

# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE STATEMENT OF ESTIMATED FISCAL IMPACT

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S. 1132 Introduced on March 5, 2024 **Bill Number:** 

Author: **Davis** 

Subject: Barbers and Cosmetologists

Senate Labor, Commerce, and Industry Requestor:

RFA Analyst(s): Wren

Impact Date: March 13, 2024

### **Fiscal Impact Summary**

This bill provides definitions and specifies that individuals who provide blow-dry styling and hair braiding while engaged in their professional duties are exempt from regulations by the State Board of Barber Examiners. The bill also exempts individuals who engage in blow-dry styling and individuals who provide make-up artistry from regulations by the Board of Cosmetology. The bill also repeals the code section relating to the registration process for hair braiders.

This bill will have no expenditure impact on the Department of Labor, Licensing and Regulation (LLR), the Board of Barber Examiners, or the Board of Cosmetology since any expenses to implement the provisions of the bill can be managed with existing resources.

The overall reduction in Other Funds revenue of LLR is undetermined. However, the bill is expected to reduce Other Funds revenue of LLR by at least \$414,000 between FY 2024-25 and FY 2025-26 since hair braiders will no longer be required to have an active registration. The reduction in Other Funds revenue due to the deregulation of blow-dry styling and make-up artistry cannot be determined since individuals who perform these services are currently licensed as cosmetologists or estheticians under the Board of Cosmetology. The number of licensees cannot be broken out by type of service.

# **Explanation of Fiscal Impact**

## **Introduced on March 5, 2024 State Expenditure**

This bill provides definitions and specifies that individuals who provide blow-dry styling and hair braiding are exempt from regulations by the State Board of Barber Examiners. The bill also exempts unlicensed individuals who engage in blow-dry styling and individuals who provide make-up artistry from regulations by the Board of Cosmetology. These exemptions apply when the individual is engaged in their professional duties and as long as no other services requiring a professional license are being performed.

LLR indicates that this bill will have no expenditure impact on the agency, the Board or Barber Examiners, or the Board of Cosmetology since any expenses to implement the bill can be managed with existing resources.

#### **State Revenue**

This bill repeals Section 40-7-255, which provides for the registration process for hair braiders. Currently, individuals must be licensed to practice barbering or cosmetology or must be registered to practice hair braiding in order to perform hair braiding services. The registration fee is currently \$25, and the registration is valid for two years or until the end of the biennial licensure renewal cycle in which the registration is first issued, whichever occurs first. Additionally, the bill deregulates blow-dry styling and make-up artistry, which are currently licensed under the Board of Cosmetology.

Based on data from LLR, there are currently 4,140 registered hair braiders in the state. LLR indicates that hair braider licenses will go into an "active in renewal" status as of April 1, 2024, and the renewal date will end as of June 30, 2024. The current renewal registration fee is \$100. Therefore, implementation of this portion of the bill will result in a \$414,000 reduction in Other Funds revenue of LLR between FY 2024-25 and FY 2025-26 since hair braiding will no longer require registration with the Board of Barber Examiners. LLR further indicates that blow-dry stylists must be licensed as cosmetologists, and make-up artists must be licensed as cosmetologists or estheticians. It is likely there will be a decrease in the number of new applicants for licensure and fewer existing renewals under the Board of Cosmetology since blow-dry styling and make-up artistry will be deregulated upon implementation of the bill. However, LLR cannot quantify the decrease in Other Funds revenue for this portion of this bill since the number of licensees cannot be broken out by type of service. Therefore, the overall reduction to Other Funds revenue of LLR is undetermined.

**Local Expenditure** 

N/A

**Local Revenue** 

N/A

Frank A. Rainwater, Executive Director