

BILL ANALYSIS

H.B. 705
By: Wilson
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that Gordon Logan, founder of Sport Clips, shared his experience with the state's system of licensing and regulating cosmetologists, indicating that the current system restricts economic mobility and creates barriers to workforce entry when licensed cosmetologists attempt to move across state lines or need to work in another state on a temporary basis. The bill author also informed the committee that despite the high demand for services, licensees are currently limited to providing services within state borders, which is particularly burdensome for military spouses who are highly mobile. H.B. 705 seeks to address this issue by adopting the cosmetology licensure compact, which would enable cosmetologists to obtain a multistate license to practice in other states that join the compact, increase license portability, support relocating military spouses, foster workforce development, and increase access to services for Texas residents while maintaining the state's existing regulatory structure applicable to cosmetologists.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTION 1 of this bill.

ANALYSIS

H.B. 705 amends the Occupations Code to enact and enter into the cosmetology licensure compact with all other jurisdictions that legally join the compact to facilitate the interstate practice and regulation of cosmetology with the goals of improving public access to, and the safety of, cosmetology services and reducing unnecessary burdens related to cosmetology licensure. The bill sets out the compact's provisions, including provisions relating to the following:

- the objectives designed to be achieved by the compact;
- eligibility requirements for states to join and remain in the compact;
- eligibility requirements for, the issuance of, and the practice of cosmetology under a multistate license;
- the limit on a licensee holding a multistate license, issued by the licensee's home state, in only one member state at any given time and procedures for the reissuance of a multistate license by a new home state;
- a home state's exclusive authority to impose an adverse action against a licensee's multistate license issued by the home state and the authority of each remote state's licensing authority to take certain other adverse actions against the licensee;
- the designation of a home state for active military members and their spouses;

- the establishment and operation of the Cosmetology Licensure Compact Commission as an instrumentality of the compact member states acting jointly and the compact commission's governance structure, powers and duties, rulemaking authority, meeting procedures, liability for certain claims, and financing, including through annual assessments levied on and collected from member states, fees imposed on licensees, and all other appropriate sources of revenue;
- the authority of the compact commission and member state licensing authorities;
- the development, maintenance, operation, and utilization of a coordinated database and reporting system through which member states submit a uniform data set on all individuals to whom the compact applies that includes identifying information, licensure data, adverse actions against a licensee, certain non-confidential information related to alternative program participation, any denial of a licensure application, certain investigative information, and other information that may facilitate the compact's administration or public protection;
- oversight, dispute resolution, and enforcement by the compact commission or the executive and judicial branches of state government in each member state;
- the process for amending or withdrawing from the compact; and
- the construction and severability of the compact's provisions, as well as the consistent effect of the compact with other state laws.

The bill establishes that the Texas Department of Licensing and Regulation is the compact administrator for the state and authorizes the Texas Commission of Licensing and Regulation to adopt rules necessary to implement the bill's provisions. The compact takes effect on the date on which the compact statute is enacted into law in the seventh member state.

EFFECTIVE DATE

September 1, 2026.