

By: Wilson

H.B. No. 705

A BILL TO BE ENTITLED

AN ACT

relating to the Cosmetology Licensure Compact; authorizing fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 9, Occupations Code, is amended by adding Chapter 1604 to read as follows:

CHAPTER 1604. COSMETOLOGY LICENSURE COMPACT

Sec. 1604.001. COSMETOLOGY LICENSURE COMPACT. The Cosmetology Licensure Compact is enacted and entered into with all other jurisdictions that legally join the compact, which reads as follows:

COSMETOLOGY LICENSURE COMPACT

ARTICLE 1- PURPOSE

The purpose of this Compact is to facilitate the interstate practice and regulation of Cosmetology with the goal of improving public access to, and the safety of, Cosmetology Services and reducing unnecessary burdens related to Cosmetology licensure. Through this Compact, the Member States seek to establish a regulatory framework which provides for a new multistate licensing program. Through this new licensing program, the Member States seek to provide increased value and mobility to licensed Cosmetologists in the Member States, while ensuring the provision of safe, effective, and reliable services to the public.

This Compact is designed to achieve the following objectives, and the Member States hereby ratify the same intentions by subscribing

hereto:

A. Provide opportunities for interstate practice by Cosmetologists who meet uniform requirements for multistate licensure;

B. Enhance the abilities of Member States to protect public health and safety, and prevent fraud and unlicensed activity within the profession;

C. Ensure and encourage cooperation between Member States in the licensure and regulation of the Practice of Cosmetology;

D. Support relocating military members and their spouses;

E. Facilitate the exchange of information between Member States related to the licensure, investigation, and discipline of the Practice of Cosmetology;

F. Provide for the licensure and mobility of the workforce in the profession, while addressing the shortage of workers and lessening the associated burdens on the Member States.

ARTICLE 2- DEFINITIONS

As used in this Compact, and except as otherwise provided, the following definitions shall govern the terms herein:

A. "Active Military Member" means any person with full-time duty status in the armed forces of the United States, including members of the National Guard and Reserve.

B. "Adverse Action" means any administrative, civil, equitable, or criminal action permitted by a Member State's laws which is imposed by a State Licensing Authority or other regulatory body against a Cosmetologist, including actions against an individual's license or Authorization to Practice such as

1 revocation, suspension, probation, monitoring of the Licensee,
2 limitation of the Licensee's practice, or any other Encumbrance on
3 a license affecting an individual's ability to participate in the
4 Cosmetology industry, including the issuance of a cease and desist
5 order.

6 C. "Authorization to Practice" means a legal authorization
7 associated with a Multistate License permitting the Practice of
8 Cosmetology in that Remote State, which shall be subject to the
9 enforcement jurisdiction of the State Licensing Authority in that
10 Remote State.

11 D. "Alternative Program" means a non-disciplinary
12 monitoring or prosecutorial diversion program approved by a Member
13 State's State Licensing Authority.

14 E. "Background Check" means the submission of information
15 for an applicant for the purpose of obtaining that applicant's
16 criminal history record information, as further defined in 28
17 C.F.R. § 20.3(d), from the Federal Bureau of Investigation and the
18 agency responsible for retaining State criminal or disciplinary
19 history in the applicant's Home State.

20 F. "Charter Member State" means Member States who have
21 enacted legislation to adopt this Compact where such legislation
22 predates the effective date of this Compact as defined in Article
23 13.

24 G. "Commission" means the government agency whose
25 membership consists of all States that have enacted this Compact,
26 which is known as the Cosmetology Licensure Compact Commission, as
27 defined in Article 9, and which shall operate as an instrumentality

1 of the Member States.

2 H. "Cosmetologist" means an individual licensed in their
3 Home State to practice Cosmetology.

4 I. "Cosmetology", "Cosmetology Services", and the "Practice
5 of Cosmetology" mean the care and services provided by a
6 Cosmetologist as set forth in the Member State's statutes and
7 regulations in the State where the services are being provided.

8 J. "Current Significant Investigative Information" means:

9 1. Investigative Information that a State Licensing
10 Authority, after an inquiry or investigation that complies with a
11 Member State's due process requirements, has reason to believe is
12 not groundless and, if proved true, would indicate a violation of
13 that State's laws regarding fraud or the Practice of Cosmetology;
14 or

15 2. Investigative Information that indicates that a
16 Licensee has engaged in fraud or represents an immediate threat to
17 public health and safety, regardless of whether the Licensee has
18 been notified and had an opportunity to respond.

19 K. "Data System" means a repository of information about
20 Licensees, including, but not limited to, license status,
21 Investigative Information, and Adverse Actions.

22 L. "Disqualifying Event" means any event which shall
23 disqualify an individual from holding a Multistate License under
24 this Compact, which the Commission may by Rule or order specify.

25 M. "Encumbered License" means a license in which an Adverse
26 Action restricts the Practice of Cosmetology by a Licensee, or
27 where said Adverse Action has been reported to the Commission.

1 N. "Encumbrance" means a revocation or suspension of, or any
2 limitation on, the full and unrestricted Practice of Cosmetology by
3 a State Licensing Authority.

4 O. "Executive Committee" means a group of delegates elected
5 or appointed to act on behalf of, and within the powers granted to
6 them by, the Commission.

7 P. "Home State" means the Member State which is a Licensee's
8 primary State of residence, and where that Licensee holds an active
9 and unencumbered license to practice Cosmetology.

10 Q. "Investigative Information" means information, records,
11 or documents received or generated by a State Licensing Authority
12 pursuant to an investigation or other inquiry.

13 R. "Jurisprudence Requirement" means the assessment of an
14 individual's knowledge of the laws and rules governing the Practice
15 of Cosmetology in a State.

16 S. "Licensee" means an individual who currently holds a
17 license from a Member State to practice as a Cosmetologist.

