

Legislative Analysis



COSMETOLOGY SECONDARY SCHOOL FACILITIES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4692 as introduced
Sponsor: Rep. Angela Rigas

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4693 as introduced
Sponsor: Rep. Tullio Liberati, Jr.

Committee: Regulatory Reform
Complete to 10-20-25

SUMMARY:

House Bill 4692 would amend the Occupational Code to allow a person licensed to operate a cosmetology school to operate a *secondary school facility* to teach cosmetology services that are separate from the premises of the cosmetology school. The Department of Licensing and Regulatory Affairs (LARA) would have to grant a secondary school facility license if all the following requirements are met:

- An application is submitted for approval to LARA by the owner or manager of the secondary school facility.
- The application includes a statement of how the secondary school facility will be used, the address of the premises of the facility, and a current, detailed floor plan of the proposed premises that includes at least all of the following:
 - The arrangement of the classroom.
 - The placement of equipment.
 - The location of entrances and exits of the premises.
- The secondary school facility meets all requirements for a cosmetology school under the code, except that the facility could not offer cosmetology services to the public or contain equipment that may be used to perform cosmetology services on the public, including hair-drying chairs, hydraulic styling chairs, or hair-styling stations.
- All cosmetology services training at the secondary school facility is provided by a licensed cosmetology instructor who has at least three years' experience in all the cosmetology services taught there.
- The facility passes an inspection that LARA both conducts and approves.

Secondary school facility would mean a school that teaches cosmetology in a classroom setting and meets all of the following requirements:

- It is associated with a school of cosmetology.
- It is operated by the person that holds the license for the associated school of cosmetology.
- It is located at a premises that is separate from the associated school.

The owner or manager of a secondary school facility would, at all times, have to display a copy of the secondary school facility license and the license of each instructor who works at the facility in a prominent place in the facility that is visible to the public.

Inspections

The bill would require LARA to regularly inspect each secondary school facility to determine whether the licensee is conforming to the bill and any rules promulgated under it.

Sale or transfer

A secondary school facility license would be considered void if there is a sale, other transfer, or changed in location of the facility or ownership of the facility. In order to obtain another license, a new application would need to be submitted.

Rules

The bill would require LARA to promulgate rules to implement it, in consultation with the Board of Cosmetology, within 18 months of the bill's effective date.

Proposed MCL 339.1205b

House Bill 4693 would amend the State License Fee Act to add an application processing fee for secondary school facility license applications of \$100 and an annual license fee of \$200.

The bill also would increase annual license fees related to cosmetology as follows:

License Type	Current Fee	Proposed Fee
Cosmetologist, manicurist, natural hair culturist, esthetician, electrologist, or cosmetology instructor	\$24	\$42
Cosmetology establishment	\$25	\$150
School of Cosmetology	\$100	\$250

In addition, the bill would allow LARA to increase the fees set by the act for cosmetology-related licenses by a percentage equal to the average percentage wage and salary increase granted to LARA civil service employees that fiscal year. The increased fees would be used to calculate fee increases in subsequent fiscal years.

Annually by August 1, LARA would have to provide a complete schedule of fees to be collected during the next fiscal year to the director of the Department of Technology Management and Budget (DTMB) and the chairs of the House and Senate appropriations committees.

MCL 338.2209 and 338.2225

Neither bill can take effect unless both bills are enacted.

FISCAL IMPACT:

House Bills 4692 and 4693 would have an indeterminate net fiscal impact on the Department of Licensing and Regulatory Affairs.

House Bill 4692 would allow licensed cosmetology schools to acquire licenses for and operate secondary school facilities, where cosmetology would be taught in a classroom setting. Under the bill, LARA would be required to issue secondary school facility licenses and to approve and regularly inspect secondary school facilities. The department would also be required to promulgate rules to implement the provisions of the bill. The department would likely incur costs associated with these activities, but the magnitude of that cost is indeterminate and would largely depend on the volume of licenses issued pursuant to the bill.

House Bill 4693 would allow LARA to assess an application processing fee of \$100 and an annual licensing fee of \$200 for each secondary school facility. The bill also would increase the annual licensing fees associated with other cosmetology licenses. It is currently unknown how much revenue would be realized from licensure fees on secondary school facility licensees and other licensees, since the revenue would depend on the number of licensees.

The bills would not affect any other units of state or local government.

Legislative Analysts: Alex Stegbauer
Rick Yuille
Fiscal Analyst: Una Jakupovic

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.