

**SENATE AMENDMENTS**  
**2<sup>nd</sup> Printing**

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 revocation, suspension, probation, monitoring of the Licensee,

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

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

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

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

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

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

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

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

7 J. "Current Significant Investigative Information" means:

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

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

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

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

26 M. "Encumbered License" means a license in which an Adverse Action  
27 restricts the Practice of Cosmetology by a Licensee, or where

1 said Adverse Action has been reported to the Commission.

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

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

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

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

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

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

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

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

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

1 W. "Rule" means any rule or regulation promulgated by the  
2 Commission under this Compact which has the force of law.

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

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

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

12 ARTICLE 3- MEMBER STATE REQUIREMENTS

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

15 1. License and regulate Cosmetology;

16 2. Have a mechanism or entity in place to receive and  
17 investigate complaints about Licensees practicing in  
18 that State;

19 3. Require that Licensees within the State pass a  
20 Cosmetology competency examination prior to being  
21 licensed to provide Cosmetology Services to the public  
22 in that State;

23 4. Require that Licensees satisfy educational or training  
24 requirements in Cosmetology prior to being licensed to  
25 provide Cosmetology Services to the public in that  
26 State;

27 5. Implement procedures for considering one or more of the

1 following categories of information from applicants for  
2 licensure: criminal history; disciplinary history; or  
3 Background Check. Such procedures may include the  
4 submission of information by applicants for the purpose  
5 of obtaining an applicant's Background Check as defined  
6 herein;

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

9 7. Share information related to Adverse Actions with the  
10 Commission and other Member States, both through the  
11 Data System and otherwise;

12 8. Notify the Commission and other Member States, in  
13 compliance with the terms of the Compact and Rules of  
14 the Commission, of the existence of Investigative  
15 Information or Current Significant Investigative  
16 Information in the State's possession regarding a  
17 Licensee practicing in that State;

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

20 10. Accept Licensees from other Member States as  
21 established herein.

22 B. Member States may charge a fee for granting a license to practice  
23 Cosmetology.

24 C. Individuals not residing in a Member State shall continue to be  
25 able to apply for a Member State's Single-State License as  
26 provided under the laws of each Member State. However, the  
27 Single-State License granted to these individuals shall not be

1 recognized as granting a Multistate License to provide services  
2 in any other Member State.

3 D. Nothing in this Compact shall affect the requirements  
4 established by a Member State for the issuance of a Single-State  
5 License.

6 E. A Multistate License issued to a Licensee by a Home State to a  
7 resident of that State shall be recognized by each Member State  
8 as authorizing a Licensee to practice Cosmetology in each Member  
9 State.

10 F. At no point shall the Commission have the power to define the  
11 educational or professional requirements for a license to  
12 practice Cosmetology. The Member States shall retain sole  
13 jurisdiction over the provision of these requirements.

14 ARTICLE 4- MULTISTATE LICENSE

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

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

23 C. If an applicant meets the requirements for a Multistate License  
24 under this Compact and any applicable Rules of the Commission,  
25 the State Licensing Authority in receipt of the application  
26 shall, within a reasonable time, grant a Multistate License to  
27 that applicant, and inform all Member States of the grant of said



1 Multistate License.

2 D. A Multistate License to practice Cosmetology issued by a Member  
3 State's State Licensing Authority shall be recognized by each  
4 Member State as authorizing the practice thereof as though that  
5 Licensee held a Single-State License to do so in each Member  
6 State, subject to the restrictions herein.

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

10 F. To maintain a Multistate License under this Compact, a Licensee  
11 must:

12 1. Agree to abide by the rules of the State Licensing  
13 Authority, and the State scope of practice laws  
14 governing the Practice of Cosmetology, of any Member  
15 State in which the Licensee provides services;

16 2. Pay all required fees related to the application and  
17 process, and any other fees which the Commission may by  
18 Rule require; and

19 3. Comply with any and all other requirements regarding  
20 Multistate Licenses which the Commission may by Rule  
21 provide.

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

24 H. The Practice of Cosmetology under a Multistate License granted  
25 pursuant to this Compact will subject the Licensee to the  
26 jurisdiction of the State Licensing Authority, the courts, and  
27 the laws of the Member State in which the Cosmetology Services

1 are provided.