18 T. "Member State" means any State that has adopted this
19 Compact.

20 U. "Multistate License" means a license issued by and
21 subject to the enforcement jurisdiction of the State Licensing
22 Authority in a Licensee's Home State, which authorizes the Practice
23 of Cosmetology in Member States and includes Authorizations to
24 Practice Cosmetology in all Remote States pursuant to this Compact.

25 V. "Remote State" means any Member State, other than the
26 Licensee's Home State.

27 W. "Rule" means any rule or regulation promulgated by the

Commission under this Compact which has the force of law.

X. "Single-State License" means a Cosmetology license issued by a Member State that authorizes practice of Cosmetology only within the issuing State and does not include any authorization outside of the issuing State.

Y. "State" means a State, territory, or possession of the United States and the District of Columbia.

Z. "State Licensing Authority" means a Member State's regulatory body responsible for issuing Cosmetology licenses or otherwise overseeing the Practice of Cosmetology in that State.

ARTICLE 3- MEMBER STATE REQUIREMENTS

A. To be eligible to join this Compact, and to maintain eligibility as a Member State, a State must:

1. License and regulate Cosmetology;
2. Have a mechanism or entity in place to receive and investigate complaints about Licensees practicing in that State;
3. Require that Licensees within the State pass a Cosmetology competency examination prior to being licensed to provide Cosmetology Services to the public in that State;
4. Require that Licensees satisfy educational or training requirements in Cosmetology prior to being licensed to provide Cosmetology Services to the public in that State;
5. Implement procedures for considering one or more of the following categories of information from applicants for licensure: criminal history; disciplinary history; or Background Check. Such procedures may include the submission of information by applicants for the purpose of obtaining an applicant's Background

1 Check as defined herein;

2 6. Participate in the Data System, including through
3 the use of unique identifying numbers;

4 7. Share information related to Adverse Actions with
5 the Commission and other Member States, both through the Data
6 System and otherwise;

7 8. Notify the Commission and other Member States, in
8 compliance with the terms of the Compact and Rules of the
9 Commission, of the existence of Investigative Information or
10 Current Significant Investigative Information in the State's
11 possession regarding a Licensee practicing in that State;

12 9. Comply with such Rules as may be enacted by the
13 Commission to administer the Compact; and

14 10. Accept Licensees from other Member States as
15 established herein.

16 B. Member States may charge a fee for granting a license to
17 practice Cosmetology.

18 C. Individuals not residing in a Member State shall continue
19 to be able to apply for a Member State's Single-State License as
20 provided under the laws of each Member State. However, the
21 Single-State License granted to these individuals shall not be
22 recognized as granting a Multistate License to provide services in
23 any other Member State.

24 D. Nothing in this Compact shall affect the requirements
25 established by a Member State for the issuance of a Single-State
26 License.

27 E. A Multistate License issued to a Licensee by a Home State

1 to a resident of that State shall be recognized by each Member State
2 as authorizing a Licensee to practice Cosmetology in each Member
3 State.

4 F. At no point shall the Commission have the power to define
5 the educational or professional requirements for a license to
6 practice Cosmetology. The Member States shall retain sole
7 jurisdiction over the provision of these requirements.

8 ARTICLE 4- MULTISTATE LICENSE

9 A. To be eligible to apply to their Home State's State
10 Licensing Authority for an initial Multistate License under this
11 Compact, a Licensee must hold an active and unencumbered
12 Single-State License to practice Cosmetology in their Home State.

13 B. Upon the receipt of an application for a Multistate
14 License, according to the Rules of the Commission, a Member State's
15 State Licensing Authority shall ascertain whether the applicant
16 meets the requirements for a Multistate License under this Compact.

17 C. If an applicant meets the requirements for a Multistate
18 License under this Compact and any applicable Rules of the
19 Commission, the State Licensing Authority in receipt of the
20 application shall, within a reasonable time, grant a Multistate
21 License to that applicant, and inform all Member States of the grant
22 of said Multistate License.

23 D. A Multistate License to practice Cosmetology issued by a
24 Member State's State Licensing Authority shall be recognized by
25 each Member State as authorizing the practice thereof as though
26 that Licensee held a Single-State License to do so in each Member
27 State, subject to the restrictions herein.

1 E. A Multistate License granted pursuant to this Compact may
2 be effective for a definite period of time, concurrent with the
3 licensure renewal period in the Home State.

4 F. To maintain a Multistate License under this Compact, a
5 Licensee must:

6 1. Agree to abide by the rules of the State Licensing
7 Authority, and the State scope of practice laws governing the
8 Practice of Cosmetology, of any Member State in which the Licensee
9 provides services;

10 2. Pay all required fees related to the application
11 and process, and any other fees which the Commission may by Rule
12 require; and

13 3. Comply with any and all other requirements
14 regarding Multistate Licenses which the Commission may by Rule
15 provide.

16 G. A Licensee practicing in a Member State is subject to all
17 scope of practice laws governing Cosmetology Services in that
18 State.

19 H. The Practice of Cosmetology under a Multistate License
20 granted pursuant to this Compact will subject the Licensee to the
21 jurisdiction of the State Licensing Authority, the courts, and the
22 laws of the Member State in which the Cosmetology Services are
23 provided.

24 ARTICLE 5- REISSUANCE OF A MULTISTATE LICENSE BY A NEW HOME STATE

25 A. A Licensee may hold a Multistate License, issued by their
26 Home State, in only one Member State at any given time.

27 B. If a Licensee changes their Home State by moving between

1 two Member States:

2 1. The Licensee shall immediately apply for the
3 reissuance of their Multistate License in their new Home State. The
4 Licensee shall pay all applicable fees and notify the prior Home
5 State in accordance with the Rules of the Commission.

6 2. Upon receipt of an application to reissue a
7 Multistate License, the new Home State shall verify that the
8 Multistate License is active, unencumbered and eligible for
9 reissuance under the terms of the Compact and the Rules of the
10 Commission. The Multistate License issued by the prior Home State
11 will be deactivated and all Member States notified in accordance
12 with the applicable Rules adopted by the Commission.

