

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 21, 2025

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB705 by Wilson (Relating to the Cosmetology Licensure Compact; authorizing fees.), **As Engrossed**

The fiscal implications of the bill cannot be determined due to possible cosmetology licensee population growth and the fees that would be assessed on the state and participating licensees being unknown.

The bill would amend the Occupations Code to enter the state into a national 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.

According to the Texas Department of Licensing and Regulation, there would be a significant cost to the agency related to participation in the licensure compact due to increased responsibilities and fees assessed on the state by the compact commission. Under the provisions of the bill, the compact is created when seven member states enact similar legislation. On June 5, 2024, Colorado became the seventh state to enter into the compact, however the compact has not adopted any bylaws or rules, no shared data system has been developed, no fees established, and no licenses have been issued. As a result, the possible increase in licensee population and the costs of participating in the compact are unknown.

In addition, the provisions of the bill authorize the compact commission to assess fees on licensees and on member states. As no fees have been adopted yet by the compact commission, the fee amounts are unknown as is the nature of 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: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 313 Department of Information Resources, 452 Department of Licensing and Regulation

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