



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 458** HLS 23RS 420  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 28, 2023 11:43 AM	<b>Author:</b> DUBUISSON
<b>Dept./Agy.:</b> Board of Cosmetology	<b>Analyst:</b> Garrett Ordner
<b>Subject:</b> Cosmetology Licensure Fees	

COSMETOLOGY RE INCREASE SG RV See Note Page 1 of 2  
 Provides relative to cosmetology licensure fees

Proposed law allows the Board of Cosmetology to provide compensation to administrators of the licensure exam beyond the \$100 per diem in present law and requires the board to reimburse them for expenses incurred in the discharge of their duties. Proposed law provides that examinations for special permits by the Board of Cosmetology shall be scheduled following receipt of an application for a special permit. Proposed law provides that fees are nonrefundable. Proposed law replaces current fees for initial licensure and renewal of licensure with a single fee for licensure or renewal of all licenses, permits, and certificates of registration. Proposed law allows for biannual renewal of a salon or beauty shop license. Proposed law removes differentiation of fees between residents and nonresidents. Proposed law reduces the cosmetology school certificate fee for nonresidents by setting them at the current residential rates. Proposed law requires the Board of Cosmetology to create and maintain a website that allows applicants to apply, pay fees, and see their current status for cosmetology licensure.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
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Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will result in increased expenditures by the Board of Cosmetology for a redesign of its website. The extent of this increase is indeterminable, but the board's preliminary estimates suggest an FY 24 cost of \$150,000, with annual costs of \$16,600. Proposed law will may result in an indeterminable increase in SGR expenditures by the Board of Cosmetology to the extent that the board increases compensation for exam administrators as a result of the proposed law.

**EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

Proposed law will result in an increase in annual SGR revenues to the Board of Cosmetology due to the revision of the license fee schedule. The amount of the increase is indeterminable and will depend upon the number of licenses issued and renewed each year. For informational purposes, the board has provided data on the number of licenses which have been issued or renewed in the current year, which is shown in the table below along with the new license fees specified by the proposed law:

<b>License Type</b>	<b>Licenses</b>	<b>Current Rate</b>	<b>New Rate</b>	<b>Difference</b>	<b>Total Change</b>
Resident License	31,836	\$25	\$40	\$15	\$477,540
Resident Salon	4,472	\$30	\$40	\$10	\$44,720
Nonresident License	913	\$50	\$40	(\$10)	(\$9,130)
<u>Nonresident Salon</u>	118	\$65	\$40	(\$25)	<u>(\$2,950)</u>
<b>Total</b>					<b>\$510,180</b>

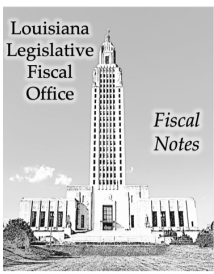
However, these figures do not include delinquent licenses which have not yet been renewed. As a result, the actual increase in revenues will likely be higher than the amount shown above. In addition, the proposed law provides that the salon license fee may optionally be paid biannually for \$80 (in lieu of the annual renewal fee of \$40) and increases the initial inspection fee from \$25 to \$40, which will have an indeterminable impact on the amount of revenues received from year to year.

Finally, the proposed law also reduces initial and annual cosmetology school registration fees for nonresident schools by \$300; however, any decrease in revenue due to this change is not expected to be significant. For informational purposes, the board's website lists 45 approved cosmetology schools in the state of Louisiana.

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|--|----------------------------|--|
| <u>Senate</u>  | <u>Dual Referral Rules</u> | <u>House</u>   |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}       |                            | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} |                            | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

*Evan Brasseaux*  
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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer

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**CONTINUED EXPLANATION from page one:**

**EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE**

Proposed law requires the board to create and maintain a website that allows applicants to apply for a license, pay fees, and see their current license status. The board has provided an estimate of the initial and annual out-year costs it will incur for the website:

**FY 24 Costs for Website Development**

Operating Expenses	\$72,000
Professional Services	\$27,000
<u>Equipment</u>	<u>\$51,000</u>
<b>Total</b>	<b>\$150,000</b>

**Annual Costs**

Website/Server Maintenance	\$3,000
Website Hosting	\$10,000
SSL Certificate	\$1,000
E-Commerce	\$300
<u>Content Management System</u>	<u>\$2,300</u>
<b>Total</b>	<b>\$16,600</b>

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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