13 3. If required for initial licensure, the new Home
14 State may require a Background Check as specified in the laws of
15 that State, or the compliance with any Jurisprudence Requirements
16 of the new Home State.

17 4. Notwithstanding any other provision of this
18 Compact, if a Licensee does not meet the requirements set forth in
19 this Compact for the reissuance of a Multistate License by the new
20 Home State, then the Licensee shall be subject to the new Home State
21 requirements for the issuance of a Single-State License in that
22 State.

23 C. If a Licensee changes their primary state of residence by
24 moving from a Member State to a non-Member State, or from a
25 non-Member State to a Member State, then the Licensee shall be
26 subject to the State requirements for the issuance of a
27 Single-State License in the new Home State.

1 D. Nothing in this Compact shall interfere with a Licensee's
2 ability to hold a Single-State License in multiple States; however,
3 for the purposes of this Compact, a Licensee shall have only one
4 Home State, and only one Multistate License.

5 E. Nothing in this Compact shall interfere with the
6 requirements established by a Member State for the issuance of a
7 Single-State License.

8 ARTICLE 6- AUTHORITY OF THE COMPACT COMMISSION AND MEMBER STATE
9 LICENSING AUTHORITIES

10 A. Nothing in this Compact, nor any Rule or regulation of
11 the Commission, shall be construed to limit, restrict, or in any way
12 reduce the ability of a Member State to enact and enforce laws,
13 regulations, or other rules related to the Practice of Cosmetology
14 in that State, where those laws, regulations, or other rules are not
15 inconsistent with the provisions of this Compact.

16 B. Insofar as practical, a Member State's State Licensing
17 Authority shall cooperate with the Commission and with each entity
18 exercising independent regulatory authority over the Practice of
19 Cosmetology according to the provisions of this Compact.

20 C. Discipline shall be the sole responsibility of the State
21 in which Cosmetology Services are provided. Accordingly, each
22 Member State's State Licensing Authority shall be responsible for
23 receiving complaints about individuals practicing Cosmetology in
24 that State, and for communicating all relevant Investigative
25 Information about any such Adverse Action to the other Member
26 States through the Data System in addition to any other methods the
27 Commission may by Rule require.

1 ARTICLE 7- ADVERSE ACTIONS

2 A. A Licensee's Home State shall have exclusive power to
3 impose an Adverse Action against a Licensee's Multistate License
4 issued by the Home State.

5 B. A Home State may take Adverse Action on a Multistate
6 License based on the Investigative Information, Current
7 Significant Investigative Information, or Adverse Action of a
8 Remote State.

9 C. In addition to the powers conferred by State law, each
10 Remote State's State Licensing Authority shall have the power to:

11 1. Take Adverse Action against a Licensee's
12 Authorization to Practice Cosmetology through the Multistate
13 License in that Member State, provided that:

14 a. Only the Licensee's Home State shall have the
15 power to take Adverse Action against the Multistate License issued
16 by the Home State; and

17 b. For the purposes of taking Adverse Action, the
18 Home State's State Licensing Authority shall give the same priority
19 and effect to reported conduct received from a Remote State as it
20 would if such conduct had occurred within the Home State. In so
21 doing, the Home State shall apply its own State laws to determine
22 the appropriate action.

23 2. Issue cease and desist orders or impose an
24 Encumbrance on a Licensee's Authorization to Practice within that
25 Member State.

26 3. Complete any pending investigations of a Licensee
27 who changes their primary state of residence during the course of

1 such an investigation. The State Licensing Authority shall also be
2 empowered to report the results of such an investigation to the
3 Commission through the Data System as described herein.

4 4. Issue subpoenas for both hearings and
5 investigations that require the attendance and testimony of
6 witnesses, as well as the production of evidence. Subpoenas issued
7 by a State Licensing Authority in a Member State for the attendance
8 and testimony of witnesses or the production of evidence from
9 another Member State shall be enforced in the latter State by any
10 court of competent jurisdiction, according to the practice and
11 procedure of that court applicable to subpoenas issued in
12 proceedings before it. The issuing State Licensing Authority shall
13 pay any witness fees, travel expenses, mileage, and other fees
14 required by the service statutes of the State in which the witnesses
15 or evidence are located.

16 5. If otherwise permitted by State law, recover from
17 the affected Licensee the costs of investigations and disposition
18 of cases resulting from any Adverse Action taken against that
19 Licensee.

20 6. Take Adverse Action against the Licensee's
21 Authorization to Practice in that State based on the factual
22 findings of another Remote State.

23 D. A Licensee's Home State shall complete any pending
24 investigation(s) of a Cosmetologist who changes their primary state
25 of residence during the course of the investigation(s). The Home
26 State shall also have the authority to take appropriate action(s)
27 and shall promptly report the conclusions of the investigations to

1 the Data System.

2 E. If an Adverse Action is taken by the Home State against a
3 Licensee's Multistate License, the Licensee's Authorization to
4 Practice in all other Member States shall be deactivated until all
5 Encumbrances have been removed from the Home State license. All
6 Home State disciplinary orders that impose an Adverse Action
7 against a Licensee's Multistate License shall include a statement
8 that the Cosmetologist's Authorization to Practice is deactivated
9 in all Member States during the pendency of the order.

10 F. Nothing in this Compact shall override a Member State's
11 authority to accept a Licensee's participation in an Alternative
12 Program in lieu of Adverse Action. A Licensee's Multistate License
13 shall be suspended for the duration of the Licensee's participation
14 in any Alternative Program.

15 G. Joint Investigations

16 1. In addition to the authority granted to a Member
17 State by its respective scope of practice laws or other applicable
18 State law, a Member State may participate with other Member States
19 in joint investigations of Licensees.

20 2. Member States shall share any investigative,
21 litigation, or compliance materials in furtherance of any joint or
22 individual investigation initiated under the Compact.

23 ARTICLE 8- ACTIVE MILITARY MEMBERS AND THEIR SPOUSES

24 Active Military Members, or their spouses, shall designate a Home
25 State where the individual has a current license to practice
26 Cosmetology in good standing. The individual may retain their Home
27 State designation during any period of service when that individual

1 or their spouse is on active duty assignment.

