

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 5, 2015

TO: Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2717 by Goldman (Relating to the deregulation of hair braiding.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB2717, As Engrossed: a negative impact of (\$123,000) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$71,000)
2017	(\$52,000)
2018	(\$52,000)
2019	(\$52,000)
2020	(\$52,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable (Cost) from General Revenue Fund 1
2016	(\$52,000)	(\$19,000)
2017	(\$52,000)	\$0
2018	(\$52,000)	\$0
2019	(\$52,000)	\$0
2020	(\$52,000)	\$0

Fiscal Analysis

The bill would amend the Occupations Code relating to the deregulation of hair braiding.

The bill would deregulate braiding a person's hair, trimming hair extensions only as applicable to the braiding process, and attaching commercial hair only by braiding and without the use of chemicals or adhesives. The bill would require the Department of Licensing and Regulation (TDLR) to issue a refund to a person holding a barber or cosmetology hair braiding certificate, hair braiding instructor license, or hair braiding specialty shop license immediately before the effective date of the bill.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. Otherwise, the bill would take effect September 1, 2015.

Methodology

TDLR reports that the licensee population would be reduced by 2,315 Braiders and 130 Braiding shops. Based on analysis by TDLR and the Comptroller of Public Accounts (CPA), this licensee reduction would result in a revenue loss of \$52,000 per year in General Revenue. Additionally, the bill would require a refund to license holders, based on a prorated fee amount for the amount of months remaining from the passage of the bill until the month in which the license or certificate was scheduled to expire, which TDLR and the CPA has estimated to be \$19,000.

Local Government Impact

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

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

LBB Staff: UP, CL, NV, JSm