

COSMETOLOGY SECONDARY SCHOOL FACILITIES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5403 (H-1) as reported from committee

Sponsor: Rep. Cynthia Neeley

Committee: Regulatory Reform

Complete to 12-13-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5403 would amend the Occupational Code to allow a person licensed to operate a cosmetology school to operate a ***secondary school facility*** to teach cosmetology services that are separate from the premises of the cosmetology school. The Department of Licensing and Regulatory Affairs (LARA) would have to grant a secondary school facility license if all the following requirements are met:

- An application is submitted for approval to LARA by the owner or manager of the secondary school facility.
- The application includes a statement of how the secondary school facility will be used, the address of the premises of the facility, and a current, detailed floor plan of the proposed premises that includes at least all of the following:
 - The arrangement of the classroom.
 - The placement of equipment.
 - The location of entrances and exits of the premises.
- The secondary school facility meets all requirements for a cosmetology school under the code, except that the facility could not offer cosmetology services to the public or contain equipment that may be used to perform cosmetology services on the public, including hair-drying chairs, hydraulic styling chairs, or hair-styling stations.
- All cosmetology services training at the secondary school facility is provided by a licensed cosmetology instructor who has at least three years' experience in all the cosmetology services taught there.
- The facility is inspected and approved by LARA.

Secondary school facility would mean a school that teaches cosmetology in a classroom setting and meets all of the following requirements:

- It is associated with a school of cosmetology.
- It is operated by the person that holds the license for the associated school of cosmetology.
- It is located at a premises that is separate from the associated school.

The owner or manager of a secondary school facility would, at all times, have to display a copy of the secondary school facility license and the license of each instructor who works at the facility in a prominent place in the facility that is visible to the public.

Inspections

The bill would require LARA to regularly inspect each secondary school facility to determine whether the licensee is conforming to the bill and any rules promulgated under it.

Sale or transfer

A secondary school facility license would be considered void if there is a sale, other transfer, or changed in location of the facility or ownership of the facility. In order to obtain another license, a new application would need to be submitted.

Rules

The bill would require LARA to promulgate rules to implement it, in consultation with the Board of Cosmetology, within 18 months of the bill's effective date.

The bill is tie-barred to Senate Bill 1081, which would set fees for secondary school facility licenses among other provisions, and would not take effect unless both bills are enacted.

Proposed MCL 339.1205b

BRIEF DISCUSSION:

Supporters of the bill testified that it would benefit the state by increasing access to cosmetology schools by allowing the operation of secondary branches without the added bureaucratic and financial barriers presented by operating a separate business.

FISCAL IMPACT:

House Bill 5403 would have an indeterminate net fiscal impact on the Department of Licensing and Regulatory Affairs (LARA). The bill would allow licensed cosmetology schools to acquire licenses for and operate secondary school facilities, where cosmetology would be taught in a classroom setting. Under the bill, LARA would be required to issue secondary school facility licenses and to approve and regularly inspect secondary school facilities. The department would also be required to promulgate rules to implement the provisions of the bill. The department would likely incur costs associated with these activities, but the magnitude of that cost is indeterminate and would largely depend on the volume of licenses issued pursuant to the bill.

While the bill does not directly provide any additional revenue to LARA, the bill is tie-barred to Senate Bill 1081, which would allow LARA to assess an application processing fee of \$100 and an annual licensing fee of \$200 for each secondary school facility. Senate Bill 1081 would also make other changes to fees associated with cosmetology licenses. It is currently unknown how much revenue would be realized from licensure fees on secondary school facility licensees, since the revenue would depend on the number of licensees.

The bill would not affect any other units of state or local government.

POSITIONS:

The following entities indicated support for the bills (12-10-24):

- Department of Licensing and Regulatory Affairs
- Douglas J Aveda Institute
- Michigan Association of Beauty Professionals
- Michigan College of Beauty
- L'esprit Academy

Legislative Analyst: Alex Stegbauer
Fiscal Analyst: Una Jakupovic

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.