

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 916 (First Edition)

SHORT TITLE: Cosmetologists

SPONSOR(S): Senator Kerr

FISCAL IMPACT

	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>
REVENUES					
Special Revenue Fund					
Esthetician Exam	\$10,000	\$5,000	\$5,000	\$4,000	\$4,000
Esthetician License	\$5,000	\$7,500	\$10,000	\$12,000	\$14,000
Duplicate License	\$500	\$500	\$500	\$500	\$500
Late Fees	<u>\$10,875</u>	<u>\$10,875</u>	<u>\$10,875</u>	<u>\$10,875</u>	<u>\$10,875</u>
Total	\$26,375	\$23,875	\$26,375	\$27,375	\$29,375

EXPENDITURES

Special Revenue Fund	NA	NA	NA	NA	NA
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PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: State Board of Cosmetic Art Examiners

EFFECTIVE DATE: The act becomes effective July 1, 1997.

BILL SUMMARY: The bill rewrites Chapter 18 of the General Statutes dealing with Cosmetic Art. Of fiscal importance, required fees in 88B-20 were amended to (1) create a new exam and license fee for an Esthetician, (2) establish a charge for a duplicate license, (3) expand late fees to apprentice, esthetician, manicurist, teacher and cosmetic art schools, and (4) expand reinstatement fee to cosmetic art schools.

ASSUMPTIONS AND METHODOLOGY: The new license created by this act is for Estheticians or skin care specialists. SB 916 sets an exam fee of \$20 and an annual license fee of \$10. The Executive Secretary of the State Board of Cosmetic Art Examiners estimates that 500 persons will apply for the Esthetician exam in FY 1997-98. The Executive Secretary projects

that 250 will apply in both 1998 and 1999, then the number will drop to 200 in each of the next two years. He sees much demand for this license because it requires fewer hours (600 versus 1200) than a cosmetologist.

Another new fee is \$1 for a duplicate license. This fiscal year, the Board has produced 518 duplicate licenses from July 1996 to May 1997. This fiscal note assumes that 500 duplicate licenses will be produced each year.

Cosmetologists pay a \$10 fee for late renewal of licenses. The Board reports that 20% of cosmetologists pay a late fee each year. This bill expands the late fee to apprentices, estheticians, manicurists, and teachers. If you apply the 20% rate to the 5,000 persons in these four groups, then the Board can expect 1,000 persons to pay a late fee each year.

Another group currently paying a late fee is cosmetic art shops. The late fee is \$10 and the reinstatement fee for being 30 days late is \$25. The Board reports that 27% of the shops are always 30 days late in renewing their licenses. This act expands the late and reinstatement fees to cosmetic art schools. The Board projects that 25 of the 115 schools will be late with payments each year and will pay \$35 each.

FISCAL RESEARCH DIVISION

733-4910

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DATE: May 15, 1997



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