

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0578H.02P  
 Bill No.: Perfected HCS for HB Nos 45 & 1066  
 Subject: Professional Registration and Licensing; Cosmetology  
 Type: Original  
 Date: April 13, 2023

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<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 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
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Unknown, Less than \$111,500</b>	<b>Unknown, Less than \$112,500</b>	<b>Unknown, Less than \$100,500</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 \$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.

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

## 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 for these sections.

**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** 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.

In response to a previous version, officials from the **Office of the State Public Defender**, the **Missouri Office of Prosecution Services** and the **Office of the State Courts Administrator** each assumed 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.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** noted 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.

House Amendment 1,

**Oversight** assumes House Amendment 1 will have no fiscal impact on state or local government.

House Amendment 2 and House Amendment 1 to House Amendment 2

In response to a similar proposal from this year (HB 773), officials from the **Department of Health and Senior Services (DHSS)** assumed the proposed legislation requires the Board of Nursing Home Administrators to receive and investigate complaints concerning its licensees’ professional practices. The legislation also creates provisions related to record disclosure, as well as restrictions related to an administrator operating on an expired license.

The provisions of the proposed legislation would be part of the normal ebb and flow of the Board of Nursing Home Administrators.

DHSS anticipates being able to absorb the costs of this bill with current resources. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process. However, until the FY 2024 budget is final, the Department cannot identify specific funding sources.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note as DHSS anticipates being able to absorb the cost of the proposal.

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 for this amendment, as amended.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>TATTOO, BODY PIERCING &amp; BRANDING FUND (0883)</b>			
<u>Revenue</u> - DCI - definition change to include more practitioners and establishments §324.520 p.3	\$11,500	\$12,500	\$500
<b>ESTIMATED NET EFFECT TO THE TATTOO, BODY PIERCING &amp; BRANDING FUND</b>	<b>\$11,500</b>	<b>\$12,500</b>	<b>\$500</b>

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>COSMETOLOGY AND BARBER EXAM FUND (0785)</b>			
<u>Revenue – DCI</u>			
Personal Service Registration Fee for a personal service registration §§329.010 & 329.280 (p.4)	<u>Unknown, Less than \$100,000</u>	<u>Unknown, Less than \$100,000</u>	<u>Unknown, Less than \$100,000</u>
<b>ESTIMATED NET EFFECT TO THE COSMETOLOGY AND BARBER EXAM FUND (0785)</b>	<b><u>Unknown, Less than \$100,000</u></b>	<b><u>Unknown, Less than \$100,000</u></b>	<b><u>Unknown, Less than \$100,000</u></b>

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

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.

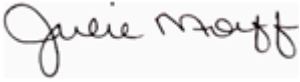
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

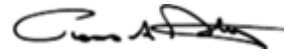
Department of Commerce and Insurance  
 Department of Corrections  
 Department of Public Safety  
 Missouri Highway Patrol  
 Office of the State Public Defender  
 Missouri Office of Prosecution Service

L.R. No. 0578H.02P  
Bill No. Perfected HCS for HB Nos. 45 & 1066  
Page 7 of 7  
April 13, 2023

Office of the Secretary of State  
Joint Committee on Administrative Rules  
Department of Health and Senior Services



Julie Morff  
Director  
April 13, 2023



Ross Strope  
Assistant Director  
April 13, 2023