

TITLE 816 BOARD OF BARBER EXAMINERS**Economic Impact Statement**

LSA Document #09-865

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**Estimated Number of Small Businesses Affected:**

| | | |
|--------------|-----------------|-------|
| NAICS 611511 | Barber Colleges | 16 |
| NAICS 812111 | Barber Shops | 1,528 |

The types of small businesses most likely to be affected by the proposed rule are barber schools and barber shops.

Estimated Administrative Costs Imposed on Small Businesses:

The proposed rules do not impose any new reporting, record keeping, or other administrative costs on small businesses.

Estimated Total Annual Economic Impact on Small Businesses:

The following figures are based upon the number of applications for licensure and renewal applications received in 2008*.

| Applications for licensure | Current application fee | Proposed application fee | Yearly revenue | Proposed revenue | Difference |
|----------------------------|-------------------------|--------------------------|----------------|------------------|------------|
| School (2) | \$300 | \$300 | \$600 | \$600 | \$0 |
| Shops (137) | \$40 | \$40 | \$5,480 | \$5,480 | \$0 |

| Applications for renewal | Current renewal | Proposed renewal fee | Yearly revenue | Proposed revenue | Difference |
|------------------------------------------------|-----------------|----------------------|----------------|------------------|------------|
| School*: Two year license (7 renewed in 2008) | \$300 | \$300 | \$2,100 | \$2,100 | \$0 |
| Shops: Four year license (151 renewed in 2008) | \$40 | \$40 | \$6,040 | \$6,040 | \$0 |

Justification of Requirements or Costs:

Pursuant to [IC 25-1-8-2](#), fees shall not be less than are required to pay all of the costs, both direct and indirect, of the operation of the barber board. In 2005, the General Assembly enacted SEA 139 (P.L.194-2005) to give the Indiana Professional Licensing Agency and the boards, commissions, and committees it serves the authority to set fees by rule that had previously been set by statute. The proposed rule changes will not increase or decrease the number of small businesses already affected by the current regulations.

Consideration of Alternative Methods of Achieving the Purpose of the Proposed Rule:

Since the rule provides no change in the amount of fees to be assessed to barber schools or barber shops, the consideration of alternate compliance or reporting requirements or other operational standards was not appropriate. There are no new reporting or record keeping requirements for small businesses as a result of the proposed rule.

Explanation of Determination:

The Board sought to set fees at the minimum levels needed in order to comply with [IC 25-1-8-2](#).

Supporting Data, Studies, or Analyses:

The agency used the following data (from 2008) in determining the fiscal impact of the rule: The board conducted a comparison of fees assessed in surrounding states. The following states were surveyed: Illinois, Iowa, Michigan, Minnesota, Ohio, and Wisconsin. The current application fee for barber schools in Indiana is \$300. This fee is not being amended. The average application fee in the surveyed states is \$338.66. The current renewal fee for Indiana barber schools is \$300 every two years. This fee is not being amended. The average annual renewal fee in the surveyed states is \$265.16 or \$530.32 every two years.

The current application fee for Indiana barber shops is \$40. This fee is not being amended. The average

application fee in the states surveyed is \$55.58. The renewal fee for each barber shop is \$40 every four years (\$10 per year). This fee is not being amended. The average yearly renewal fee in the states surveyed is \$40.41 or \$242.46 every four years.

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