

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0137-01
Bill No.: SB 149
Subject: Cosmetology; Economic Development Dept.; Licenses – Professional
Type: Original
Date: January 3, 2003

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|------------|-----------------|--------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| Cosmetology Board | \$0 | \$25,000 | \$375 |
| Total Estimated Net Effect on Other State Funds | \$0 | \$25,000 | \$375 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Economic Development – Division of Professional Registration** state the Cosmetology Board estimates there will be approximately 500 applicants for licensure and a \$50 biennial fee will be charged. A three percent growth rate is estimated. The Board assumes all costs can be covered by its current appropriation.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2004 (10 Mo.) | FY 2005 | FY 2006 |
|---|---------------------|---------|---------|

COSMETOLOGY BOARD FUND

| | | | |
|--|------------|-----------------|--------------|
| <u>Income - Cosmetology Board</u> Registration fees | <u>\$0</u> | <u>\$25,000</u> | <u>\$375</u> |
|--|------------|-----------------|--------------|

| | | | |
|---|---------------------|------------|------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2004 (10 Mo.) | FY 2005 | FY 2006 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

Small businesses could be fiscally impacted by this proposal due to increased educational requirements.

DESCRIPTION

This proposal creates a new license classification for cosmetologists to be known as Class CB - braider. Braiders are required to take a course of study of at least 600 hours or the credit hours determined by the formula in Subpart A of Part 668 of Section 668.8 of Title 34 of the Code of Federal Regulations, as amended. The student must earn a minimum of 100 hours or equivalent credits of classroom training before performing any acts of hair braiding on a patron or customer of a cosmetology school. Braiders may also apply for licensure if they have completed a minimum of 1,200 hours as an apprentice under the supervision of a licensed cosmetologist.

This proposal is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal will increase state revenue.

SOURCES OF INFORMATION

Department of Economic Development – Professional Registration



Mickey Wilson, CPA
Director

January 3, 2003