

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2315 - SB 2324

March 7, 2016

SUMMARY OF BILL: Requires any individual who receives an initial license as a cosmetologist, manicurist, aesthetician, or natural hair stylist on or after July 1, 2016, to provide the Board of Cosmetology and Barber Examiners (the Board) with satisfactory proof of attending a Board-approved continuing education program for a minimum of 16 hours.

Authorizes any individual who has held a license as a cosmetologist, manicurist, aesthetician, or natural hair stylist prior to July 1, 2016, and whose license is no longer valid to have such license reinstated upon doing one of the following: pays the assessed penalty fee as set by the Board; passes the state law and practical examination, if applicable; or demonstrates compliance with any additional penalties prescribed by the Board. Any individual failing to show satisfactory proof of having completed continuing education requirements within 60 days of renewal licensure shall have such licensure deemed invalid by the Board until the licensee provides proof to the Board of completing the required continuing education requirements and paying the applicable penalty fees. Authorizes the Board to grant up to one additional year for a licensee to submit proof of compliance with the continuing education requirements upon a showing of good cause.

Authorizes the Board to establish and administer a scholarship program to provide money to publicly funded colleges, universities, and secondary schools for the purpose of administering, funding, establishing, or otherwise operating a program of cosmetology, manicuring, aesthetics, or natural hair styling. Authorizes the Board to allocate funds to be used for the scholarship program and promulgate rules for the application, award and disbursement of the funds. For purposes of promulgating rules, this act shall take effect upon becoming law. For all other purposes, this act shall take effect July 1, 2016.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

Exceeds \$10,000/FY18-19 and Subsequent Years/

Board of Cosmetology and Barber Examiners

Other Fiscal Impact - The Board of Cosmetology and Barber Examiners is required to be self-supporting over a two year period and had a cumulative reserve balance of \$394,499 on June 30, 2015.

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Assumptions:

- Any licensees receiving an initial license as a cosmetologist, manicurist, aesthetician, or natural hair stylist on after July 1, 2016, will be required to obtain 16 hours of continuing education within 60 days of the anniversary date of the license.
- This new requirement can be vetted by the Board of Cosmetology and Barber Examiners by utilizing existing staff during normal work hours.
- Board-approved continuing education courses will be conducted by private businesses which provide such training courses. Such businesses are assumed to be currently licensed as schools of cosmetology. Applicants and licensees will pay any applicable fees to such schools.
- This proposed legislation provides an individual who is or was licensed prior to July 1, 2016, as a cosmetologist, manicurist, aesthetician, or natural hair stylist whose license is no longer valid after July 1, 2016, an opportunity to receive reinstatement after paying an assessed penalty fee, passing the state law and practical examination, if applicable, or demonstrating compliance with any additional penalties prescribed by the Board.
- Currently, the Board does not have a clear path for reinstatement of licensure and any individual whose license is no longer valid and wishes to reinstate such license as a cosmetologist, manicurist, aesthetician, or natural hair stylist must reapply to the Board for a new license.
- There will be no significant change in fee revenue collected by the Board as a result of allowing reinstatement of licensure versus reapplication for a new license.
- The Board is currently unaware of the amount that it will provide to the establishment and maintenance of the scholarship program as authorized by this proposed legislation.
- According to the Board, it will take two years from the effective date of this legislation to begin providing scholarships to the appropriate schools.
- To effectuate the purpose of a scholarship program, the recurring increase in state expenditures to be incurred by the Board of Cosmetology and Barber Examiners is reasonably estimated to exceed \$10,000 in FY18-19 and subsequent years.
- Public Chapter 964 of the Public Acts of 2014 conjoined the Board of Cosmetology and the Board of Barber Examiners into one Board, the Board of Cosmetology and Barber Examiners. This Public Chapter was enacted on July 1, 2014.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two year period.
- The Board of Cosmetology had an annual surplus of \$42,158 in FY13-14, an annual surplus of \$104,555 in FY14-15. The Board of Barber Examiners had an annual surplus of \$97,025 in FY13-14. The Board of Cosmetology and Barber Examiners had a surplus of \$104,555 in FY14-15 and a cumulative reserve balance of \$394,499 on June 30, 2015.

IMPACT TO COMMERCE:

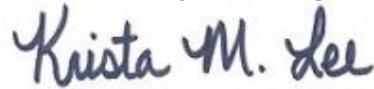
NOT SIGNIFICANT

Assumption:

- This legislation will likely provide a cosmetologist, manicurist, aesthetician, or natural hair stylist whose license has become invalid an easier path to attaining reinstatement of a license; however, any net change in expenditures for such licensees to pay a reinstatement fee versus the costs of reapplying is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb