

STATEMENT OF EMERGENCY

201 KAR 12:030E.

This emergency regulation is being promulgated under KRS 13.190(1)(a)1 to create compliance with SB 113 (R.S. 2022), which was signed into law by the General Assembly and the Governor in April of 2022 and becomes effective July 14, 2022. The implementation of SB 113 is imminent, and a regulatory schematic is necessary for compliance by the Kentucky Board of Cosmetology. This emergency administrative regulation shall be replaced by an identical ordinary administrative regulation.

ANDY BESHEAR, Governor

MARGARET MEREDITH, Board Chair

BOARDS AND COMMISSIONS

Board of Cosmetology (Emergency Amendment)

201 KAR 12:030E. Licensing, ~~permits,~~ and examinations.

RELATES TO: KRS 12.245, 317A.020, 317A.050, 317A.060, 317A.145

STATUTORY AUTHORITY: KRS 317A.060

NECESSITY, FUNCTION, AND CONFORMITY: KRS 317A.060 requires the board to promulgate administrative regulations governing licenses in cosmetology, esthetic practices, and nail technology, including the operation of schools and salons of cosmetology, esthetic practices, and nail technology. This administrative regulation establishes procedures for examinations and licensing.

Section 1. Fees. License ~~and permit~~ fees are set forth in 201 KAR 12:260.

Section 2. Changes. All changes to account information required for licensure shall be submitted to the board within thirty (30) days of occurrence including:

- (1) Legal name change;
- (2) Change of address;
- (3) Change of facility or employer;
- (4) Change of phone number;
- (5) Change of email address; and
- (6) Any other information as required by KRS 317A or 201 KAR Chapter 12 for licensure.

Section 3. Licensure Requirements. A license may be issued upon submission of the following:

- (1) All personal and facility licenses shall require an application for the following: an initial license, license renewal, license restoration, an out-of-state transfer certification, or to request examination. These applications are found on the board's Web page;
- (2) Diploma or certified testing documents proving 12th grade equivalency education for initial personal licensure or out-of-state transfers into Kentucky;
- (3) A copy of a government-issued photo identification;
- (4) Payment of the fee set forth 201 KAR 12:260;
- (5) Resolution of any legal action associated with a prior disciplinary action as described in KRS 317A.145 if necessary;
- (6) A current two (2) by two (2) inch passport-style photo taken within the past six (6) months; and
- (7) Disclosure to the board of the current name and license number of the facility where the licensee is working.

Section 4. Prior Felony Convictions. An applicant for any license~~, permit,~~ or examination issued or conducted by the board convicted of a prior felony shall include with his or her application:

- (1) A signed letter of explanation from the applicant;
- (2) A certified copy of the judgment and sentence from the issuing court; and
- (3) A letter of good standing from the applicant's probation or parole officer, if currently on probation or parole.

Section 5. ~~Section 3.~~ Reciprocal Licensing.

(1) A license issued by another state ~~shall~~ may be considered comparable if the laws of that state require at a minimum:

- (a) 1,500 hours of curriculum for cosmetology;
- (b) 450 hours of curriculum for nail technology;

