

Legislative Analysis



ISSUANCE OF MOBILE BARBERSHOP PERMITS

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House Bills 4985 & 4986

Sponsor: Rep. Fred Durhal

Committee: Regulatory Reform

Complete to 2-20-12

A REVISED SUMMARY OF HOUSE BILL 4985 & 4986 AS INTRODUCED 9-15-11

House Bill 4985 would amend Article 11 the Occupational Code (MCL 339.110 et al) to require the Department of Licensing and Regulatory Affairs (LARA) to issue permits for *mobile* barbershops to applicants that submit completed applications for a barbershop license or are already licensed as barbershops. LARA could not issue a mobile permit to a person that has not applied for or does not currently hold a barbershop license.

"Mobile barbershop" would be defined to mean a barbershop located on or within a motor vehicle or motor home. The bill would expand the definition of "barbershop" to include mobile barbershops.

Under current law, a barber may provide services outside of a barbershop to a patient in a hospital, nursing home, home for the aged or a similar facility. In addition, a barber may provide service to an individual in that individual's home if it is impractical or unsafe for the patient or person to travel due to frailty, age, injury, or illness.

Under the bill, LARA would be required to promulgate rules setting standards for mobile barbershops that provide for rules as stringent as those for non-mobile barbershops regarding public health. Applicants would be required to submit documentation demonstrating compliance with the promulgated rules. LARA would not have to issue any mobile barbershop permits until 120 days after the rules are filed with the Secretary of State.

Additionally, the bill would clarify that the transfer of ownership or location of a non-mobile barbershop would automatically revoke its license, and a new license could not be issued unless the new owner has applied for a license and has satisfactorily passed an examination for sanitation and establishment standards. (This applies now to barbershops, and under the bill would apply to non-mobile barbershops; it is a technical amendment.)

House Bill 4986 would amend Section 17 of the State License Fee Act (MCL 338.2217), which contains fee schedules for persons licensed or seeking licensure as a barber, student barber, student instructor, barber instructor, or for a person operating a barbershop or barber college. The bill would add a new \$50 fee for a person seeking a permit for a *mobile* barbershop. This fee would appear to be in addition to application processing fees, examination fees, and license fees for barbers and barber shops.

House Bills 4985 and 4986 are tie-barred to each other, meaning neither can take effect unless both bills are signed into law.

FISCAL IMPACT:

HBs 4985 and 4985 would have a fiscal impact on the Department of Licensing and Regulatory Affairs in three direct ways: 1) expenses for the Bureau of Commercial Services to promulgate rules regulating the permitting of mobile barbershops, 2) expenses for the Bureau of Commercial Services to process permit applications and enforce mobile barbershop rules, and 3) revenue generated by the \$50 per mobile barbershop permit fee.

The direct costs for the Bureau of Commercial Services to file newly promulgated rules are approximately \$2,000 to advertise the public hearings and hire a court reporter to transcribe the hearing; this amount does not include staff time expended by the Bureau and the Office of Regulatory Reinvention to review and approve administrative rules.

Whether the \$50 per mobile barbershop permit fee is sufficient to cover the expenses of processing applications and enforcing rules is unknown; however, the \$50 dollar fee is substantially similar to the rate of other application, license, and permit fees collected to regulate the barbering profession. During fiscal year 2010-11, the Bureau expended a total of \$47,786 over and above the revenue generated from fees collected from the barbering profession to regulate the barbering profession.

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