



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0515.01: Enacting the cosmetology licensure compact

Primary Sponsor: Willis Curdy Status: As Introduced

☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☒ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
State Special Revenue (02)	\$13,080	\$0	\$0	\$0
Revenues				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 515 adopts the cosmetology licensure compact. It provides for a multistate license for cosmetologists and requires criminal background checks for multistate licensure. The fiscal impact of this legislation is due to the initial IT setup costs.

FISCAL ANALYSIS

Assumptions

Department of Labor and Industry (DLI)

1. Configuration of a data system for the licensing board is required to facilitate the sharing of data with the Compact Commission's data system to comply with the terms of the compact and will be an expense to the board. While the Compact Commission is entitled to charge DLI for their programming costs, DLI would not have a basis to charge the commission for its data system programming costs.
2. The Technology Services Division (TSD) of DLI estimates that it will spend 109 hours to complete the technology implementation for the cosmetology licensure compact. This estimate includes work to complete an analysis, design, develop, script and test. The licensing board will be billed at a rate of \$120 per hour for a total expense of \$13,080 of state special revenue funds.
3. License applicants will bear the cost of providing a fingerprint and background check as part of the documentation for their license application. The administrative work to process the background checks can be covered by current resources within the department.

Fiscal Analysis Table

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$13,080	\$0	\$0	\$0
TOTAL Expenditures	\$13,080	\$0	\$0	\$0
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$13,080	\$0	\$0	\$0
TOTAL Funding of Expenditures	\$13,080	\$0	\$0	\$0
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	(\$13,080)	\$0	\$0	\$0

Technical Concerns

1. The compact does not establish standards for education and training requirements. Licensees in other states that may have lower requirements than those statutorily establish in Montana, 37-31-304, MCA, would be permitted to practice in Montana under the compact when they would not be eligible for licensure in Montana.

NO SPONSOR SIGNATURE

3/3

Sponsor's Initials

Date



Budget Director's Initials

3/3/2025

Date