2 ARTICLE 9- ESTABLISHMENT AND OPERATION OF THE COSMETOLOGY LICENSURE
3 COMPACT COMMISSION

4 A. The Compact Member States hereby create and establish a
5 joint government agency whose membership consists of all Member
6 States that have enacted the Compact known as the Cosmetology
7 Licensure Compact Commission. The Commission is an instrumentality
8 of the Compact Member States acting jointly and not an
9 instrumentality of any one State. The Commission shall come into
10 existence on or after the effective date of the Compact as set forth
11 in Article 13.

12 B. Membership, Voting, and Meetings

13 1. Each Member State shall have and be limited to one
14 (1) delegate selected by that Member State's State Licensing
15 Authority.

16 2. The delegate shall be an administrator of the State
17 Licensing Authority of the Member State or their designee.

18 3. The Commission shall by Rule or bylaw establish a
19 term of office for delegates and may by Rule or bylaw establish term
20 limits.

21 4. The Commission may recommend removal or suspension
22 of any delegate from office.

23 5. A Member State's State Licensing Authority shall
24 fill any vacancy of its delegate occurring on the Commission within
25 60 days of the vacancy.

26 6. Each delegate shall be entitled to one vote on all
27 matters that are voted on by the Commission.

1 7. The Commission shall meet at least once during each
2 calendar year. Additional meetings may be held as set forth in the
3 bylaws. The Commission may meet by telecommunication, video
4 conference or other similar electronic means.

5 C. The Commission shall have the following powers:

6 1. Establish the fiscal year of the Commission;
7 2. Establish code of conduct and conflict of interest
8 policies;

9 3. Adopt Rules and bylaws;
10 4. Maintain its financial records in accordance with
11 the bylaws;

12 5. Meet and take such actions as are consistent with
13 the provisions of this Compact, the Commission's Rules, and the
14 bylaws;

15 6. Initiate and conclude legal proceedings or actions
16 in the name of the Commission, provided that the standing of any
17 State Licensing Authority to sue or be sued under applicable law
18 shall not be affected;

19 7. Maintain and certify records and information
20 provided to a Member State as the authenticated business records of
21 the Commission, and designate an agent to do so on the Commission's
22 behalf;

23 8. Purchase and maintain insurance and bonds;

24 9. Borrow, accept, or contract for services of
25 personnel, including, but not limited to, employees of a Member
26 State;

27 10. Conduct an annual financial review;

1 11. Hire employees, elect or appoint officers, fix
2 compensation, define duties, grant such individuals appropriate
3 authority to carry out the purposes of the Compact, and establish
4 the Commission's personnel policies and programs relating to
5 conflicts of interest, qualifications of personnel, and other
6 related personnel matters;

7 12. As set forth in the Commission Rules, charge a fee
8 to a Licensee for the grant of a Multistate License and thereafter,
9 as may be established by Commission Rule, charge the Licensee a
10 Multistate License renewal fee for each renewal period. Nothing
11 herein shall be construed to prevent a Home State from charging a
12 Licensee a fee for a Multistate License or renewals of a Multistate
13 License, or a fee for the jurisprudence requirement if the Member
14 State imposes such a requirement for the grant of a Multistate
15 License;

16 13. Assess and collect fees;

17 14. Accept any and all appropriate gifts, donations,
18 grants of money, other sources of revenue, equipment, supplies,
19 materials, and services, and receive, utilize, and dispose of the
20 same; provided that at all times the Commission shall avoid any
21 appearance of impropriety or conflict of interest;

22 15. Lease, purchase, retain, own, hold, improve, or
23 use any property, real, personal, or mixed, or any undivided
24 interest therein;

25 16. Sell, convey, mortgage, pledge, lease, exchange,
26 abandon, or otherwise dispose of any property real, personal, or
27 mixed;

1 17. Establish a budget and make expenditures;

2 18. Borrow money;

3 19. Appoint committees, including standing
4 committees, composed of members, State regulators, State
5 legislators or their representatives, and consumer
6 representatives, and such other interested persons as may be
7 designated in this Compact and the bylaws;

8 20. Provide and receive information from, and
9 cooperate with, law enforcement agencies;

10 21. Elect a Chair, Vice Chair, Secretary and Treasurer
11 and such other officers of the Commission as provided in the
12 Commission's bylaws;

13 22. Establish and elect an Executive Committee,
14 including a chair and a vice chair;

15 23. Adopt and provide to the Member States an annual
16 report.

17 24. Determine whether a State's adopted language is
18 materially different from the model Compact language such that the
19 State would not qualify for participation in the Compact; and

20 25. Perform such other functions as may be necessary
21 or appropriate to achieve the purposes of this Compact.

22 D. The Executive Committee

23 1. The Executive Committee shall have the power to act
24 on behalf of the Commission according to the terms of this Compact.
25 The powers, duties, and responsibilities of the Executive Committee
26 shall include:

27 a. Overseeing the day-to-day activities of the

1 administration of the Compact including compliance with the
2 provisions of the Compact, the Commission's Rules and bylaws, and
3 other such duties as deemed necessary;

4 b. Recommending to the Commission changes to the
5 Rules or bylaws, changes to this Compact legislation, fees charged
6 to Compact Member States, fees charged to Licensees, and other
7 fees;

8 c. Ensuring Compact administration services are
9 appropriately provided, including by contract;

10 d. Preparing and recommending the budget;

11 e. Maintaining financial records on behalf of the
12 Commission;

13 f. Monitoring Compact compliance of Member
14 States and providing compliance reports to the Commission;

15 g. Establishing additional committees as
16 necessary;

17 h. Exercising the powers and duties of the
18 Commission during the interim between Commission meetings, except
19 for adopting or amending Rules, adopting or amending bylaws, and
20 exercising any other powers and duties expressly reserved to the
21 Commission by Rule or bylaw; and

22 i. Other duties as provided in the Rules or
23 bylaws of the Commission.

