

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 18, 2011

TO: Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: SB1170 by Carona (Relating to the regulation of barbers and cosmetologists.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1170, Committee Report 2nd House, Substituted: a positive impact of \$56,422 through the biennium ending August 31, 2013.

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
2012	\$0
2013	\$56,422
2014	\$11,500
2015	\$27,922
2016	\$11,500

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1
2012	\$0
2013	\$56,422
2014	\$11,500
2015	\$27,922
2016	\$11,500

Fiscal Analysis

The bill would amend the Occupations Code to allow for Cosmetology Operators to hold a Barber license and a Barber to hold a Cosmetology Operator license resulting in an increase in the number of Class A Barbers and Cosmetology Operators. The bill also adds the shampoo apprentice permit, reduces requirements on barber and cosmetology schools, revises the instructor to student ratio and simplifies the requirements for obtaining a Barber Instructor License.

The bill would repeal the following sections of the Occupations Code: Sections 1601.001(a)(5), 1601.354, 1601.355; and 1602.403(b).

The bill would take effect September 1, 2011.

Methodology

Information and estimates provided by the Department of Licensing and Regulation were used as the basis of developing this analysis. For the purpose of this analysis it is assumed that in fiscal year 2012 no new barber schools, cosmetology schools, dual licensure or shampoo apprentice permits would occur. In fiscal year 2013, it is assumed that 5 new Barber Schools and 50 new Cosmetology Schools would open and that 1,100 Cosmetology Operators and 134 Barbers would obtain dual licensure which would result in an anticipated revenue gain of \$56,422. In fiscal year 2014, it is assumed that only the Barber and Cosmetology schools would have to renew their licenses resulting in an anticipated revenue gain of \$11,500. In fiscal year 2015, it is assumed that the Barber schools, Cosmetology schools, dual licensure and shampoo apprentices would be required to renew their licenses resulting in a revenue gain of \$27,922. In fiscal year 2016, only the Barber and Cosmetology schools will have to renew their licenses resulting in a revenue gain of \$11,500.

Based on information provided by the Department of Licensing and Regulation, it is assumed that the agency would assess fees in accordance with existing fees for Barbers and Cosmetologists as well as for schools. The new cosmetology fees would also be within the realm of fees charged to Cosmetologists.

Based on the analysis of the Department of Licensing and Regulation, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation, 304 Comptroller of Public Accounts

LBB Staff: JOB, AG, MW, CWS