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

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

5 B. If a Licensee changes their Home State by moving between two  
6 Member States:

7 1. The Licensee shall immediately apply for the reissuance  
8 of their Multistate License in their new Home State. The  
9 Licensee shall pay all applicable fees and notify the  
10 prior Home State in accordance with the Rules of the  
11 Commission.

12 2. Upon receipt of an application to reissue a Multistate  
13 License, the new Home State shall verify that the  
14 Multistate License is active, unencumbered and eligible  
15 for reissuance under the terms of the Compact and the  
16 Rules of the Commission. The Multistate License issued  
17 by the prior Home State will be deactivated and all  
18 Member States notified in accordance with the  
19 applicable Rules adopted by the Commission.

20 3. If required for initial licensure, the new Home State  
21 may require a Background Check as specified in the laws  
22 of that State, or the compliance with any Jurisprudence  
23 Requirements of the new Home State.

24 4. Notwithstanding any other provision of this Compact, if  
25 a Licensee does not meet the requirements set forth in  
26 this Compact for the reissuance of a Multistate License  
27 by the new Home State, then the Licensee shall be

1           subject to the new Home State requirements for the  
2           issuance of a Single-State License in that State.

3 C. If a Licensee changes their primary state of residence by moving  
4 from a Member State to a non-Member State, or from a non-Member  
5 State to a Member State, then the Licensee shall be subject to  
6 the State requirements for the issuance of a Single-State  
7 License in the new Home State.

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

12 E. Nothing in this Compact shall interfere with the requirements  
13 established by a Member State for the issuance of a Single-State  
14 License.

15 ARTICLE 6- AUTHORITY OF THE COMPACT COMMISSION AND MEMBER STATE  
16 LICENSING AUTHORITIES

17 A. Nothing in this Compact, nor any Rule or regulation of the  
18 Commission, shall be construed to limit, restrict, or in any way  
19 reduce the ability of a Member State to enact and enforce laws,  
20 regulations, or other rules related to the Practice of  
21 Cosmetology in that State, where those laws, regulations, or  
22 other rules are not inconsistent with the provisions of this  
23 Compact.

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

1 C. Discipline shall be the sole responsibility of the State in  
2 which Cosmetology Services are provided. Accordingly, each  
3 Member State's State Licensing Authority shall be responsible  
4 for receiving complaints about individuals practicing  
5 Cosmetology in that State, and for communicating all relevant  
6 Investigative Information about any such Adverse Action to the  
7 other Member States through the Data System in addition to any  
8 other methods the Commission may by Rule require.

9 ARTICLE 7- ADVERSE ACTIONS

10 A. A Licensee's Home State shall have exclusive power to impose an  
11 Adverse Action against a Licensee's Multistate License issued by  
12 the Home State.

13 B. A Home State may take Adverse Action on a Multistate License  
14 based on the Investigative Information, Current Significant  
15 Investigative Information, or Adverse Action of a Remote State.

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

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

21 a. Only the Licensee's Home State shall have the  
22 power to take Adverse Action against the  
23 Multistate License issued by the Home State; and

24 b. For the purposes of taking Adverse Action, the  
25 Home State's State Licensing Authority shall give  
26 the same priority and effect to reported conduct  
27 received from a Remote State as it would if such

1           conduct had occurred within the Home State. In so  
2           doing, the Home State shall apply its own State  
3           laws to determine the appropriate action.

4           2. Issue cease and desist orders or impose an Encumbrance  
5           on a Licensee's Authorization to Practice within that  
6           Member State.

7           3. Complete any pending investigations of a Licensee who  
8           changes their primary state of residence during the  
9           course of such an investigation. The State Licensing  
10           Authority shall also be empowered to report the results  
11           of such an investigation to the Commission through the  
12           Data System as described herein.

13           4. Issue subpoenas for both hearings and investigations  
14           that require the attendance and testimony of witnesses,  
15           as well as the production of evidence. Subpoenas issued  
16           by a State Licensing Authority in a Member State for the  
17           attendance and testimony of witnesses or the production  
18           of evidence from another Member State shall be enforced  
19           in the latter State by any court of competent  
20           jurisdiction, according to the practice and procedure  
21           of that court applicable to subpoenas issued in  
22           proceedings before it. The issuing State Licensing  
23           Authority shall pay any witness fees, travel expenses,  
24           mileage, and other fees required by the service  
25           statutes of the State in which the witnesses or evidence  
26           are located.

27           5. If otherwise permitted by State law, recover from the

1 affected Licensee the costs of investigations and  
2 disposition of cases resulting from any Adverse Action  
3 taken against that Licensee.

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

7 D. A Licensee's Home State shall complete any pending  
8 investigation(s) of a Cosmetologist who changes their primary  
9 state of residence during the course of the investigation(s).  
10 The Home State shall also have the authority to take appropriate  
11 action(s) and shall promptly report the conclusions of the  
12 investigations to the Data System.

13 E. If an Adverse Action is taken by the Home State against a  
14 Licensee's Multistate License, the Licensee's Authorization to  
15 Practice in all other Member States shall be deactivated until  
16 all Encumbrances have been removed from the Home State license.  
17 All Home State disciplinary orders that impose an Adverse Action  
18 against a Licensee's Multistate License shall include a  
19 statement that the Cosmetologist's Authorization to Practice is  
20 deactivated in all Member States during the pendency of the  
21 order.

22 F. Nothing in this Compact shall override a Member State's  
23 authority to accept a Licensee's participation in an Alternative  
24 Program in lieu of Adverse Action. A Licensee's Multistate  
25 License shall be suspended for the duration of the Licensee's  
26 participation in any Alternative Program.

27 G. Joint Investigations

1       1. In addition to the authority granted to a Member State  
2       by its respective scope of practice laws or other  
3       applicable State law, a Member State may participate  
4       with other Member States in joint investigations of  
5       Licensees.

6       2. Member States shall share any investigative,  
7       litigation, or compliance materials in furtherance of  
8       any joint or individual investigation initiated under  
9       the Compact.

10 ARTICLE 8- ACTIVE MILITARY MEMBERS AND THEIR SPOUSES

11 Active Military Members, or their spouses, shall designate a Home  
12 State where the individual has a current license to practice  
13 Cosmetology in good standing. The individual may retain their Home  
14 State designation during any period of service when that individual  
15 or their spouse is on active duty assignment.

16 ARTICLE 9- ESTABLISHMENT AND OPERATION OF THE COSMETOLOGY LICENSURE  
17 COMPACT COMMISSION

18 A. The Compact Member States hereby create and establish a joint  
19 government agency whose membership consists of all Member States  
20 that have enacted the Compact known as the Cosmetology Licensure  
21 Compact Commission. The Commission is an instrumentality of the  
22 Compact Member States acting jointly and not an instrumentality  
23 of any one State. The Commission shall come into existence on or  
24 after the effective date of the Compact as set forth in Article  
25 13.

26 B. Membership, Voting, and Meetings

27 1. Each Member State shall have and be limited to one (1)

1       delegate selected by that Member State's State  
2       Licensing Authority.

3       2. The delegate shall be an administrator of the State  
4       Licensing Authority of the Member State or their  
5       designee.

6       3. The Commission shall by Rule or bylaw establish a term  
7       of office for delegates and may by Rule or bylaw  
8       establish term limits.

9       4. The Commission may recommend removal or suspension of  
10       any delegate from office.

11       5. A Member State's State Licensing Authority shall fill  
12       any vacancy of its delegate occurring on the Commission  
13       within 60 days of the vacancy.

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

16       7. The Commission shall meet at least once during each  
17       calendar year. Additional meetings may be held as set  
18       forth in the bylaws. The Commission may meet by  
19       telecommunication, video conference or other similar  
20       electronic means.

21       C. The Commission shall have the following powers:

22               1. Establish the fiscal year of the Commission;

23               2. Establish code of conduct and conflict of interest  
24               policies;

25               3. Adopt Rules and bylaws;

26               4. Maintain its financial records in accordance with the  
27               bylaws;



1       5. Meet and take such actions as are consistent with the  
2           provisions of this Compact, the Commission's Rules, and  
3           the bylaws;

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

8       7. Maintain and certify records and information provided  
9           to a Member State as the authenticated business records  
10          of the Commission, and designate an agent to do so on  
11          the Commission's behalf;

12       8. Purchase and maintain insurance and bonds;

13       9. Borrow, accept, or contract for services of personnel,  
14          including, but not limited to, employees of a Member  
15          State;

16       10. Conduct an annual financial review;

