

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 326** HLS 17RS 882
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 16, 2017 7:20 AM	Author: MACK
Dept./Agy.: Louisiana State Board of Cosmetology	Analyst: Colleen McCrory
Subject: Fees	

COSMETOLOGY/BOARD OR +\$37,200 SG RV See Note Page 1 of 1
 Provides relative to fees imposed by the Louisiana State Board of Cosmetology

Proposed law establishes or increases fees for certain license renewal, permits, registrations, inspections, and expired certificates as well as increases fines for certain violations, and provides that assessed fees are nonrefundable. Proposed law also removes the requirement for examinations for special permits to be given at least twice a year, and further provides that applicants are responsible for costs of exams administered by a third-party testing company at the board's testing center or at an off site testing center. Proposed law removes the reference to certain resident and non-resident statuses, positions, permits, and applicable fees.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$37,200	\$37,200	\$37,200	\$37,200	\$37,200	\$186,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$37,200	\$37,200	\$37,200	\$37,200	\$37,200	\$186,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed legislation will provide a net increase in revenues for the Louisiana State Board of Cosmetology due to changes in classifications and fee structures. Fee revenues totaled \$1,034,730 (39,055 licenses) in 2016. Under the proposed legislation the board would collect an estimated amount of \$1,071,880 in FY 18 and beyond, an increase of \$37,200 annually.

The fee for all initial applications as well as annual renewals under the categories of cosmetologist, esthetician, manicurist, and teacher will now pay a flat fee of \$25; decreasing revenues by \$21,125 (in 2016, 33,351 licenses were issued which generated \$854,900).
 Managers, booth renters, special and temporary permit holders will now pay a fee of \$35 for an initial licenses and renewals; increasing revenues by \$1,230 (in 2016, 123 licenses were issued for a collection of \$3,075).
 The initial license fee, the annual renewal fee, and change of ownership or location fee for beauty shops or salons will now have a flat fee of \$40; increasing revenues by \$54,625 (in 2016, there were 5,515 licenses which generated \$169,975).
 The fee for the initial inspection for a salon or booth rental which is now required for openings, change of ownership or change of location would increase to \$35 from the current fee of \$25 (there were no listed collections for 2016).
 The initial certificate of registration for a school would have a flat rate of \$400; increasing revenues by \$170 (in 2016, the board issued 2 which generated \$630).
 The renewal fee for a school has a proposed flat rate of \$200; increasing revenues by \$2,100 (in 2016, the board issued 60 which generated \$9,900).
 The proposed legislation would increase other school fees as follows: initial inspection or failure to timely renew from \$100 to \$150 (generated \$100 in 2016), final inspection from \$300 to \$350, and change of ownership notice from \$50 to \$100 (generated \$150 in 2016).
 The proposed legislation also increases fine amounts from \$25 to \$35 and increases the maximum to \$350 (currently \$300) per week from any person, school or facility provided that the registrant waives his rights to a hearing in writing. The board collected \$1,900 (76 fines) in 2016.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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