- (c) 750 hours of curriculum for esthetics;~~{or}~~
 - (d) 300 hours of curriculum for shampoo styling; or
 - (e) ~~{(d)}~~ 750 hours of curriculum for instructors.
- (2) An applicant licensed in another state may be licensed by reciprocity by submitting the Out of State Transfer Application and the following:
- (a) Digital certification showing proof of a passing score on a board-approved nationally recognized theory and practical exam;
 - (b) Current digital certification of the out of state license from the issuing state board showing a license in active and good standing;
 - ~~{(c)} [Diploma or certified testing documents proving 12th grade equivalency education;]~~
 - (c) ~~{(d)}~~ Payment of the applicable license and endorsement fees required by 201 KAR 12:260 unless a member of the United States Military, Reserves, or National Guard, or his or her spouse, or a veteran or the spouse of a veteran submitting the license fee ~~{a}~~ established in subsection (4)(d) of this section;
 - ~~{(e)} [A copy of the applicant's government-issued photo identification; and]~~
 - ~~{(f)} [A two (2) by two (2) inch passport photo of the applicant taken within the past six (6) months].]~~
- (3) An applicant from a state whose licensing requirements fail to meet subsection (1) of this section shall apply for a reciprocal license by submitting:
- (a) Documentation required by Section 3~~{subsection (2)}~~(a) through (g)~~{(f)}~~ of this administrative regulation~~{section}~~; and
 - (b) Payment of the applicable examination fees established in 201 KAR 12:260.
- (4) Pursuant to KRS 12.245, a member of the United States Military, Reserves, or National Guard, or his or her spouse, or a veteran or the spouse of a veteran shall apply for a reciprocal license by submitting:
- (a) All documents required by Section 3~~{subsection 2(a)}~~(b) through (g)~~{(f)}~~ of this ~~{section}~~administrative regulation;
 - (b) The Military Transfer Application;
 - (c) A document showing proof of service, sponsor's service, or discharge orders listing the applicant or an accompanying family member as a member of the United States Armed Services;~~{and}~~
 - ~~{(d)} [Payment of a twenty-five (25) dollar license fee.]~~
- (5) All requests for certification of hours or a license shall use the Certification Request Form accompanied by a copy of the applicant's government-issued photo identification and payment of the fee as set forth in 201 KAR 12:260. Certifications shall only be transmitted digitally to the reciprocal state agency.

Section 6. ~~{Section 4.}~~ Digital Forms. All applications and forms may be replicated and implemented by the board in an online format for processing, payment receipt, and license issuance. ~~{Permits.}~~

- ~~{(1)} [Any person who engages in the practice of threading, makeup artistry, or eyelash artistry shall first obtain a permit from the board by submitting a completed Permit Application and paying the fee established in 201 KAR 12:260.]~~
- ~~{(2)} [The applicant shall include with the Permit Application:]~~
 - ~~{(a)} [A copy of the applicant's government-issued photo identification;]~~
 - ~~{(b)} [A two (2) by two (2) inch passport photo of the applicant taken within the past six (6) months;]~~
 - ~~{(c)} [Proof of completion of a board-approved sanitation course within the (1) year period preceding the application; and]~~
 - ~~{(d)} [Proof of completion of a board-approved program, if applying for an eyelash artistry permit.]~~

Section 7. ~~[Section 5.]~~ Examination Registration.

- (1) Applicants shall register using a school enrollment as follows:
 - (a) A student of a licensed cosmetology school shall register with the board at least eight (8) months prior to graduation;
 - (b) A nail technician student shall register with the board at least seventy-five (75) ~~forty-five (45)]~~ days prior to graduation;~~[and]~~
 - (c) An esthetician student shall register with the board at least four (4) months prior to graduation; and
 - (d) A shampoo styling student shall register with the board at least fifty-three (53) days prior to graduation.
- (2) A completed Application for Examination or Out of State Application for Examination shall be received in the Board office no later than ten (10) business days prior to the examination date to be scheduled for either the theory test or the practical demonstration component of the exam. Each exam component shall be scheduled using a separate application and payment of the fee set forth in 201 KAR 12:260.
- ~~[(3)] [All examination applicants shall submit a two (2) by two (2) inch passport photo of the applicant taken within the past six (6) months.]~~
- ~~(3) [(4)]~~ Theory examination dates shall be valid for ninety (90) days from student notification.
- ~~(4) [(5)]~~ A passing score for the theory examination, proper application, and payment of fees shall be required prior to being scheduled for the practical examination.
- ~~(5) [(6)]~~ An applicant with curriculum hours obtained in another state shall include with the Out of State Application for Examination the following:
 - (a) Certification of curriculum hours from the state licensing board or agency where the hours were obtained, if the state requires the reporting of curriculum hours; or
 - (b) Certification of the valid licensing status of the school attended from the state board or licensing authority and an official transcript certified by the school.
- ~~(6) [(7)]~~ Examination applicants shall wear a full set of solid color medical scrubs and bring all instruments and supplies as listed on the board Web site for the practical examination. White colored scrubs or other clothing is prohibited.

Section 8. ~~[Section 6.]~~ Examination Components.

- (1) The examination shall consist of a theory test and a practical demonstration taken from the curriculum requirements specified in 201 KAR 12:082.
- (2) The practical demonstration shall be performed on a:
 - (a) Mannequin head and hand for the cosmetology practical examination;
 - (b) Mannequin head for the esthetician or shampoo styling~~[blow drying]~~ services practical examination; or
 - (c) Mannequin hand for the nail technician practical examination.
- (3) The applicant shall provide a mannequin head or hand as needed for an examination.

