, or revoked due to delinquency or default on a student loan, would take all required steps to get their license reinstated under current law. As a result, any increase in business activity, and associated business revenue and expenditures, as a result of this legislation will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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