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FISCAL IMPACT REPORT

SPONSOR SPAC **ORIGINAL DATE** 02/22/15
LAST UPDATED 03/19/15 **HB** _____
SHORT TITLE Board Of Body Art Practitioners **SB** 275/SPACS/aSFI#1
ANALYST Cerny/Elkins

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	\$107.4	\$107.4	Recurring	Body Art Practitioner Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		(\$176.0)	(\$17.0)	(\$193.0)	Recurring	Barbers & Cosmetologist Fund
		\$176.0	\$176.0	\$352.0	Recurring	Body Art Practitioner Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of SFI Amendment #1

Senate Floor Amendment #1 to Senate Bill 275 changes the word “seven” to “five” on page 11, line 3, so that the number of members on the Board of Body Art Practitioners is consistent with lines 10-15 on the same page. This is a drafting correction.

Synopsis of Bill

Senate Bill 275 as substituted by the Senate Public Affairs Committee would amend both the Barber and Cosmetologists Act (Sections 61-17A-1 through 61-17A-2, NMSA 1978) and the

Body Art Safe Practice Act (Sections 61-17B-1 through 17-14B).

The amendments to the Barber and Cosmetologists Act consist of removing the body art members from the current Barber and Cosmetologists Board and removing any reference to the Body Art Safe Practices Act. The size of the Barber and Cosmetologists Board is decreased from the current nine to seven members with the two body artists removed.

The amendments to the Body Art Safe Practices Act require operators to obtain a body art operator license and define requirements for renewal and restoration of an expired license.

The bill adds new sections to the Body Art Safe Practices Act that do the following:

- Create a new seven member Board of Body Art Practitioners; separating it from the Barbers and Cosmetology Board (both boards would be under the Regulation and Licensing Department (RLD));
- Define the powers and duties of the new board to include rule promulgation, establish fees and standards, issue cease and desist orders for violations;
- Create a Body Art Practitioner Fund;
- Provide a sunset date of July 1, 2021;
- Add a temporary provision transferring appropriation, supplies, property, equipment, personnel, and money from the Board of Barber and Cosmetologist to the Board of Body Art Safe Practitioners.

The bill repeals Sections 61-7B-12 NMSA 1978, relating to deposits into the Barbers and Cosmetologists Fund from license fees and penalties from the Body Art Safe Practices Act. It also repeals Section 61-17B-14, NMSA 1978 relating to promulgation of rules. This section is outdated.

Effective date of the bill is July 1, 2015.

FISCAL IMPLICATIONS

The bill carries no appropriation. “Making an appropriation” in the title refers to the fact that a new fund is being created.

This bill creates a new fund, the Body Art Practitioner Fund, and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

As there is no appropriation, funding would need to be transferred from the Barber and Cosmetology Appropriation. In future fiscal years, the Board of Barbers and Cosmetologists would see a reduction of \$17 thousand from their operating budget since the board would no longer be charged with licensing and regulating body art practitioners.

The Body Art Safe Practices Act did not include a new FTE for RLD when it was established, therefore no RLD FTE would be assigned to the new board. RLD analysis suggests that new FTEs needed would be a board administrator and a licensing clerk; an inspector could be shared

at .77 FTE. This would amount to \$176.0 in recurring additional operating expense.

With the current number of body art licensees, the new Board would need to raise fees in order to be self-sustaining. Current revenues are \$ 107.4 thousand. Fees would need to be increased by \$ 68.6 thousand to cover the \$ 176.0 thousand in additional operating expense.

SIGNIFICANT ISSUES

Prior RLD analysis states:

The diversity of the Barbers and Cosmetology Board and the Body Art Safe Practices Act has made it challenging for the Board to conduct business, as there is minimal correlation amongst the trades.

ADMINISTRATIVE IMPLICATIONS

RLD would require additional staff to administer a new board. Required will be one board administrator, one license clerk and a shared inspector.

AMENDMENTS

RLD recommends the bill reduce the number of proposed Body Art Board members from seven to five; to include two operators, two body artists and one public member.

CAC/je/bb