Section 9. ~~[Section 7.]~~ Grading.

- (1) A minimum passing grade of seventy (70) percent on the theory test and the practical demonstration shall be required for the cosmetologist, esthetician, shampoo styling, and nail technician examinations
- (2) A minimum passing grade of eighty (80) percent on the theory test and eighty-five (85) percent on the practical demonstration shall be required for all instructor examinations.
- (3) All passing exam scores shall be valid for six (6) months from completion.

Section 10. ~~[Section 8.]~~ Practice before Examination Prohibited. A student engaging in the practice of cosmetology, esthetic practices, shampoo styling, or nail technology beyond the scope of their registered school enrollment prior to the board examination shall be ineligible

to take the examination for a period of one (1) year from the date of the unauthorized practice.

Section 11. ~~[Section 9.]~~ License Application.

(1) An applicant who passes the examination shall have ninety (90) days following the examination to apply for a license by complying with all requirements in Section 3(a) through (g) of this administrative regulation.~~[submitting the License Application form and the following documentation:]~~

~~[(a)] [Diploma or certified testing documents proving 12th grade equivalency education;]~~

~~[(b)] [Payment of the applicable license fee required by 201 KAR 12:260;]~~

~~[(c)] [A copy of the applicant's government-issued photo identification; and]~~

~~[(d)] [A two (2) by two (2) inch passport photo of the applicant taken within the past six (6) months].]~~

(2) Failure to apply for a license as required by subsection (1) of this section shall require payment of the appropriate restoration and licensing fees set forth in 201 KAR 12:260 before a license may be issued.

~~[(3)] [An applicant may apply for an apprentice instructor license to be used for training in an approved program after one (1) year of professional licensing. Applicants shall submit the Apprentice Instructor License Application and provide the following documentation:]~~

~~[(a)] [Diploma or certified testing documents proving 12th grade equivalency education;]~~

~~[(b)] [Payment of the applicable license fee required by 201 KAR 12:260;]~~

~~[(c)] [A copy of the applicant's government-issued photo identification; and]~~

~~[(d)] [A two (2) by two (2) inch passport photo of the applicant taken within the past six (6) months].]~~

Section 12. ~~[Section 10.]~~ Retaking Examinations.

(1) Any applicant who fails either the theory test or the practical demonstration may retake that portion of the examination upon submitting a new Application for Examination with a two (2) by two (2) inch passport photo of the applicant taken within the preceding six (6) months, and paying the examination fee required by 201 KAR 12:260.

(a) After three (3) failed attempts, the examinee shall be required to wait six (6) months before retaking either portion of the examination. If the examinee does not receive a passing score ~~after~~on the third attempt, then the individual shall take an eighty (80) hour supplemental course in theory studies at a school licensed by the board prior to being eligible to retake the examination.

(b) Following the supplemental course, the examinee may attempt the examination two (2) additional times. If the examinee fails both attempts the examinee shall be prohibited from taking the examination within three (3) years from the date of the final failed attempt.

(2) An applicant caught cheating or impersonating another shall not be allowed to retake the examination for a minimum of one (1) year from the date of the original examination.

(3) Any applicant who fails to report for the examination on the date specified by the board shall submit a new examination application and examination fee prior to being rescheduled for examination. The board may waive the examination fee for good cause shown. "good cause" includes:

(a) An illness or medical condition of the applicant that prohibits the applicant from reporting for the examination; or

(b) A death, illness, or medical condition in the applicant's immediate family that prohibits the applicant from reporting for the examination.

(4) Documents and certificates submitted with an Application for Examination are valid for one (1) year following the date of submission after which time applicants shall submit updated documents and a new examination application.

Section 13. ~~[Section 11.]~~ Duplicate Licenses, Renewal, and Restoration.

(1) If a license is lost, destroyed, or stolen after issuance, a duplicate license may be issued. The licensee shall submit a statement verifying the loss of the license using the Duplicate License Application that includes a copy of a government-issued photo identification, and pay the duplicate license fee listed in 201 KAR 12:260. Each duplicate license shall be marked "duplicate".

