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FISCAL NOTE (Form 3)  
(Office of Fiscal Analysis)  
Analyst: EG/LV 3/26/92  
cz  
Version:

BILL NUMBER: HB 5737  
FILE NUMBER:  
AMENDMENTS:

TITLE: "AN ACT REQUIRING THE LICENSURE OF BARBERSHOPS AND HAIRDRESSING SALONS"

FAVORABLY REPORTED BY General Law

EFFECTIVE DATE: 10/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER HB 5737

STATE IMPACT Revenue Gain, Costs, see below  
MUNICIPAL IMPACT None  
STATE AGENCY(S) Department of Health Services

	Current FY	1992-93	1993-94
State Cost (savings)	:	: \$287,948	: \$383,930
St Revenue (loss)	:	: \$572,500	: \$727,500
Net St Cost (savings)	:	:	:
Municipal Impact	:	:	:

EXPLANATION OF ESTIMATES:

Passage of this bill would result in estimated additional revenues to the State of \$572,500 and a cost to the Department of Health Services of \$303,930. It is estimated that there are 3,000 barber and hairdressing shops operating in Connecticut. Therefore, passage of this bill would result in additional revenue collections as follows: \$225,000 would be collected from the license issuance fees (i.e., \$75 x 3,000), \$7,500 would be collected from change of location inspection fees (i.e., \$75 x 100) and \$100,000 would be collected from the salon manager's license fees (i.e., \$25 x 4,000). Additional revenue resulting from increased annual renewal fees of registered hairdresser and cosmetician licenses (i.e., from \$5 to \$15) would be \$240,000 (\$10 x 24,000). Additional revenues resulting from increased fees for issuance of duplicate licenses (i.e., from \$2 to \$5) can not be determined since it can not be estimated how many requests will be received for these duplicates

It should be noted that there are no provisions for renewal of the licenses of salon managers; therefore, the fees of \$100,000 from the licensure of salon managers would represent one-time revenues that would not recur beyond FY 92-93. Furthermore, no annual renewal or annual inspection fees for salons would be collected until FY 93-94, as salons would first be subject to license renewal and reinspection on December 31, 1992. In FY 93-94, these fees from annual renewal and annual inspections of salons would be \$180,000 (i.e., 60 x 3,000) and \$75,000 (i.e., 25 x 3,000), respectively.

Passage of this bill would result in a cost to the Department of Health Services of approximately \$287,948 in FY 92-93, and \$383,930 annually in subsequent years. Twelve new positions would have to be established within DOHS to handle the new licensing programs and the inspection program at an FY 92-93 cost of \$249,285 and an annual cost of \$332,380 in subsequent years and other expenses would be incurred at an FY 92-93 cost of \$38,663 and an annual cost of \$51,550 in subsequent years.