



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0857 Introduced on January 9, 2024
Author: Davis
Subject: Mobile Cosmetology
Requestor: Senate Labor, Commerce, and Industry
RFA Analyst(s): Wren
Impact Date: January 10, 2024

Fiscal Impact Summary

This bill allows the Board of Cosmetology (board) to issue permits for mobile salons and portable cosmetology, esthetician, or nail technician operations. Permits must be renewed biennially by submitting a renewal application on a form prescribed by the board and paying a permit renewal fee.

This bill will increase Other Funds expenses of the Department of Labor, Licensing and Regulation (LLR) by approximately \$152,000 in FY 2024-25 for 2.0 FTEs and miscellaneous equipment to implement the provisions of the bill. Expenses will decrease to approximately \$145,000 each year thereafter. LLR will request an increase in Other Funds authorization to cover these expenses. Further, LLR estimates that 150 permits will be requested for mobile salons, and 2,500 permits will be requested for portable cosmetology operations.

We anticipate fees will be used to offset Other Funds expenditures. Since fees will be established in regulation and are unknown at this time, the impact on Other Funds revenue of LLR is undetermined. Additionally, the board falls under the Division of Professional and Occupation Licensing. Proviso 81.3 of the FY 2023-24 Appropriations Act requires LLR to remit annually to the General Fund an amount equal to 10 percent of expenditures unless the board has an overall negative ending cash balance. Therefore, due to the anticipated increase in Other Funds expenses, this bill is expected to increase General Fund revenue by \$15,200 in FY 2024-25 and by \$14,500 each year thereafter.

Explanation of Fiscal Impact

Introduced on January 9, 2024

State Expenditure

This bill allows the board to issue permits for mobile salons and portable cosmetology, esthetician, or nail technician operations. Permits must be renewed biennially by submitting a renewal application on a form prescribed by the board and paying a permit renewal fee.

A person, firm, corporation, or association may apply to the board for a mobile salon permit by submitting an application on a form prescribed by the board and paying the initial permit fee. The board must conduct an inspection of the mobile salon prior to issuing a permit. Once

permitted, the mobile salon must be inspected annually and is subject to unannounced inspections. A mobile salon is prohibited from operating within eyesight of the nearest registered salon.

Also, an individual who is a licensed cosmetologist, esthetician, or nail technician may apply to the board for a portable cosmetologist, esthetician, or nail technician operation permit by submitting an application on a form prescribed by the board and paying the initial permit fee. Upon application approval, the board must issue a permit card to be carried by the licensee when practicing portable cosmetology services. The temporary location where the portable operation is providing services must have sufficient facilities to allow for the services to be performed in a safe and sanitary manner in accordance with applicable statutes and regulations. A mobile salon or portable operation permittee must maintain a written or an electronic record of the street addresses where the services will be provided during any two-week period.

Additionally, the board must promulgate regulations to carry out the provisions of this bill including, but not limited to, establishing permit application and renewal fees and establishing the safe operation, equipment, and sanitation requirements. Further, a licensee who violates the provisions of this bill or a regulation promulgated by the board is subject to disciplinary action as determined by the board. The effective date of the bill is June 1, 2025.

LLR anticipates that this bill will increase the agency's Other Funds expenses by approximately \$152,000 in FY 2024-25. Of this amount, \$142,000 is recurring for 2.0 FTEs, and \$3,000 is for miscellaneous office supplies and services. Non-recurring expenses are expected to total approximately \$7,000 for equipment for the new FTEs. Expenses will decrease to approximately \$145,000 beginning in FY 2025-26. Further, LLR will request an increase in Other Funds authorization to cover these expenses. For reference, there are approximately 7,000 licensed salons and approximately 35,000 licensed cosmetologists, nail technicians, and estheticians. LLR estimates that 150 permits will be requested for mobile salons, and 2,500 permits will be requested for portable cosmetology operations. Fees must be established in regulation.

State Revenue

This bill allows the board to issue permits for mobile salons and portable cosmetology, esthetician, or nail technician operations. Permits must be renewed biennially by submitting a renewal application on a form prescribed by the board and paying a permit renewal fee. We anticipate fees will be used to offset Other Funds expenditures. Since fees will be established in regulation and are unknown at this time, the impact on Other Funds revenue of LLR is undetermined.

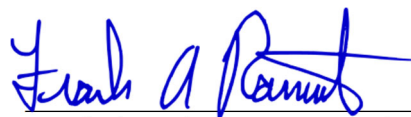
The board falls under the Division of Professional and Occupation Licensing. Proviso 81.3 of the FY 2023-24 Appropriations Act requires LLR to remit annually to the General Fund an amount equal to 10 percent of expenditures unless the board has an overall negative ending cash balance. Therefore, due to the anticipated increase in Other Funds expenses, this bill is expected to increase General Fund revenue by \$15,200 in FY 2024-25 and by \$14,500 each year thereafter.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director