



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 703 (as introduced 2-1-24)
Senate Bill 1081 (as introduced 11-7-24)
Sponsor: Senator Sam Singh
Committee: Regulatory Affairs

Date Completed: 12-5-24

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 existing application and license fees for cosmetologists and similar professions, raise the annual license fee for a cosmetology establishment or school, and prescribe new application and license fees for a secondary cosmetology school.

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

Senate Bill 703

The bill would add Section 1205 to the Occupation Code to allow a person that held a license to operate a school of cosmetology to operate one or more additional facilities to teach cosmetology services that were separate from the original premises if the following requirements were met:

- An application was submitted to the Department of Licensing and Regulatory Affairs (LARA) by the owner or manager of the school.
- The application included a statement of how the facility would be used, the address of the premises of the facility, and a current, detailed floor plan of the proposed premises that included 1) the arrangement of the classroom, 2) the placement of equipment, and 3) the location of the premises' entrances and exits.
- The facility met all requirements for a cosmetology school; however, the facility could not offer cosmetology services to the public and could not contain equipment that could be used to perform cosmetology services on the public, including hair-drying chairs, hydraulic styling chairs, or hair-styling stations.
- Provisions had been made for the daily supervision of the facility by a licensed cosmetology instructor who had at least three years' experience in all services of cosmetology that were taught in the facility.
- The facility was approved by LARA.

The owner or manager of a school that operated a facility approved by LARA would have to always display a copy of the school of cosmetology license and the license of each instructor who worked at the facility in a prominent place in the facility that was visible to the public.

Senate Bill 1081

The State Licensing Fee Act prescribes fees for the regulation and enforcement of certain occupations and professions. This includes the following fees, among others, for a person licensed or seeking licensure as a cosmetologist, manicurist, natural hair culturist, esthetician, electrologist, or instructor or a person licensed or seeking licensure to operate a cosmetology establishment or school of cosmetology, seeking a student registration or transfer, or seeking a permit to conduct an apprenticeship program:

- The application processing fee for a cosmetologist, manicurist, natural hair culturist, esthetician, electrologist, or instructor paid before September 30, 2027, is \$15.
- The application processing fee for a cosmetologist, manicurist, natural hair culturist, esthetician, electrologist, or instructor paid after September 30, 2027, is \$10.
- The annual license fee for a cosmetologist, manicurist, natural hair culturist, esthetician, electrologist, or instructor paid before September 30, 2027, is \$24.
- The annual license fee for a cosmetologist, manicurist, natural hair culturist, esthetician, electrologist, or instructor paid after September 30, 2027, is \$12.
- The student registration or transfer fee paid before September 30, 2027, is \$15.
- The student registration or transfer fee paid after September 30, 2027, is \$5.

The bill would delete these fees and instead would prescribe the following:

- 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.

At the beginning of each fiscal year, LARA could increase the fees collected by a percentage amount equal to at most the average percentage wage and salary increase granted for that fiscal year to classified civil service employees employed by LARA. If LARA increased fees, the increase would be effective for that fiscal year, and LARA would have to use the increased fees as the basis for calculating fee increases in subsequent fiscal years.

By August 1 of each year, LARA would have to provide to the Director of the Department of Management and Budget and the chairpersons of the Appropriations committees of the Senate and House of representatives a complete schedule of fees to be collected from individuals seeking licensure as cosmetologists, manicurists, natural hair culturists, estheticians, electrologists, or instructors or individuals licensed or seeking licensure to operate a cosmetology establishment, school of cosmetology, secondary school facility, seeking a student registration or transfer, or seeking a permit to conduct an apprenticeship program for the following fiscal year.

Currently, the Act allows LARA to charge a fee for the publication and distribution of the Public Act from which a board's authority is derived and the rules promulgated under that Act. The

fee is the cost of publication or \$2, whichever is greater. The bill would remove the option for the \$2 fee.

Proposed MCL 339.1205b (S.B. 703)
MCL 338.2209 and 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.

Analyst: Nathan Leaman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.