

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 1013 (1<sup>st</sup> Edition)

**SHORT TITLE:** Cosmetic Art Fees/Continuing Education

**SPONSOR(S):** Rep. Morris

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>
<b>REVENUES</b>					
<b>General Fund</b>	<b>* No General Fund Impact *</b>				
Cosmetic Art Board	152,448	152,448	152,448	152,448	152,448
<b>EXPENDITURES</b>					
Cosmetic Art Board	<b>* See Assumptions and Methodology *</b>				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> North Carolina Board of Cosmetic Art Examiners.					
<b>EFFECTIVE DATE:</b> Section 1 becomes effective February 1, 2002. The remainder becomes effective October 1, 2001.					

**BILL SUMMARY:** Section 1 of the bill changes the annual license fee levied on cosmetic art shops from \$3.00 per active booth to a flat rate of \$25.00. Section 2 eliminates a requirement that cosmetic art shops submit an annual list of all licensed cosmetologists in the shop and identify those as employee or booth renter. Section 3 adds estheticians and manicurists to the list of individuals that must have continuing education to maintain their license. It also shifts the continuing education requirement for cosmetologists, manicurists, and estheticians from eight hours a year to twenty-four hours over the three year licensing cycle.

**ASSUMPTIONS AND METHODOLOGY:** The only fiscal impact from the bill relates to the fee change. Currently cosmetic art shops pay a license fee of \$3.00 per active booth. The bill shifts that fee to a flat amount of \$25.00

The NC Board of Cosmetic Art Examiners estimates that 11,700 cosmetic art shops are licensed each year. The Board reports that they receive approximately \$104,052 annually

from the current fee. Under the new flat fee of \$25.00 the Board is expected to draw approximately \$292,500 (25 x 11,700). That suggests an annual revenue gain of \$152,448.

**EXPENDITURES:** Because of the increase in continuing education requirements, the Board believes they will have additional expenditures of \$144,045. A breakdown of that amount is as follows.

Verification Materials, Postage, and Office Supplies	\$34,500
Telephone	1,000
Rent	3,000
Data Processing	5,000
Travel and Lodging	5,160
Salary and Benefits (3 Employees)	95,385
<b>TOTAL EXPENDITURES</b>	<b>\$144,045</b>

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** July 25, 2001



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