

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1841-01  
Bill No.: HB 906  
Subject: Cosmetology; Professional Registration and Licensing  
Type: Original  
Date: March 1, 2017

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Bill Summary: This proposal provides that the practices of cosmetology and barbering do not include shampooing.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Cosmetology and Barber Examiners Fund	\$0	\$12,500	\$375
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$12,500</b>	<b>\$375</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume it could absorb the potential increase in workload and expense that would result from the registration of shampooists. However, should the extent of the work be more than anticipated, the department would request additional appropriation and/or FTE through the budget process.

The board is uncertain of the actual number of shampooists or the timing of when shampooists would register with the board. The board estimates around 500 initially and then a small increase each year. These individuals would pay the \$25 registration fee that would generate up to \$12,500 in revenue for the board.

**Oversight** will reflect a revenue to the Cosmetology and Barber Examiners Fund of \$12,500 in FY 2019 with a 3% increase of \$375 in FY 2020.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>COSMETOLOGY AND BARBER EXAMINERS FUND</b>			
<u>Revenue</u> - DIFP \$329,276 Registration Fees for shampooists	<u>\$0</u>	<u>\$12,500</u>	<u>\$375</u>
<b>ESTIMATED NET EFFECT ON THE COSMETOLOGY AND BARBER EXAMINERS FUND</b>	<b><u>\$0</u></b>	<b><u>\$12,500</u></b>	<b><u>\$375</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**FISCAL IMPACT - Small Business**

This proposal will directly impact small business hair shampooist and cosmetology businesses that hire hair shampooist as they will be required to pay a registration fee.

### FISCAL DESCRIPTION

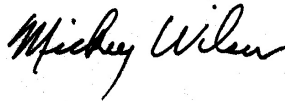
This bill specifies that the practice of cosmetology cannot include shampooing. The bill requires that all individuals engaging in the practice of shampooing for compensation, first register with the State Board of Cosmetology and Barber Examiners. The purpose of the registration is only to maintain a listing of individuals who engage in shampooing for compensation and does not authorize the board to license or regulate the practice of shampooing in any way.

The board must prepare a brochure containing information regarding infection control techniques for shampooing that must contain a self-test with questions. An individual engaged in the practice of hair braiding is required to complete the self-test and make it available upon request.

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



Mickey Wilson, CPA  
Director  
March 1, 2017

Ross Strope  
Assistant Director  
March 1, 2017