



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 542
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 542's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Roemer and Sobecki

Local Impact Statement Procedure Required: No

Tom Wert, Senior Budget Analyst

Highlights

- The Ohio State Cosmetology and Barber Board could incur a loss of license revenue totaling \$13,500 over a biennial license period from the bill's provision replacing barber school licenses (fee = \$1,000) with school licenses (fee = \$250).
- Municipal and county courts could incur a slight uptick in caseloads to prosecute specified violations of the Barber Law.

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 \$13,500 per biennial license period. Additionally, the bill modifies the penalties for specified violations of the Barber Law by eliminating civil penalties and imposing criminal penalties. This change could result in a slight decrease in fine revenue collected by the Board and a slight uptick in caseloads for municipal and county courts.

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 March 7, 2022, there were 18 licensed barber schools throughout the state. As such, the Board could incur license revenue loss totaling \$13,500 (\$750 x 18) 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 civil penalties for specified violations of the Barber Law, generally regarding practicing barbering without a license or using fraud or deceit to obtain a license. Under current law, 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. Fines collected for these civil penalties are deposited to the credit of the Occupational Licensing and Regulatory Fund (Fund 4K90). Under the bill, violations of this type are considered a fourth degree misdemeanor for a first offense and a third degree misdemeanor for each subsequent offense. Misdemeanor offenses of state law are prosecuted in municipal or county courts for the jurisdictions wherein a violation has occurred. Although these courts could incur an increase in caseloads to prosecute these violations any increase would likely be small. Fourth degree misdemeanors are punishable by fines of up to \$250 and not more than 30 days in jail or up to \$500 and not more than 60 days in jail for third degree misdemeanors, although jail time for these offenses seems an unlikely outcome. Fines imposed on misdemeanor violations of state law are retained by the county in which the violation occurred.

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 2021, the Board collected approximately \$109,000 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, 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 only be affected by a negligible amount.