17       11. Hire employees, elect or appoint officers, fix  
18          compensation, define duties, grant such individuals  
19          appropriate authority to carry out the purposes of the  
20          Compact, and establish the Commission's personnel  
21          policies and programs relating to conflicts of  
22          interest, qualifications of personnel, and other  
23          related personnel matters;

24       12. As set forth in the Commission Rules, charge a fee to a  
25          Licensee for the grant of a Multistate License and  
26          thereafter, as may be established by Commission Rule,  
27          charge the Licensee a Multistate License renewal fee

for each renewal period. Nothing herein shall be construed to prevent a Home State from charging a Licensee a fee for a Multistate License or renewals of a Multistate License, or a fee for the jurisprudence requirement if the Member State imposes such a requirement for the grant of a Multistate License;

13. Assess and collect fees;

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

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

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

17. Establish a budget and make expenditures;

18. Borrow money;

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

20. Provide and receive information from, and cooperate

1       with, law enforcement agencies;

2       21. Elect a Chair, Vice Chair, Secretary and Treasurer and  
3       such other officers of the Commission as provided in the  
4       Commission's bylaws;

5       22. Establish and elect an Executive Committee, including  
6       a chair and a vice chair;

7       23. Adopt and provide to the Member States an annual  
8       report.

9       24. Determine whether a State's adopted language is  
10       materially different from the model Compact language  
11       such that the State would not qualify for participation  
12       in the Compact; and

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

15   D. The Executive Committee

16       1. The Executive Committee shall have the power to act on  
17       behalf of the Commission according to the terms of this  
18       Compact. The powers, duties, and responsibilities of  
19       the Executive Committee shall include:

20           a. Overseeing the day-to-day activities of the  
21           administration of the Compact including  
22           compliance with the provisions of the Compact, the  
23           Commission's Rules and bylaws, and other such  
24           duties as deemed necessary;

25           b. Recommending to the Commission changes to the  
26           Rules or bylaws, changes to this Compact  
27           legislation, fees charged to Compact Member

- States, fees charged to Licensees, and other fees;
- c. Ensuring Compact administration services are  
appropriately provided, including by contract;
- d. Preparing and recommending the budget;
- e. Maintaining financial records on behalf of the  
Commission;
- f. Monitoring Compact compliance of Member States  
and providing compliance reports to the  
Commission;
- g. Establishing additional committees as necessary;
- h. Exercising the powers and duties of the  
Commission during the interim between Commission  
meetings, except for adopting or amending Rules,  
adopting or amending bylaws, and exercising any  
other powers and duties expressly reserved to the  
Commission by Rule or bylaw; and
- i. Other duties as provided in the Rules or bylaws of  
the Commission.

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

- a. The chair and vice chair of the Commission and any  
other members of the Commission who serve on the  
Executive Committee shall be voting members of the  
Executive Committee; and
- b. Other than the chair, vice-chair, secretary and  
treasurer, the Commission shall elect three  
voting members from the current membership of the

1           Commission.

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

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

12          4. The Executive Committee shall meet at least annually.

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

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

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

3             a. Meet an imminent threat to public health, safety,  
4             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 States an  
9       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.  
13            Notice of public meetings shall be posted on the  
14            Commission's website at least thirty (30) days prior to  
15            the public meeting.

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

25            3. Notice of all Commission meetings shall provide the  
26            time, date, and location of the meeting, and if the  
27            meeting is to be held or accessible via

1       telecommunication, video conference, or other  
2       electronic means, the notice shall include the  
3       mechanism for access to the meeting.

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

6           a. Non-compliance of a Member State with its  
7           obligations under the Compact;

8           b. The employment, compensation, discipline or other  
9           matters, practices or procedures related to  
10          specific employees or other matters related to the  
11          Commission's internal personnel practices and  
12          procedures;

13          c. Current or threatened discipline of a Licensee by  
14          the Commission or by a Member State's Licensing  
15          Authority;

16          d. Current, threatened, or reasonably anticipated  
17          litigation;

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

20          f. Accusing any person of a crime or formally  
21          censuring any person;

22          g. Trade secrets or commercial or financial  
23          information that is privileged or confidential;

24          h. Information of a personal nature where disclosure  
25          would constitute a clearly unwarranted invasion  
26          of personal privacy;

27          i. Investigative records compiled for law

enforcement purposes;

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

k. Legal advice;

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

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

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

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

G. Financing of the Commission

1. The Commission shall pay, or provide for the payment



1       of, the reasonable expenses of its establishment,  
2       organization, and ongoing activities.

3       2. The Commission may accept any and all appropriate  
4       sources of revenue, donations, and grants of money,  
5       equipment, supplies, materials, and services.

6       3. The Commission may levy on and collect an annual  
7       assessment from each Member State and impose fees on  
8       Licensees of Member States to whom it grants a  
9       Multistate License to cover the cost of the operations  
10       and activities of the Commission and its staff, which  
11       must be in a total amount sufficient to cover its annual  
12       budget as approved each year for which revenue is not  
13       provided by other sources. The aggregate annual  
14       assessment amount for Member States shall be allocated  
15       based upon a formula that the Commission shall  
16       promulgate by Rule.

17       4. The Commission shall not incur obligations of any kind  
18       prior to securing the funds adequate to meet the same;  
19       nor shall the Commission pledge the credit of any Member  
20       States, except by and with the authority of the Member  
21       State.

22       5. The Commission shall keep accurate accounts of all  
23       receipts and disbursements. The receipts and  
24       disbursements of the Commission shall be subject to the  
25       financial review and accounting procedures established  
26       under its bylaws. All receipts and disbursements of  
27       funds handled by the Commission shall be subject to an

1 annual financial review by a certified or licensed  
2 public accountant, and the report of the financial  
3 review shall be included in and become part of the  
4 annual report of the Commission.

5 H. Qualified Immunity, Defense, and Indemnification

6 1. The members, officers, executive director, employees  
7 and representatives of the Commission shall be immune  
8 from suit and liability, both personally and in their  
9 official capacity, for any claim for damage to or loss  
10 of property or personal injury or other civil liability  
11 caused by or arising out of any actual or alleged act,  
12 error, or omission that occurred, or that the person  
13 against whom the claim is made had a reasonable basis  
14 for believing occurred within the scope of Commission  
15 employment, duties or responsibilities; provided that  
16 nothing in this paragraph shall be construed to protect  
17 any such person from suit or liability for any damage,  
18 loss, injury, or liability caused by the intentional or  
19 willful or wanton misconduct of that person. The  
20 procurement of insurance of any type by the Commission  
21 shall not in any way compromise or limit the immunity  
22 granted hereunder.

23 2. The Commission shall defend any member, officer,  
24 executive director, employee, and representative of the  
25 Commission in any civil action seeking to impose  
26 liability arising out of any actual or alleged act,  
27 error, or omission that occurred within the scope of

1       Commission employment, duties, or responsibilities, or  
2       as determined by the Commission that the person against  
3       whom the claim is made had a reasonable basis for  
4       believing occurred within the scope of Commission  
5       employment, duties, or responsibilities; provided that  
6       nothing herein shall be construed to prohibit that  
7       person from retaining their own counsel at their own  
8       expense; and provided further, that the actual or  
9       alleged act, error, or omission did not result from that  
10       person's intentional or willful or wanton misconduct.

11       3. The Commission shall indemnify and hold harmless any  
12       member, officer, executive director, employee, and  
13       representative of the Commission for the amount of any  
14       settlement or judgment obtained against that person  
15       arising out of any actual or alleged act, error, or  
16       omission that occurred within the scope of Commission  
17       employment, duties, or responsibilities, or that such  
18       person had a reasonable basis for believing occurred  
19       within the scope of Commission employment, duties, or  
20       responsibilities, provided that the actual or alleged  
21       act, error, or omission did not result from the  
22       intentional or willful or wanton misconduct of that  
23       person.

24       4. Nothing herein shall be construed as a limitation on  
25       the liability of any Licensee for professional  
26       malpractice or misconduct, which shall be governed  
27       solely by any other applicable State laws.

1        5. Nothing in this Compact shall be interpreted to waive  
2        or otherwise abrogate a Member State's State action  
3        immunity or State action affirmative defense with  
4        respect to antitrust claims under the Sherman Act,  
5        Clayton Act, or any other State or federal antitrust or  
6        anticompetitive law or regulation.

7        6. Nothing in this Compact shall be construed to be a  
8        waiver of sovereign immunity by the Member States or by  
9        the Commission.

10 ARTICLE 10- DATA SYSTEM

11 A. The Commission shall provide for the development, maintenance,  
12 operation, and utilization of a coordinated database and  
13 reporting system.

