

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: House Bill 173 (Fourth Edition)

SHORT TITLE: Cosmetic Art/Continuing Ed/Penalty Change

SPONSOR(S): Representative Howard

| FISCAL IMPACT | | | | | |
|---|-------------------|-------------------|---------------------------|-------------------|-------------------|
| | Yes () | No () | No Estimate Available (X) | | |
| | <u>FY 2004-05</u> | <u>FY 2005-06</u> | <u>FY 2006-07</u> | <u>FY 2007-08</u> | <u>FY 2008-09</u> |
| REVENUES | | | No Impact | | |
| EXPENDITURES | | | | | |
| POSITIONS: (cumulative) | None | | | | |
| PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: | None | | | | |
| EFFECTIVE DATE: Section 1 of this act becomes effective October 1, 2003. Section 2 of this act is effective when it becomes law and applies to violations occurring on or after that date. | | | | | |

BILL SUMMARY:

The proposed bill changes the G.S. 88B-21 by requiring holders of cosmetologist's, esthetician's, or manicurist's licenses, prior to renewal of their licenses, to complete eight hours of continuing education for each year of the licensing cycle. This is an annual requirement. The continuing education program must be approved by the NC Board of Cosmetic Art Examiners (the Board). A cosmetologist may complete up to 24 hours of required continuing education at anytime within the cosmetologist's three-year licensing cycle. Licensees shall submit written documentation to the Board showing that they have satisfied the requirements of this subsection. However, licensees who are 55 and have practiced for at least five years do not have to meet the continuing education requirement, unless the licensee is a cosmetic art teacher in active practice as a cosmetologist, esthetician, or manicurist. Upon request by a licensee for inactive status, the Board may place the licensee's name on the inactive list so long as the licensee is in good standing with the Board. An inactive licensee is not required to complete continuing education requirements. An inactive licensee shall not practice cosmetic art for consideration. However, the inactive licensee may continue to purchase supplies as accorded an active licensee. When the inactive licensee desires to be removed from the inactive list and return to active practice, the inactive licensee shall notify the Board of his or her desire to return to active status and pay the required fee as determined by the Board. As a condition of returning to active status, the Board may require the licensee to complete eight to 24 hours of continuing education pursuant to subsection (e) of G.S. 88B-21. Finally, the legislation clarifies that all penalties assessed by the Board must be submitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

ASSUMPTIONS AND METHODOLOGY:

The proposed bill does not produce any fiscal impact on the state's revenues and expenditures. No accurate estimates are available to estimate how the bill would affect the Board's revenues. Training and education for cosmetic art licensees is provided by different agencies and its costs vary broadly (generally between \$50 and \$180), based on the cosmetic specialty, length of training, and use of equipment. Table 1 presents summary of the data provided by the Board on the number of licenses of various cosmetic art specialists.

Table 1. Cosmetic Art Licenses

| Specialty | Number of Licenses | Training Quantity and Frequency |
|------------------|---------------------------|--|
| Cosmetologist | 45,679 | 24 hours within three years |
| Manicurist | 8,149 | 8 hours annually |
| Esthetician | 1,084 | 8 hours annually |

It was impossible to determine the exact number of inactive licenses for each specialty. It was also impossible to determine the number of licenses that become inactive or return to active status on the annual basis. The Board does not monitor the number of licensees above 55 years of age.

The proposed legislation does not affect any of the programs or departments and does not produce fiscal impact on the State.

No estimate is available on the amount of civil penalties likely to be levied by the Board and submitted to the Fines and Forfeitures fund.

SOURCES OF DATA: North Carolina State Board of Cosmetic Art Examiners.

TECHNICAL CONSIDERATIONS: None

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Signed Copy Located in the NCGA Principal Clerk's Offices