24 2. The Executive Committee shall be composed of up to
25 seven voting members:

26 a. The chair and vice chair of the Commission and
27 any other members of the Commission who serve on the Executive

1 Committee shall be voting members of the Executive Committee; and

2 b. Other than the chair, vice-chair, secretary
3 and treasurer, the Commission shall elect three voting members from
4 the current membership of the Commission.

5 c. The Commission may elect ex-officio,
6 nonvoting members from a recognized national Cosmetology
7 professional association as approved by the Commission. The
8 Commission's bylaws shall identify qualifying organizations and
9 the manner of appointment if the number of organizations seeking to
10 appoint an ex officio member exceeds the number of members
11 specified in this Article.

12 3. The Commission may remove any member of the
13 Executive Committee as provided in the Commission's bylaws.

14 4. The Executive Committee shall meet at least
15 annually.

16 a. Annual Executive Committee meetings, as well
17 as any Executive Committee meeting at which it does not take or
18 intend to take formal action on a matter for which a Commission vote
19 would otherwise be required, shall be open to the public, except
20 that the Executive Committee may meet in a closed, non-public
21 session of a public meeting when dealing with any of the matters
22 covered under Article 9.F.4.

23 b. The Executive Committee shall give five
24 business days advance notice of its public meetings, posted on its
25 website and as determined to provide notice to persons with an
26 interest in the public matters the Executive Committee intends to
27 address at those meetings.

1 5. The Executive Committee may hold an emergency
2 meeting when acting for the Commission to:

3 a. Meet an imminent threat to public health,
4 safety, or welfare;

5 b. Prevent a loss of Commission or Member State
6 funds; or

7 c. Protect public health and safety.

8 E. The Commission shall adopt and provide to the Member
9 States an annual report.

10 F. Meetings of the Commission

11 1. All meetings of the Commission that are not closed
12 pursuant to Article 9.F.4 shall be open to the public. Notice of
13 public meetings shall be posted on the Commission's website at
14 least thirty (30) days prior to the public meeting.

15 2. Notwithstanding Article 9.F.1, the Commission may
16 convene an emergency public meeting by providing at least
17 twenty-four (24) hours prior notice on the Commission's website,
18 and any other means as provided in the Commission's Rules, for any
19 of the reasons it may dispense with notice of proposed rulemaking
20 under Article 11.L. The Commission's legal counsel shall certify
21 that one of the reasons justifying an emergency public meeting has
22 been met.

23 3. Notice of all Commission meetings shall provide the
24 time, date, and location of the meeting, and if the meeting is to be
25 held or accessible via telecommunication, video conference, or
26 other electronic means, the notice shall include the mechanism for
27 access to the meeting.

1 4. The Commission may convene in a closed, non-public
2 meeting for the Commission to discuss:

3 a. Non-compliance of a Member State with its
4 obligations under the Compact;

5 b. The employment, compensation, discipline or
6 other matters, practices or procedures related to specific
7 employees or other matters related to the Commission's internal
8 personnel practices and procedures;

9 c. Current or threatened discipline of a Licensee
10 by the Commission or by a Member State's Licensing Authority;

11 d. Current, threatened, or reasonably
12 anticipated litigation;

13 e. Negotiation of contracts for the purchase,
14 lease, or sale of goods, services, or real estate;

15 f. Accusing any person of a crime or formally
16 censuring any person;

17 g. Trade secrets or commercial or financial
18 information that is privileged or confidential;

19 h. Information of a personal nature where
20 disclosure would constitute a clearly unwarranted invasion of
21 personal privacy;

22 i. Investigative records compiled for law
23 enforcement purposes;

24 j. Information related to any investigative
25 reports prepared by or on behalf of or for use of the Commission or
26 other committee charged with responsibility of investigation or
27 determination of compliance issues pursuant to the Compact;

1 k. Legal advice;

2 l. Matters specifically exempted from disclosure
3 to the public by federal or Member State law; or

4 m. Other matters as promulgated by the Commission
5 by Rule.

6 5. If a meeting, or portion of a meeting, is closed,
7 the presiding officer shall state that the meeting will be closed
8 and reference each relevant exempting provision, and such reference
9 shall be recorded in the minutes.

10 6. The Commission shall keep minutes that fully and
11 clearly describe all matters discussed in a meeting and shall
12 provide a full and accurate summary of actions taken, and the
13 reasons therefore, including a description of the views expressed.
14 All documents considered in connection with an action shall be
15 identified in such minutes. All minutes and documents of a closed
16 meeting shall remain under seal, subject to release only by a
17 majority vote of the Commission or order of a court of competent
18 jurisdiction.

19 G. Financing of the Commission

20 1. The Commission shall pay, or provide for the
21 payment of, the reasonable expenses of its establishment,
22 organization, and ongoing activities.

23 2. The Commission may accept any and all appropriate
24 sources of revenue, donations, and grants of money, equipment,
25 supplies, materials, and services.

26 3. The Commission may levy on and collect an annual
27 assessment from each Member State and impose fees on Licensees of

1 Member States to whom it grants a Multistate License to cover the
2 cost of the operations and activities of the Commission and its
3 staff, which must be in a total amount sufficient to cover its
4 annual budget as approved each year for which revenue is not
5 provided by other sources. The aggregate annual assessment amount
6 for Member States shall be allocated based upon a formula that the
7 Commission shall promulgate by Rule.

8 4. The Commission shall not incur obligations of any
9 kind prior to securing the funds adequate to meet the same; nor
10 shall the Commission pledge the credit of any Member States, except
11 by and with the authority of the Member State.

12 5. The Commission shall keep accurate accounts of all
13 receipts and disbursements. The receipts and disbursements of the
14 Commission shall be subject to the financial review and accounting
15 procedures established under its bylaws. All receipts and
16 disbursements of funds handled by the Commission shall be subject
17 to an annual financial review by a certified or licensed public
18 accountant, and the report of the financial review shall be
19 included in and become part of the annual report of the Commission.