14 B. The Commission shall assign each applicant for a Multistate  
15 License a unique identifier, as determined by the Rules of the  
16 Commission.

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

- 21        1. Identifying information;
- 22        2. Licensure data;
- 23        3. Adverse Actions against a license and information  
24        related thereto;
- 25        4. Non-confidential information related to Alternative  
26        Program participation, the beginning and ending dates  
27        of such participation, and other information related to

1           such participation;

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

6           6. The existence of Investigative Information;

7           7. The existence of Current Significant Investigative  
8           Information; and

9           8. Other information that may facilitate the  
10           administration of this Compact or the protection of the  
11           public, as determined by the Rules of the Commission.

12 D. The records and information provided to a Member State pursuant  
13 to this Compact or through the Data System, when certified by the  
14 Commission or an agent thereof, shall constitute the  
15 authenticated business records of the Commission, and shall be  
16 entitled to any associated hearsay exception in any relevant  
17 judicial, quasi-judicial or administrative proceedings in a  
18 Member State.

19 E. The existence of Current Significant Investigative Information  
20 and the existence of Investigative Information pertaining to a  
21 Licensee in any Member State will only be available to other  
22 Member States.

23 F. It is the responsibility of the Member States to monitor the  
24 database to determine whether Adverse Action has been taken  
25 against such a Licensee or License applicant. Adverse Action  
26 information pertaining to a Licensee or License applicant in any  
27 Member State will be available to any other Member State.

1 G. Member States contributing information to the Data System may  
2 designate information that may not be shared with the public  
3 without the express permission of the contributing State.

4 H. Any information submitted to the Data System that is  
5 subsequently expunged pursuant to federal law or the laws of the  
6 Member State contributing the information shall be removed from  
7 the Data System.

8 ARTICLE 11- RULEMAKING

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

18 B. The Rules of the Commission shall have the force of law in each  
19 Member State, provided however that where the Rules of the  
20 Commission conflict with the laws of the Member State that  
21 establish the Member State's scope of practice laws governing the  
22 Practice of Cosmetology as held by a court of competent  
23 jurisdiction, the Rules of the Commission shall be ineffective  
24 in that State to the extent of the conflict.

25 C. The Commission shall exercise its rulemaking powers pursuant to  
26 the criteria set forth in this Article and the Rules adopted  
27 thereunder. Rules shall become binding as of the date specified

1 by the Commission for each Rule.

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

8 E. Rules shall be adopted at a regular or special meeting of the  
9 Commission.

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

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

- 17 1. On the website of the Commission or other publicly  
18 accessible platform;
- 19 2. To persons who have requested notice of the  
20 Commission's notices of proposed rulemaking; and
- 21 3. In such other way(s) as the Commission may by Rule  
22 specify.

23 H. The notice of proposed rulemaking shall include:

- 24 1. The time, date, and location of the public hearing at  
25 which the Commission will hear public comments on the  
26 proposed Rule and, if different, the time, date, and  
27 location of the meeting where the Commission will

1 consider and vote on the proposed Rule;

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

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

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

9 5. The manner in which interested persons may submit  
10 written comments.

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

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

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

21 1. The Commission may adopt changes to the proposed Rule  
22 provided the changes do not enlarge the original  
23 purpose of the proposed Rule.

24 2. The Commission shall provide an explanation of the  
25 reasons for substantive changes made to the proposed  
26 Rule as well as reasons for substantive changes not made  
27 that were recommended by commenters.



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

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

- 15       1. Meet an imminent threat to public health, safety, or  
16       welfare;  
17       2. Prevent a loss of Commission or Member State funds;  
18       3. Meet a deadline for the promulgation of a Rule that is  
19       established by federal law or rule; or  
20       4. Protect public health and safety.

21 M. The Commission or an authorized committee of the Commission may  
22 direct revisions to a previously adopted Rule for purposes of  
23 correcting typographical errors, errors in format, errors in  
24 consistency, or grammatical errors. Public notice of any  
25 revisions shall be posted on the website of the Commission. The  
26 revision shall be subject to challenge by any person for a period  
27 of thirty (30) days after posting. The revision may be

1 challenged only on grounds that the revision results in a  
2 material change to a Rule. A challenge shall be made in writing  
3 and delivered to the Commission prior to the end of the notice  
4 period. If no challenge is made, the revision will take effect  
5 without further action. If the revision is challenged, the  
6 revision may not take effect without the approval of the  
7 Commission.

