

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 320 - SB 1185

March 4, 2019

SUMMARY OF ORIGINAL BILL: Eliminates the requirement for individuals, shops, and schools specializing in natural hair styling or wrapping to be licensed.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue - \$9,200/Board of Cosmetology and Barber Examiners

Other Fiscal Impact - Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two year period. The Board of Cosmetology and Barber Examiners experienced a surplus of \$50,787 in FY 16-17, a surplus of \$333,255 in FY 17-18, and cumulative reserve balance of \$614,875 on June 30, 2018.

IMPACT TO COMMERCE OF ORIGINAL BILL:

Decrease Business Expenditures - \$9,200

SUMMARY OF AMENDMENT (005072): Deletes all language after the enacting clause. Adds definition for "hair braiding". Exempts any person who engages in hair braiding from being licensed under the Board of Cosmetology and Barber Examiners (BCBE). Requires hair braiders to attend a one-time hygiene training for 16 hours and to biennially register with the Department of Commerce and Insurance (DCI) for a fee of \$30.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

State Revenue – Net Impact – Not Significant/Board of Cosmetology
and Barber Examiners

Other Fiscal Impact - Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The Board of Cosmetology and Barber Examiners experienced a surplus of \$50,787 in FY16-17, a surplus of \$333,255 in FY17-18, and cumulative reserve balance of \$614,875 on June 30, 2018.

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Assumptions for the bill as amended:

- The proposed amendment defines hair braiding as performing substantially equivalent procedures to the current definition of natural hair styling pursuant to Tenn. Code Ann. § 62-4-102(17).
- Pursuant to Tenn. Code Ann. § 62-4-110(f), a natural hair styling license applicant must have completed no less than 300 hours of training at a school of cosmetology.
- Licensed natural hair stylists are currently required to pay \$60 biennially to the BCBE.
- Given that additional people will register as hair braiders under the provisions of this legislation, it is likely there would also be an increase in fee revenue to the BCBE; the extent of which is unknown. However, any relative increase in fee revenue from these individuals is expected to offset any loss of licensure fees to the BCBE associated with fewer natural hair stylist licenses. Therefore, any net fiscal impact to the BCBE is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The BCBE experienced a surplus of \$50,787 in FY16-17, a surplus of \$333,255 in FY17-18, and cumulative reserve balance of \$614,875 on June 30, 2018.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumption for the bill as amended:

- The proposed legislation will not have a significant impact on commerce and jobs in Tennessee.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

/agr