

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0578H.02C
 Bill No.: HCS for HB Nos. 45 & 1066
 Subject: Professional Registration and Licensing; Cosmetology
 Type: Original
 Date: March 27, 2023

Bill Summary: This proposal modifies provisions relating to licensure of certain professions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Tattoo, Body Piercing & Branding Fund (0883)	\$11,500	\$12,500	\$500
Cosmetology and Barber Exam Fund (0785)	Unknown, Less than \$100,000	Unknown, Less than \$100,000	Unknown, Less than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown, Less than \$111,500	Unknown, Less than \$112,500	Unknown, Less than \$100,500

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 324.520 – Definition of Tattoo

Officials from the **Department of Commerce and Insurance (DCI)** estimate the following:

Initial Licensure

\$8,500 85 Practitioners with a licensure fee of \$100 (85 x \$100) in FY 24
\$3,000 15 Establishments with a licensure fee of \$200 (15 x \$200) in FY 24
\$ 300 3 Practitioners with a licensure fee of \$100 in FY 25 based upon a 3% growth rate
\$ 200 1 Establishment with a licensure fee of \$200 in FY25
\$ 300 3 Practitioners with a licensure fee of \$100 in FY 26 based upon a 3% growth rate
\$ 200 1 Establishment with a licensure fee of \$200 in FY26

Renewal

\$8,800 88 Practitioners with a renewal fee of \$100 (88 x \$100) in FY 25
\$3,200 16 Establishments with a renewal fee of \$200 (16 x \$200) in FY 25

The biennial renewal years for Tattoo licenses are FY 23 and FY 25. Licenses issued in FY 24 will renew in FY25.

FY 2024

85 Practitioners at \$100 fee = \$8,500
15 Establishments at \$200 fee = \$3,000
Total - \$11,500

FY 2025

88 Practitioners Renewal at \$100 fee = \$8,800
16 Establishments Renewal at \$200 fee = \$3,200
3 (3% growth rate) Practitioners at \$100 fee = \$300
1 (3% growth rate) Establishment at \$200 fee = \$200
Total - \$12,500

FY 2026

3 (3% growth rate) Practitioners at \$100 fee = \$300
1 (3% growth rate) Establishment at \$200 fee = \$200
Total - \$500

In summary, DCI assumes a Revenue of \$11,500 in FY 2024, \$12,500 in FY 2025 and \$500 in FY 2026 as a result of this proposal.

Oversight has no information to the contrary, therefore, Oversight will reflect the estimated revenue provided by the DCI to the Tattoo, Body Piercing & Branding Fund (0883).

Sections 329.010 & 329.280 – Cosmetologist Personal Service Registration

Officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight assumes Section 329.280 allows any cosmetologist holding a current and active license to register with the board for a “personal service registration”, along with submitting an application and a fee (set by the board). Section 329.280 does not specify the fee amount, however, Oversight assumes the revenue generated by this legislation will be minimal. For fiscal note purposes, Oversight will reflect an “Unknown, less than \$100,000” revenue into the Cosmetology and Barber Exam Fund (0785).

Bill as a whole:

Officials from the **Department of Corrections**, the **Department of Public Safety - Missouri Highway Patrol**, the **Office of the State Public Defender** and the **Missouri Office of Prosecution Services** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
TATTOO, BODY PIERCING & BRANDING FUND (0883)			
<u>Revenue</u> - DCI - definition change to include more practitioners and establishments §324.520 p.3	\$11,500	\$12,500	\$500
ESTIMATED NET EFFECT TO THE TATTOO, BODY PIERCING & BRANDING FUND	<u>\$11,500</u>	<u>\$12,500</u>	<u>\$500</u>
COSMETOLOGY AND BARBER EXAM FUND (0785)			
<u>Revenue</u> – DCI			
Personal Service Registration Fee for a personal service registration	<u>Unknown, Less than \$100,000</u>	<u>Unknown, Less than \$100,000</u>	<u>Unknown, Less than \$100,000</u>
ESTIMATED NET EFFECT TO THE COSMETOLOGY AND BARBER EXAM FUND (0785)	<u>Unknown, Less than \$100,000</u>	<u>Unknown, Less than \$100,000</u>	<u>Unknown, Less than \$100,000</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Licensed cosmetologist and/or a licensed cosmetology establishment could be impacted by this proposal. Any small business that now falls into the new definition of tattoo will be fiscally impacted by the proposed legislation.

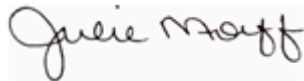
FISCAL DESCRIPTION

This proposal modifies provisions relating to licensure of certain professions.

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 Commerce and Insurance
Department of Corrections
Department of Public Safety
 Missouri Highway Patrol
Office of the State Public Defender
Missouri Office of Prosecution Service
Office of the Secretary of State
Joint Committee on Administrative Rules



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March 27, 2023



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March 27, 2023