20 H. Qualified Immunity, Defense, and Indemnification

21 1. The members, officers, executive director,
22 employees and representatives of the Commission shall be immune
23 from suit and liability, both personally and in their official
24 capacity, for any claim for damage to or loss of property or
25 personal injury or other civil liability caused by or arising out of
26 any actual or alleged act, error, or omission that occurred, or that
27 the person against whom the claim is made had a reasonable basis for

believing occurred within the scope of Commission employment, duties or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the Commission shall not in any way compromise or limit the immunity granted hereunder.

2. The Commission shall defend any member, officer, executive director, employee, and representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or as determined by the Commission that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

3. The Commission shall indemnify and hold harmless any member, officer, executive director, employee, and representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the

1 scope of Commission employment, duties, or responsibilities,
2 provided that the actual or alleged act, error, or omission did not
3 result from the intentional or willful or wanton misconduct of that
4 person.

5 4. Nothing herein shall be construed as a limitation
6 on the liability of any Licensee for professional malpractice or
7 misconduct, which shall be governed solely by any other applicable
8 State laws.

9 5. Nothing in this Compact shall be interpreted to
10 waive or otherwise abrogate a Member State's State action immunity
11 or State action affirmative defense with respect to antitrust
12 claims under the Sherman Act, Clayton Act, or any other State or
13 federal antitrust or anticompetitive law or regulation.

14 6. Nothing in this Compact shall be construed to be a
15 waiver of sovereign immunity by the Member States or by the
16 Commission.

17 ARTICLE 10- DATA SYSTEM

18 A. The Commission shall provide for the development,
19 maintenance, operation, and utilization of a coordinated database
20 and reporting system.

21 B. The Commission shall assign each applicant for a
22 Multistate License a unique identifier, as determined by the Rules
23 of the Commission.

24 C. Notwithstanding any other provision of State law to the
25 contrary, a Member State shall submit a uniform data set to the Data
26 System on all individuals to whom this Compact is applicable as
27 required by the Rules of the Commission, including:

1 1. Identifying information;

2 2. Licensure data;

3 3. Adverse Actions against a license and information
4 related thereto;

5 4. Non-confidential information related to
6 Alternative Program participation, the beginning and ending dates
7 of such participation, and other information related to such
8 participation;

9 5. Any denial of application for licensure, and the
10 reason(s) for such denial (excluding the reporting of any criminal
11 history record information where prohibited by law);

12 6. The existence of Investigative Information;

13 7. The existence of Current Significant Investigative
14 Information; and

15 8. Other information that may facilitate the
16 administration of this Compact or the protection of the public, as
17 determined by the Rules of the Commission.

18 D. The records and information provided to a Member State
19 pursuant to this Compact or through the Data System, when certified
20 by the Commission or an agent thereof, shall constitute the
21 authenticated business records of the Commission, and shall be
22 entitled to any associated hearsay exception in any relevant
23 judicial, quasi-judicial or administrative proceedings in a Member
24 State.

25 E. The existence of Current Significant Investigative
26 Information and the existence of Investigative Information
27 pertaining to a Licensee in any Member State will only be available

1 to other Member States.

2 F. It is the responsibility of the Member States to monitor
3 the database to determine whether Adverse Action has been taken
4 against such a Licensee or License applicant. Adverse Action
5 information pertaining to a Licensee or License applicant in any
6 Member State will be available to any other Member State.

7 G. Member States contributing information to the Data
8 System may designate information that may not be shared with the
9 public without the express permission of the contributing State.

10 H. Any information submitted to the Data System that is
11 subsequently expunged pursuant to federal law or the laws of the
12 Member State contributing the information shall be removed from the
13 Data System.

14 ARTICLE 11- RULEMAKING

15 A. The Commission shall promulgate reasonable Rules in
16 order to effectively and efficiently implement and administer the
17 purposes and provisions of the Compact. A Rule shall be invalid and
18 have no force or effect only if a court of competent jurisdiction
19 holds that the Rule is invalid because the Commission exercised its
20 rulemaking authority in a manner that is beyond the scope and
21 purposes of the Compact, or the powers granted hereunder, or based
22 upon another applicable standard of review.

23 B. The Rules of the Commission shall have the force of law in
24 each Member State, provided however that where the Rules of the
25 Commission conflict with the laws of the Member State that
26 establish the Member State's scope of practice laws governing the
27 Practice of Cosmetology as held by a court of competent

1 jurisdiction, the Rules of the Commission shall be ineffective in
2 that State to the extent of the conflict.

3 C. The Commission shall exercise its rulemaking powers
4 pursuant to the criteria set forth in this Article and the Rules
5 adopted thereunder. Rules shall become binding as of the date
6 specified by the Commission for each Rule.

7 D. If a majority of the legislatures of the Member States
8 rejects a Rule or portion of a Rule, by enactment of a statute or
9 resolution in the same manner used to adopt the Compact within four
10 (4) years of the date of adoption of the Rule, then such Rule shall
11 have no further force and effect in any Member State or to any State
12 applying to participate in the Compact.

13 E. Rules shall be adopted at a regular or special meeting of
14 the Commission.

15 F. Prior to adoption of a proposed Rule, the Commission
16 shall hold a public hearing and allow persons to provide oral and
17 written comments, data, facts, opinions, and arguments.

18 G. Prior to adoption of a proposed Rule by the Commission,
19 and at least thirty (30) days in advance of the meeting at which the
20 Commission will hold a public hearing on the proposed Rule, the
21 Commission shall provide a notice of proposed rulemaking:

22 1. On the website of the Commission or other publicly
23 accessible platform;

24 2. To persons who have requested notice of the
25 Commission's notices of proposed rulemaking; and

26 3. In such other way(s) as the Commission may by Rule
27 specify.

