

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 695** HLS 20RS 589
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 16, 2020 7:16 AM	Author: BUTLER
Dept./Agy.: LA State Bd. of Cosmetology	Analyst: Zachary Rau
Subject: Fee Changes for Resident/Non-Resident Permits	

COSMETOLOGY/BOARD OR INCREASE 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 makes fees assessed by the LA State Board of Cosmetology for permits and examinations non-refundable. Proposed law abolishes the resident/non-resident distinction for cosmetologist, esthetician, manicurist, and teacher licenses and consolidates the fee structure for these permits into a single \$35 annual fee, rather than the resident annual permit fee of \$25 and non-resident annual permit fee of \$50 in present law. Proposed law increases the manager permit fee by \$10, from \$25 to \$35. Proposed law makes technical changes.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	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	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

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 for the LA State Board of Cosmetology by an indeterminable amount beginning in FY 21 and in subsequent fiscal years. The proposed measure abolishes the resident/non-resident distinction for cosmetologist, esthetician, manicurist, and teacher licenses, as well as the different license fees for residents and non-residents. Furthermore, the proposed law consolidates the fee structure for these permits into a single \$35 annual fee, an increase of \$10 for the current resident annual permit fee of \$25 and a decrease of \$15 from the current non-resident annual permit fee of \$50. Lastly, the proposed legislation increases the manager permit fee by \$10, from \$25 to \$35. There is no resident/non-resident distinction for manager permits in present law.

For illustrative purposes, based upon licensee data for Calendar Year 2017 received during the 2018 Regular Session for similar legislation, the proposed law will affect approximately 34,635 licensees (32,360 residents, 845 non-residents, 1,430 manager licensees). Based upon this data, the net revenue change associated with the new fee structure totals \$325,225, with \$887,000 (845 non-residents * \$50 + 32,360 residents * \$25 + 1,430 managers * \$25) in gross revenues generated by the present fee structure and approximately \$1.21 M in gross revenues generated by the proposed fee structure. However, the exact increase is indeterminable and dependent upon the number of persons obtaining new licenses and renewing current ones.

Note: the LA State Board of Cosmetology did not respond timely with updated data for this analysis, and it will be updated to reflect more current licensee data once it is obtained.

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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