(2) The annual license renewal period is July 1 through July 31. All licenses ~~and permits~~ shall renew by providing the required items in Section 3(a) through (g) of this administrative regulation. ~~[:]~~

- ~~[(a)] [Be renewed using the Renewal Application or by using the board's online portal;]~~
- ~~[(b)] [Include the required copy of a government-issued photo identification;]~~
- ~~[(c)] [Include payment of the fee set forth 201 KAR 12:260; and]~~
- ~~[(d)] [Include payment of any outstanding fines associated with a prior disciplinary action as described in KRS 317A.145.]~~

(3) To restore an expired license ~~or permit~~, a Restoration Application shall be submitted to the board with payment of the restoration fee as set forth in 201 KAR 12:260 for each year the license has been expired, the total of which shall not exceed \$300 per license restored and by providing the required items in Section 3(a) through (g) of this administrative regulation. ~~[, along with the following:]~~

- ~~[(a)] [For an expired individual license or permit, a copy of a government-issued photo identification;]~~
- ~~(a).~~ ~~[(b)]~~ For an expired salon license or limited facility permit, a new Salon Application or Limited Facility ~~[Permit]~~ Application; or
- ~~(b).~~ ~~[(c)]~~ For an expired school license, a new School Application.

Section 14. ~~[Section 12.]~~ Salon and Limited Facility Applications.

(1) Each person, firm, or corporation applying for a license to operate a new or relocating beauty salon, nail salon, esthetic salon, or limited facility shall submit the Salon Application or Limited Facility ~~[Permit]~~ Application, provide the required items in Section 3(a) through (f) of this administrative regulation, ~~[with required copies of state identification and driver's licenses, pay the applicable fee set forth in 201 KAR 12:260,]~~ and request an inspection by the board inspector in writing a minimum of five (5) business days prior to opening for business.

(2) A new or relocating salon or limited facility shall comply with all applicable city, county, state, zoning, building, and plumbing laws, administrative regulations, and codes.

(3) A salon or facility may be located on the premises of a nursing home or assisted living facility if the salon or facility meets all requirements of this section.

(4) Any salon or facility located in a residence shall have a separate outside entrance for business purposes only. This subsection shall not apply to a nursing home or an assisted living facility if the home or facility has obtained a salon license from the board.

(5) A salon or limited facility shall not open for business prior to issuance of its license ~~or permit~~.

(6) Each salon shall maintain a board licensed manager properly licensed in the services the salon provides at all times.

(7) Salon and limited ~~[beauty salon licenses and]~~ facility licenses ~~[permits]~~ shall only be mailed to ~~a [the]~~ Kentucky mailing address. ~~[on the application.]~~

Section 15. ~~[Section 13.]~~ Change in Salon Ownership or Transfer of Interest.

- (1) The owners, firm, or corporation operating a licensed salon shall submit to the board a new Salon Application, Limited Facility ~~Permit~~ Application, or Manager Change Form, provide the required items in Section 3(a) through (f) of this administrative regulation, and payment of the license or change fee as set forth in 201 KAR 12:260 no later than thirty (30) business days prior to selling, transferring, or changing ownership.
- (2) All manager changes shall be made with the board within ten (10) business days.
- (3) No transfer of ownership interest in a salon shall take effect while the salon license to be transferred is the subject of ongoing disciplinary action pursuant to KRS 317A.145.

Section 16. ~~[Section 14.]~~ School Licenses.

- (1) Each person, firm, or corporation applying for a license to operate a school shall submit a School Application, provide the required items in Section 3(a) through (f) of this administrative regulation, and the applicable fee set forth in 201 KAR 12:260.
- (2) The School Application shall be accompanied by:
 - (a) A proposed student contract listing all financial charges to enrolling students; and
 - (b) A proposed floor plan drawn to scale by a draftsman or architect.
- (3) Each school shall comply with city, county, and state, zoning, building, and plumbing laws, administrative regulations and codes.
- (4) Prior to license issuance and following the receipt of a completed application with all accompanying materials, the board inspector and executive director ~~board administrator~~, or their designee shall conduct an inspection.
- (5)
 - (a) The inspection shall be completed within twelve (12) months of the date that the School Application and all accompanying materials are received unless the board extends the time period for good cause. "good cause" includes:
 1. An illness or medical condition of the applicant that prohibits the applicant from completing the final preparations; or
 2. A death, illness, or medical condition in the applicant's immediate family that prohibits the applicant from completing the final preparations.
 - (b) Requests for an extension of time shall be submitted in writing to the board and include the following:
 1. The reason for the extension and the term of the request; and
 2. Supportive documentation of the extension request.
- (6) A license to operate a school shall be valid only for the location and person, firm, or corporate owner named on the application. A school license shall not be transferable from one (1) location to another or from one (1) owner to another.
- (7) The school license shall contain:
 - (a) The name of the proposed school; and
 - (b) A statement that the proposed school may operate educational programs beyond secondary education.
- (8) Each licensed school shall maintain a board licensed instructor as school manager at all times.
- (9) All newly licensed schools shall provide proof of initial application for accreditation within two (2) years of license issuance and become accredited through a U.S. Department of Education approved cosmetology accreditation authority within five (5) years of license issuance. Enactment of this administrative regulation shall begin the timeline for all currently licensed schools.
- (10) If accreditation requirements are not met in the required timeline the school license may be revoked.

Section 17. ~~[Section 15.]~~ Change in School Ownership or Management.

- (1) The owners, firm, or corporation operating a licensed school shall submit to the board a new School Application or a Manager Change Form and payment of the applicable fee

set forth in 201 KAR 12:260 no later than thirty (30) business days prior to selling, transferring, or changing ownership.

(2) All manager changes shall be made with the board within ten (10) business days.

(3) A prospective owner(s) or manager shall meet all qualifications of KRS Chapter 317A and 201 KAR Chapter 12, and obtain approval of the board prior to assuming operation of the school.

(4) A school shall not be opened under new ownership while the current owner still occupies the space.

(5) Written notice from current school owner including final closure date shall be provided to the board no less than ten (10) days prior to closure.

(6) All final student withdrawal and hours posting shall be required prior to new ownership licensing inspection being completed.

Section 18. ~~[Section 16.]~~ Classification as School. Any person, establishment, firm, or corporation that accepts, directly or indirectly, compensation for teaching any subject of cosmetology as defined in KRS 317A.010 shall comply with KRS Chapter 317A and 201 KAR Chapter 12.

Section 19. ~~[Section 17.]~~ Owner and Manager Student Prohibited. An owner, partner, stockholder, corporate officer, or a manager of a licensed school shall not be enrolled as a student in the school.

Section 20. ~~[Section 18.]~~ Board Member Disclosure. A board member shall disclose to the board a financial interest in a salon or school when submitting an application for a salon or school license.

~~[Section 19.] [Demonstration Permits. Professional services performed outside a licensed facility shall have approval of the board and display the proper permit. Permits may be obtained by completing the Demonstration Permit Application and paying the applicable fee set forth in 201 KAR 12:260.]~~

Section 21. ~~[Section 20.]~~ Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) "Out of State Transfer Application", July 2022~~[April 2020]~~;

(b) "Military Transfer Application", July 2022~~[May 2020]~~;

(c) "Certification Request Form" July 2022~~[October 2018]~~;

(d) ~~["Permit Application", December 2019;]~~

~~[(e)]~~ "Application for Examination", July 2022~~[June 2019]~~;

~~[(f)]~~ "Out of State Application for Examination", July 2022~~[October 2018]~~;

~~[(g)]~~ "License Application", July 2022~~[June 2019]~~;

~~[(h)]~~ ~~["Apprentice Instructor License Application", June 2019]~~;

~~[(i)]~~ "Duplicate License Application", July 2022~~[January 2019]~~;

~~[(j)]~~ "Renewal Application", July 2022~~[January 2019]~~;

~~[(k)]~~ "Restoration Application", July 2022~~[June 2019]~~;

~~[(l)]~~ "Salon Application", July 2022~~[June 2019]~~;

~~[(m)]~~ "Limited Facility ~~[Permit]~~ Application", July 2022~~[April 2020]~~;

~~[(n)]~~ "Manager Change Form", July 2022~~[October 2018]~~; and

~~[(o)]~~ "School Application", July 2022~~[October 2018]~~; ~~and~~

~~[(p)]~~ ~~["Demonstration Permit Application", October 2018.]~~

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Board of Cosmetology, 1049 US Hwy 127 S, Annex #2, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

