

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 3, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3178 by Truitt (Relating to the regulation of laser hair removal facilities; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3178, As Introduced: a positive impact of \$341,001 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$274,599
2007	\$66,402
2008	\$66,402
2009	\$66,402
2010	\$66,402

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$373,371)	\$647,970	8.0
2007	(\$365,578)	\$431,980	8.0
2008	(\$365,578)	\$431,980	8.0
2009	(\$365,578)	\$431,980	8.0
2010	(\$365,578)	\$431,980	8.0

Fiscal Analysis

The bill would permit the Department of State Health Services (DSHS) to regulate laser hair removal facilities and professionals. The bill would require DSHS to adopt rules requiring the certification of an individual performing laser hair removal and the licensure of a person operating a laser hair removal facility. Renewal of licenses and certifications would be on a two-year interval. The bill would require DSHS to inspect laser hair removal facilities and to recognize, prepare, and administer continuing education programs for certificate holders. The bill would require DSHS to set fees to cover the cost of administering the regulatory program.

Methodology

DSHS estimates that there are 800 laser hair removal facilities that would require licensure and 2,400 individuals who would be certified. DSHS estimates the regulatory program would require 8 FTEs: two for facility licensing, two for the certification of individuals, and four for facility inspection. Total salary costs are \$178,830 in 2006 and \$238,440 in subsequent years. Benefits total \$53,184 in 2006 and \$70,912 in subsequent years. Travel costs total \$11,250 in 2006 and \$15,000 in subsequent years. Rent and utilities and other operating costs total \$66,564 in 2006 and \$31,610 in subsequent years. Computer hardware costs total \$10,281 in 2006 and \$6,354 in subsequent years. DSHS indicates that there would be a one-time cost of \$50,000 in 2006 to modify existing regulatory software. DSHS also estimates that one case per year would be referred to the State Office of Administrative Hearings, for an annual cost of \$3,262.

DSHS estimates that fees would be set as follows: \$800 for a two-year facility license; \$120 for a two-year professional certificate; \$100 for a two-year senior technician certificate; \$80 for a two-year technician certificate; and \$60 for a two-year apprentice-in-training certificate. DSHS estimates that there are 1,200 facilities that would be licensed and that certificates would be required for 800 professionals, 532 senior technicians, 534 technicians, and 534 apprentices-in-training.

DSHS assumes that there would be no costs associated with examination development and administration as the validated exam in use by the Society for Clinical and Medical Hair Removal will be used for the certified laser hair removal professional level of certification. In addition, DSHS assumes that there would be no costs associated with providing continuing education programs as existing programs offered by external entities that would be used to meet continuing education requirements.

Technology

Existing software in the Professional License & Certification Unit and the Radiation Safety Licensing Branch would need to be modified to track licensing activities, modify the interface for on-line license application and renewal, amend the renewal program, and update licenses and licensing documents. DSHS estimates one-time costs of \$50,000 (500 hours at \$100/hour).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 502 Board of Barber Examiners, 505 Cosmetology Commission, 537 Department of State Health Services

LBB Staff: JOB, CL, PP, LW