1 H. The notice of proposed rulemaking shall include:

2 1. The time, date, and location of the public hearing
3 at which the Commission will hear public comments on the proposed
4 Rule and, if different, the time, date, and location of the meeting
5 where the Commission will consider and vote on the proposed Rule;

6 2. If the hearing is held via telecommunication, video
7 conference, or other electronic means, the Commission shall include
8 the mechanism for access to the hearing in the notice of proposed
9 rulemaking;

10 3. The text of the proposed Rule and the reason
11 therefor;

12 4. A request for comments on the proposed Rule from any
13 interested person; and

14 5. The manner in which interested persons may submit
15 written comments.

16 I. All hearings will be recorded. A copy of the recording
17 and all written comments and documents received by the Commission
18 in response to the proposed Rule shall be available to the public.

19 J. Nothing in this Article shall be construed as requiring a
20 separate hearing on each Rule. Rules may be grouped for the
21 convenience of the Commission at hearings required by this Article.

22 K. The Commission shall, by majority vote of all members,
23 take final action on the proposed Rule based on the rulemaking
24 record and the full text of the Rule.

25 1. The Commission may adopt changes to the proposed
26 Rule provided the changes do not enlarge the original purpose of the
27 proposed Rule.

1 2. The Commission shall provide an explanation of the
2 reasons for substantive changes made to the proposed Rule as well as
3 reasons for substantive changes not made that were recommended by
4 commenters.

5 3. The Commission shall determine a reasonable
6 effective date for the Rule. Except for an emergency as provided in
7 Article 11.L, the effective date of the Rule shall be no sooner than
8 forty-five (45) days after the Commission issuing the notice that
9 it adopted or amended the Rule.

10 L. Upon determination that an emergency exists, the
11 Commission may consider and adopt an emergency Rule with five (5)
12 days' notice, with opportunity to comment, provided that the usual
13 rulemaking procedures provided in the Compact and in this Article
14 shall be retroactively applied to the Rule as soon as reasonably
15 possible, in no event later than ninety (90) days after the
16 effective date of the Rule. For the purposes of this provision, an
17 emergency Rule is one that must be adopted immediately to:

18 1. Meet an imminent threat to public health, safety,
19 or welfare;

20 2. Prevent a loss of Commission or Member State funds;

21 3. Meet a deadline for the promulgation of a Rule that
22 is established by federal law or rule; or

23 4. Protect public health and safety.

24 M. The Commission or an authorized committee of the
25 Commission may direct revisions to a previously adopted Rule for
26 purposes of correcting typographical errors, errors in format,
27 errors in consistency, or grammatical errors. Public notice of any

1 revisions shall be posted on the website of the Commission. The
2 revision shall be subject to challenge by any person for a period of
3 thirty (30) days after posting. The revision may be challenged only
4 on grounds that the revision results in a material change to a Rule.
5 A challenge shall be made in writing and delivered to the Commission
6 prior to the end of the notice period. If no challenge is made, the
7 revision will take effect without further action. If the revision
8 is challenged, the revision may not take effect without the
9 approval of the Commission.

10 N. No Member State's rulemaking requirements shall apply
11 under this Compact.

12 ARTICLE 12- OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

13 A. Oversight

14 1. The executive and judicial branches of State
15 government in each Member State shall enforce this Compact and take
16 all actions necessary and appropriate to implement the Compact.

17 2. Venue is proper and judicial proceedings by or
18 against the Commission shall be brought solely and exclusively in a
19 court of competent jurisdiction where the principal office of the
20 Commission is located. The Commission may waive venue and
21 jurisdictional defenses to the extent it adopts or consents to
22 participate in alternative dispute resolution proceedings.
23 Nothing herein shall affect or limit the selection or propriety of
24 venue in any action against a Licensee for professional
25 malpractice, misconduct or any such similar matter.

26 3. The Commission shall be entitled to receive service
27 of process in any proceeding regarding the enforcement or

interpretation of the Compact and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the Commission service of process shall render a judgment or order void as to the Commission, this Compact, or promulgated Rules.

B. Default, Technical Assistance, and Termination

1. If the Commission determines that a Member State has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated Rules, the Commission shall provide written notice to the defaulting State. The notice of default shall describe the default, the proposed means of curing the default, and any other action that the Commission may take, and shall offer training and specific technical assistance regarding the default.

2. The Commission shall provide a copy of the notice of default to the other Member States.

3. If a State in default fails to cure the default, the defaulting State may be terminated from the Compact upon an affirmative vote of a majority of the delegates of the Member States, and all rights, privileges and benefits conferred on that State by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending State of obligations or liabilities incurred during the period of default.

4. Termination of membership in the Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor, the majority and minority

1 leaders of the defaulting State's legislature, the defaulting
2 State's State Licensing Authority and each of the Member States'
3 State Licensing Authority.

4 5. A State that has been terminated is responsible for
5 all assessments, obligations, and liabilities incurred through the
6 effective date of termination, including obligations that extend
7 beyond the effective date of termination.

8 6. Upon the termination of a State's membership from
9 this Compact, that State shall immediately provide notice to all
10 Licensees who hold a Multistate License within that State of such
11 termination. The terminated State shall continue to recognize all
12 licenses granted pursuant to this Compact for a minimum of one
13 hundred eighty (180) days after the date of said notice of
14 termination.

15 7. The Commission shall not bear any costs related to a
16 State that is found to be in default or that has been terminated
17 from the Compact, unless agreed upon in writing between the
18 Commission and the defaulting State.

19 8. The defaulting State may appeal the action of the
20 Commission by petitioning the United States District Court for the
21 District of Columbia or the federal district where the Commission
22 has its principal offices. The prevailing party shall be awarded
23 all costs of such litigation, including reasonable attorney's fees.

24 C. Dispute Resolution

25 1. Upon request by a Member State, the Commission
26 shall attempt to resolve disputes related to the Compact that arise
27 among Member States and between Member and non-Member States.

1 2. The Commission shall promulgate a Rule providing
2 for both mediation and binding dispute resolution for disputes as
3 appropriate.

4 D. Enforcement

5 1. The Commission, in the reasonable exercise of its
6 discretion, shall enforce the provisions of this Compact and the
7 Commission's Rules.

