

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3812H.01I
Bill No.: HB 1491
Subject: Cosmetology; Professional Registration and Licensing
Type: Original
Date: February 12, 2024

Bill Summary: This proposal modifies provisions relating to cosmetology.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Cosmetology and Barber Exam Fund (0785)	(\$1,937)	(\$8,800)	(\$244)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$1,937)	(\$8,800)	(\$244)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Commerce and Insurance** assume Section 329.010 allows the Board of Cosmetology and Barber Examiners to issue a Class EA – esthetics and manicuring license to applicants who meet the qualifications for licensure.

The Board of Cosmetology believes it will be able to issue the licenses without an additional FTE.

Temporary License Revenue

100 Class EA licenses (Annually)

\$100 Class EA license fee

\$60 Class EA renewal fee

- Projected revenue reflects fees collected for all categories of licensure.
- A 3% growth rate has been estimated.
- It is estimated that the collection of initial license fees will begin in FY 2026.
- If the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly.

DCI assumes this proposal would require adding additional profession types to the departments existing licensure system. This would not require a new system but would require 18 hours (at \$105 an hour) of ITSD work in FY 2025 only. It will also require annual printing and postage cost.

In summary, DCI assumes a cost of \$1,937 (ITSD and Printing/Postage) in FY 2025 and a revenue of \$8,800 (100 Licenses - \$1,200 Printing and Postage cost) in FY 2026 and \$244 (3 Licenses - \$56 Printing and Postage cost) in FY 2027 as a result of the changes in this proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will the fiscal impact as reflected by DCI in the fiscal note.

DCI also states that there are currently more than 500 licensees who hold both an esthetics license and a manicurist license. HB 1491 does not address how and when those should be combined into the proposed Class EA license. Those licensees are not factored into this fiscal note.

Oversight assumes licensees that hold both an esthetics and manicurist license will choose to obtain the newly created license instead 1 license for each. According to DCI officials, licensure fees vary depending on how they apply but the current estheticians and manicurist license renewal fee is \$50 biennially. Oversight assumes the difference between licensees converting to

the newly created license not result in a material loss and therefore Oversight will not reflect a loss to the Board of Cosmetology and Barber Examiners Fund as a result of this proposal.

Rule Promulgation

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 2025 (10 Mo.)	FY 2026	FY 2027
COSMETOLOGY AND BARBER EXAM FUND (0785)			
<u>Revenue - DCI</u>			
Personal Service Registration Fee	\$0	\$10,000	\$300
<u>Cost – DCI</u>			
ITSD and Postage/Printing	(\$1,937)	(\$1,200)	(\$56)
ESTIMATED NET EFFECT TO THE COSMETOLOGY AND BARBER EXAM FUND (0785)	(\$1,937)	(\$8,800)	(\$244)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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.

FISCAL DESCRIPTION

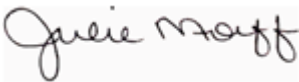
This bill adds a new class to the profession of cosmetology. The class is named "Class EA-esthetics and manicuring" and it includes all practices of manicurists and estheticians.

The bill allows the classified occupation of manicurist to be apprenticed in conjunction with the classified occupation of esthetician. The apprentice is required to successfully complete an apprenticeship of no less than a total of 2,300 hours.

When the applicant for the license is a student, the student must complete the required school hours in a licensed school for both occupations.

SOURCES OF INFORMATION

Department of Commerce and Insurance
Department of Health and Senior Services
Department of Corrections
Department of Public Safety - Missouri Highway Patrol
Office of the State Public Defender
Office of the State Courts Administrator
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
February 12, 2024



Ross Strobe
Assistant Director
February 12, 2024