

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date July 14, 2020
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Cos 1 to 11	
4. Subject Licensure and practice outside of a licensed establishment	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected 20.165(1)(g0)
7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses <b>(if checked, complete Attachment A)</b>	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule These rules are necessary to implement recent legislative changes to the licensing and practice requirements of the professions regulated by the Cosmetology Examining Board, including the elimination of continuing education and the creation of rules allowing practice outside of a licensed establishment. The rules will also revise the sanitation and safety rules administered by the board to take into account practice outside of a licensed establishment and for greater clarity to stakeholders.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The rule draft was posted on the department's website for 14 days to solicit economic impact comments. No comments were received.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. The department posted the rule draft on its website for 14 days to solicit economic impact comments from local governmental units. No comments were received.	
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) None.	
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefits of implementing the rule will be to implement the statutory directive to promulgate rules allowing practice outside of an establishment, as well as to provide greater clarity to stakeholders by ensuring the board's rules are not in conflict with current statutory requirements.	
16. Long Range Implications of Implementing the Rule The long range implications of implementing the rule will be to provide guidance relating to practice outside of an establishment as required by statute and to provide stakeholders with administrative rules that accurately reflect and complement state statutes.	
17. Compare With Approaches Being Used by Federal Government	

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None.

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18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois:

Illinois requires 14 hours of continuing education before renewing a cosmetology license and 10 hours to renew either a nail technician or an esthetician license (225 ILCS 410/3-7, 410/3A-6, and 410/3C-8). Illinois also offers separate cosmetology, nail technician, and esthetician instructor licenses (225 ILCS 410/3-4, 410/3A-3, and 410/3C-3).

Mobile establishments are permissible so long as the salon owner/operator registers with the state (225 ILCS 410/3D-5). It does not appear that a separate license is required to manage an establishment, however, if the owner is not a licensee they must employ a licensed practitioner to operate the establishment (225 ILCS 410/3D-5 (b)). Administrative rules do require practitioners to maintain supplies of disinfectants and other sanitary standards. There do not appear to be sanitary standards specific to mobile salons, nor a ban on the use of pumice, credo razors or chemical processes (68 Ill. Admin. Code § 1175.115).

Illinois state law does have a process allowing for expedited issuance of reciprocal credentials for active service members, their spouses, and those who were discharged from the service within the last two years. An applicant must show that they have a credential in good standing in another jurisdiction that is substantially equivalent to the Illinois credential sought, and must submit all required fees and application documents. The credential must be issued within 60 days of receipt of a completed application (20 ILCS 5/5-715). These requirements are essentially identical to the regular Illinois reciprocity application requirements found in the administrative rules, except a typical application is not expedited (68 IL. Admin. Code § 1175.420).

Iowa: Iowa does not allow the practice of any of the professions regulated by the cosmetology board outside of a licensed salon or school, unless the client's physical or mental disability prevents the client from seeking services at a salon or school (IA Admin Code § 65.2 (33)). Professions regulated by the cosmetology board are required to complete 6 hours of continuing education each biennium (IA Admin Code § 64.2(2)). Iowa does prohibit the use of certain products or techniques, including but not limited to the use of animals or substances banned or determined to be hazardous by the FDA, however it does not specifically ban the use of pumice or credo razors (IA Admin Code § 63.18). Iowa law does require cosmetology arts instructors to be licensed both as practitioners and as instructors (IA Stats. § 157.8 (3) (c)). Iowa does not appear to require an establishment manager license to manage an establishment.

Reciprocal licenses may be granted by the board if the applicant has held their license in another state for at least 12 of the last 24 months, pays the required licensure fee, and passes either a state or national exam depending on when the individual completed cosmetology school (IA Admin Code § 60.7). Iowa requires the board to expedite reciprocal license applications for veterans as defined under Iowa law, as long as the board determines the individual is licensed in another jurisdiction and the requirements to obtain that license are substantially equivalent to the requirements to obtain the license in Iowa. If the requirements are not substantially equivalent, the applicant may receive a provisional license to allow practice while meeting remaining requirements for equivalency (IA Stats. § 272C.4 (12)).

Michigan: The state of Michigan requires 1,500 hours of training and a two-year apprenticeship for a cosmetology license with an additional 500 hours for an instructor license. Fewer training hours are required for estheticians, electrologists, and nail technicians (MI Admin. Code R338.2163c.). Michigan does not require continuing education for license renewal. Michigan does appear to allow the use of pumice stones, so long as they are used only on one client and discarded (MI Admin. Code R 338.2179c (c)). The practice of cosmetology board licensed professions outside of an establishment is prohibited unless it is performed on-site for a participant in an event, or is done in a nursing home, old-

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age home, adult foster care facility, or a hospital (MI Stats. § 339.1217). Michigan statute does require the cosmetology board to promulgate rules for mobile salons, however these do not appear to be in effect at this time.

Michigan law requires the board to issue a reciprocal credential if the applicant is at least 17, is of good moral character, has a license in good standing in another jurisdiction, and the requirements to obtain the license in the other jurisdiction are substantially equal to Michigan requirements (MI Stats. § 339.1211). Michigan law does allow for a temporary credential to be issued to active duty military and spouses if they hold a credential in good standing that allows for the practice of the profession they are seeking licensure for. This temporary credential is good for at least 6 months and can be extended if the person needs more time to meet licensing requirements (MI Stats. § 339.213).

Minnesota: Minnesota requires eight hours of continuing education in the three years prior to renewing a license, and must include one hour in state statutes and administrative rules relevant to their practice, three hours in OSHA standards applicable to cosmetology, and four hours combined in any of product chemistry and chemical interaction, proper use and maintenance of machines and instruments, business management, professional ethics, human relations, or techniques relevant to the type of license held (MN Stats. § 155A.271 (1)). Minnesota does not appear to have a special license for cosmetology school instructors.

Minnesota provides temporary certification for the practice of cosmetology for service members, their spouses, and service members discharged within the last two years. Applicants must show documentation of service member, discharged service member, or spouse of a service member or former service member status, evidence of licensure as a cosmetologist, esthetician, advanced practice esthetician, nail technician, eyelash technician, salon manager, school manager, or instructor in another state, and payment of application fees (MN Admin. Code § 2105.0184).

Generally, to obtain a permanent reciprocal license in Minnesota an applicant must show that they are at least 17 years old, have experience of 1,550 hours for a cosmetologist, 600 hours for an esthetician, 350 hours for a nail technician, and 38 hours for an eyelash technician. The applicant must present a certification from their state examining board confirming licensure that is no more than 90 days old, evidence of passage of board approved practical and theory examinations, evidence of passage of a Minnesota specific statutes and rules examination within the last year, and payment of all required fees (MN Admin. Code § 2105.0183).

A salon must employ a licensed salon manager. Practice is allowed outside of a licensed salon if the practitioner has obtained a “homebound” or “special services” license under MN Admin. Code § 2105.0410 (3). Mobile salons are licensed, and must meet the same facility, safety, infection control, and scope of services requirements as typical licensed establishments (MN Admin. Code § 2105.0395).

19. Contact Name Jon Derenne, Administrative Rules Coordinator	20. Contact Phone Number (608) 266-0955
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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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