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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 158
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 158's Bill Analysis](#)

Version: As Passed by the Senate

Primary Sponsors: Reps. Roemer and M. Miller

Local Impact Statement Procedure Required: No

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Highlights

- The Ohio State Cosmetology and Barber Board could incur a loss of license revenue totaling \$18,000 over a biennial license period from the bill's provision replacing current barber school licenses (fee = \$1,000) with school licenses (fee = \$250). This aligns with the fee for a cosmetology school under current law.
- The bill enters Ohio as a party to the Cosmetology Licensure Compact. Although participation in the Compact could have effects on the revenue and expenditures of the State Cosmetology and Barber Board, there would be no immediate impact because the Compact is not yet in effect. Revenue and expenditures of the Board transact through the Occupational Licensing and Regulatory Fund (Fund 4K90).
- The Secretary of State may incur a slight uptick in administrative costs to appoint and commission hospital police officers at certain for-profit hospitals.

Detailed Analysis

The bill amends a number of provisions in the Barber Law to resemble current law under the Cosmetology Law or that codify existing practices of the Ohio State Cosmetology and Barber Board. In general, these changes have little or no fiscal effect on the Board's operations. There are, however, certain provisions that have some minor fiscal effects. The first of these provisions is one that eliminates the barber school and school of cosmetology licenses issued under current law and replaces them with a single school license. As a result, the Board could suffer a loss of license revenue of up to \$18,000 per biennial license period. Additionally, the bill modifies the penalties for specified violations of the Cosmetology Law by eliminating criminal penalties and imposing civil penalties. This change could result in a slight increase in fine revenue collected by the Board.

A more thorough discussion of the fiscal effects of changes regarding school licenses and criminal penalties is provided below. Also provided below is a brief discussion of changes to other fees and disciplinary actions that could appear to have a significant fiscal effect but that likely have little or no fiscal consequence. Details concerning the remaining changes made by the bill that appear to have little or no fiscal effect can be found in the [LSC bill analysis](#) which is available on the General Assembly's website: legislature.ohio.gov.

School licenses

The bill eliminates the separate licenses issued for barber schools and schools of cosmetology and instead creates a single school license for both types of entities. Under the bill, the fee for a school license is set at \$250, the same amount as a school of cosmetology license in current law and \$750 less than the current law fee of \$1,000 for a barber school license. As of June 30, 2022, there were 24 licensed barber schools throughout the state. As such, the Board could incur license revenue loss totaling \$18,000 ($\750×24) over the biennial renewal period for these licenses. License revenue is deposited to the credit of the Occupational Licensing and Regulatory Fund (Fund 4K90).

Criminal penalties

The bill eliminates criminal penalties for specified violations of the Cosmetology Law, generally regarding practicing cosmetology without a license or using fraud or deceit to obtain a license. Under the bill, penalties for these types of violations are punishable by a fine of at least \$100 but not more than \$500 for a first offense and a fine of at least \$500 but not more than \$1,000 for each subsequent offense. Because the Board has not pursued criminal prosecutions in these types of cases in the last several years, removing these criminal penalties is unlikely to have any effect on fine revenue retained by the counties. Under the civil fine structure in the bill, however, there could be a slight increase in fine revenue deposited to the credit of Fund 4K90.

Disciplinary actions

The bill specifies a number of reasons the Board may take disciplinary actions against a person for violation of the Barber Law, many of which are similar to the reasons under current law. Under continuing law, the Board may impose fines as disciplinary action; however, the bill modifies the fine structures that may be imposed. Under current law the Board may impose a maximum fine of \$500 for a first offense or a maximum fine of \$1,000 for each subsequent offense. Instead, the bill allows the Board to impose the following fines against a violator: (1) if the violator had not previously been fined for an offense resulting from an inspection, not more than \$250 and not more than \$100 for each additional violation during the inspection, and (2) if the violator had been fined for the same offense once before, not more than \$500 and not more than \$200 for each additional violation during a second inspection. Although this could result in a change to the amount of fine revenue collected by the Board, according to the Board these changes are unlikely to have any fiscal effect. This is because the Board currently imposes fines more similar to the amounts allowed under the bill. In FY 2022, the Board collected approximately \$220,000 in revenue from fines and settlements for violations under both the Cosmetology and Barber laws. Fines and settlements are deposited into Fund 4K90.

Fees

The bill requires the Board to review fees charged under the Barber Law biennially, and make adjustments as needed to provide sufficient revenues to meet its expenses within the statutory limits established by the bill. The Board is required to do this currently for fees established under the Cosmetology Law. The bill specifies that the statutory fees are maximum amounts the Board may impose for licenses and permits under the Barber Law. It also establishes fees of not more than \$100 for an application to take the barber examination by an applicant who has previously applied to take but failed to appear for the examination, of not more than \$150 for the issuance or renewal of a biennial assistant barber instructor license, and of not more than \$15 for a temporary pre-examination work permit. The bill also eliminates fees of \$750 for the inspection of premises for location or relocation of a barber school and \$40 for the issuance of a student registration. Because only a small number of licenses and permits are issued that are affected by these changes, license revenue collected by the Board will be affected only by a negligible amount.

Cosmetology Licensure Compact

The bill enters Ohio as a party to the Cosmetology Licensure Compact, an agreement between member states to improve public access to and safety of cosmetology services, and reduce barriers to licensure, by permitting eligible cosmetologists to work in multiple states. Participation in the Compact could have effects on the revenue and expenditures of the State Cosmetology and Barber Board. However, there would be no immediate fiscal effect. The Compact does not go into effect until it is enacted by at least seven member states. According to the Council of State Governments (CSG), as of May 2024, five states – Alabama, Arizona, Kentucky, Maryland, and Virginia – have enacted the Compact. Legislation to enter the Compact is pending in California, Colorado, New York, Pennsylvania, and Tennessee.

Multistate licensure

The main tenet of the Compact appears to be the provision of multistate licensure. Participation in the Compact would require Ohio to recognize multistate cosmetology licenses issued by other participating states. Likewise, Ohio cosmetologists that hold a multistate license issued in Ohio would be able to practice cosmetology in other states that are party to the Compact. The Compact allows a member state to charge a fee for a multistate license; however, the fee amount is not specified under the Compact.

Administrative functions

Participation in the Compact would require the Board to perform certain administrative functions, many of which the Board already undertakes. However, data reporting and information sharing requirements under the Compact could add to costs paid by the Board. Additionally, the Board could incur additional costs to delegate a member to the Cosmetology Licensure Compact Commission (the Compact's governing body) and to pay Ohio's share of the Commission's operating expenses. Because the Compact is not yet effective the costs are indeterminate. Any increased costs incurred by the Board, however, could be at least partially offset by fees for multistate cosmetology licenses discussed above.

Minimum passing scores for barber examination

The bill specifies that the minimum passing score for the barber examination specified in rules adopted by the Board cannot exceed 75%. Current law sets the passing score to at least 75%. If this change results in additional applicants receiving barber licenses, Board license revenue would increase. Any increase would depend on the number of additional licenses issued.

For-profit hospitals – police officers

The bill extends the Secretary of State's authority to appoint and commission police officers for certain hospitals to include for-profit hospitals that meet criteria specified by the bill. The Secretary of State may incur an uptick in administrative costs as a result of increased appointments. To be eligible for police officer commissions under the bill, a for-profit hospital, before converting to for-profit status, must have been operated by a nonprofit hospital agency that employed police officers appointed by the Secretary of State. It is unclear how many hospitals would be eligible under this provision.