8 N. No Member State's rulemaking requirements shall apply under this  
9 Compact.

10 ARTICLE 12- OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

11 A. Oversight

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

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

27 3. The Commission shall be entitled to receive service 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.

1       4. Termination of membership in the Compact shall be  
2       imposed only after all other means of securing  
3       compliance have been exhausted. Notice of intent to  
4       suspend or terminate shall be given by the Commission to  
5       the governor, the majority and minority leaders of the  
6       defaulting State's legislature, the defaulting State's  
7       State Licensing Authority and each of the Member States'  
8       State Licensing Authority.

9       5. A State that has been terminated is responsible for all  
10       assessments, obligations, and liabilities incurred  
11       through the effective date of termination, including  
12       obligations that extend beyond the effective date of  
13       termination.

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

21       7. The Commission shall not bear any costs related to a  
22       State that is found to be in default or that has been  
23       terminated from the Compact, unless agreed upon in  
24       writing between the Commission and the defaulting  
25       State.

26       8. The defaulting State may appeal the action of the  
27       Commission by petitioning the United States District

1 Court for the District of Columbia or the federal  
2 district where the Commission has its principal  
3 offices. The prevailing party shall be awarded all  
4 costs of such litigation, including reasonable  
5 attorney's fees.

6 C. Dispute Resolution

7 1. Upon request by a Member State, the Commission shall  
8 attempt to resolve disputes related to the Compact that  
9 arise among Member States and between Member and  
10 non-Member States.

11 2. The Commission shall promulgate a Rule providing for  
12 both mediation and binding dispute resolution for  
13 disputes as appropriate.

14 D. Enforcement

15 1. The Commission, in the reasonable exercise of its  
16 discretion, shall enforce the provisions of this  
17 Compact and the Commission's Rules.

18 2. By majority vote as provided by Commission Rule, the  
19 Commission may initiate legal action against a Member  
20 State in default in the United States District Court for  
21 the District of Columbia or the federal district where  
22 the Commission has its principal offices to enforce  
23 compliance with the provisions of the Compact and its  
24 promulgated Rules. The relief sought may include both  
25 injunctive relief and damages. In the event judicial  
26 enforcement is necessary, the prevailing party shall be  
27 awarded all costs of such litigation, including

1 reasonable attorney's fees. The remedies herein shall  
2 not be the exclusive remedies of the Commission. The  
3 Commission may pursue any other remedies available  
4 under federal or the defaulting Member State's law.

5 3. A Member State may initiate legal action against the  
6 Commission in the United States District Court for the  
7 District of Columbia or the federal district where the  
8 Commission has its principal offices to enforce  
9 compliance with the provisions of the Compact and its  
10 promulgated Rules. The relief sought may include both  
11 injunctive relief and damages. In the event judicial  
12 enforcement is necessary, the prevailing party shall be  
13 awarded all costs of such litigation, including  
14 reasonable attorney's fees.

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

17 ARTICLE 13- EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

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

20 1. On or after the effective date of the Compact, the  
21 Commission shall convene and review the enactment of  
22 each of the Charter Member States to determine if the  
23 statute enacted by each such Charter Member State is  
24 materially different than the model Compact statute.

25 a. A Charter Member State whose enactment is found to  
26 be materially different from the model Compact  
27 statute shall be entitled to the default process

1           set forth in Article 12.

2           b. If any Member State is later found to be in  
3           default, or is terminated or withdraws from the  
4           Compact, the Commission shall remain in existence  
5           and the Compact shall remain in effect even if the  
6           number of Member States should be less than seven  
7           (7).

8           2. Member States enacting the Compact subsequent to the  
9           Charter Member States shall be subject to the process  
10           set forth in Article 9.C.24 to determine if their  
11           enactments are materially different from the model  
12           Compact statute and whether they qualify for  
13           participation in the Compact.

14           3. All actions taken for the benefit of the Commission or  
15           in furtherance of the purposes of the administration of  
16           the Compact prior to the effective date of the Compact  
17           or the Commission coming into existence shall be  
18           considered to be actions of the Commission unless  
19           specifically repudiated by the Commission.

20           4. Any State that joins the Compact shall be subject to the  
21           Commission's Rules and bylaws as they exist on the date  
22           on which the Compact becomes law in that State. Any  
23           Rule that has been previously adopted by the Commission  
24           shall have the full force and effect of law on the day  
25           the Compact becomes law in that State.

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

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

4       2. Withdrawal shall not affect the continuing requirement  
5       of the withdrawing State's State Licensing Authority to  
6       comply with the investigative and Adverse Action  
7       reporting requirements of this Compact prior to the  
8       effective date of withdrawal.

9       3. Upon the enactment of a statute withdrawing from this  
10       Compact, a State shall immediately provide notice of  
11       such withdrawal to all Licensees within that State.  
12       Notwithstanding any subsequent statutory enactment to  
13       the contrary, such withdrawing State shall continue to  
14       recognize all licenses granted pursuant to this Compact  
15       for a minimum of one hundred eighty (180) days after the  
16       date of such notice of withdrawal.

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

21 D. This Compact may be amended by the Member States. No amendment  
22 to this Compact shall become effective and binding upon any  
23 Member State until it is enacted into the laws of all Member  
24 States.

25 ARTICLE 14- CONSTRUCTION AND SEVERABILITY

26 A. This Compact and the Commission's rulemaking authority shall be  
27 liberally construed so as to effectuate the purposes, and the



1 implementation and administration of the Compact. Provisions of  
2 the Compact expressly authorizing or requiring the promulgation  
3 of Rules shall not be construed to limit the Commission's  
4 rulemaking authority solely for those purposes.

5 B. The provisions of this Compact shall be severable and if any  
6 phrase, clause, sentence or provision of this Compact is held by  
7 a court of competent jurisdiction to be contrary to the  
8 constitution of any Member State, a State seeking participation  
9 in the Compact, or of the United States, or the applicability  
10 thereof to any government, agency, person or circumstance is  
11 held to be unconstitutional by a court of competent  
12 jurisdiction, the validity of the remainder of this Compact and  
13 the applicability thereof to any other government, agency,  
14 person or circumstance shall not be affected thereby.

15 C. Notwithstanding Article 14.B, the Commission may deny a State's  
16 participation in the Compact or, in accordance with the  
17 requirements of Article 12, terminate a Member State's  
18 participation in the Compact, if it determines that a  
19 constitutional requirement of a Member State is a material  
20 departure from the Compact. Otherwise, if this Compact shall be  
21 held to be contrary to the constitution of any Member State, the  
22 Compact shall remain in full force and effect as to the remaining  
23 Member States and in full force and effect as to the Member State  
24 affected as to all severable matters.

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

26 A. Nothing herein shall prevent or inhibit the enforcement of any  
27 other law of a Member State that is not inconsistent with the

1     Compact.

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

4             Sec. 1604.002. ADMINISTRATION OF COMPACT. The Texas  
5     Department of Licensing and Regulation is the Cosmetology Licensure  
6     Compact administrator for this state.

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

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

ADOPTED

MAY 27 2025

*Latey Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Zaffrini*

1 Amend H.B. 705 (senate committee report), in SECTION 1 of the  
2 bill, in added Section 1604.001, Occupations Code, by striking  
3 Article 15 of that section (page 17, lines 25 through 30) and  
4 substituting the following:

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

6 A. The purpose of this compact is to facilitate multistate  
7 licensure of Cosmetologists. Nothing herein shall subject a Member  
8 State to any laws, rules, or regulations from any other Member  
9 State beyond the intended purpose of this compact.

10 B. Nothing herein shall require any Member State to adopt  
11 additional laws or policies beyond the intended purpose of this  
12 compact.

13 C. Nothing herein shall prevent or inhibit the enforcement of  
14 any other law of a Member State.

15 D. All permissible agreements between the Commission and the  
16 Member States are binding in accordance with their terms.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 28, 2025**

**TO:** Honorable Dustin Burrows, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB705** by Wilson (Relating to the Cosmetology Licensure Compact; authorizing fees.), **As Passed  
2nd House**

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

**LBB Staff:** JMc, RStu, BFa, TUf, GDZ, CMA

**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.

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**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**March 31, 2025**

**TO:** Honorable Dade Phelan, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** Jerry McGinty, Director, Legislative Budget Board

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

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.

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**LBB Staff:** JMc, Tuf, GDZ, BFa, CMA