MARGARET MEREDITH, Chair

APPROVED BY AGENCY: July 1, 2022

FILED WITH LRC: July 12, 2022 at 2:40 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on August 22, 2022, at 9:30 a.m., at the Kentucky Board of Cosmetology office. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2022. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Julie M. Campbell, Executive Director, 1049 US Hwy 127 S. Annex #2, Frankfort, Kentucky 40601, (502) 564-4262, email julie.campbell@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person:Julie M. Campbell

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes requirements for all examinations, licenses, and permits provided by the Kentucky Board of Cosmetology (KBC).

(b) The necessity of this administrative regulation:

This amendment is necessary to establish the procedures to apply for examinations and licenses issued by the board.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 317A.050 requires KBC to issue licenses once certain statutory requirements are met. All applicants for any license type are required to submit the appropriate application for licensure. This administrative regulation conforms to KRS 317A.050 by establishing the content and supporting documentation necessary to apply for licensure. RS 22 SB 113 made changes creating the necessity or regulation amendments.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This amendment provides a specific process for any interested person to apply for a license to practice cosmetology, esthetics, shampoo and style, or nail technology in the Commonwealth, as well as facilities that educate and perform those services.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

Amendment removes forms and details duplicated in other regulations for clarity and incorporates the requirements created in RS 22 SB 113.

(b) The necessity of the amendment to this administrative regulation:

RS SB 113 created additional requirements for licensing and are addressed in this amendment.

(c) How the amendment conforms to the content of the authorizing statutes:

This amendment provides the necessary steps to apply for a license as authorized by KRS 317A.050.

(d) How the amendment will assist in the effective administration of the statutes:

Through one concise administrative regulation, this amendment will facilitate the public's ability to apply for and receive the necessary examination and licensing to practice or teach cosmetology, esthetics, shampoo and style, or nail technology in the Commonwealth.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

All students with finalized exam scores, approximately 5000 at any given time, are affected by this amendment as well as any current licensee - approximately 35,000 individuals at any given time annually.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

Students applying for a license will have to take additional action as a result of this amendment as will current licensees. Reporting of workplace allows more concise reporting on income and practice parameters. Required photographs help add a layer of security to reduce licensing fraud in the industry. These individuals were already required to submit an application pursuant to KRS 317A.050. This regulation merely states the documentation that had always been required to be submitted pursuant to the application instructions.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

There are no anticipated costs to the regulated entities due to this amendment.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Additional safety for consumers by holding license holders accountable for safety issues and school standards.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

no additional cost involved

(b) On a continuing basis:

no additional cost involved

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

License fees will continue to support agency and enforcement.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

No additional fees will be required for licensing. Fees are all set in 201 KAR 12:260.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

Fees are not set in this regulation and no new fees were created in this regulation.

(9) TIERING: Is tiering applied?

Tiering does not occur in the agency. Operation is strictly from restricted licensing fees.

FISCAL NOTE

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

No additional agencies are affected by this regulation amendment. KBC is the only entity impacted.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 317A is the prevailing statute providing authority to KBC. No federal oversight exists.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

No revenues or expenditures will be necessary for other agencies.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

No revenues or expenditures will be necessary for other agencies.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

No revenues or expenditures will be necessary for other agencies.

(c) How much will it cost to administer this program for the first year?

No revenues or expenditures will be necessary for other agencies.

(d) How much will it cost to administer this program for subsequent years?

No revenues or expenditures will be necessary for other agencies.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):N/A

Expenditures (+/-):N/A

Other Explanation:

N/A

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

No revenues or expenditures will be necessary for other agencies.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year?

No revenues or expenditures will be necessary for other agencies.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years?

No revenues or expenditures will be necessary for other agencies.

(c) How much will it cost the regulated entities for the first year?

No revenues or expenditures will be necessary for other agencies.

(d) How much will it cost the regulated entities for subsequent years?

No revenues or expenditures will be necessary for other agencies.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings (+/-):N/A

Expenditures (+/-):N/A

Other Explanation:

N/A

(5) Explain whether this administrative regulation will have a major economic impact, as defined below.

"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)] There is no major economic impact to any agency.