COMMITTEE REPORT

February 13, 2019

**H. 3253**

Introduced by Reps. Henegan, Yow and Brawley

S. Printed 2/13/19--H.

Read the first time January 8, 2019.

**THE COMMITTEE ON MEDICAL,**

**MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

To whom was referred a Bill (H. 3253) to amend the Code of Laws of South Carolina, 1976, by adding Section 40‑7‑355 so as to authorize the State Board of Barber Examiners, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, Section 40‑7‑355(A)(2), by deleting the item in its entirety and inserting:

/ (2) ‘Portable barber operation’ means equipment used in the practice of barbering that is in a mobile barbershop or transported from a barbershop and used on a temporary basis at a location including, but not limited to:

(a) a client’s home; or

(b) another institution or location as may be authorized by the board in regulation. /

Amend the bill further, Section 40‑7‑355, by adding an appropriately lettered subsection at the end to read:

/ ( ) The provisions of this section do not apply to a master haircare specialist or registered barber while providing barbering services in a nursing home or community residential care facility setting equipped and maintained in compliance with regulations and other requirements concerning the equipping and maintenance of barbershops. /

Renumber sections to conform.

Amend title to conform.

LEON HOWARD for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on January 8, 2019**

**State Expenditure**

This bill authorizes the Board of Barber Examiners (board) to issue mobile barbershop permits, establish permit requirements, and provide for regulation of mobile barbershops. A representative of the board must conduct an inspection of the mobile barbershop and find it satisfactory before the board issues a permit.

LLR is unable to project the demand for mobile barbershop permits and, consequently, the level of activity required to inspect and regulate them. Therefore, the expenditure impact on Other Funds is undetermined. However, LLR is authorized to adjust licensure fees biennially to ensure that revenue is sufficient to cover these expenses. There will be no expenditure impact on the general fund or federal funds.

**State Revenue**

This bill creates a new permit for the operation of mobile barbershops. Pursuant to Section 40-1-50(D), LLR is required to adjust other fund fees biennially to ensure that fee revenue is sufficient, but not excessive, to cover expenses of each respective board. Therefore, the expenditures associated with this bill will be offset by subsequent fee adjustments made to cover any shortfalls in revenue collections associated with the regulation of mobile barbershops. Until the board is able to realize the expenditures associated with this bill, the revenue impact will be undetermined.

Additionally, the board falls under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2018-19 Appropriations Act, LLR is required to remit annually to the general fund an amount equal to 10 percent of board expenditures. Consequently, this bill will increase general fund revenue. However, because the increase of expenditures is unknown, the revenue increase to the general fund is undetermined.

The Revenue and Fiscal Affairs Office contacted other state licensing agencies in the southern region of the United States to gather information concerning their experience in the permitting of mobile barbershops. The following states replied that they do not regulate mobile barbershops: Alabama, North Carolina, Kentucky, Virginia, and Florida. Tennessee created a license for mobile barbershops in 2017, but they have issued no licenses as of January 2019. Texas reported having one mobile shop for every 239 brick-and-mortar shops. South Carolina currently licenses 1,551 brick-and-mortar shops. If we experience results similar to Texas, we should expect to issue approximately seven mobile barbershop permits.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑7‑355 SO AS TO AUTHORIZE THE STATE BOARD OF BARBER EXAMINERS TO ISSUE MOBILE BARBERSHOP PERMITS, TO ESTABLISH PERMIT REQUIREMENTS, AND TO FURTHER PROVIDE FOR THE REGULATION OF MOBILE BARBERSHOPS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 7, Title 40 of the 1976 Code is amended by adding:

“Section 40‑7‑355. (A) As used in this section:

(1) ‘Mobile barbershop’ means a self‑contained unit in which the practice of barbering is conducted, which may be moved, towed, or transported from one location to another. A ‘mobile barbershop’ includes a portable barber operation.

(2) ‘Portable barber operation’ means equipment used in the practice of barbering that is in a mobile barbershop or transported from a barbershop and used on a temporary basis at a location including, but not limited to:

(a) a client’s home;

(b) a nursing home; or

(c) another institution or location as may be authorized by the board in regulation.

(B) An individual may operate a mobile barbershop if the individual:

(1) is licensed pursuant to this chapter to engage in the practice of barbering; and

(2) does not have a physically stationary office at the location where the barbering services are provided.

(C) In order to operate a mobile barbershop, a barber shall apply to the board for a mobile barbershop permit. The barber shall submit a permit application and fee in the form and manner prescribed by the board in regulation.

(D)(1) Before a mobile barbershop permit may be issued, an inspection of the mobile barbershop must be conducted by a representative of the board pursuant to Sections 40‑7‑320 and 40‑7‑330. Upon satisfactory inspection, the board shall issue the applicant a mobile barbershop permit with the current year indicated, to be affixed within the mobile barbershop as prescribed by the board. The board also shall issue a permit card to be carried by the barber when practicing barbering through a portable barber operation.

(2) A mobile barbershop permit must be renewed annually, including payment of a renewal fee, as prescribed by the board in regulation.

(3) A mobile barbershop must be inspected annually before a permit may be renewed.

(E)(1) A mobile barbershop permittee shall maintain an official business address which must be indicated on the permit application and which must not be a post office box. If an address different from the official business address is used for official business, that address also must be provided.

(2) A mobile barbershop permittee shall maintain an official telephone number, which must be indicated on the application. If other phones are used for official business, those phone numbers also must be provided.

(3) The board must be notified within thirty days of any change in the official business address or telephone number as indicated on the permit application or as otherwise provided to the board.

(F) A mobile barbershop permittee shall comply with applicable state and local laws, regulations, and ordinances pertaining to the practice of barbering and with applicable flammability, construction, sanitation, zoning, infectious waste management, Occupational Safety and Health Administration guidelines, and federal Centers for Disease Control guidelines. The permittee shall maintain applicable county and city licenses or permits, including business licenses, to operate the mobile barbershop at the location where barbering services will be provided.

(G) A mobile barbershop permittee shall maintain a written or an electronic record of the street addresses where barbering services have been provided.

(H) A licensed barber must at all times be in charge of a mobile barbershop and is responsible for all barbering services provided at the mobile barbershop.

(I)(1) A mobile barbershop permittee shall notify the board in writing within thirty days of the last day of operations when a mobile barbershop ceases to operate.

(2) A mobile barbershop permit is not transferable. If a mobile barbershop is sold, the new owner shall apply to the board for a permit before providing barbering services through the mobile barbershop.

(J) The board shall promulgate regulations to carry out the provisions of this section including, but not limited to, establishing permit application and renewal fees.

(K) A barber who violates a provision of this chapter or a regulation promulgated by the board pursuant to this chapter is subject to disciplinary action as may be determined by the board.”

SECTION 2. This act takes effect upon approval by the Governor.

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