

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1638-01  
Bill No.: HB 590  
Subject: Licenses - Professional  
Type: Original  
Date: February 27, 2013

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Bill Summary: This proposal authorizes a person to engage in the practice of specified professions without being licensed if he or she does not hold himself or herself out as being licensed.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Various Professional Registration Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the current proposal would not fiscally impact their agency.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume the proposal would have a negative unknown impact to various Professional Registration funds.

DIFP states that this proposal makes licensure optional for registered interior designers, barbers, barber establishments, cosmetologists, cosmetology establishments, cosmetology schools, and cosmetology/barber instructor trainees.

As of January 31, 2013, the listed professions included 82,723 individual licensees/registrants out of a total of 434,059 licensees/registrants of the division (19%). There is no way to determine how many of the current licensees or future applicants would elect to keep or obtain licensure with the applicable boards/committees. The proposal does not affect all licensing boards within the division or completely eliminate statutes for licensed professionals. Therefore, even with the reduced licensing count, boards affected by this proposal will continue to incur expenses related to licensure and enforcement; however, the division is unable to determine the number of individuals who will continue to seek licensure.

The division utilizes a cost allocation system based on the number of licensees per individual board. Therefore, the division assumes the current cost allocation will be affected by the reduction of licensees causing other board's licensees counts to be affected, which would result in increased percentages to the cost allocation for the other boards.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of misrepresentation of him/herself as a licensed barber or cosmetologist.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>VARIOUS PROFESSIONAL REGISTRATION FUNDS</b>			
<u>Cost - DIFP</u>			
Reduction in licensure fees	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON VARIOUS PROFESSIONAL REGISTRATION FUNDS</b>			
	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

This proposal may reduce fee expenses, by lack of licensing, for small businesses engaging in the professions listed in the legislation.

FISCAL DESCRIPTION

This proposal authorizes a person to engage in the practice of certain professions without being licensed if the person does not hold himself or herself out as being licensed. These professions include interior designers, barbers, cosmetologists and cosmetology school operators. Any person who violates these provisions will be guilty of a class C misdemeanor.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration  
Office of the State Public Defender  
Office of the State Courts Administrator

**Not Responding**

Office of Prosecution Services



Ross Strobe  
Acting Director  
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