

January 27, 2023

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2125 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2125 is respectfully submitted to your committee.

The bill would require the Kansas Board of Cosmetology to conduct any action in an administrative proceeding for tattooing and body piercing professions in accordance with the Kansas Administrative Procedure Act. The actions would be reviewable in accordance with the Kansas Judicial Review Act. Judicial action would be taken if a petitioner files with the clerk of the reviewing court a sufficient surety bond conditioned on the payment of all assessed costs if the decision of the Board is sustained. If appellate review of the district court's decision is sought, the Board would not be required to give a bond on such review. The bill would also allow the Board to remedy violation of its rules, regulations, or statutes by issuing cease and desist orders to any person that would violate the Board's orders, rules, regulations, or statutes. Currently, cease and desist orders are only issued to licensees.

For the tattooing and body piercing professions, if the Board's order in an administrative proceeding is adverse to the regulated person, the costs incurred by the Board could be assessed against the party. Monies collected from Board proceedings would be deposited into the Cosmetology Fee Fund. If the Board is not the prevailing party, costs would be paid from the Cosmetology Fee Fund.

HB 2125 would also allow the Board to issue charitable event permits allowing persons licensed in tattooing and body piercing by the Board to provide services at no cost as a charity to the recipients. The charitable event permit would expire 30 days after issuance. The Board would be required to adopt and implement rules and regulations for issuing charitable event permits.

HB 2125 would also allow the Board to issue demonstration permits to persons licensed in tattooing and body piercing. The permits would be issued to persons with a valid license from Kansas or another state or jurisdiction to provide services at a state or national convention or an

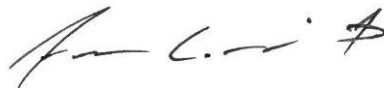
establishment licensed by the Board. The demonstration permit would expire 14 days after issuance. The Board would be required to adopt and implement rules and regulations for issuing demonstration permits.

The Board of Cosmetology indicates its current administrative staff would work with surrounding states and licensees to create administrative regulations and procedures. The agency's current facility inspectors would inspect convention sites for health, sanitation, and licensure. The agency is unable to estimate interest in the charitable event permits, and therefore, is unable to estimate a fiscal effect of issuing the charitable event permits. The agency also states that enactment of HB 2125 could result in additional revenues of \$37,500 for its Cosmetology Fee Fund in FY 2024. This estimate was made using information on demonstration permits issued in Missouri where similar laws have been enacted. This estimate is based on five conventions with an issuance of 100 permits per convention, with each permit costing \$75 ($5 \times \$75 \times 100 = \$37,500$). The agency indicates that it would need to hire 1.00 FTE Senior Administrative Specialist position at a cost of \$40,000 from its Cosmetology Fee Fund. The agency indicates that the additional revenues generated under HB 2125 and its existing revenues would cover any additional expenditures, therefore no additional funding would be required.

The Kansas Judicial Branch indicates HB 2125 would make the Board's administrative actions subject to judicial review which would require filing of bonds and allowing the Board to bring court actions to enforce rules and regulations. These provisions of the bill would increase time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could result in the collection of additional docket fees that would be deposited into the State General Fund. The agency indicates that it is unable to estimate a fiscal effect. Any fiscal effect associated with HB 2125 is not reflected in *The FY 2024 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that HB 2125 would not have a fiscal effect.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Aubrie Pryer, Board of Cosmetology
Vicki Jacobsen, Judiciary
John Hedges, Office of the State Treasurer
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties