

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 491** HLS 18RS 940
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 26, 2018 8:34 AM	Author: JOHNSON
Dept./Agy.: LA State Board of Cosmetology	
Subject: Amends Licensing and Examination Fees	Analyst: Zachary Rau

COSMETOLOGY/BOARD OR +\$417,000 SG RV See Note Page 1 of 1
 Provides relative to examination and licensing fees assessed by the Louisiana State Board of Cosmetology

Proposed law eliminates resident/non-resident designation when charging certain fees for licenses, certificates, and permits issued by the LA State Board of Cosmetology (LSBC). Proposed law establishes, revises, and increases fee amounts for certain licenses, permits, registrations, inspections, and expired certificates issued by the Board, as well as increases fines for certain violations, and provides that assessed fees are nonrefundable. Proposed law eliminates a provision of present law requiring that the examinations be given twice annually, and further provides that applicants are responsible for all costs associated with taking examinations administered by the LSBC's third-party operated testing center or an off-site testing center.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$417,000	\$417,000	\$417,000	\$417,000	\$417,000	\$2,085,000
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>	<u>\$0</u>
Annual Total	\$417,000	\$417,000	\$417,000	\$417,000	\$417,000	\$2,085,000

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed law will increase SGR collections associated with license fees by an estimated \$417,000 (see narrative below) for the LA State Board of Cosmetology (LSBC) in FY 19 and in subsequent years. However, exact increase is dependent upon the numbers and types of credentials being issued, as well as their accompanying fees, and fines levied as a result of citations for inspection violations. Because the aforementioned factors are unknown, the exact revenue increase is indeterminable.

The proposed legislation revises 13 fees and fine amounts for the LSBC. The most significant revision is the elimination of a resident/non-resident designation for persons paying fees for various credentials and allowing all applicants to pay a single fee for each credential, regardless of residence status. Credential applicants currently pay different fees based upon their status as a Louisiana resident, with non-residents paying greater fees for credentials. The new fees for the various credentials included in the proposed legislation fall between the current resident and non-resident fees.

For illustrative purposes, based upon year-end figures for FY 17 of licenses issued, license renewals, permits, inspections performed, school registrations issued, salons opened, salons changing ownership or location, and fines levied as a result of enforcement actions reported by the LSBC, the revised fees will result in an annual net revenue increase of approximately \$417,000, from approximately \$1.16 M in total to \$1.58 M. While the proposed legislation will increase SGR collections for the LSBC in the aggregate, the exact increase is dependent upon the numbers and types of credentials being issued, as well as their accompanying fees, and fines levied as a result of citations for inspection violations. Because the aforementioned factors are unknown, the exact revenue increase is indeterminable.

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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