

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4880-01
Bill No.: HB 1400
Subject: Cosmetology; Professional Registration and Licensing
Type: Original
Date: December 20, 2017

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Cosmetology and Barber Examiners Fund	(\$3,925)	\$12,764	\$261
Total Estimated Net Effect on <u>Other</u> State Funds	(\$3,925)	\$12,764	\$261

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume with this proposal, no person shall engage in shampooing in the state of Missouri without first registering with the board. The board may charge each registrant a fee of not more than twenty-five dollars to cover the board's costs in registering the person and providing the person with the brochure prepared under subsection 3 of this section, which fee shall be uniform for all registrants. The purpose of registration of shampooists is only to maintain a listing of those persons who engage in shampooing for compensation in the state and does not authorize the board to license or regulate the practice of shampooing in this state, except as provided in subsection 4 of this section.

DIFP also assumes the board shall develop and prepare a brochure containing information about infection control techniques and diseases of the scalp that is appropriate for shampooists. The brochure shall be made available through the division of professional registration's website or by mail, upon request, for a fee to cover the board's mailing costs. The brochure shall contain a self-test with questions on the information contained in the brochure.

Based on information received from the board, DIFP estimates that 500 individuals in the state of Missouri will be required to be registered. In addition, a 3% growth has been estimated.

Printing and Postage

DIFP assumes a cost of \$3,125 (500 x \$6.25) in FY 2019, \$96 in FY 2020 and \$98 in FY 2021 for printing.

DIFP also assumes a cost of \$500 (500 x \$1) in FY 2019, \$15 in FY 2020 and \$16 in FY 2021 for printing.

Licensure System

During the first year of implementation (FY 2019), costs are calculated for the design, programming, and implementation of the licensure program for new boards.

Hours for design, program and implementation	4
Cost per hour	<u>\$75.00</u>
Total Licensure System Cost	\$300.00

ASSUMPTION (continued)

In summary, DIFP assumes a cost of \$3,925 (\$3,125 + \$500 + \$300) in FY 2019, \$111 (\$96 + \$15) in FY 2020 and \$114 (\$98 + \$16) in FY 2021 to provide for the implementation of the changes in this proposal.

Revenue

DIFP assumes 500 individuals will register with the board with a 3% growth in the following years. DIFP also assumes a \$25 registration fee will be collected in FY 2020.

Oversight will reflect a revenue to the Cosmetology and Barber Examiners Fund of \$12,875 (500 x \$25 x 3%) in FY 2020 with a 3% increase of \$375 in FY 2021.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
COSMETOLOGY AND BARBER EXAMINERS FUND			
<u>Revenue</u> - DIFP §329.276 Registration fees for shampooists	\$0	\$12,875	\$375
<u>Cost</u> - DIFP §329.276 Administrative Cost	<u>(\$3,925)</u>	<u>(\$111)</u>	<u>(\$114)</u>
ESTIMATED NET EFFECT ON THE COSMETOLOGY AND BARBER EXAMINERS FUND	<u>(\$3,925)</u>	<u>\$12,764</u>	<u>\$261</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2019 (10 Mo.)	 FY 2020	 FY 2021
	<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 proposal states that individuals who shampoo hair for money do not need to obtain a cosmetology or barber license. Instead, all individuals engaging in the practice of shampooing for compensation need to register with the State Board of Cosmetology and Barber Examiners. No education or training is required to register, except that the shampooist must complete a self-test on infection control techniques and diseases of the scalp based upon a brochure to be prepared by the Board.

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

Ross Strobe



Director
December 19, 2017

Assistant Director
December 19, 2017