

# 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.

H. 4519 Introduced on January 11, 2022 **Bill Number:** 

Author: Huggins Subject: Barbers

House Medical, Military, Public, and Municipal Affairs Requestor:

RFA Analyst(s): Coomer

Impact Date: January 13, 2022 Updated for Additional Agency Response

# **Fiscal Impact Summary**

This bill allows for a registered barber to practice barbering in a beauty salon. The expenditure impact of this bill on the Department of Labor, Licensing and Regulation (LLR), the Board of Cosmetology, and the Board of Barber Examiners is undetermined at this time because LLR is unable to estimate the number of licensed registered barbers and master haircare specialists that will choose to work in a cosmetology salon as a result of this bill.

This fiscal impact statement has been updated for an additional response from LLR.

# **Explanation of Fiscal Impact**

# **Updated for Additional Agency Response on January 13, 2022 Introduced on January 11, 2022 State Expenditure**

This bill allows for a barber registered under the Board of Barber Examiners to practice barbering in a beauty salon licensed under the Board of Cosmetology. Both boards are under the regulation of LLR. The bill further authorizes LLR to promulgate regulations related to the bill.

The expenditure impact of this bill on LLR, the Board of Cosmetology, and the Board of Barber Examiners is undetermined. LLR and the boards are unable to estimate how many licensed registered barbers or master haircare specialists may choose to work in a cosmetology salon as a result of this bill. LLR indicates that the expansion of the definition of a salon to include the practice of barbering would subject licensed registered barbers and master hair care specialists to potential complaints, investigations, and discipline by both the Board of Cosmetology and the Board of Barber Examiners. If a significant number of licensed registered barbers or master haircare specialists choose to work in a cosmetology salon, then the boards may potentially see an increased workload due to investigations and disciplinary actions. At the end of FY 2020-21, LLR reported 6,514 salons licensed under the Board of Cosmetology, as well as 426 complaints received and 408 investigations undertaken by the board during the fiscal year. For the same timeframe, LLR reported 1,837 registered barbers and 2,198 master haircare specialists licensed under the Board of Barber Examiners, as well as 202 complaints received and 208 investigations undertaken by the board.

While the expenditure impact is undetermined at this time, LLR indicates that the agency and the boards would likely be able to absorb any changes in investigative workload for a short time until enough data is gathered to make a more informed estimate at a later date. *This portion of the fiscal impact statement has been updated for an additional response from LLR*.

### **State Revenue**

N/A

## **Local Expenditure**

N/A

#### Local Revenue

N/A

## Prefiled on November 10, 2021 State Expenditure

This bill allows for a barber registered under the Board of Barber Examiners to practice barbering in a beauty salon licensed under the Board of Cosmetology. Both boards are under the regulation of LLR. The bill further authorizes LLR to promulgate regulations related to the bill. The expenditure impact of this bill on LLR is pending, contingent upon a response from LLR.

#### **State Revenue**

N/A

## **Local Expenditure**

N/A

#### **Local Revenue**

N/A

Frank A Rainwater Executive Director