8 2. By majority vote as provided by Commission Rule,
9 the Commission may initiate legal action against a Member State in
10 default in the United States District Court for the District of
11 Columbia or the federal district where the Commission has its
12 principal offices to enforce compliance with the provisions of the
13 Compact and its promulgated Rules. The relief sought may include
14 both injunctive relief and damages. In the event judicial
15 enforcement is necessary, the prevailing party shall be awarded all
16 costs of such litigation, including reasonable attorney's fees.
17 The remedies herein shall not be the exclusive remedies of the
18 Commission. The Commission may pursue any other remedies available
19 under federal or the defaulting Member State's law.

20 3. A Member State may initiate legal action against
21 the Commission in the United States District Court for the District
22 of Columbia or the federal district where the Commission has its
23 principal offices to enforce compliance with the provisions of the
24 Compact and its promulgated Rules. The relief sought may include
25 both injunctive relief and damages. In the event judicial
26 enforcement is necessary, the prevailing party shall be awarded all
27 costs of such litigation, including reasonable attorney's fees.

1 4. No individual or entity other than a Member State
2 may enforce this Compact against the Commission.

3 ARTICLE 13- EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

4 A. The Compact shall come into effect on the date on which
5 the Compact statute is enacted into law in the seventh Member State.

6 1. On or after the effective date of the Compact, the
7 Commission shall convene and review the enactment of each of the
8 Charter Member States to determine if the statute enacted by each
9 such Charter Member State is materially different than the model
10 Compact statute.

11 a. A Charter Member State whose enactment is
12 found to be materially different from the model Compact statute
13 shall be entitled to the default process set forth in Article 12.

14 b. If any Member State is later found to be in
15 default, or is terminated or withdraws from the Compact, the
16 Commission shall remain in existence and the Compact shall remain
17 in effect even if the number of Member States should be less than
18 seven (7).

19 2. Member States enacting the Compact subsequent to
20 the Charter Member States shall be subject to the process set forth
21 in Article 9.C.24 to determine if their enactments are materially
22 different from the model Compact statute and whether they qualify
23 for participation in the Compact.

24 3. All actions taken for the benefit of the Commission
25 or in furtherance of the purposes of the administration of the
26 Compact prior to the effective date of the Compact or the Commission
27 coming into existence shall be considered to be actions of the

1 Commission unless specifically repudiated by the Commission.

2 4. Any State that joins the Compact shall be subject to
3 the Commission's Rules and bylaws as they exist on the date on which
4 the Compact becomes law in that State. Any Rule that has been
5 previously adopted by the Commission shall have the full force and
6 effect of law on the day the Compact becomes law in that State.

7 B. Any Member State may withdraw from this Compact by
8 enacting a statute repealing that State's enactment of the Compact.

9 1. A Member State's withdrawal shall not take effect
10 until one hundred eighty (180) days after enactment of the
11 repealing statute.

12 2. Withdrawal shall not affect the continuing
13 requirement of the withdrawing State's State Licensing Authority to
14 comply with the investigative and Adverse Action reporting
15 requirements of this Compact prior to the effective date of
16 withdrawal.

17 3. Upon the enactment of a statute withdrawing from
18 this Compact, a State shall immediately provide notice of such
19 withdrawal to all Licensees within that State. Notwithstanding any
20 subsequent statutory enactment to the contrary, such withdrawing
21 State shall continue to recognize all licenses granted pursuant to
22 this Compact for a minimum of one hundred eighty (180) days after
23 the date of such notice of withdrawal.

24 C. Nothing contained in this Compact shall be construed to
25 invalidate or prevent any licensure agreement or other cooperative
26 arrangement between a Member State and a non-Member State that does
27 not conflict with the provisions of this Compact.

1 D. This Compact may be amended by the Member States. No
2 amendment to this Compact shall become effective and binding upon
3 any Member State until it is enacted into the laws of all Member
4 States.

5 ARTICLE 14- CONSTRUCTION AND SEVERABILITY

6 A. This Compact and the Commission's rulemaking authority
7 shall be liberally construed so as to effectuate the purposes, and
8 the implementation and administration of the Compact. Provisions
9 of the Compact expressly authorizing or requiring the promulgation
10 of Rules shall not be construed to limit the Commission's
11 rulemaking authority solely for those purposes.

12 B. The provisions of this Compact shall be severable and if
13 any phrase, clause, sentence or provision of this Compact is held by
14 a court of competent jurisdiction to be contrary to the
15 constitution of any Member State, a State seeking participation in
16 the Compact, or of the United States, or the applicability thereof
17 to any government, agency, person or circumstance is held to be
18 unconstitutional by a court of competent jurisdiction, the validity
19 of the remainder of this Compact and the applicability thereof to
20 any other government, agency, person or circumstance shall not be
21 affected thereby.

22 C. Notwithstanding Article 14.B, the Commission may deny a
23 State's participation in the Compact or, in accordance with the
24 requirements of Article 12, terminate a Member State's
25 participation in the Compact, if it determines that a
26 constitutional requirement of a Member State is a material
27 departure from the Compact. Otherwise, if this Compact shall be

1 held to be contrary to the constitution of any Member State, the
2 Compact shall remain in full force and effect as to the remaining
3 Member States and in full force and effect as to the Member State
4 affected as to all severable matters.

5 ARTICLE 15- CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS

6 A. Nothing herein shall prevent or inhibit the enforcement
7 of any other law of a Member State that is not inconsistent with the
8 Compact.

9 B. All permissible agreements between the Commission and
10 the Member States are binding in accordance with their terms.

11 Sec. 1604.002. ADMINISTRATION OF COMPACT. The Texas
12 Department of Licensing and Regulation is the Cosmetology Licensure
13 Compact administrator for this state.

14 Sec. 1604.003. RULES. The Texas Commission of Licensing
15 and Regulation may adopt rules necessary to implement this chapter.

16 SECTION 2. This Act takes effect September 1, 2026.