
Detailed Fiscal Analysis

State Boards of Barber Examiners and of Cosmetology

Although this bill will prohibit the practice of an individual leasing space in a barber shop or beauty salon to an individual licensed by either the Board of Barber Examiners or the Board of Cosmetology, LBO projects minimal fiscal impact on either board. According to the Barber Board, a significant number of licensed barbers currently lease space from a licensed shop owner. The Cosmetology Board conservatively estimates that of its 11,000 licensed beauty salons, 300 to 500 are booth rentals.

Under current law, a licensed barber or cosmetologist who leases space in a licensed shop or salon is required to pay the store license fee. In the eyes of the board, the space that an individual leases within a licensed shop is considered a “shop within a shop,” and falls under the same guidelines as the shop within which the leased space is located. Ohio Administrative Code sections 4709-7-11 for the Barber Board and 4713-13-02 for the Cosmetology Board outline the rules for booth rentals. The following chart illustrates the fees charged for an initial and for a renewal shop license:

Category	Barber Board	Cosmetology Board
Initial License	\$75	\$50
Biennial Renewal License	\$50	\$40

The changes proscribed in this bill would have a minimal to slight fiscal impact to the boards’ revenues if they no longer collected the initial license and renewal fees from the booth renters.

Violations

The bill creates several levels of misdemeanor offenses for licensed barbers, cosmetologists, or shop owners who violate the provisions of this bill. A first offense constitutes a fourth degree misdemeanor while each subsequent offense will be a third degree misdemeanor. The following table summarizes the penalties and sentencing for misdemeanors:

Misdemeanors: Sentencing & Penalties			
Offense Level	Maximum Sentence	Personal Fine	Organizational Fine
Misdemeanor – 1 st Degree	6 months	Up to \$1,000	Up to \$5,000
Misdemeanor – 2 nd Degree	90 days	Up to \$750	Up to \$4,000
Misdemeanor – 3 rd Degree	60 days	Up to \$500	Up to \$3,000
Misdemeanor – 4 th Degree	30 days	Up to \$250	Up to \$2,000
Minor Misdemeanor	No incarceration	Up to \$100	Up to \$1,000

State GRF and Reparations Fund

When an individual is convicted of or pleads guilty to a misdemeanor offense, the court generally is required to collect an additional \$11 in court costs and then pay it into the state's GRF. Although never referred to expressly in any of its enactments, the General Assembly intended that these moneys were to be used to assist public defender offices. Additionally, if an individual is convicted of or pleads guilty to a misdemeanor offense, the court generally is required to collect an additional \$9 in court costs and then pay it into the Reparations Fund, a.k.a., Victims of Crime Fund. Assuming that there will be few additional criminal cases created as a result of the bill, then the amount of additional revenue generated for the GRF and the Reparations Fund will be extremely small.

Local Revenue and Expenditures

Additional court costs and fine revenue may be generated for counties and municipalities, but as there most likely will be few additional criminal cases created by the bill, the amount of revenue to be generated should be extremely small. Court costs collected in most municipal courts generally must be paid into the treasury of the municipal corporation in which the municipal court is located. However, in the case of county-operated municipal courts, court costs generally must be paid into the county's treasury. Court costs collected in a county court must be paid into the county treasury. On the expenditure side, counties will bear the cost of prosecution in these cases.

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