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Senate Bills 703 and 1081 (as reported without amendment)

Sponsor: Senator Sam Singh

Committee: Regulatory Affairs

CONTENT

Senate Bill 703 would amend the Occupational Code to allow an individual to operate more than one cosmetology school if that individual were licensed to operate a school of cosmetology and the secondary school met certain requirements.

Senate Bill 1081 would amend the State License Fee Act to modify the following fees for cosmetologists and similar professions:

- The application processing fee for a cosmetologist, manicurist, natural hair culturist, esthetician, electrologist, or instructor would be \$15.
- The annual license fee for a cosmetologist, manicurist, natural hair culturist, esthetician, electrologist, or instructor would be \$42.
- The student registration or transfer fee would be \$15.

The bill would raise the annual license fee for a cosmetology establishment from \$25 to \$150 and a school of cosmetology from \$100 to \$250. The bill would require an individual who sought to operate a secondary school facility to pay the following fees:

- A \$100 application processing fee.
- A \$200 annual license fee.

Senate Bill 1081 is tie-barred to Senate Bill 703.

BRIEF RATIONALE

According to testimony, the Department of Licensing and Regulatory Affairs (LARA) issued licenses to cosmetology schools to operate secondary facilities in the past but the practice ended when LARA deemed that it did not have the necessary statutory authority to provide these licenses. Some have argued that these licenses promote business in Michigan and that the practice should be codified and re-instated.

Proposed MCL 339.1205b (S.B. 703); MCL 338.2209 & 338.2225 (S.B. 1081)

FISCAL IMPACT

The bill would have a positive fiscal impact on State government and no impact on local government. According to data from LARA, the cosmetology program has operated at a deficit for the past four years. The fees listed in the bill as well as a number of other occupational fees are deposited into the Licensing and Regulation Fund, including inspection and registration fees. The fee increases prescribed by the bill, including the cosmetology licensing fee from \$24 to \$42 and the secondary school facility fee, would allow LARA to administer the Fund without the deficit.

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Bill Analysis @ www.senate.michigan.gov/sfa

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