

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 28, 2023

TO: Honorable Ken King, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4857 by Wilson (Relating to the cosmetology licensure compact.), **As Introduced**

The fiscal implications of the bill cannot be determined due to uncertainty as to when the state would become a member of the Cosmetology Compact Commission and the extent to which license fees would increase with compact membership.

The bill would establish the Cosmetology Licensure Compact. The bill would establish requirements for becoming a member state of the compact, establish a joint government agency consisting of all member states of the Cosmetology Compact Commission, grant authority to this compact commission, require participation in a national data system, and provide new responsibilities and enforcement requirements to member state governments. If the bill is enacted, the state would not be statutorily committed to participation in the compact.

According to the Texas Department of Licensing and Regulation (TDLR), there would be a significant cost to the agency if the state chose to participate in the licensure compact due to increased responsibilities and fees being assessed on the state by the compact commission. Under the provisions of the bill, the compact is created when ten member states enact similar legislation. Currently, there is only one state (Tennessee) that has enacted this legislation.

Based on the analysis of TDLR, the bill's fiscal impact cannot be determined due to an inability to determine when the remaining nine states required for the Compact to come into effect would pass their enacting statutes. Without a clearly defined effective date, there is an inability to develop accurate licensee population forecasts which would be necessary to determine the bill's fiscal impact.

In addition, TDLR is unable to determine the cost to the state for membership in the compact as it is uncertain how much the national commission would assess fees on licenses and how those additional fees would interface with existing state fees under current law.

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

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